



Edwin M. Lee  
Mayor

Micki Callahan  
Human Resources Director

## INFORMATION ABOUT WORKERS' COMPENSATION FRAUD

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The state claim form for workers' compensation benefits contains the following warning to advise employees and employers of the laws against workers' compensation fraud:

**Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony.**

### WORKERS' COMPENSATION FRAUD IS A CRIME

Workers' compensation fraud is a serious matter. The City & County of San Francisco actively investigates potential fraud and works with the SF District Attorney's office when fraud is suspected. The penalties can be severe and are described below:

It is a felony to:

- Make or cause to be made a knowingly false or fraudulent material statement or material representation to obtain or deny any compensation, or present or cause to be presented a knowingly false or fraudulent material statement in support of, or in opposition to, any claim for compensation to obtain or deny any compensation.
- Knowingly assist, abet, conspire with, or solicit any person in an unlawful act of workers' compensation insurance fraud.
- Make or cause to be made a knowingly false or fraudulent statement with regard to entitlement to benefits with the intent to discourage an injured worker from claiming benefits or pursuing a claim.

Workers' compensation fraud may be punished by imprisonment in county jail for over one year, or in a state prison, for two to five years. A fine may also be imposed not exceeding \$150,000, or double the amount of the fraud, whichever is greater. If someone is convicted of workers' compensation fraud, the court is required to order restitution, including restitution for any medical evaluation or treatment services obtained or provided. A person convicted of workers' compensation fraud may be charged the costs of the investigation and shall be ineligible to receive or retain any compensation, where that compensation was owed or received as a result of workers' compensation fraud.

### MEDICAL PROVIDER FRAUD

Medical provider fraud can include such acts as billing for services not provided, billing for spending more time with you than they actually have spent, employing individuals to solicit

new patients, failing to report a work injury, or providing unnecessary treatment or self-interested referrals to other providers.

### **INJURED EMPLOYEE FRAUD**

Employee fraud can include lying for the purposes of obtaining or increasing benefits. It can be as simple as claiming mileage reimbursement for more miles than are actually traveled, telling their department that they are attending medical appointments for workers' compensation when they are not, failing to disclose prior injuries or awards for permanent disability, working for wages while receiving temporary disability benefits, or making false statements about the extent of their disability or limitations.

If employee fraud is discovered, City employees may also face discipline up to and including termination from employment.

### **EMPLOYER OR CLAIMS ADJUSTER/ADMINISTRATOR FRAUD**

Claims adjuster or administrator fraud can include embezzling from his or her employer by causing payments to be made to non-existent claimants or medical providers, referring patients or clients to medical providers or attorneys for compensation, issuing excessive payments to a worker, attorney or medical provider in return for a kick-back, making false statements with the intent of discouraging an employee from filing or pursuing a claim, or backdating documents in an attempt to avoid penalties for delays in benefit payments or to support an unjustified denial of a claim.

### **ATTORNEY FRAUD**

Attorney fraud can include facilitating fraud being committed by an injured worker client, engaging in client solicitation in cases where the employee wasn't actually injured on the job, receiving a fee for referring clients to a medical provider, or facilitating employer or insurer fraud.

### **TO REPORT SUSPECTED FRAUD**

If you believe that fraud is being committed, please report it to Ed Stone with the CCSF Department of Human Resources Workers' Compensation Division. He can be reached at 415-557-4800, or, email him directly: [Edward.stone@sfgov.org](mailto:Edward.stone@sfgov.org)

### **TO OBTAIN MORE INFORMATION**

If you would like to obtain more information about workers' compensation fraud, you can call the Department of Insurance's fraud hotline number: (800) 927-4357 or access the Fraud Division's website at: <http://www.insurance.ca.gov/0300-fraud/0100-fraud-division-overview/>

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