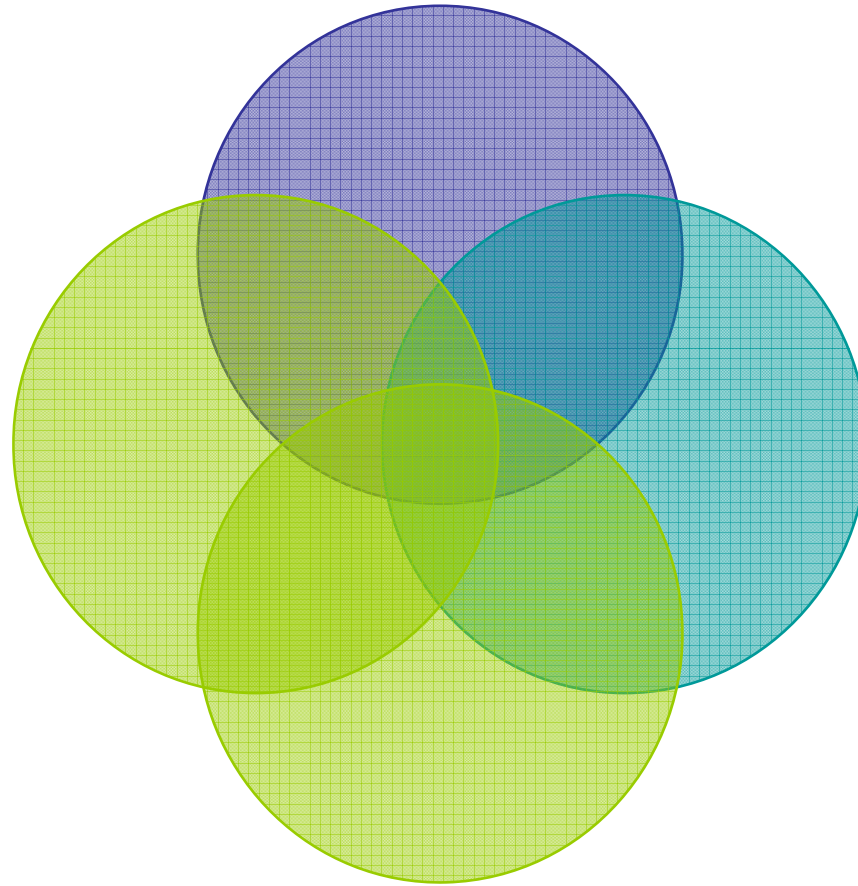


Workers' Compensation Insurance Fraud Investigations



Fraud Division

**District
Attorney**



Employers

Insurance Industry

CDI Offices Statewide

- Fraud Investigations
- Point of Sale Crimes
- Market Conduct
- Agent Licensing
- Consumer Services
- Financial Surveillance



San Diego Unit covers the US-Mexico Border

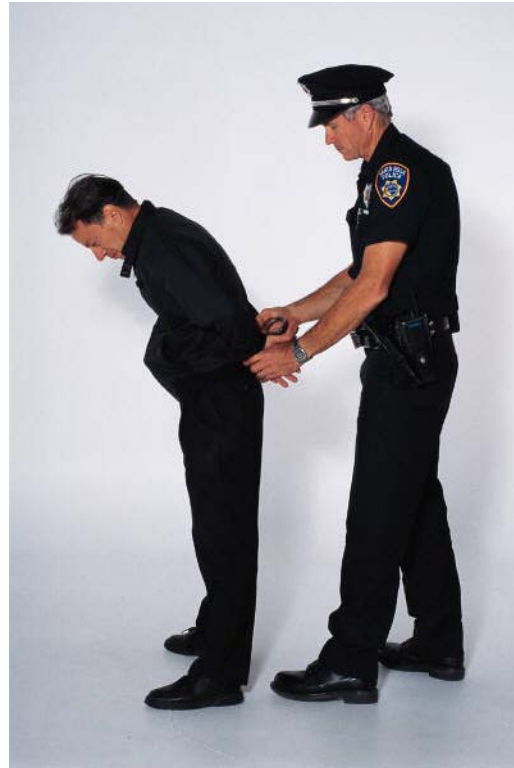
Insurance Fraud

Not Just a White Collar Crime?

- **Insurance Fraud Suspects Often Involved in Other Illegal Activities**
 - Weapons
 - Money Laundering
 - Drugs



What is Insurance Fraud?





PLAIN TERMS

APPLICANT FRAUD IS:

- a **LIE** (misrepresentation, oral/conduct)
- that **MATTERS** (materiality)
- to **GET SOMETHING** (WC benefits)
- one is **NOT ENTITLED TO**
- with **INTENT** to defraud

Fraud Cases Require Four Areas of Proof

- **M**ateriality
- **I**ntent
- **L**ie
- **K**nowledge



APPLICANT FRAUD



- ***Denying*** prior workers' compensation claims
- ***Denying*** prior injuries to the same body part
- ***Denying*** working while collecting disability benefits
- ***Denying*** the ability to do various activities or functions that the applicant actually can do

APPLICANT FRAUD



- Being injured away from work and reporting it as a workers' compensation claim
- Claiming an injury occurred at work in a manner that is normally covered by workers' compensation, but it actually happened in a manner that would not be covered. For Ex. Horseplay



INSURANCE FRAUD

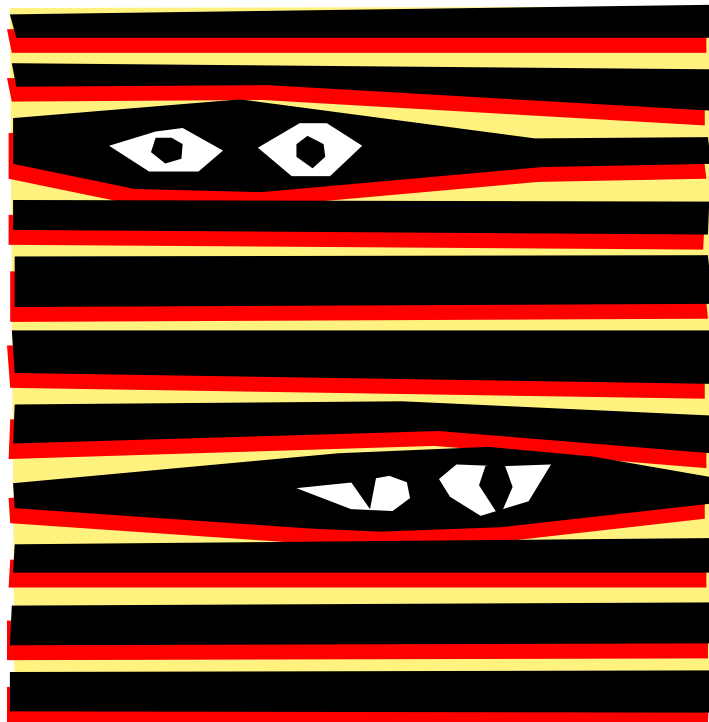
- Disobeying doctor's orders
- Performing tasks that were restricted
- Working at another job while on TTD
(the crime is lying about it)
- A provider treating out of the scope of
his practice

Keep Your Eye on the Lie.



- We prosecute LIES ONLY.
- We **DO NOT** prosecute:
 - Malingerers just because they are...but have not lied.
 - Non-responsive or ambivalent statements.
 - One statement without regard to ENTIRE DEPOSITION
 - Pain or Difficulty.
 - Inconsistent disclosure but disclosure nonetheless.

WHERE IS THE LIE HIDDEN?



- Medical Records
- Deposition
- Sub Rosa Video
- Interview Reports
- Claim Activity Notes

PEOPLE
V.
RAMON ROMO



GENERAL DYNAMICS

masco

12/8/98 → Romo Suffers a Slip and Fall Injury while working for Airline Interiors to his right knee and back

5/21/01 → Romo testifies at a hearing regarding injury and pain to neck and back

9/5/02 → Romo's Doctor places permanent work restrictions for neck/back

3/12/03 → Romo receives large settlement from claim with Airline Interiors

9/29/04 → Romo is hired by NASSCO

6/6/05 → Romo allegedly injured his right thumb while working as a pipe fitter

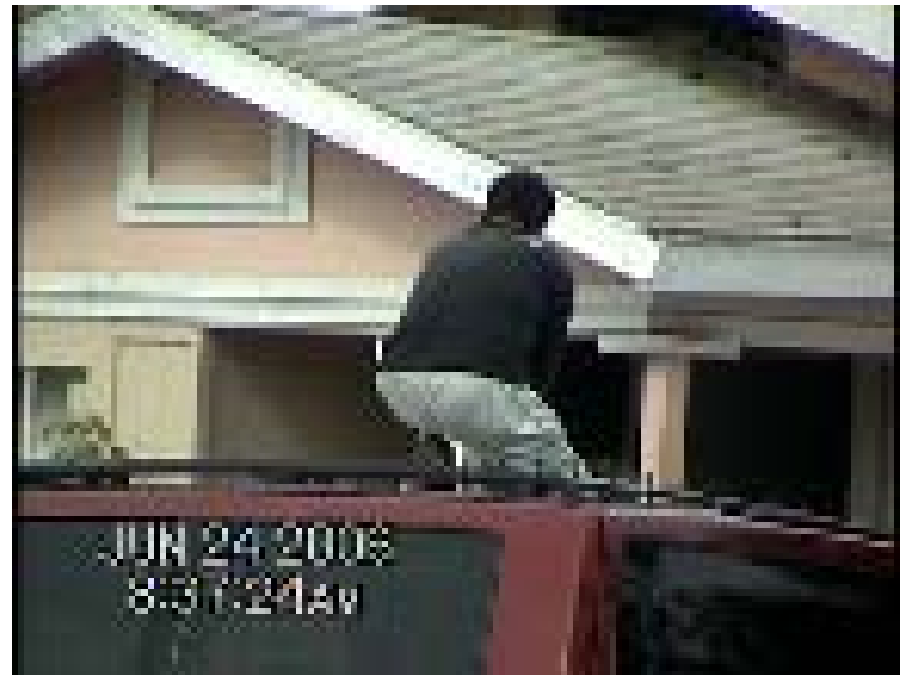
Injury to same body part

10/31/05 → Romo expands claim to include right shoulder, neck, and back

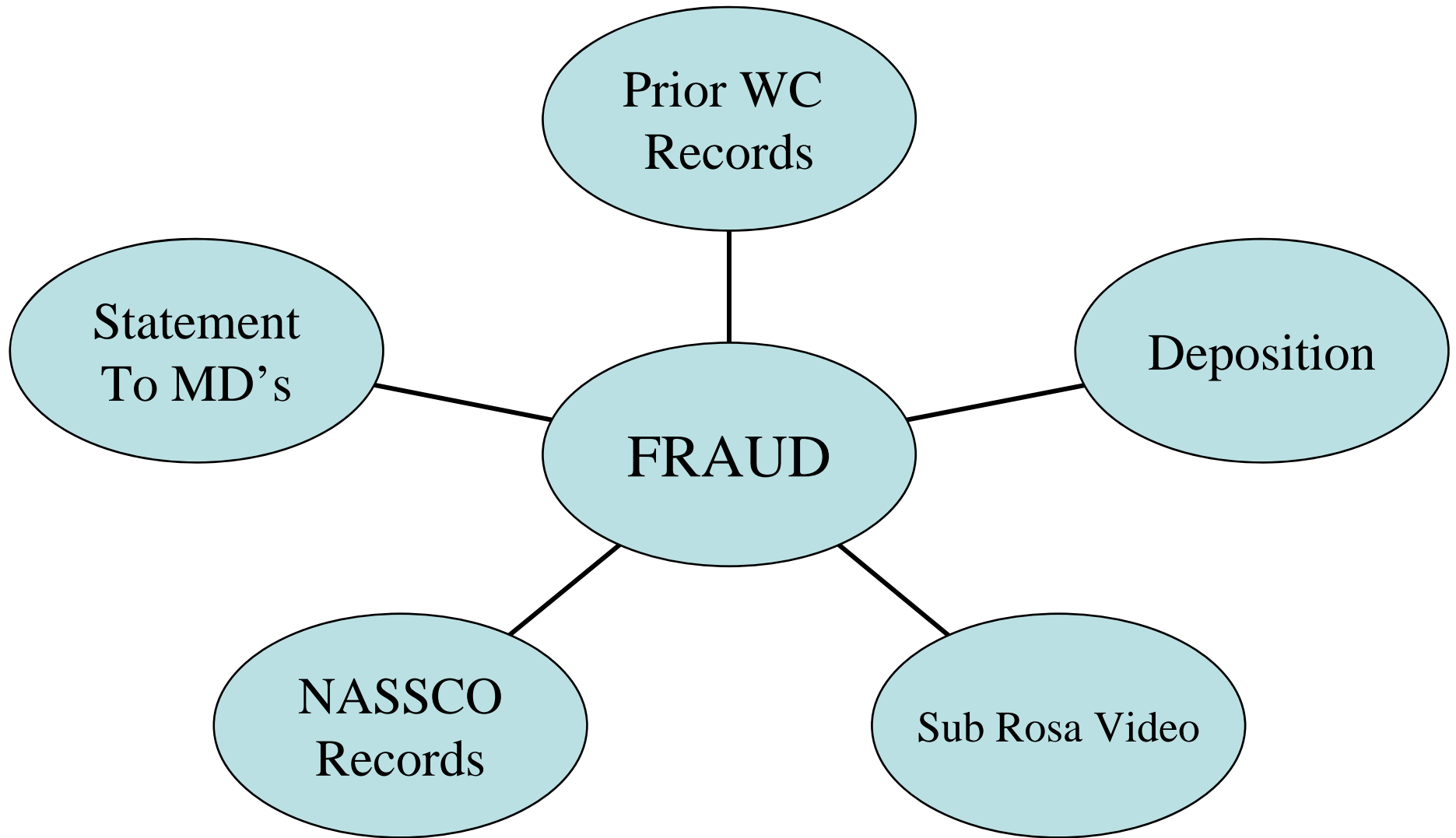
FALSE STATEMENT THAT IS MATERIAL

10/31/05 → Romo makes false statement in deposition





SUPPORTING EVIDENCE



Impact of Fraudulent Claim

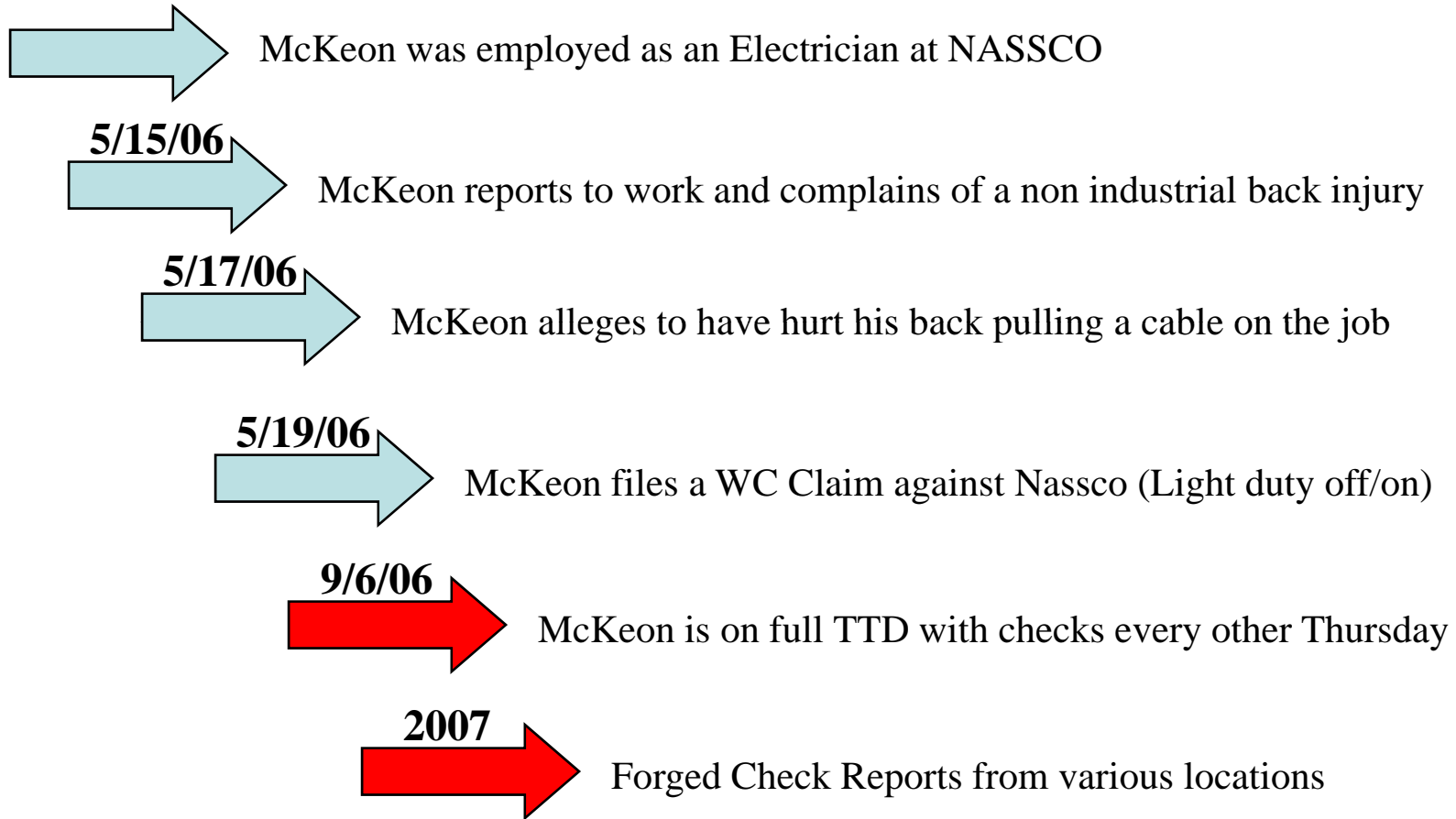
- Full Restitution and 180 Days Jail
- Sense of a workplace where employees go home safely at the end of each day
- Took time away from the Employers ability to provide benefits and care for the truly in need
- \$\$ could have been spent to support a first year salary of a new worker who would be provided trade and vocational training that would contribute to a lifelong career

PEOPLE
V.
DARRELL
MCKEON

Photo 3



Darrell McKeon





WHAT YOU CAN DO TO PREVENT APPLICANT FRAUD

- GOOD HIRING PRACTICES
- Documentation-objective/unbiased
- Early RTW, Get the employee back to work as soon as possible
- Communication...Communication....Communication...
- Activity checks/subrosa video
- Send ALL documents/imaging studies to QME/AME
- When Fraud is identified, forward it to Law Enforcement

PROVIDER FRAUD



What is a False Claim?

- Billing for services not rendered/
supplies not provided
- Providing unnecessary services
- Misrepresentation of service
provided, date, diagnosis, fees and
who provided the service



SAN DIEGO'S MEDICAL & LEGAL INSURANCE FRAUD TASK FORCE



Spring 2005

Federal

County

State

TASK FORCE MEMBERS:

- San Diego DA
- FBI Health Care Fraud Team
- Dept. of Insurance
- Franchise Tax Board
- EDD
- Dept of Industrial Relations
- State Bar
- Dental Board
- Medical Board
- Pharmacy Board
- CA Dept of Justice
- CA Dept of Health Services
- Office of Inspector General, Dept of Health & Human Services
- Office of Inspector General, Dept of Defense
- US Railroad Retirement Board



FORMULA FOR SUCCESS:

- Law enforcement +
 - Insurance Industry
 - Self-insured employers
 - Public Awareness



THANK YOU!!

