



NEWS RELEASE

From New York State Workers' Compensation Fraud Inspector General
Catherine Leahy Scott

FOR IMMEDIATE RELEASE: August 22, 2018
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FAR ROCKAWAY RESTAURATEUR INDICTED ON WORKERS COMPENSATION AND INSURANCE FRAUD CHARGES

LONG ISLAND – New York State Inspector General Catherine Leahy Scott and Nassau County District Attorney Madeline Singas today announced the indictment of a Far Rockaway baker and restaurateur on charges she lied about her past injuries and employment status in order to wrongfully receive more than \$65,000 in disability and Workers' Compensation benefits while concealing her ownership of a restaurant.

Michelle Buggs, 48, of Norton Street, Inwood, was indicted on the charges of Grand Larceny in the Second and Third Degree, Insurance Fraud in the Second and Third Degree, Perjury in the First Degree, the Workers' Compensation crime of Fraudulent Practices and 11 counts of Falsifying Business Records in the First Degree, all felonies.

An investigation by Inspector General Leahy Scott and the Nassau County District Attorney's office found that on October 18, 2006, Buggs was employed as a baker/cake decorator for Waldbaum's supermarket in Glen Head and sustained an injury to her right wrist and fingers. Buggs thereafter filed a Workers' Compensation claim and began receiving wage replacement benefits. The investigation revealed that Buggs owned and operated a restaurant during the time she was receiving the benefits and misrepresented both her ability to work as well as her work status in order to continue to receive benefits to which she was not entitled.

"This defendant's fabrications and thefts were part of a shameless subterfuge of a critical safety net program enabling her to enrich herself with benefit payments to which she was not entitled," said Inspector General Leahy Scott. "I will continue using all of the resources of my office to protect the integrity of the state's Workers' Compensation system against such frauds that may force unfair premium hikes for coverage that is critical to protect hard-working New Yorkers."

The investigation found Buggs filed incorporation papers on August 29, 2012, with New York State for a restaurant called "It's All 4U". The restaurant was also featured in the local Rockaway newspaper, The Wave, on January 31, 2014.

On December 16, 2014, Buggs attended an independent medical examination and signed paperwork that stated that she had not worked since the date of the accident and that she remained unable to work. On February 26, 2015, Buggs testified under oath at a State Workers' Compensation Board hearing that she did not start a company and did not own a business.

Surveillance conducted in February of 2015 as part of the investigation found Buggs cooking, working the cash register and serving customers at her restaurant while using both of her hands. She was also allegedly observed packaging food, carrying bags of prepared food for delivery.

According to the charges, Buggs wrongfully received \$65,692 in Workers' Compensation disability payments.

Buggs was arraigned on the indicted charges in Nassau County Court and released on her own recognizance pending her reappearance in court on September 19.

Inspector General Leahy Scott thanked District Attorney Madeline Singas and her office for their partnership in investigating and prosecuting this matter.

The defendant is presumed innocent until and unless proven guilty in a court of law.

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The New York State Office of the Workers' Compensation Fraud Inspector General investigates fraud, abuse and/or illegal acts against the New York State Workers' Compensation system, including fraud by medical service providers, employers seeking to evade appropriate Workers' Compensation charges, and employees who fabricate injuries to fraudulently receive system benefits. Complaints and referrals are kept confidential. We can be reached by calling toll free: 1-800-367-4448, utilizing our online complaint form at <http://www.ig.ny.gov> or sending an email to: inspector.general@ig.ny.gov. You also can write to our office at: Office of the Workers' Compensation Fraud Inspector General, Empire State Plaza, Agency Building 2, 16th Floor, Albany, New York 12223