

# Workers Compensation FRAUD is a Crime!

Under Insurance Code section 1871.4, it is a felony to make or cause to be made a knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying compensation, as defined in Labor Code section 3207, or present or cause to be presented any knowingly false or fraudulent material statement in support of, or in opposition to, any claim for compensation for the purpose of obtaining or denying compensation, as defined in Labor Code section 3207. It is a crime to knowingly assist, conspire with, or solicit any person in an unlawful act of workers' compensation insurance fraud. It is also a crime to make or cause to be made a knowingly false or fraudulent statement with regard to entitlement to benefits with the intent to discourage an injured worker from claiming benefits or pursuing a claim.

## PENALTIES FOR FALSE WORKERS' COMPENSATION CLAIMS ARE SERIOUS!!!

PERSONS CONVICTED OF THESE OFFENSES MAY BE IMPRISONED FOR UP TO FIVE YEARS AND FINED UP TO \$150,000 OR DOUBLE THE VALUE OF THE FRAUD, WHICHEVER IS GREATER. REPEAT OFFENDERS ARE SENTENCED TO AN ADDITIONAL TWO-YEAR PRISON TERM FOR EACH PRIOR CONVICTION.



Making any knowingly false or fraudulent material statements or representations for the purpose of obtaining or denying Workers' Compensation benefits as defined in Labor Code section 3207



Presenting any knowingly material false or fraudulent written or oral statement in support of, or in opposition to, any claim for compensation for the purpose of obtaining or denying any Workers' Compensation benefits.



Knowingly assist, abet, solicit or conspire with any person who engage in an unlawful act under this section.



Making knowingly material false statements regarding entitlement to benefits with the intent to discourage an injured worker from pursuing a claim. "Statement" includes notices, proof of injury, bills and payments for services, test results and medical-legal expenses, hospital or doctor records, X-ray, other evidence of loss, injury, expense or payment.

Labor Code Section 5803.5

Any conviction pursuant to Section 1871.4 of the Insurance Code that materially affects the basis of any order, decision, or award of the appeals board shall be sufficient grounds for a reconsideration of that order, decision or award. (Labor Code Section 5803.5)

Business & Professions Code 810(b) and 6106.5

Healthcare professionals and attorneys shall be subject to disciplinary action from appropriate authorities, including revocation of license or disbarment, for violating Insurance Code Section 1871.4. (Business and Professions Code Sections 810(b) and 6106.5)

Workers' Compensation Fraud Can Be:

- \* Reporting an off the job accident as an on the job accident.
- \* Reporting an accident that never happened.
- \* Complaints of accident injury symptoms that are exaggerated or non-existent.
- \* Malingering - to avoid work when injury is healed.
- \* Not reporting outside income from other work-related activities while drawing workers' compensation benefits from another employer.
- \* Making material false or fraudulent statements for the purpose of obtaining workers' compensation benefits