

# From the Office of Florida's Chief Financial Officer



*Alex Sink*

## Teamwork And New Ideas Combat Insurance Fraud

**I**nsurance Fraud. To hear the phrase, many consumers would believe they've never dealt with this crime; but in actuality, insurance fraud can inflict real financial harm on individuals, businesses and communities, and all insurance consumers are affected by insurance fraud in the form of higher premiums. In fact, it's estimated that insurance fraud costs our country in the hundreds of billions of dollars every year, with nearly one out of 10 claims tainted with fraud.

In addition to being costly, there are a variety of different types of insurance fraud: from prescription drug fraud, mortgage fraud, and title fraud, to application fraud, workers' compensation fraud, and personal injury protection fraud, there are numerous ways that criminals try to collect dishonest dollars that fall under the "insurance fraud" umbrella.

That's why the work of my Division of Insurance Fraud (DIF), in coordination with local law enforcement officers, is so important. With the leadership of **Division Director Colonel Vicki Cutcliffe** and the hard work of our investigators around the state, the division is a national leader in fraud restitution and arrests, and is currently the only stand-alone accredited fraud unit in the United States.

The success of our Insurance Fraud investigations is largely dependent upon teamwork and cooperation from other law enforcement agencies — in fact, the division receives approximately 11,000 case referrals annually from other law enforcement agencies, citizens and regulators. In these tough economic times, this teamwork with law enforcement professionals on the state and local levels and DIF is more important than ever. Because as we all know too well, if there's a scam or fraud to be perpetrated you can find it right here in Florida!

Our division of insurance fraud has worked to root out a number of these fraud trends and proactively respond to them. For example, at the start of the housing bust, we established a specialized Mortgage Fraud Unit to make sure our investigators had the know-how needed to respond to

these crimes when we had the authority and protect Florida homeowners.

Opportunists desperate for quick cash in this tough economy have also been turning to staging motor vehicle accidents, and our investigators have worked diligently to curb their efforts. Just in August alone, our DIF investigators made a whopping 43 arrests for Personal Injury Protection-related fraud schemes. Local law enforcement officials are often the first responders to these staged scenes and are an integral part of these investigations. I am grateful to all of you who have assisted our efforts to combat this type of criminal activity.

Finally, we have taken new and innovative steps to crack down on workers' comp fraud, which can leave workers with devastating medical bills and serious financial hardship if employers are not properly covered. The Division of Workers' Compensation, which provides information to our insurance fraud investigators,

recently launched a new whistleblower web site that has been a tremendous asset to enforcing compliance.

This web site makes it easier for any citizen to submit a complaint online about suspected non-compliance with workers compensation rules and provides real-time feedback to complainants. Since its inception in June, we've received 675 referrals, resulting in 85 stop-work orders and over \$3 million in assessed penalties. We have also recently reorganized all of the workers' comp fraud detectives into full squads and assigned them to areas with the highest incidents of fraud activity for enhanced compliance enforcement.

When recognizing the essential public service of my Insurance Fraud investigators and all of Florida's brave and dedicated law enforcement officers, it's easy to see why we must make sure you all have the funding you need to operate. You have my commitment that in Tallahassee, I will always be an outspoken advocate on behalf of law enforcement, and will continue to do everything I can to ensure you have the tools and funding you need to protect Floridians. ●

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**Bronze**



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Donna had a problem so she went to her dad. "Father," she said. "Who should I marry? Handsome Percy or Steady Sam?" "Sam," her father quickly stated. "Why Sam?" she inquired. "I've been borrowing money from him for the last six months and he still comes to see you twice a week."