

NEWS RELEASE



STATE OF ALABAMA
Department of
Industrial Relations
News For Immediate Release
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WORKERS' COMPENSATION AND UNEMPLOYMENT INSURANCE FRAUD TARGETED FOR PROSECUTION

MONTGOMERY, ALABAMA, August 5, 2003. The Alabama Department of Industrial Relations has seen significant progress in its ongoing efforts to deter and prevent abuse of the workers' compensation and unemployment insurance programs.

There are currently six active workers' compensation fraud cases in various prosecutorial stages and several more cases are under review for prosecution. These anti-fraud efforts are the result of work in the Fraud Unit of the Department of Industrial Relations and the Public Corruption and White Collar Crime Division of the Alabama Attorney General's Office.

"I made a conscious and concerted decision when I became Director of this agency that fraudulent activity must be actively sought and punished," says Phyllis Kennedy, director of the Alabama Department of Industrial Relations.

Fraudulent claims can result in substantial and lifetime monetary benefits which ultimately impact all Alabama employers who pay workers' compensation insurance premiums, and current and potential consumers with legitimate needs.

Industrial Relations is also required to monitor businesses employing five or more workers to ensure that these companies pay workers' compensation insurance. "Any employers who blatantly fail to provide the necessary coverage for its employees in the event of a work-related injury will be prosecuted," says Scottie Spates, director of the Workers' Compensation Division. There are currently 20 such lawsuits filed for this violation of the law.

A toll-free telephone number, 1-800-923-2533, may be used to report suspected workers' compensation fraud.

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Industrial Relations is an umbrella organization of State government which administers: the State Employment Service, Unemployment Insurance, Workers' Compensation, and Labor Market Information. Smaller programs also administered include Abandoned Mine Land Reclamation, Mine Safety and Inspection, and Surface Mining of Non-Fuel Minerals. For more information on DIR visit the Web site: www.dir.state.al.us.