

Special Investigations Unit

North Dakota Workforce Safety and Insurance

Presented to the
Workers' Compensation Review Committee
by
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**North Dakota
Workforce Safety
& Insurance**
Putting Safety to Work

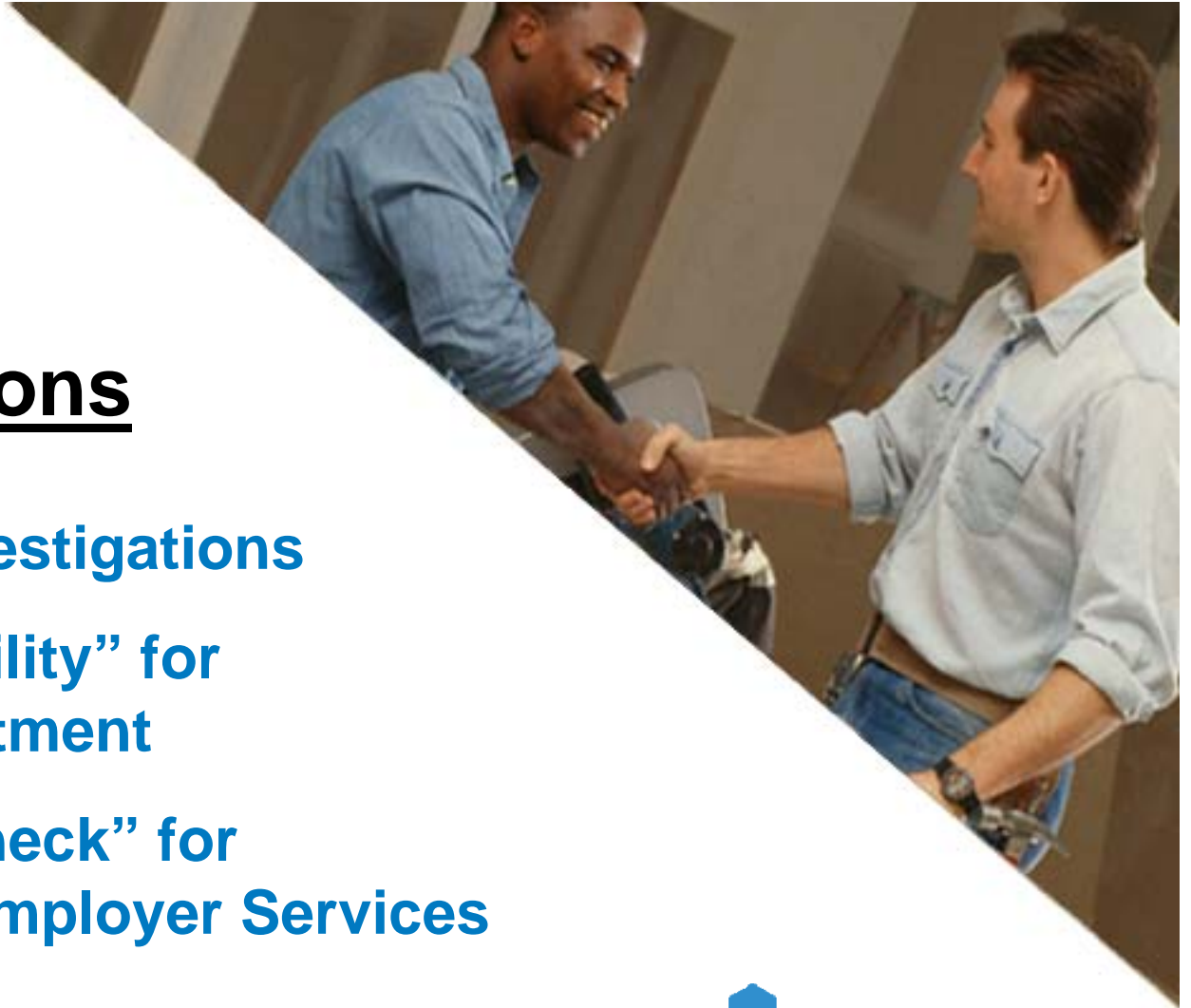
Special Investigations Unit

- **Staffed by two paralegals, one investigator and a director**
- **Bulk of the footwork is outsourced to private investigators**
- **SIU clients:** Claims, Employer Services, Medical Services as well as Legal and Collections departments



Field Investigations

- **Not fraud investigations**
- **“Compensability” for Claims department**
- **“Activities Check” for Claims and Employer Services departments**





Fraud Investigations

(Claims)

- **False Claim or Statement:**
 - Injury was not sustained at work
 - Falsified information that affects the claim



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Fraud Investigations

(Claims)

- **Income Fraud:**
Receiving wage loss benefits and secretly receiving money from third source
- **Work Fraud:**
Working while telling the State otherwise
 - Usually coincides with Income Fraud
 - Allege alone when no proof of income



Fraud Investigations

(Claims)

- **Lie About Priors:**
Misinform the State about prior injuries and ailments
 - Prior injury is root cause of current condition
 - Deny or apportion benefits



Fraud Investigations

(Claims)

- **Physical Misrepresentation:**
Faking the severity of your condition
 - Video of active claimant
 - Approach doctors, physical therapists, etc.
 - Sensational but hard to prove

Fraud Investigations

(Premium)

- **Failure to Secure Coverage:**
 - New businesses
 - Intent must be proven
 - Cash wages
 - Past work comp accounts
 - “Independent Contractor” employees
 - Illegal alien employees



A photograph of a man in a blue jacket and white cap standing in a warehouse with his arms crossed next to a yellow forklift. The background shows warehouse shelving and equipment.

Fraud Investigations

(Premium)

- **Misrepresent Payroll:**
 - Work comp account already exists
 - Leaving some employees off report
 - Job Service report is more accurate



Fraud Investigations

(Medical)

- **Billing for services not rendered**
- **CPT code manipulation**
(current procedural terminology)



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Consequences of Fraud

- **Claims**
 - Lose future benefits on that claim
 - Repay ill-gotten benefits
- **Premium Payers**
 - Pay past premium plus penalties
 - Injunction
- **Medical Providers**
 - No longer treat work comp patients
 - Repay ill-gotten payments
 - Disciplinary board





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Consequences of Fraud

- **Criminal Referral**
 - **Class A Misdemeanors**
 - **Class C Felonies**
 - Up to five years in jail
 - Up to \$5,000 fine
 - Restitution
 - Probation





Report Fraud

1.800.243.3331

www.workforcesafety.com

You Can Remain Anonymous