

Scamming the System

- **DA's Office Takes Aim at Workers' Comp Fraud**

(Aug. 27, 2002) "Why should you tolerate Worker's Comp scamming by your co-workers?" Deputy District Attorney Tom Higgins challenged a roomful of employees, last Friday, at Central City Division 1.

"Why, when they're taking money out of our pockets as employees and taxpayers, do we tolerate it and look the other way?" he asked.



Deputy District Attorney Tom Higgins asks his Division 1 audience to help fight Workers' Comp fraud.

In the more than two dozen talks he is scheduled to make to MTA employees, Higgins is explaining the consequences of getting caught making fraudulent claims: possible jail time, loss of job, being stigmatized as a felon, shaming your family with the publicity of being prosecuted.

As the deputy in charge of the District Attorney's Workers' Compensation Fraud Division, Higgins leads a team of 12 lawyers and eight investigators who target what he calls "scammers." To catch them, the group will use hard-nosed detective work that can include record checks, search warrants, videotape and surveillance on – and off – the job.

MTA now spends \$60 million a year on Workers' Compensation claims – \$6,500 per employee – nearly 10 percent of the hourly cost of operating a Metro bus. The agency's costs are six times more per employee than in Washington, D.C., and 10 times higher than costs in New York City.

Hand-in-hand with safety

The effort to directly reach as many employees as possible with the anti-fraud message is one of the ways MTA hopes to lower the cost of injury claims.

Educating employees about Workers' Comp fraud goes hand-in-hand, however, with the Safety's First program to prevent employee injuries, reduce safety-related incidences and make the workplace safer.

That program includes the focused attention of management on injury reporting, investigation and correction of safety hazards, safety training for every MTA employee, local safety committees, on-going safety education, new streamlined injury reporting procedures and faster care for those injured on the job.

The rise in Workers' Comp costs can be blamed on a number of factors that include rising medical costs and fraud. In the past three years, while employees filed some 6,000 injury claims only 16 were referred to the DA's office for investigation.

Los Angeles County, with 95,000 employees, had only four claims prosecuted for fraud, he says. "When people started paying attention, there was a four-fold increase in the number of cases referred to us in seven months."

Most employees are honest

Still, Higgins believes most employees are honest. He cited the example of an MTA employee who told him about a doctor who tried to persuade her to inflate her injuries.

"She was offended," he said. "When a doctor or lawyer tries to talk an employee into going from legitimate injuries to fraudulent claims, we're very interested because they're also doing that with other employees."

From his observation, Higgins believes MTA management "is trying to work with employees in a productive, positive manner. I think they're sincere and honest in what they're trying to do and I'm hopeful it succeeds."

But, he says employees and management will have to work together to defeat Workers' Comp scamming. "Tolerance of fraud is something people can reverse, but there's got to be a will to do it."

"Employees have to say, 'Enough is enough,'" says Higgins. "It's every single employee's responsibility, in whatever way, to make that change happen."

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