

My name is Sue Collings and I've been working within the insurance industry for the past 16 years specializing in Accident Benefit fraud. I was 6 years with Zurich Canada's SIU, 6 years with Royal Sun Alliance's SIU and an independent for the past 4 years conducting staged accident investigations for companies like Desjardin, CAA, Unica, Allstate, Pafco, Pembridge, Gore Mutual and Cumis.

I'm quite impressed with some of the ideas you are recommending to the provincial government and their implementation would be a step in the right direction. However, as an investigator specializing in staged accidents I see an area that wasn't addressed in your report. Many of the individuals we investigate don't limit their fraud to just insurance but are defrauding welfare or EI at the same time. They will quite often use fraudulent employment in order to obtain income benefits while secretly receiving social assistance or EI benefits. How do we catch this duplication?

Another consideration is that a large majority of claimants that I investigate are immigrants or refugees to Canada. Should Immigration not be made aware of individuals who are attempting to gain Canadian citizenship are defrauding the insurance industry?

I've always believed that if you can control the medical side of insurance claims, you control the bulk of the fraud. I hope that the licensing process being considered for rehab clinics includes financial audits. One of the advantages we have in this industry is that all payments are made by cheque - no cash. This makes the money flow easy to follow into the clinics. The real problem is determining the flow of money out of the clinics. This is where the kick backs occur to legal firms and tow truck operators.

Let me tell you an interesting story about a clinic I investigated years ago and how serious this problem is:

Several insurers had heard rumours that a clinic in Toronto was paying claimants \$10 for their signature on their sign-in sheet. Claimants would sign multiple sheets and be paid for each signature never having to actually attend. As a result, we hired a private investigator to video all traffic in and out of the clinic for 2 weeks. After the first day, the PI called to tell me that a total of 20 people had been in and out all day. Of the 20, 10 had been in and out in 5 minutes - so it was impossible for them to have received any services. Of the remaining 10, 5 were in and out within 10 minutes and the remaining 5 in and out within 45 minutes. We agreed it was possible that 10 people may have had some sort of treatment that day. After 2 weeks, the insurers waited to be invoiced for that same period of surveillance. Each insurer viewed the video looking for their claimant based on their invoices and prepared a report which was taken to the police. After the police raid that shut the clinic down, I was able to examine the sign-in sheets. The sheet for the first day of surveillance in which only 20 people were in and out had 98 names signed in. The clinic was charging \$150/visit which works out to \$14,700 for that one day. They were also charging \$10 transportation fees and a translation fee on top of that as most of the claimants didn't speak English. I was able to determine that 90% of the referrals to that clinic came from one doctor in Toronto. Claimant files were completely empty except for a referral sheet from the doctor which included a map of how to get to the clinic along with a sheet on who to invoice at the insurance company. Not one medical note in any of the files.

The same clinic had a hand written ledger. An employee listed as the "driver" received cash payments several times a month from the books with no explanation. It was simply listed as "cash". I was able to tally just how much this "driver" was receiving and determined it to be anywhere from \$25,000 to \$37,000 a month - in cash - for well over a year. We could only assume that he was using all or part of this money to pay the kick backs required to get the clients sent there in the first place.

Bottom line, if someone can get in to audit the books of these clinics it would help to uncover unscrupulous kick backs.

And last but not least, unless the judges get on board with this initiative it's pointless. You can implement all the penalties in the world and if judges fail or refuse to recognize this as the problem that it is, then nothing will change. I heard from an investigator a few months ago how one of their insureds who had his claim denied as a staged accident went to Small Claims Court to get his repairs paid for. The insurer arrived with their lawyer, investigator, engineer who conducted the recon and the investigating police officer. The judge refused to allow the insurance company to present any evidence to support the staging of the accident. When their lawyer pressed the severity of insurance fraud in the province, the judge shut him down and told him he had no interest in hearing about staged accidents and to not only negotiate a settlement with the insured but went so far as to suggest a price he felt was fair.

If you have any questions or would like to speak with me you can reach me on my cell at 647-235-8056

Sue