

Office of the Inspector General Putting an End to Fraud

"Red Flags" for Identifying Workers' Compensation Fraud

The majority of workers' compensation claims are legitimate and most individuals who participate in the workers' compensation industry have the best interests of the system in mind. Nevertheless, workers' compensation fraud - whether it is medical fraud, claimant fraud, employer fraud or other - adds to the cost of doing business in New York State, harms our economy and tarnishes the reputations legitimately injured workers.

It is in the best interests of all involved with the workers' compensation system to report suspected fraud. The following is a list of "Red-Flag" indicators of fraud and while the identification of any one of the following is inconclusive as to the existence of fraud; it should give pause to consider a closer examination of the situation.

Spotting Workers' Compensation Fraud

- Cross-outs or white-outs on official documents;
- Provider's medical reports appear identical (boiler-plate) for different patients with different conditions;
- Business displays or presents a Certificate of Coverage that contains inaccurate data;
- Frequent attorney substitutions and/or attorneys constantly miss hearing/deposition appointments;
- Injured worker cannot be reached at home or is frequently reported sleeping and cannot be disturbed;
- Much higher health-care costs than expected for type of injury;
- Date, time and location of incident is unknown;
- Number of employees, classifications and payroll are inconsistent;
- Attorney and provider are known to work in pairs;
- Accident/injury occurs immediately prior to a strike, layoff, and/or closure of business or job termination;
- Worker has no recollection of services provided for related medical bills;
- Business overtly or covertly discourages employees from filing valid workers' compensation claims;
- Higher than usual incidence of applications from specific law firm(s);
- There were no witnesses to an accident;
- Provider services are billed for dates of service falling on weekends or holidays;
- Business reports significant payroll decreases while revenues remain stable or increase (suggests under-reporting of payroll);
- Social Security number provided does not belong to claimant;
- Provider bills for dates of service after effective date for change of physician of record;
- Addresses on official documents are listed as P.O. Box or hotel/motel;
- Specific information about an injury cannot be produced;
- Parties avoid using U.S. Mail for claim related correspondence;
- Provider is actively billing multiple claims for a single injured worker;
- Worker has a history of short-term employment;
- Conflicting descriptions of the incident on employers report and medical evaluation reports;
- Medical documentation does not support services billed;
- Injured worker moves out of state or country shortly after filing claim;
- Tips from co-workers who allege fraud.

If you suspect workers' compensation fraud, please contact the Office of Workers' Compensation Fraud Inspector General at 1-888-363-6001.

[\[Previous Page\]](#)

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