

# Office of the District Attorney



San Luis Obispo County

**Dan Dow**  
District Attorney

## Workers' Compensation Fraud Program

### Overview

Workers' compensation insurance is the oldest social insurance program in the United States. California adopted workers' compensation laws in the 1920's along with most other states. Workers' compensation fraud costs the insurance industry and citizens of our county and state billions of dollars each year. Cases of workers' compensation fraud are investigated by state and local government agencies including the Department of Insurance Fraud Division, Employment Development Department, the Franchise Tax Board and the Department of Industrial Relations. The cases are then referred to the District Attorney's Office for prosecution.

### Common types of Fraud

Workers compensation fraud occurs when someone knowingly makes a false statement or conceals information in order to receive workers' compensation benefits or prevents someone from receiving benefits to which they might be entitled. Some examples of workers' compensation fraud:

#### **Claimant Fraud**

- Exaggeration of symptoms
- Working while allegedly disabled and not reporting income.
- claiming a job-related injury that never occurred.
- claiming a non-work related injury as a work-related injury.
- Falsifying mileage reports.

### **Employer Fraud**

- Underreporting payroll or misclassifying employees for lower insurance premiums.
- Deducting premiums from employee wages.
- Employer knowingly fails to have necessary workers compensation coverage. It is illegal for an employer to operate without workers' compensation insurance (CA Labor Code Section 3700.5)

### **Medical or Health Care Provider Fraud**

- Providing unnecessary testing or treatment of injured workers for financial benefit.
- Billing for services never performed.
- Billing the workers' compensation insurer and the worker's health insurer for the same services.

### Report Workers' Compensation Fraud

If you feel you know someone who may be committing this type of fraud, report the fraud to your employer. You may also contact the District Attorney's Office at (805) 781-5800 or you may report it to the following agency:

CA Department of Insurance  
Fraud Hotline  
(800) 927-HELP (4357)

[Fraud@insurance.ca.gov](mailto:Fraud@insurance.ca.gov)