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Ohio Safety Congress & Expo



How to Identify Fraud Session 615

Phill Brickman
Special Agent in Charge, NE Region

Ohio Bureau of Workers' Compensation

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BWC Special Investigation Offices Across the State



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Full-Service Investigations

- Public record searches
- Interview witnesses and suspects
- Perform surveillance
- Covert operations
- Subpoena power
- Prosecution

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Special Investigations Teams

- Claimant investigations team
- Health care provider team (HCPT)
- Premium enforcement team
- Automated detection & intelligence team (AD&I)
- Cyber crime team

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Injured Worker Team

Working while collecting - Employed full-time, part-time, self-employed, for commission, cash, loan or barter

False claim - Injury did not occur at work, but filed claim against employer

Incarceration - Sentenced to jail or prison while receiving disability benefits

Drug diversion - Receiving prescription medication from multiple doctors without the doctors knowing about each other

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- o Injured Worker (IW) is working for his brother's towing company for cash under the table.
- o IW runs a day care or sewing business from her residence.
- o IW is still working his second job as a bouncer at the local watering hole.
- o The injury actually occurred when the IW was playing semi-professional football the weekend prior.
- o IW was sentenced to jail due to a conviction.
- o IW is selling the drugs he/she is being prescribed in the BWC claim.

Health Care Provider Team

Billing for services not rendered - Billing for a service that was never provided.

Upcoding - Billing for a higher level of service than provided.

Unbundling - Billing for two CPT codes instead of one inclusive code resulting in a higher payment.

Double billing - Billing both BWC and another insurance agency for the same service.

Premium Enforcement Team

False reporting - Intentionally reporting information to bwc that is known to be incorrect.

False certificates - Obtaining a certificate of coverage through use of false information.

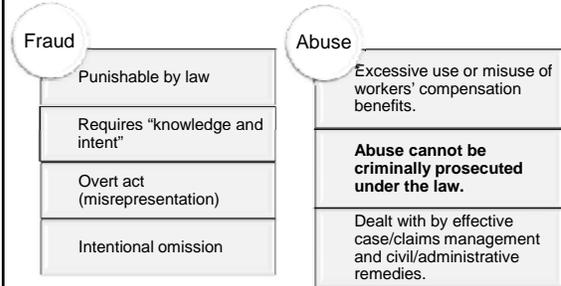
Failure to obtain/maintain workers' compensation coverage - Operating a business with lapsed or cancelled coverage or operating without applying for coverage.

Workers' Compensation Fraud

O.R.C. 2913.48

- o Intentional theft by deception; an intentional perversion of the truth to induce another to part with something of value
- o Intentional act, or series of acts, resulting in payment to a person (i.e. injured worker, health care provider) who is not entitled to receive payments or benefits

Criminal actions do not always occur...



Two goals and two sets of rules!

Criminal	Administrative
1. Ohio Revised Code	1. Administrative Rule/Law
2. Criminal Court	2. Industrial Commission
3. "Beyond a Reasonable Doubt" Standard	3. "Preponderance of the Evidence" Standard

How do we prove intent?

Intent documents

Surveillance

Undercover operations

Witness statements

Data collection

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Proving Intent

Intent documents

- C-84 application
- FROI (first report of injury)
- Warrants
- EFT/EBT applications
- TT entitlement letters
- Claimant PTD contact letters
- C-140 application for wage loss compensation

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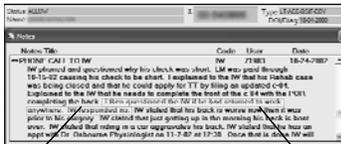
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- Notes documenting contact with subject
- Physician correspondences
- Banking records
- Employment records
- Application for payroll submitted

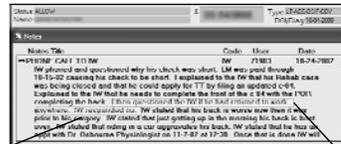


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By my signature, I certify I have the authority to execute this application, and that the facts set forth on this application are true and correct to the best of my knowledge and belief. I am aware that any person who does not secure or maintain workers' compensation coverage and pay all appropriate premiums in accordance with Ohio law is misrepresenting, concealing facts, or makes false statements to obtain coverage may be subject to civil, criminal and/or administrative penalties.

Proving Intent

Surveillance

- Show pattern of activity
- Undercover and external surveillance



Red Flags

1. Repeatedly missing doctors visits, cancelled appointments, can only schedule appointments after 5pm
2. When you call the house, others tell you the injured worker is at work
3. Listen to "shop talk"
4. Employment verification from another company

Quality Referral

1. There is someone to contact for additional information
2. Source is familiar with subject of investigation
3. Source knows details of fraudulent activity
4. Reliable information about subject
5. No information withheld – whole story

SID Statistics

FY 2010

Referrals to prosecutors	240
Indictments	141
Convictions/bill of info.	146
Allegations received	5,245
Founded cases total	1,403
Closed cases total	2,851

How to Contact Us

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BWC programs

Looking to reduce costs and protect your
work force?

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and safety services by visiting us online at

ohiobwc.com.