
Identifying and reporting suspected claim fraud

The word “fraud” carries a heavy connotation with it and making a fraud referral to the Bureau of Workers’ Compensation can feel a bit overwhelming. What should you do if you suspect that a fraudulent claim has been filed against you? The Bureau of Workers’ Compensation has an entire division devoted to analyzing and investigating fraud concerns. The Special Investigations Department was created in 1994 with the sole purpose of reviewing potential fraud in the workers’ compensation system.

According to the Bureau’s Special Investigations Department Annual Report from 2022, they received 2,661 fraud allegations and ultimately closed 1,431 cases with 69 resulting in convictions for an identified savings of \$90 million dollars.

It is important to understand the activities that are most associated with potential workers’ compensation claim fraud:

- Collecting disability benefits while receiving compensation
- Receiving cash payment for work performed “under the table”
- Claiming to be injured while at work when the injury happened elsewhere
- Exaggeration of disability complaints to extend disability
- Falsifying documents related to a claim application

Employers are often notified of potential fraud either from co-workers who witnessed or heard about the suspected incident or through personal observation, such as seeing a post on social media. Should you suspect one or more of the above activities you should contact the BWC Fraud unit to report a concern. You can do this either through the Bureau of Workers’ Compensation’s website or by contacting the BWC Fraud department directly at 1.800.644.6292.

For more information, contact our Sedgwick program manager, Shane Castle at shane.castle@sedgwick.com