

Worker's Comp Fraud

Member News

February 2010
Vol. 21, No. 02
Ft. Lauderdale,
Florida

CASF Safety Committee recently held a session to discuss Worker's Compensation Fraud in Florida. The meeting was presented by Robert Friedman from Kelley Kronenberg Attorneys at Law. Numerous interesting scenarios were covered and discussed by Mr. Friedman and the group. Below is a brief summary of fraud in the work place and helpful information that every company should know regarding Worker's Compensation Fraud.

What is Fraud?

Fraud is defined as deceit, trickery or intentional deception.

Worker's Compensation Fraud is governed by Florida Labor Code Section 440.105 which outlaws false, misleading, or "fraudulent" acts.

Types Of Worker's Compensation Fraud

1. Hard Fraud - Someone who deliberately fakes an accident, injury, theft, arson or other loss to collect illegally from insurance companies
2. Soft Fraud - When a normally honest person tells "little white lies" to an insurance company.

Anyone Can Be Guilty Of Worker's Compensation Fraud including:

- ◆ Employees (Claimants)

- ◆ Employers
- ◆ Medical Providers
- ◆ Adjusters & Insurance Carrier
- ◆ Attorneys

About Florida's Division of Insurance Fraud

The Division of Insurance Fraud, established by the legislature in 1976, is the law enforcement arm of the Department of Financial Services and is responsible for investigating insurance fraud; crimes associated with claim fraud, insurance premium fraud, workers' compensation claim fraud, workers' compensation premium avoidance and diversions, insurer insolvency fraud, unauthorized insurance entity fraud and insurance agent crimes.

According to a recent report from the Coalition Against Insurance Fraud (CAIF), Florida's Division of Insurance Fraud leads the nation in the recovery of insurance fraud related losses through court ordered restitution. In Fiscal Year 2008/2009, cases presented for prosecution by The Division of Insurance Fraud resulted in more than \$34 million in court ordered restitution.

According to the Coalition's statistics, Florida ranks in the top four (4)

Gerrits Construction has been awarded the Construction Services for the new \$5,000,000 YWCA Learning Center for Children in Miami Gardens. The 24,000 s.f. building will be a multi use facility, designed by Luis Sousa Architects, to serve early childhood learning needs. The design may incorporate LEED criteria with the intent of obtaining a Silver Certification.

Stiles Construction will break ground in February for the NSU Student Educational Center in Palm Beach County. The facility is to be completed by January 2011 and is located at Military Trail and Interstate 95 in Palm Beach Gardens.

The new building will replace NSU's current 60,000-square-foot facility on RCA Boulevard in Palm Beach Gardens.

NCCER's "Your Role in the Green Environment" curriculum has been approved by the United States Green Building Council (USGBC) for 15 hours of continuing education under the Green Building Certification Institute's (GBCI) Credentialing Maintenance Program.

Under the new Credentialing Maintenance program, LEED Accredited Professionals (APs) must earn 30 continuing (CE) education hours every two years and LEED Green Associates must earn 15 (CE) hours every two years to maintain their LEED credentials.



NSU-Palm Beach County

continued on Page 3

Dedicated to Building Quality Facilities

Owners Jim Cummings, Rick Derrer and Pete MacEachron started their construction company in 1981 when they submitted their first bid with a careful mix of competence and hope. The team began their operation in the heart of downtown Fort Lauderdale. Working 18 hours a day, 7 days a week, they successfully turned in that first bid and won the project, the



FAA Air Traffic Control Tower for Miami International Airport.

Since the Control Tower, James A. Cummings, Inc. has grown from a three-person company to a commercial building business with a staff of more than 170 employees. Their main office is located in a 15,000 s.f. building in Fort Lauderdale and a branch office in Orlando. Their team has completed more than \$2 bil-

lion worth of projects throughout the State of Florida.

In January 2008, Jim Cummings retired as CEO and Chairman of the Board of James A. Cummings, Inc. Rick Derrer, President remains as President and is responsible for all operations for the firm. Over the past 27 years, the company's attention to detail and ability to overcome challenges have been the keys to its success. Their team has built a solid reputation and are dedicated to building quality facilities on time, within budget and without litigation. In addition, they believe in being "good neighbors." The principals and staff contribute and participate on Boards and committees in the neighborhoods they build in, as well as, the communities they live in.

James A. Cummings, Inc. assign a highly skilled, full-time, on-site project manager to each job to oversee quality workmanship for all phases of the project. They also pre-qualify all their subcontractors and require them to adhere to a time-tested Quality Control

Program. Their ability to stay on or ahead of schedule is one of Cummings claims to fame. Using state-of-the-art construction scheduling software, they maintain accurate, current schedules; avoid potential delays; and provide daily updates to the owner, architect and subcontractors. Through a meticulous process using experienced personnel and the latest techniques, they consistently estimate accurate costs and keep all their projects within budget. Cummings provides life-cycle cost analysis and value engineering to ensure a durable cost-efficient building. Their record of no litigation stands second to none in our industry. Through continuous open dialogue with owners, architects, sub-contractors and suppliers, as well as prompt action by staff, they are able to resolve issues as they arise.

James A. Cummings, Inc. blends an ability to hire qualified subcontractors with a reputation for quality, timeliness and customer satisfaction. And, through their financial strength, they have attained an unlimited bonding capacity. These factors offer confidence that a project will be completed without risk to the owner and with the highest degree of overall excellence. They provide a variety of construction delivery systems to meet the needs of all clients. In addition to the long-time Design-Bid-Build, they also offer Construction Management, Design/Build, Construction Consulting and Project Management.

Their South Florida office is located at 3575 Northwest 53rd Street, Ft Lauderdale, FL 33309. For more information, call 954-733-4211, or visit their website at www.jamesacummings.com.

CONSTRUCTION ASSOCIATION of South Florida

2929 North West 62nd Street, Ft. Lauderdale, FL., 33309

Phone: 954-974-6333; FAX: 954-974-6633

info@casf.org

OFFICERS

Richard W. Schuenger, John Moriarty & Assoc. of FL., President
Geoffrey Bunnell, James A. Cummings, Inc., First Vice President
Bill Bower, Southeast Mechanical Contractors, Second Vice President
Doug Wallace, Stiles Construction Company, Secretary/ Treasurer

BOARD OF DIRECTORS

♦**Russell Anderson**, Moss & Associates ♦**John Bennett, Sr.**, Baker Concrete Construction
♦**Bob Baer**, Central Florida Equipment ♦**Sidney Blaauw**, Steel Fabricators, LLC
♦**Craig Heiser**, Whiting-Turner Contracting Co. ♦**George Huettel**, Cyrus Technologies, Inc.
♦**David Keeler**, M.C. Velar Construction Corp. ♦**Thomas C. Murphy, III**, Coastal Construction Group
♦**Brad Meltzer**, KM-Plaza Construction Services ♦**Jeff Slade**, Miller Construction Company

IMMEDIATE PAST PRESIDENT

Michael W. Fee, Lotspeich Co. of Florida, Inc.

♦ASSOCIATION EXECUTIVE VICE PRESIDENT, **John C. Siegle** ♦LEGAL ADVISOR, **Alexander Williams**, Ferencik, Libanoff, Brandt & Williams ♦FINANCIAL ADVISOR, **Robert Benson**, Crowe, Horwath, LLP
♦CONTRIBUTING WRITER, **Gerry Klein**

Construction Focus is the official publication of the Construction Association of South Florida. Article suggestions and submissions for publication consideration should be forwarded to the Executive Vice President.

Worker's Comp Fraud

(continued from Page 1)

among all states' fraud divisions and bureaus in key measurements of success:

- ♦ 2nd in the number of arrests
- ♦ 3rd in the number of cases presented for prosecution
- ♦ 4th in the number of referrals

Florida's Division of Insurance Fraud continues to lead the fight against insurance fraud. During Fiscal Year 2008/2009, investigative efforts by The Division of Insurance Fraud resulted in 982 cases presented for prosecution, 834 arrests, and 532 convictions. Also during Fiscal Year 2008/2009, The Division of Insurance Fraud received and reviewed 12,084 insurance fraud referrals and opened 1,971 cases for investigation.

Insurance fraud is not a victimless crime! It is estimated that insurance fraud costs the US \$80 billion dollars or more a year. Those costs get passed down to all of us. The CAIF estimates that cost to be approximately \$950 per family.

Best Practices To Deter Employee Fraud

- ♦ Explain the rules up-front. Make workers compensation a part of any orientation program just as you would any other benefit. First, explain your safety policies and your expectation that these will be followed diligently. Then explain what will happen should an injury occur. Explain their responsibility to report promptly all work-related injuries, how the

benefit program works, and discuss any return-to-work program. At the same time, note that fraud is a felony and will be aggressively prosecuted.

- ♦ Stay connected. If an employee is out for more than a few days for an injury or illness, make personal contact and stay in good communication. Be supportive and let the employee know you value them and want them back on the team. Establish goals for return to work.

- ♦ Investigate every work-related injury. It is important to know what happened so that any future similar accident can be prevented. Emphasize that the investi-

gation is being conducted, not to establish blame, but rather to establish the facts surrounding the event and learn how to keep other workers safe.

- ♦ But the single best advice for preventing fraud - Be an employer who earns and maintains the respect of his/her employees.

Workers Compensation Fraud Checklist

- ♦ Have in place a clear and concise written policy statement about the importance of promptly reporting all accidents.

- ♦ Require prompt reporting of claims and convey that report immediately.

- ♦ Reenact accidents to determine what happened and how the hazard can be avoided in the future.

- ♦ Have a supervisor accompany the injured worker to the medical provider, with the employee's permission.

- ♦ As an employer, remain in contact with the medical provider and injured worker to discuss return-to-work options.

- ♦ Determine whether any workers are deemed to be independent contractors.

- ♦ Review all renewal applications to determine if current payroll reported is consistent with business.

- ♦ Review all renewal applications to identify any substantial changes in employee classifications.

- ♦ Scrutinize all medical and vendor billing to ensure that the services rendered are required.

- ♦ Be alert for multiple claims of the same or similar nature coming through a particular medical facility and/or firm of attorneys.

For more information about the CASF Safety Committee please contact Joyce at 954-974-6333.

Make Your Company Stand Out!

Simple things like:

- ♦ Corporate Web Site
- ♦ Email Campaign (from your contact database)
- ♦ Online Ads
- ♦ Print Ads
- ♦ Outdoor Ads
- ♦ Corporate Print Materials
- ♦ Direct Mail Campaign
- ♦ Public Relations Campaign
- ♦ Social Networking
- ♦ Quarterly Newsletters
- ♦ Tradeshows
- ♦ Promotional Items, will help,...but If you really want to stand out from the crowd, you only need to follow the most important fundamental rule of all - STAY CONSISTENT!

You need to be proactive to help your business survive and grow. Outsource your marketing needs by arranging a confidential meeting or personal marketing review with Gerry Klein, CASF's Director of Communications. He can be reached at 954-974-6333 or via email at gklein@casf.org.

"Networking on Ice" Social at the BankAtlantic Center



Wednesday, January 13, 2010

ROUTE TO:

3500 NW 9TH AVENUE
FORT LAUDERDALE, FL 33309

