

Statistics at a glance

- Number of cases referred to prosecution3
- Number of administrative (civil) fraud orders issued23
- All dollars collected.....\$33,327,782

Major milestones

A new fiscal year began in July, marked by increasing success in targeting potential fraud and abuse by the Fraud Program's Detection and Tracking Unit. This unit is one of the foundation blocks for the L&I Fraud Prevention and Compliance Program. Its primary function is to identify potential employer and worker fraud or abuse through developing and analyzing computer data runs and data cross matches. Potential cases are referred to field investigators and auditors for assessment or further referral for criminal prosecution. The value of the targeting is demonstrated in the high rate of employer audits resulting in assessments (over 60 percent).

Prevention highlights

Two key components of an anti-fraud program are:

- Building public awareness of compliance actions taken.
- Helping those who use the workers' compensation system to follow the law.

In the first quarter of FY 2007, fraud prevention staff presented two training sessions to a total of 39 participants in Mount Vernon and Spokane. Topics covered were a general overview of L&I's anti-fraud efforts, prime contractor liability, and determining if a subcontractor is an independent contractor or a worker.

Compliance highlights

Employer

Two Tri-City contractors were charged separately with one count of false reporting and one count of felony theft by the Benton County Prosecutor for intentional false reporting. Each firm had been audited and continued to report no employment while L&I continued to receive wage and medical benefit claims.

Worker

An anonymous tip and follow-up investigation confirmed that a 62-year-old woman from Okanogan had collected survivor benefits illegally. Three months after she certified that she was unmarried and would not remarry, she married. In each of the following years she certified that she was still unmarried and eligible for survivor benefits. She has been ordered to repay \$78,000 in benefits and \$39,000 in penalties.

Program administration

L&I spent \$3,464,536 on salaries, benefits and other expenses for fraud prevention and compliance. L&I recovered \$33,327,782 in delinquent premiums from employers and improper payments to providers and workers. Also, estimated avoided costs totaled \$1,948,251 (improper future benefits stopped by investigation).

Results: 10.2 to 1 return on investment – a cost of 9.8 cents for each dollar collected.

More fraud prevention numbers

These figures represent dollars collected from:

- Fraudulent activity due to misrepresentation
- Overpayments to workers and providers
- Employers owing delinquent premiums

Worker:

Assessments	\$510,636
Claim overpayment collections.....	\$731,752
Cost avoidance	\$1,947,361

Employer:

Assessments	\$4,922,746
Collections	\$32,512,566

Provider:

Assessments	\$86,071
Collections	\$83,464
Cost avoidance	\$235,262

