

Workers' Compensation F fraud

“A former bus driver and his wife allegedly bilked his insurance carrier for more than \$1.4 million, claiming for 10 years that he suffered from a disorder that made him revert at times to the mentality of a 5-year-old. The husband worked for Sun Coast Transit Authority in Pinellas County until he filed a disability claim in 1990 for a fall on the job three years earlier. Due to the fall, the couple claimed, the husband suffered from Conversion Disorder, was partially blind and paralyzed, and needed insurance benefits covering his disability and care by his wife. After an investigation revealed inconsistencies in his behavior, the couple was arrested on charges of workers' compensation fraud and first-degree grand theft. They are awaiting trial in Columbia County, where they now live.”

“An ongoing investigation by the fraud division's Public Employee Fraud Unit resulted in the arrests in June of 12 individuals throughout Florida on charges of workers' compensation fraud, forgery, perjury, and grand theft. Since November 1997, when the operation was launched, 36 individuals have been arrested—including one arrested twice. The operation is aimed at exposing and prosecuting cases of insurance fraud by state, county and city government employees.”

Each year the Department of Insurance (DOI) announces its Annual Top Ten Fraud list. For the 1999/2000 list, two of the ten fraud cases were the workers' compensation cases profiled above. The Coalition Against Insurance Fraud's latest estimate of overall fraud in Florida is \$6.5 billion annually, a decrease from \$6.9 billion in 1996. Nationally, estimates from

the U.S. Government Accounting Office, the Coalition Against Insurance Fraud, and the National Insurance Crime Bureau are between \$100 and \$120 billion. Workers' compensation claims fraud accounts for approximately \$150 million annually in Florida and \$3.5 billion nationwide. All other types of workers' compensation fraud, including misclassification of high-risk employees, premium fraud, and more complex types of criminal investigations, are estimated at \$400 million. Workers' compensation fraud is a serious offense that affects all Florida citizens. The violations translate into losses for consumers in lower wages, lost jobs, and higher prices for products and services. Employers' premiums must rise to cover the cost of fraud, and the industry loses revenues in lost premium and benefits paid that are fraudulent.

The Bureau of Workers' Compensation Fraud is a law enforcement agency within the Department of Insurance. The bureau investigates alleged violators of Chapter 440, Florida's workers' compensation law. The bureau has headquarters in Tallahassee and is supported by eight field offices located in Ft. Myers, Jacksonville, Miami, Orlando, Pensacola, Tallahassee, Tampa, and West Palm Beach. The bureau also includes a special unit known as the “440 Strike Force,” which focuses on workers' compensation premium fraud. Bureau investigators are sworn law enforcement officers who are empowered to execute search warrants, take sworn statements, make arrests and bear arms.

Any questions concerning the Bureau of Workers' Compensation Fraud may be addressed to:

Mike Ross, Bureau Chief
Bureau of Workers' Compensation Fraud
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Tallahassee, FL 32399-0324

**To report suspected insurance fraud, you may call:
Division of Insurance Fraud Hotline**

800/378-0445, 8:00 am - 5:00 pm (weekdays)

**TDD Hotline for the hearing impaired
800/870-9950**

