



HOW CAN YOUR COMPANY AVOID WORK COMP FRAUD?

EMPLOYEE INJURED WHILE SURFING AT WORK INVESTIGATORS QUESTION VALIDITY OF CLAIM

Are there areas in your company that make it more vulnerable to workers compensation fraud? Are there certain risks that can be better controlled?

Take a few minutes and answer the following questions. These questions can help your company identify and prioritize certain areas of employee fraud risk, so that appropriate and specific controls can be put into place.

TAKE THIS EMPLOYEE FRAUD RISK QUIZ

Q: Does your company conduct background checks on applicants?

Stop work comp fraud before it starts. Carefully review pre-employment background checks that examine a candidate's work history, criminal/civil records and references before hiring. You may be surprised with what you find.

Q: Does your company have and post a drug and alcohol testing policy that includes pre-employment, post-incident, random and for-cause testing?

Drug users do not make the best employees. Employees using drugs and alcohol in the workplace jeopardize everyone's safety, and put the company at risk. They are also more likely to file false claims and/or attempt to cheat the system.

Drug and alcohol screening can prevent fraudulent actions and decrease workplace accidents. MEM offers discounts and reimbursement to policyholders using post-accident drug and alcohol screenings, as long as they have a written drug testing policy and testing is done within 24 hours of the incident by an appropriate medical provider.

Q: Does your company have a clear zero tolerance policy against work comp fraud?

Let employees know that your company has zero tolerance against work comp fraud—no ifs, ands or buts. Generate a policy that stresses false claims cheat the company and employees alike, and therefore, will not be tolerated. Make the policy known and back it up with appropriate actions if fraudulent acts are committed. When employees know that fraud will not be tolerated, they will be much less likely to consider it.

Q: Does your company offer work comp fraud awareness training to your employees?

It's simple and effective to inform your employees of the red flags of fraud. Fraud awareness training teaches employees that work comp fraud is a crime and those who engage in such behavior will be prosecuted. It also encourages employees to report suspicious behavior or dishonest injuries by co-workers.

Direct and open discussions about work comp fraud and the impact it can have on a company often reduce fraud occurrences. Reward programs, anonymous hotlines and suggestion boxes are additional simple ideas to consider. MEM offers training materials and posters, along with a Fraud Hotline 1-800-442-0592.

Q: Does your company promote and maintain a safe work environment?

A safe work environment reduces workplace accidents, improves performance and makes false claims even harder to prove. Make workplace safety your top priority. Hold regular safety meetings. Provide continual safety education through posters, brochures and the internet. MEM has Loss Prevention Consultants available throughout the state to provide timely attention to your specific safety needs. Worksafecenter.com offers tools, insights and resources on industry-specific safety topics.

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Q: Does your company have a plan for when injuries occur?

Designate an employee to be in charge if an injury occurs. Make sure he or she is aware of the pre-determined medical location and provider to use. Get a description of the incident and report it immediately to the appropriate company contact and your work comp carrier. Preserve any workplace evidence, such as photos of the incident site, and have witnesses complete a written statement immediately.

Q: Are all injuries reported immediately to the appropriate company contact and work comp carrier—no matter how minor?

No matter how minor, report and investigate all injuries immediately. Note any strange and unusual details or circumstances. Employees must know how and to whom to report the incident. A written incident report should be completed for every incident, with no exceptions. This documentation will help avoid any controversy later.

Have appropriate forms readily available for employees to use. Make sure they know where to find these documents and who to submit them to. By having the injured employee—and all others involved—complete a written incident report directly after it happens, you ensure that the details cannot later be changed. The report should contain the who, where, what, when, how and why of the incident.

INTERPRETING YOUR SCORE

This quiz provides a brief overview of areas of vulnerability for work comp fraud. Work toward being able to answer “Yes” to all questions. If you answered No to any of these questions, take a more in-depth look to see where you can improve your workplace to prevent employee fraud.

Questions? Contact your workers compensation carrier’s fraud department or MEM’s Special Investigative Unit at our Fraud Hotline 1.800.442.0592.

These advisory materials have been developed from national standards and sources believed to be reliable, however, no guarantee is made as to the sufficiency of the information contained in the material and Missouri Employers Mutual Insurance Company assumes no liability for its use. Advice about specific situations should be obtained from a safety professional.

Work SAFE
Smart, Accident-Free Environments