

IN-DEPTH INVESTIGATION

Fraud costs workers' comp millions

Ohio is boosting efforts to reduce claims abuse.

By Jim Otte
Staff Writer

For Scott Macek, defrauding the Ohio Bureau of Workers' Compensation was easy.

The Navy veteran said the only surprise for him was how simple it was.

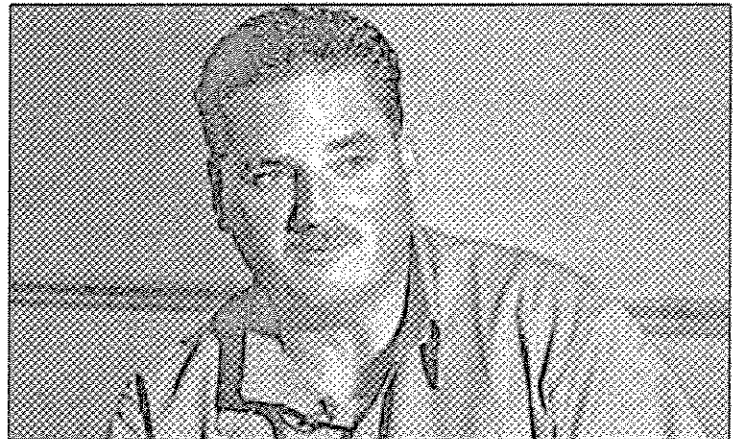
"I thought it would be harder and that there would be more rules and regulations or something to stop you from gaming the system," Macek said.

Investigators for the state's Bureau of Workers' Compensation caught Macek on camera working for Kissel Brothers Rides as a mechanic at the Van Wert County Fair while he was claiming to be disabled with a back injury. He was illegally collecting both disability benefits and a paycheck.

Macek had been hurt in an earlier job, and began receiving workers' compensation.

But after he began feeling better and took another job, he repeatedly signed documents stating he was not working, so the compensation checks continued to arrive.

Macek received four years in prison for the fraud.



Scott Macek is serving a four-year prison sentence after being convicted of scamming the Ohio Bureau of Workers Compensation by applying for disability benefits for which he did not qualify.

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"You go to the doctor, they write you 'off work,' (then you) find some job underneath the table, and you go to work," Macek said.

The Ohio BWC is increasing its efforts to publicize fraud enforcement as it seeks to reduce abuse that affects an estimated 5 to 10 percent of its cases.

The BWC paid more than \$1.8 billion in claims last year, meaning fraud could be costing the system up to \$180 million a year.

Macek's case is one of several now being publicized by the BWC.

"It is a very, very high priority," said Stephen Buehrer, administrator/CEO of the Ohio Bureau of Workers' Compensation.

The BWC is the largest state workers' compensation insurance system in the nation, with assets of \$26 billion.

Since Buehrer's arrival at the bureau in January, he has placed an emphasis on not only prosecuting fraud cases, but also making them public.

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Macek: 'It was not right'

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"We need to go out and pursue all kinds of fraud, whether it's injured worker, employer or provider. We've got to get out and do that," Buehrer said.

He sees the move as important for protecting the integrity of the system and to keep it operating for the 250,000 employers they serve statewide.

Throughout its 100-year history, the BWC has been the target of criticism from employers and politicians.

Former Ohio Gov. George Voinovich called the bureau the "silent killer of jobs in Ohio" because of high costs that employers pay.

Ten years later, the BWC was caught in an embarrassing and expensive

About this report

WHIO-TV reporter Jim Otte is a member of the I-Team, which investigates and reports on government spending and looks out for waste, fraud and abuse.

To reach the I-Team

Tipline: (937) 225-2251

Twitter: @ITeamOhio

Facebook: I-Team: Watching Your Tax Dollars

Email: Jim.Otte@whiotv.com

scandal in which its board had approved investing some of its assets in a fund that traded in gold coins, Beanie Babies, baseball cards and other collectables, the investments that became known as "Coin-gate."

How to detect fraud

Tom Wersell, director of BWC's Special Investigation Division, said investigations usually begin as tips from neighbors, former employers, or former spouses.

Last year, Wersell's staff of 100 investigators worked on 2,400 cases. He estimates between 5 and 10 percent of all claims are fraudulent.

Relatively few cases are taken to prosecution, just 44 in the last 12 months. But when convictions are won, the state is now anxious to publicize them to put others on notice.

They include a doctor who eventually lost her license to practice medicine for defrauding the BWC and for prescribing an excessive amount of pain medication to patients. She was caught on camera writing prescriptions for an undercover agent.

"The doctor is coaching her, saying in order to get your prescription, you need to tell me it's a higher level of pain," Wersell said.

Another case involved a man who was supposed to be disabled, but opened a kitchen and bath remodeling business. The deception came to light when he was interviewed by a local TV station in a story about new businesses.

His BWC caseworker saw the story on TV and blew the whistle on him.

"That's just stupid. Put me on TV so that people can see I just opened up a store," Wersell said. An undercover agent posing as a customer recorded the man saying he does all the construction work himself.

New tactics pay off
Wersell investigators have discovered what is being described as a "gold mine" of evidence on Facebook and other social media.

Investigators collect information, photos and videos online. "We go in and do an undercover in the social media world to try to friend people, get on their page and watch what they're doing," Wersell said.

While agents can pretend to be injured workers for undercover investiga-

tions of doctors, the practice of creating online identities to convince someone to allow access to Facebook and other Web pages raises ethical concerns.

A nationwide nonprofit group that represents consumers, insurance companies and government agencies cautions investigators on the use of social media.

James Quiggle, communications director of the Coalition Against Insurance Fraud, calls social media the "trap door through which investigators can climb."

"Using false identities raises potential issues of good faith that could cause trouble to an insurer and an investigation. That approach is very dubious all the way around," he said.

Local attorneys who represent employers and workers say they support the BWC's aggressive stance.

Jennifer Hann Harrison at Taft Stettinius & Hollister said she has noticed an uptick in investigations and prosecutions. "I think it a good thing because workers' compensation

fraud hurts everybody. This is not taking money from a faceless government entity. It is stealing money from employers," Harrison said.

Scott Macek admits he was caught red-handed.

"It was not right for me to take advantage of that system. If they have to do what they need to do to put an end to it, the state and taxpayers have that right," said Macek.

Most people convicted of workers' compensation fraud pay a fine and make restitution. Macek, however, was on probation on a theft charge in Champaign County when he was caught. Macek was sentenced to four years in prison and is now incarcerated at the London Correctional Institution.

Macek still owes the state \$15,276 in restitution.

"I learned a mistake the hard way," said Macek. He added, "I just wish nobody would have to follow the same steps."