

report insurance fraud to:

San Diego County District Attorney's Office
Insurance Fraud Division
330 W. Broadway, Suite 700
San Diego, CA 92101
(619) 531-3749 or (800) 315-7672
SFCSanDiego@sdca.org

and/or

California Department of Insurance
10021 Willow Creek Rd., #100
San Diego, CA 92131
(858) 693-7100 or (800) 927-4357

Fraud investigations are confidential and may take months or years to complete.

The District Attorney's Office will provide speakers to interested groups who wish to learn more about insurance fraud. You may also obtain additional copies of this pamphlet. Please call our office to make arrangements.

San Diego County District Attorney
330 W. Broadway, San Diego, CA 92101



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INSURANCE FRAUD



it costs more than you think



**San Diego County
District Attorney**

A Message from your District Attorney:

It's estimated that insurance fraud costs consumers in the United States more than \$80 billion a year. This amounts to a hidden tax of approximately \$700 per family each year on the cost of goods and services. In California, insurance fraud costs consumers \$15 billion annually.

As a result, my office has an entire division dedicated to reducing insurance fraud. This team of professionals works closely with the California Department of Insurance. Together, we strive to enhance public awareness, deter potential defrauders, and proactively investigate and prosecute insurance fraud.

Our efforts are designed to promote a competitive and fair business environment. The public sector, working with employers, employees, insurance carriers and others can help assure a level playing field for law-abiding employers as they compete for business. This ultimately leads to lower workers' compensation rates, more benefits for injured workers and a reduction in the costs of goods and services for consumers.

This brochure highlights some workers' compensation and health care insurance fraud scams you may encounter. I urge you to help our community by reporting this fraud to the Insurance Fraud Division of the San Diego County District Attorney's Office and the Department of Insurance.



Summer Stephan
District Attorney,
San Diego County

What We Do

The District Attorney's Office maintains an Insurance Fraud Division, which is responsible for filing criminal and civil charges after an investigation establishes that fraud exists. District Attorney Investigators can do independent investigations or work with the California Department of Insurance. Our office assigns a prosecutor who follows the case from the initial stage through to completion.

The San Diego Insurance Fraud Division founded the Premium Fraud Task Force in 1996 and the Medical & Legal Insurance Fraud Task Force in 2005. In 2006, we were the first DA's office to investigate Uninsured Employers with the Economic & Employment Enforcement Coalition. We work closely with federal, state and local law enforcement on these task forces to fight insurance fraud.

Types Of Workers' Compensation And Health Care Fraud

Applicant Fraud

Employees who lie to get Workers' Compensation benefits.

- stating an injury happened at work when it did not
- performing activities previously stated as impossible
- lying about working while receiving benefits

Felony punishable by up to five years in prison and a \$150,000 fine

Claim Denial Fraud

Employers/insurance carriers deny Workers' Compensation benefits to injured workers.

- employers persuading injured workers to accept cash in exchange for not filing a Workers' Compensation claim
- employers paying for injured workers' medical services without telling insurance carrier

Felony punishable by up to five years prison and a \$150,000 fine

Premium Fraud

Employers lie to reduce Workers' Compensation premiums.

- paying workers in cash, not reporting it to their Workers' Compensation carrier
- misstating the company's employee job descriptions
- company claims all employees are independent contractors when they are not

Felony punishable by up to five years in prison and a \$50,000 fine

Uninsured Employers Fraud

Employers operating a business without Workers' Compensation insurance.

- business with one or more employees that does not obtain Workers' Compensation insurance
- business with 10 employees continues to operate after its Workers' Compensation policy expires

Misdemeanor punishable by up to one year in jail and a \$10,000 fine

Provider Fraud

False billing by anyone who provides a medical service or product.

- healthcare providers billing for services not rendered
- misrepresenting the nature of the medical services, procedures or supplies
- paying "cappers" for recruiting/referring patients to doctors, chiropractors, lawyers

Felony punishable by up to five years in prison and a \$50,000 fine