



Fighting Fraud and Exaggerated Claims: The Advantage of Social Media Daily Monitoring

The reality and importance of Social Media in the lives of people everywhere on the planet is clearly evident. Measurable statistics to this fact have been obtained and published for the entire world to see, although we are all witnesses of the birth, evolution and worldwide astounding growth of Social Media.

- 52% of online adults use two or more social media sites.
- For the first time, more than half of all online adults age 65 and older use Facebook. This represents 31% of all seniors.
- For the first time, roughly half of internet using young adults age 18-29 (53%) use Instagram. And half of all Instagram users (49%) use the site daily.¹
- Almost as many people use Facebook as live in the entire country of China (according to Caitland Dewey of the Washington Post).²

Many companies and organizations have also taken advantage of Social Media to promote their businesses and products and the effects on marketing and branding has been phenomenal and advantageous. There is no doubt about the economic impact of Social Media. A 2012 article written by Quentin Hardy and appearing in the NY Times Bits section, indicates that according to a McKinsey Global Institute lengthy study, Social Media could add 1.3 Trillion to the economy! Those are astounding figures.

Written by Miguel Caraballo

Those of us who are involved in claims environments must understand that Social Media is valuable to us in our industry, especially when we realize that fraudulent claims are being filed annually to the tune of billions of dollars across all lines of coverage.

Claims fraud is a reality that impacts the world of Self Insured's and Insurance companies worldwide. We must realize that Social Media can also be of great value and advantage in the fight against fraud and soft fraud or simply exaggerated claims.

The reality is that the best time to engage in Social Media investigations is when a claim is initially filed, on the front end, from the very beginning. Claims handlers are waiting long after a claim is filed before conducting Social Media investigations.

Social Media investigations and daily monitoring from the beginning of the claims process can reveal pertinent information as to what the claimant's true capabilities are. In addition to this, daily monitoring can provide the kind of information that can serve to enable and activate surveillance and other investigative activities in a more economical way and that can produce better results.

The following are real cases from Social Media Mining and Daily Monitoring:

Case Study One

Claimant: Timothy Nadir (name changed to protect privacy). A 40-year-old male who filed a worker's compensation claim that he sustained a lower back and left leg injury on May 14, 2014.

Social Media: There were several photos posted of the claimant that revealed a new employer and



describing his current activities. He was found away from the address on record, living in a camper and towing boats at a lake. Plenty of photographs

were posted and obtained as evidence. These were some of his Facebook post:

July 29, 2014: *"It's official. I am LI Tow Boat Captain Timothy Nadir. I love working and living on the lake. My movie days are over. End of a chapter and beginning of a new one. Thank you Tom and Robin for passing along the torch. I love this life. Noooooo stress... God bless."*

August 4, 2014: *"When people break down, I get to go cruising on my Tow Boat. Thank u faulty equipment."*

August 30, 2014: *"Boat docked and another successful tow complete. I get some satisfaction out of helping people stranded on the lake. I should have found this job a long time ago."*

Case Study Two

Claimant: Paul Northerner (name changed to protect privacy). A 50-year-old male who reported a claim of heat exhaustion to the face and strained back on June 6, 2006.

Social Media: Daily monitoring revealed the claimant running a karate school. Business and



personal social media sites were found and daily monitoring was able to obtain information on an upcoming martial arts event. Surveillance was initiated and the claimant was found fully active and engaged in activities that contradicted his injuries. Claim was settled.

This was one of his Facebook posts:

September 18, 2014: *"Lots of great deals coming up as we come to the end of the year! October is Breast Cancer Awareness Month and we are going to be kicking*

for a cure by offering \$5.00 kickboxing classes for the whole month of October! Classes are Tuesdays and Thursdays from 7 to 8:15; our program is designed for all health and fitness abilities! No appointment needed hope to see you here wearing your pink!"

Case Study Three

Claimant Dorothy Lodge (name changed to protect privacy). A 48-year-old woman who reported a claim of a torn rotator cuff, torn biceps tendon, torn labrum and torn scapular injury.

Social Media: Discovery of social media and daily monitoring revealed that the claimant was a body builder.



Information was found to confirm that and in fact, the discovery that she teaches yoga at a local gym near her home. It was discovered that she was active hosting yoga work-shops and other exercising activities. Photos posted on her profile show her doing headstands and shoulders exercises.

These were some of her Facebook posts:

July 11, 2014: *"And people say bodybuilders lack flexibility!!!! These are some open shoulders!!!"*

July 12, 2014: *"Teaching my boy max head stands at age 4!!! Already I'm preparing him to see the world upside down so he gets a new perspective."*

Prior to the explosion of Social Media, these claimant's would have more than likely continued to collect workers compensation benefits driving up claims cost. Fortunately, claims handlers are beginning to see the advantages of Social Media mining and daily monitoring.



Miguel Caraballo is director of investigations for Tri-Starr Investigations, Inc., located in Stockbridge, Georgia. He is involved in the investigation of suspicious and fraudulent claims in the area of workers compensation, general liability and property and casualty claims. He was involved in a major investigation in Puerto Rico for a large insurance carrier that resulted in FBI intervention and one of the largest bust for insurance fraud in the history of Puerto Rico.

References

¹Pew Research Center www.pewinternet.org/2015/01/09/social-media-update-2014/

²Washington Post www.washingtonpost.com/news/the-intersect/wp/2014/11/02/almost-as-many-people-use-facebook-as-live-in-the-entire-country-of-china/

While the numbers of people using social media sites continues to go up and statistics show many economical benefits, it's also good to know that we in the claims industry are bringing the numbers of fraudulent and exaggerated claims down, which will ultimately benefit all! ■



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