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County Targets Fraud in Worker's Compensation Claims

(Santa Ana, CA) — A 10-year County employee was arrested this month on four felony counts of worker's compensation fraud as part of a multi-level effort by County officials to target those suspected of collecting benefits they did not earn.

The employee will be arraigned November 4 on two counts of insurance fraud and two counts of making fraudulent statements. He was on paid worker's compensation leave in 2014 when he reportedly was observed weightlifting at a gym and engaging in other physical activities well beyond what he claimed he was capable of doing. During questioning more than a month later, he is accused of claiming that he was still injured.

"We do all that we can to support employees who legitimately need help. But when people claim benefits they didn't earn, it abuses the system, wastes precious resources and harms the rest of our conscientious employees," County Executive Officer Frank Kim said.

"The County takes the stewardship of public funds very seriously," said Board of Supervisors Chairman Todd Spitzer, Third District. "Worker's compensation fraud hurts all businesses in both the public and private sectors."

In August, the County successfully prosecuted a similar case against another employee who claimed that an on-the-job back injury left him unable to work when he had suffered injuries earlier in non-work vehicle collisions.

The County provides intensive periodic training to human resources professionals and attorneys on what is abuse and what is actual fraud, the elements required to prove fraud, red flags to look for, the difference between fraud in a stress claim versus a physical injury claim, and the importance of open communication among all parties in worker's compensation cases. The County also routinely seeks restitution from those convicted of obtaining fraudulent benefits.

Worker's compensation fraud drains public treasuries by contributing to the high cost of insurance and self-insurance. It harms employees by undermining the perception of those legitimately claiming on-the-job injuries to receive the benefits to which they're entitled. During Fiscal Year 2013-14, the state Department of Insurance identified 5,729 cases of suspected fraud with potential losses of nearly \$243 million.

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