

What is abuse of the workers' compensation system?

In the simplest terms, abuse occurs when an individual is intentionally dishonest in order to obtain money, goods or services to which they are not entitled.

The workers' compensation system is based on self-reporting, which means we rely on people to be honest – and they are! However, there is a small percentage who are not, which can add up to big costs to the system.

What kind of impact does it have on WCB?

It's difficult to gauge the true impact system abuse has on WCB because it's difficult to detect. However, with the eyes and ears of our case managers, adjudicators, and the help of injured workers, employers, and health care providers, each year we protect the Accident Fund, as a result of SIU investigations of suspicious behaviour.

The cost to the public

Abuse of the workers' compensation system costs us all. The ripple effect includes lost jobs and profits, lower wages and benefits, and higher costs for goods and services – in part because employers are forced to pay higher premium rates to cover increased claims costs.

What does abuse look like?

Though the vast majority of stakeholders and service providers are honest, past experience has shown that some people are dishonest in their dealings with WCB. Those who choose to intentionally abuse the system face the possibility of criminal and civil proceedings, as well as fines.

We should all be alert for signs of system abuse. You can help by watching for the following possible indicators. Remember, the presence of some (or all) of these factors does not automatically prove abuse has occurred:

Employer*

- failure to report an accident
- unlawfully deducting premiums from a worker's wages
- intimidating a worker into not reporting a claim
- deliberately understating or falsifying insurable earnings
- unregistered employers in compulsory industries, or those who only register when a claim is filed

*Most employer examples would likely be considered a contravention of the *Workers' Compensation Act* rather than a criminal offence and may be addressed through either administrative penalties or the courts. More information on modifications to the existing penalties program is available on www.wcb.ab.ca under the *Policy & Legislation* tab.

Worker

- working while receiving benefits
- misrepresenting or exaggerating an injury
- making false or misleading statements
- falsely claiming an injury is work related

Health Care Provider

- intentionally falsifying an invoice
- billing for services that are not actually provided or are medically unnecessary

What does WCB-Alberta do about abuse of the workers' compensation system?

WCB-Alberta is committed to deterring, detecting, and prosecuting those who abuse the funds held in trust for workers and employers.

Special Investigations Unit

WCB-Alberta's own Special Investigations Unit (SIU) was established in 1994. It consists of one manager, 12 investigators, and two support staff. Granted 'Alberta Peace Officer' status under the *Police Act*, the unit's staff investigates allegations of system abuse and lay charges when appropriate.

Protecting the workers' compensation system

It's the SIU's job to protect the Accident Fund so that it's there for those who legitimately need it. Of the charges laid by the SIU, more than 90 per cent result in conviction. Those charged may be

prosecuted under the *Criminal Code of Canada* and, if convicted, face fines or jail time, and an order to repay WCB any money obtained by committing the offence. Charges under the *Workers' Compensation Act* are also possible. Ninety-nine per cent of WCB's investigative activity is directly related to claims adjudication (determining benefit entitlement) – criminal prosecution investigations make up less than one per cent.

Where can suspected system abuse be reported?

You can report suspected abuse anonymously to WCB. Over half of SIU's referrals come from WCB staff and the rest are tips from employers, workers, family members, neighbours, and others who appreciate that abuse of the system is costly and wrong.

You can report any suspected system abuse, by calling:

- **780-498-3999** (Edmonton)
- **403-517-6200** (Calgary)
- **1-866-WCB-WCB1 (1-866-922-9221)** (Toll free in Alberta)
- **1-800-661-9608** (Toll free outside Alberta)



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