

# Call Kurtis: Insurance Fraud

## KCRA Channel 3 Sacramento

February 8, 2007

Insurance fraud is a more than 16-billion dollar problem in California. There have been and always will be some people who'd rather put on an act for their money.

"My job is not to do anything but to record the truth," said Jim Wedick, private investigator.

James Wedick is retired FBI, now a private-eye.

"We'd probably want to come out on a payday to see how they're getting paid," said Rick Plein, Department of Insurance -- Fraud Division

Two men who spend much of their professional lives fighting insurance fraud.

One guy claimed he was hit in the head, legally blind, and had trouble standing -- uh-huh.

And there's an 80-year old man --- he says he hurt his back and arms is confined to a wheelchair and unable to lift a cup without using both hands.

Well he was caught on tape using a wheel barrow and lifting heavy bails of hay. All men were convicted of workers' comp fraud.

"Too many people believe it's simply OK to rip off the insurance companies," said Steve Poizner, State Insurance Commissioner

From his 17th floor office Poizner sees insurance fraud as a California crisis. It's not murder, rape or drugs, but it's not victimless, says Poizner.

Bogus worker's comp claims account for a half-billion dollars every year.

And for businesses to earn profits, the higher their insurance rates the more likely they'll take their business out-of-state.

Thanks to investigators the acts are often caught on tape.

Leaving a court-ordered deposition with cane and brace --- once across the street a sudden and miraculous healing --- ye, that's the same guy.

This is what Commissioner Poizner hopes will happen more often in the coming year -- more arrests. And you count.

All these guys were convicted and most served time in jail. Their convictions concrete -- due, in part, to the hard work by investigators like Plein & Wedick.

Roofers have among the highest rates --- their bosses spending about the same for workers' comp insurance rates as for their salaries.

Workers' comp reform of 2004 helped bring rates down since their peak in 2003. Insurance Commissioner Poizner, says they're getting better technology and hiring more people over the next year to help tackle the problem and bring the rates down. If you know of someone ripping off the system the insurance commissioner would like to hear from you.