

30 Examples of Fraud

Involving Employee Benefit Plans

RotenbergMeril has compiled this list of fraud examples from the U.S. Department of Labor (DOL) Employee Benefit Security Administration's criminal enforcement actions involving employee benefit plans. Many of the examples involve company owners, officers, bookkeepers, plan administrators and service providers. They generally involve smaller plans; however, can occur at plans of all sizes.

Pension/401(k) Plans

1. Theft and embezzlement of plan assets using wire transfers, forged checks and other means
2. Failure to deposit employee contributions into the plan
3. Funneling contributions into a secret account
4. Transfer of funds from the plan to an outside account in the plan's name
5. Unauthorized withdrawals
6. Unauthorized use of plan assets to invest in other business interests
7. Issuing fraudulent statements and dividend checks to clients
8. Making materially false statements in the plan's annual report and fraudulent annual reports
9. Defrauding the company by issuing duplicate paychecks
10. Failure to pay pension benefits due to employees

Multi-Employer Plans

11. False claim for benefits
12. Unauthorized application for benefits
13. Check forgery
14. Forged reimbursement claims
15. Improper issuance of checks to plan administration employee
16. Filing false financial reports
17. Embezzling of remittance checks received from employers having collective bargaining agreements with the local union
18. Kickbacks
19. Bribery in exchange for permitting the contractors to avoid employing and paying union members
20. Rehiring locked-out workers under false identities during a labor dispute

Medical, Health and Death Benefit Plans

21. Embezzling health care premiums from payroll withholdings
22. Misappropriating client-provided funds from the company's claims account
23. Failing to pay health claims
24. Failing to forward insurance commissions due to the plan under an arrangement with an insurance company
25. Falsely purporting to provide health care coverage by misrepresenting that its plans were insured by legitimate insurance providers
26. Defrauding insurance companies by submitting fraudulent insurance claims and doctor's
27. Notes to insurance companies
28. Defrauding individuals and insurance companies by offering illegitimate services
29. Paying claims to fictitious individuals for services that were never rendered
30. Obtaining discounted group insurance premium rates for a fictitious company

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