

# Lawndale Tribune

AND LAWNDALE NEWS

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## Inside This Issue

Certified & Licensed Professionals .....7

Classifieds .....3

Community Briefs .....3

Food .....5

Hawthorne Happenings ...3

Legals .....2, 6-7

Letters .....2

Pets .....8

Sports .....4

## South Bay Coastliners Help Ring in a Centennial



On January 18, members of the popular area barbershop harmony troupe The South Bay Coastliners performed at El Segundo's Library Park to help celebrate that City's Centennial. The vocal group now totals more than 75 singers and continues to put on its own annual show, as it has for over 65 years. (Photo by Marcy Dugan)

## Work Comp Crackdown Targets Business Fraud

By Rob McCarthy

Years of cost-cutting reforms have brought California business owners relief from high workers' compensation bills, and now state officials are going after the cheaters for even more savings. Lately, anti-fraud efforts have been directed at companies that inflate bills for medical care, equipment and assistive services to injured workers. The state office that oversees the workers' comp system on January 1 froze \$1 billion in suspicious bills from companies that are under investigation or been charged with fraud. A new fraud-fighting law gave officials the authority to red flag almost 200,000 bills from being paid.

There are 75 medical providers facing criminal fraud charges, according to the Department of Industrial Relations in Oakland, which requested and received greater enforcement powers from lawmakers. The department also intends to suspend doctors, clinics and healthcare providers who have been convicted of fraud using its new authority as the state combats the insurance fraud.

The state will ramp up fraud detection this year and create a special unit to share and track data from the physicians, hospitals, medical billers and other businesses that serve injured workers. The unit specifically will watch for overbilling for services performed or billing for treatment that wasn't given or pre-approved.

This type of fraud in the California workers' comp system drew the notice of federal investigators, who arrested and prosecuted in 2014 the operator of a Long Beach hospital for illegal kickbacks to doctors. The physicians allegedly referred patients to the former Pacific Hospital for spinal implants. The facility's operator, Michael Drobot, also admitted that bribed former State Senator Ron Calderon for legislative support for the billing scheme. Calderon, who represented Montebello, was convicted of corruption and is serving a four-year prison sentence.

The fraud isn't limited to doctors and hospitals that inflate their charges, according to the new report. Efforts to catch cheaters will turn this

year on the employers who don't pay their fair share to cover their employees in case of injury or illness as a result of their employment.

"While some associate the word 'fraud' with false or exaggerated claims of injury, it also embraces service provider and premium fraud, which can be far more costly to the system and to the California employers who pay for that system," acknowledges a January 18 report on the scope of the problem.

Companies lie about the number of people they employ and also underreport their payroll so their insurance costs stay low, says the Los Angeles County District Attorney's Office that works with state insurance fraud investigators on workers' comp cases. The cheating goes beyond weekly payroll, too.

The underreporting of payroll is estimated as high as \$68 billion per year, though that figure comes from a 2009 report to workers' comp officials. The low estimate for payroll fraud is \$4 billion, the report notes.

Misclassifying employees is another abuse of the system, with an example being claiming an employee performs a less-risky job. A roofing company employee who is an estimator would be insured for less than an actual roof installer. Some companies, especially in the transportation industry, report their drivers are contractors. A legal test exists to determine who is an employee versus a contractor, and the question is largely decided by whether an employee has direction and control over his workday.

Companies can pay employees in cash too, which lowers their reported payroll on which workers' comp insurance rates are based. Skipping mandatory payments to the state for unemployment and disability is another scheme for hiding actual payroll and getting an unfair bargain on coverage, according to fraud prosecutors. The case of a Long Beach trucking firm charged in April for a \$3.7 million fraud on its premiums over four years illustrates how much money can be saved by cheating the insurance system.

The couple who own Metro Worldwide Inc. are facing 36 years in prison for workers'

comp fraud, according to the Los Angeles County District Attorney's Office. In another case involving two executives for a garment company and their accountant, the trio pleaded no contest in December to a \$3.8 million workers' compensation fraud scheme. Their sentencing is set for this week.

Insurance crimes are difficult to uncover and time-consuming for prosecutors to build a case. Anti-fraud grants to county district attorneys have financed the bulk of workers' comp cases in the past, and the Division of Workers' Comp plans to continue that funding to local prosecutors.

Los Angeles County prosecutors in October received a \$6.7 million grant from the state insurance commissioner to combat workers' comp fraud. It was the largest grant amount given for 2017.

In announcing the stepped-up effort to rid the work comp system of premium and billing fraud, state officials ask for the support of local prosecutors and judges. The penalties for workers' comp insurance fraud include fines, restitution and even prison sentences in extreme cases.

Sometimes, the fraud is committed by a network of individuals and companies working in tandem, like in the former Pacific Hospital case in Long Beach. Referrals to a doctor or hospital for a kickbacks are "designed to generate billings for unnecessary or sometimes nonexistent evaluations and treatment," according to the report.

Shady operators try to hide the source of the bills by bundling them and assigning them to a billing collection company, making it more difficult for investigators and authorities to track. A law passed in 2012 closed a billing loophole, but state officials admit that this didn't halt the fraudulent practice entirely. The scheme works when unreviewed bills for pharmacy drugs and language translation services, for example, are submitted to the insurer for payment without going through a bill review to confirm that all treatment was pre-approved and payable. •

## Weekend Forecast

**Friday**  
Sunny  
62°/45°



**Saturday**  
Sunny  
66°/46°



**Sunday**  
Sunny  
70°/49°



# PETSPETS **Pets** PETSPETS

## Wowser Schnauzers



Cecil

We are looking for volunteers to help with our pet adoption fairs, which are held every Saturday at the Petco located at 537 N. Pacific Coast Highway in Redondo Beach from noon-3: 30 p.m. If you are interested in volunteering and can commit to at least one Saturday a month, please contact us at [info@msfr.org](mailto:info@msfr.org). You can also visit all of our Miniature Schnauzers & Friends rescues at the adoption fair or check out our website, [www.msfr.org](http://www.msfr.org). If you have any questions about a particular dog's availability, you can email us at [info@msfr.org](mailto:info@msfr.org). Schnauzers! Bet you can't adopt just one!

"If a one-year old, male purebred Miniature Schnauzer is your idea of the perfect addition to the family, then I'm your guy. My name is **Cecil** and I love to play. In fact, I was out playing with some friends when I lost my way and ended up at an LA city shelter as a stray. I met some really great dogs and, because I get along well with other dogs, we became fast friends. I've been told that I'm very "puppyish" and if that means "loves to play," then that's definitely me. I'm 18 pounds of curiosity and could use some obedience training, but most dogs my age need a bit of "guidance" in the manners department. Please come to adoptions and just ask for the playful one!"

If you're interested in Cecil, please email [info@msfr.org](mailto:info@msfr.org) for more information.

"Hi, my name is **Zion** and I'm a two-year old male purebred Miniature Schnauzer who has had a pretty bizarre life. My "first" family

decided that they didn't have time for me, so they gave me to a groomer about a year ago. Nice family, but his Giant Schnauzer and Old English Sheepdog took turns bullying me--so that's how I ended up with the folks at MSFR. Upon first meeting I may appear to be a bit shy and a tad nervous, but once I realize you like me I warm up very quickly. I'm 18 pounds of affection and kisses..and playing with other dogs is my absolute favorite pastime. In fact, if you already have a dog, I'd be the perfect companion for both of you because I know that having a doggie pal about my size (please, no big dogs) would make me ecstatic."

If you are interested in Zion, please email [info@msfr.org](mailto:info@msfr.org) for more information.

"They call me **Anderson** and I'm a two-year old, male Havanese mix. Not sure what the "mix" is, but whatever it is, it works because I'm cute as a button. I'm only 15 pounds, but it's all friendliness, love and affection. I got lost one day and ended up at an LA county shelter where I met lots of nice folks. I had two potential adopters and I thought I'd be going home, but then both of them changed their minds. Then I was scheduled to go to another state for adoption, but that got cancelled too. Looks like I was just meant to be rescued by the wonderful MSFR folks and boy, am I ever glad! They think I'm mostly Havanese, but they're not positive. What they do know is that I get along great with other dogs and would be the perfect companion to a family looking for someone to love."



Zion



Anderson

If you're interested in Anderson, please email [info@msfr.org](mailto:info@msfr.org) for more information.

"Have you ever seen a three-year-old, 60-pound, male Catahoula mix dog? If you'd like to meet one, just ask for **Earl**. I was rescued from an LA county shelter where they called me a stray, but I was just lost. I'm very intelligent and would be a great addition to your family. I have fine leash and car manners, I'm housebroken, and crate- and doggy-door trained. I aced my leadership-based obedience classes, but like many large-breed adolescents I can be

stubborn. I would do best with an "alpha" handler who has experience and time to help me fulfill my potential. In fact, I thought I had found my forever home, but unfortunately I was returned after just a few months. My over-scheduled adopter decided that she did not have time for a young, very active dog who is a happy, playful, affectionate boy. I absolutely love people of all ages, sizes and genders."

If you are interested in meeting Earl, please email [Emread@verizon.net](mailto:Emread@verizon.net) for more information. •



Earl

*Saving one animal  
won't change the world,  
but the world  
will surely change  
for that animal.*

## Happy Tails



Happy days to you Bambi!

Congratulations to **Bambi** and her new family. Bambi, now named Frankie, is the little gal we rescued in late November who had to be nursed back to health after coming down with pneumonia. She now lives in Rancho Palos Verdes with her new mom (who is a

previous MSFR adopter), a two-legged sister and a couple of cats. It looks like a perfect match. She's even getting along splendidly with the cats! Wishing all of them many happy adventures. \*

**THEYELLOWDOGPROJECT.com**

If you see a dog with a **YELLOW RIBBON** or something yellow on the leash, **this is a dog who needs some space**. Please do not approach this dog with your dog. Please maintain distance or give this dog and his/her person time to move out of your way.

There are many reasons why a dog may need space:

- HEALTH ISSUES
- IN TRAINING
- BEING REHABILITATED
- SCARED OR REACTIVE AROUND OTHER DOGS

**THANK YOU!**  
Those of us who own these dogs appreciate your help and respect!  
illustrated by Lili Chin www.doggiedrawings.net