

## Member's Quarterly

Winter 2018 Edition

### Ask the Expert

## Workplace Fraud: The Continuing Epidemic

*The need for zero tolerance*

All businesses have realized that employee related fraud is detrimental to performance, service, outputs and the economic health of a company. Employee (or workplace) fraud comes in many forms including: flagrant absenteeism, economic fraud, workplace harassment and/or violence and lost productivity due to substance abuse. Moreover, the most difficult workplace fraud for an employer to address is fraudulent WSIB claims.



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### What specific red flags should employers look for in a suspicious WSIB claim?

It is fundamental that employers become familiar with the red flags which can indicate misuse of the WSIB system. The most prevalent red flag is a more extended period of absence than would be expected for the injury or situation. At times, reluctance on behalf of the employee to return to work is also an indicator. Another source of suspicion can result from third party information, intelligence or even rumors which indicate the employee has been working outside the company or seen participating in physical activities inconsistent with the type of injury sustained. In such cases, there are a regulated set of steps which should be followed if the employer wants to successfully deal with the situation. Education and proactive policy development are the keys to a healthy work environment.

### How widespread are employee theft, flagrant absenteeism and workplace violence?

Every business and employer in Ontario is subject to the potential for abuse of the system through attendance fraud or corporate thefts. It is important that the employer create an environment of zero tolerance. In doing so, it will protect and support the employee who has a legitimate claim.

Workplace violence also has a mandated zero tolerance policy by legislation. Section 32, *Occupational Health and Safety Act, (Bill 168)*, protects employees and the workplace through a set of requirements and guidelines which must be complied with by law.

### How important are maintaining health and safety standards in minimizing the risk of a workplace injury?

It is fundamentally important to create the right corporate atmosphere of safety and zero tolerance of abuse. The employee must know what is expected of him/her and what performance standards and policies they will work within. The establishment of health and safety standards, and developing a corporate culture which supports such standards, will not only protect the employee from unnecessary injury but also the corporation from excess WSIB fees, health benefit costs and extra human resources expenditures related to backfilling an employee who is unable to work due to an injury. The cost of fraudulent claims will most likely cause a rise in the fees which the employer must pay.

### Workplace sexual harassment issues have been in the news lately. How should you communicate messages on this topic?

In 2009, Bill 168 was substantially changed and is now known as Section 32, of the *Occupational Health and Safety Act*. It is more commonly known as Violence and Harassment in the Workplace and is specifically designed to protect the employee from such an occurrence. This legislation has strict requirements which the company must follow including risk assessments, policy development and training. It is important for a company to create a culture of zero tolerance for such issues. Risk assessments and policy development should be completed by an expert to help create a healthy and protective work environment.

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