



Special Investigation Unit

U P D A T E

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April, 2003

The Special Investigation Unit (SIU) was created to investigate fraudulent insurance activities committed against the Florida Municipal Insurance Trust. If you are a member of FMIT and you suspect fraud, or an employee brings you an Explanation of Benefits for services never received, please contact the Special Investigation Unit at 1-(888) 447-5877. The SIU will gather information of possible fraudulent insurance acts, potential abuses or non-existent injuries. Suspected fraud will be reported to the Department of Insurance, Division of Insurance Fraud, for further investigation and possible prosecution.

Notes from the SIU Manager

Since the last SIU newsletter was published, we have had another arrest and the sentencing of two employees of FMIT members for insurance fraud (see articles below).

If you've ever wondered how a fraud referral actually results in criminal prosecution through the judicial process, read the article below titled "How Does All This Happen?" If you've ever wondered why we pursue suspected fraud, to date we have an estimated cost savings of almost \$2 million on future costs, and another \$800,000 in restitution ordered by the courts to be repaid to the FMIT.

Two new posters have been developed. FMIT members with workers' compensation coverage will receive the "NOT WANTED 2" poster with this mailing. Please contact us at the number listed in the poster section (see page 3) or e-mail nlassiter@flcities.com for more copies at no charge. FMIT members with health insurance will soon be receiving the new poster called "Top Five Reasons Why You Should Review Your E.O.B." (Explanation of Benefits).

The SIU newsletter goes to the designated agency contact, so please feel free to pass this publication on to other interested parties in your agency. If you'd like to be added to our mailing list for future mailings, please contact the number below. The latest SIU newsletter can also be found on the League's Web site at www.flcities.com under "Insurance Services."

– Patti Piller –

Former Employees Sentenced for Workers' Compensation Fraud

A circuit court judge sentenced a former employee of the City of Key West Electric Utility Board to 11 months and 29 days in jail, to be followed by one year, one day home confinement, and eight years probation for her conviction



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for workers' compensation fraud and perjury after a weeklong trial. The amount of restitution she must pay back to the FMIT will be determined at a subsequent date. At the time of her conviction, she stood to receive an estimated \$1 million in future workers' compensation benefits over her lifetime.

A former maintenance worker for the City of Macclenny was found guilty of insurance fraud March 10, 2003, and sentenced to two years probation and repayment of restitution. Employees for the member witnessed the claimant, who had injured his right forearm, performing a heavy labor job for another employer while he was receiving indemnity benefits. Surveillance video also documented this activity. The claimant misrepresented his working and fishing capabilities in deposition and wage reporting forms submitted to the FMIT.

New Arrest Reported

A former parks manager for the West Chase Community Development District was arrested on March 1, 2003, for workers' compensation fraud. The SIU's investigation revealed that the former employee had prior low back injuries that he denied in deposition and to his doctors.

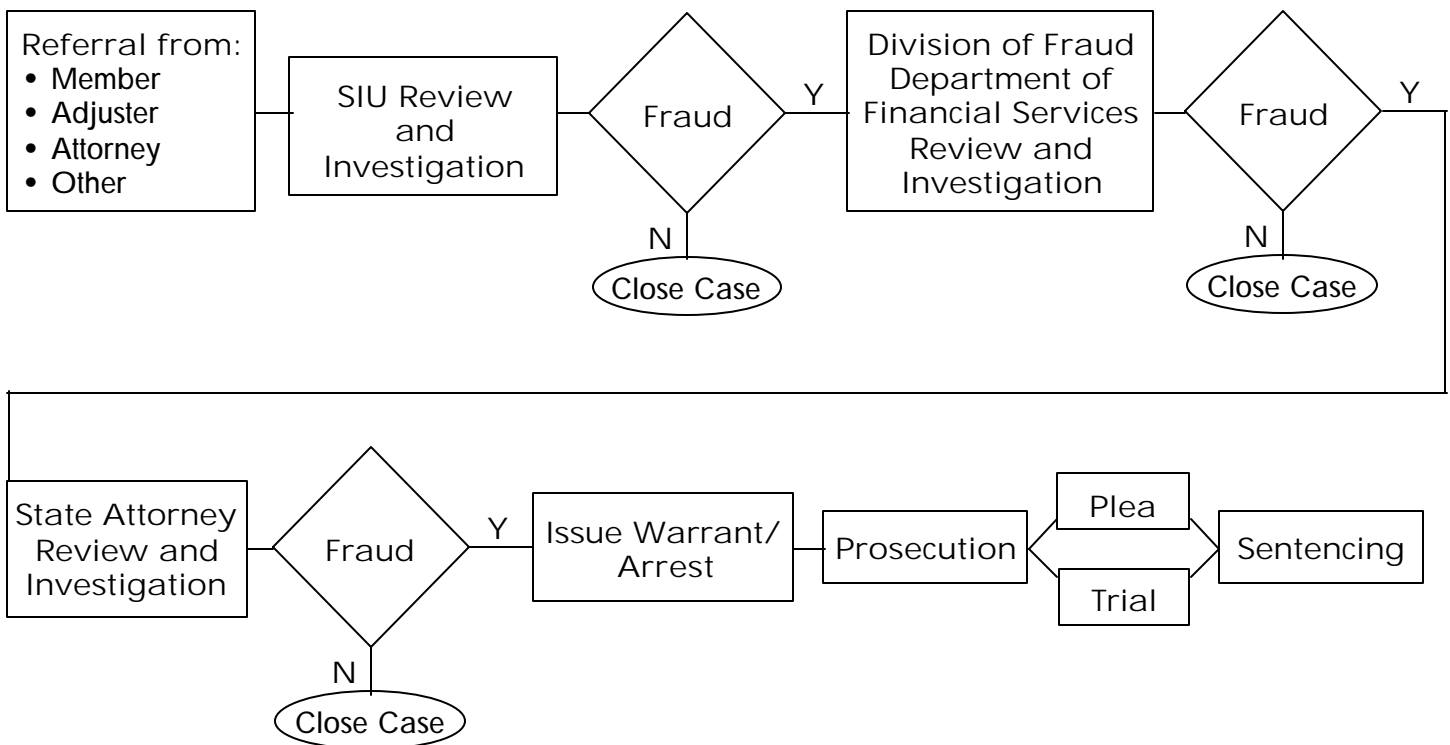
How Does All This Happen?

You may wonder how an employee who may have had a legitimate injury while working for you ends up in jail defending a felony charge of workers' compensation fraud. The answer is, they don't always tell the truth about their injury or capabilities in order to obtain workers' compensation benefits – and that is a crime. The lie can be about what they are capable of doing in order not to return to work, or to obtain medical services that are not the result of their work injury. Some lie to obtain drugs.

The SIU is often alerted to suspected fraud by the employer, the adjuster, the defense attorney, or sometimes even other employees through the Fraud Hotline.

The SIU then will work with the adjuster to investigate the suspected fraud. If the SIU believes that fraud has been committed, the claim will be referred to the Division of Fraud, now housed in the newly named Department of Financial Services (DFS). If the DFS opens a case and its investigation leads the investigator to believe that fraud has been committed, then it is referred to a local state attorney. If the local state attorney feels that fraud has been committed, he or she will issue a warrant for arrest on a felony charge and prosecute the employee through the criminal judicial process. Please see the following flowchart that summarizes the process.

SIU Fraud Referral Process



New Workers' Compensation Fraud Poster

SIU is introducing a new workers' compensation fraud poster for members with workers' compensation coverage. Additional copies of posters may be obtained at no charge by contacting Nina Lassiter at 1-(888) 447-5877.

NOT WANTED

These former employees of PMIT/PLC members have been arrested for insurance fraud and are now paying the price!

Former employee with the City of Muckleny working a side job and fishing while out of work with right arm injury.

Former employee of the Key West Utility Board landscaping yard while claiming permanent total disability for carpal tunnel syndrome.

Dixie County Board of County Commission employee building addition on house while out of work with a bad back.

Report Workers' Compensation Fraud. Call 1-888-447-5877.

"Not Wanted 2" Poster

Health Poster

If you think your healthcare bill or explanation of Benefits (EOB) looks "FISHY"

Report incorrect or suspicious billings to the Special Investigation Unit at 1-800-447-5877

Florida League of Cities, Inc.

"Fishy" Poster

Workers' Compensation Posters

"Steal" Poster

"Robber" Poster

"Wrong" Poster

"Picnic" Poster

"Not Wanted" Poster

"Not Wanted" Poster