



# WORKING TOGETHER TO BEAT FRAUD

With your help, we can  
reduce fraud and save you money.





## **EIGHT SIGNS OF POSSIBLE FRAUD:**

1. The alleged injury occurred early on a Monday morning, or late on a Friday afternoon but was not reported until the following Monday.
2. The accident occurred just prior to a strike, job termination, layoff, at the end of a project or at the end of seasonal work.
3. There were no witnesses to the accident.
4. The claimant has a history of previous claims.
5. The claimant delays reporting the accident.
6. The claimant recently purchased disability policies.
7. The time of the accident was outside normal working hours or on a Saturday or Sunday.
8. The claimant's attorney notifies you of the injury.

## FRAUD DOESN'T JUST HURT WORKERS' COMPENSATION COMPANIES. WE'RE IN THIS TOGETHER.

Workers' compensation fraud costs businesses millions of dollars each year in lost earnings, lost productivity and higher insurance premiums. Fraud also hurts employees, particularly when an employer's losses threaten jobs or arouse suspicion when a real injury occurs. Fraud isn't just harmful and dangerous; *it is against the law.*

### WHAT IS FRAUD?

The definition of fraudulent activity extends far beyond faking an injury or working while on benefits. It includes medical providers authorizing and billing excessive or uncompleted medical services, or employers falsifying payroll records to lower premiums.

### MONTANA STATE FUND'S ZERO-TOLERANCE POLICY.

**Fraud is illegal.** That's why we work closely with the Montana Department of Justice to maintain a zero-tolerance fraud policy. Together we investigate suspicious activity and educate policyholders, insurance producers and the Montana business community about detection and prevention. Our insurance teams are trained to detect the early warning signs of fraud. Since its inception in 1993, our Fraud Unit has saved businesses millions of dollars with investigative and recovery programs. Employers and employees alike bear the costs of illegal insurance claims, and those who think they can get away with these types of activities need to recognize that Montana law is very clear. Fraud is theft, and will be prosecuted as such.

## WHAT IS YOUR ROLE IN OUR PARTNERSHIP TO PREVENT FRAUD?

There are many ways to take action when you suspect fraudulent activity. It all starts with a precise and thorough claim process. Montana State Fund recommends that the employer, designated manager or supervisor:

- > Meet with the employee making the claim.
- > Get a complete accident description.
- > Determine which part of the body was injured.
- > Ask all the basic questions: **When** did it happen? **Who** was involved? **Who** was a witness? **What** caused the injury? **How** did it happen? **Where** did it happen? And **why** did it happen?
- > Do not ask leading questions; always give witnesses the opportunity to tell their stories without interruption or negative comments. Listen carefully and accurately, and document what has occurred.
- > Interview all witnesses separately and as soon as possible—their recollection is far more accurate and complete immediately following the incident.
- > Make notes or written reports, and ask the witness to verify what you wrote down. You could also ask the witness to write his or her own observations. Sign and date the reports.
- > Determine if it was physically possible to have sustained the injury in the fashion described. **If you have doubts, advise us accordingly.**
- > If an accident is not immediately reported, ask for a detailed explanation for the delay.

## DOCUMENTATION IS THE SUREST WAY TO HELP.

Document all of the claim process steps carefully, and submit it to your workers' compensation insurance carrier with a complete Employer's First Report of Injury form as soon as possible. The Department of Labor and Industry requires the employer to do so within six days of being notified of an injury.

## PREVENT FRAUD BEFORE IT HAPPENS.

Prevention is easier than prosecution. Take these simple steps to head off fraudulent activity.

- > Inform employees how and when to report accidents (i.e., as soon as possible).
- > Prevent "unwitnessed incidents" by paying attention to rumors, such as if an employee wants to go on workers' compensation. If possible, do not let that person work alone.
- > Pay extra attention before strikes, layoffs or seasonal closures.
- > Pay extra attention to employees who are otherwise subject to disciplinary action.



## HOW DO YOU REPORT FRAUDULENT CLAIMS?

Some of the most important resources we have to combat fraud are tips we receive from citizens who believe that a fraudulent act has been committed. **If you have a tip, call our Fraud Hotline: 888-MT-CRIME (888-682-7463).** You can also report online at [www.montanastatefund.com](http://www.montanastatefund.com). Whether you contact us by phone or on the Web, be assured your name and information will remain strictly confidential.

**FRAUD HOTLINE: 888-682-7463**  
**CUSTOMER SERVICE: 800-332-6102**



P.O. Box 4759 • Helena, MT 59604-4759