



# NEWS RELEASE

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

FOR IMMEDIATE RELEASE: Jan. 8, 2016  
Contact [John Milgrim](#): 518-474-1010

## **NIAGARA FALLS MAN ACCUSED OF DEFRAUDING WORKERS' COMPENSATION SYSTEM FOR MORE THAN \$82,000**

NIAGARA FALLS – New York State Inspector General Catherine Leahy Scott and the State Department of Financial Services today announced the arrest of a Niagara Falls man on charges that he defrauded the Workers' Compensation system by more than \$82,000 over a 13-year period.

James Reagle, 55, of 1911 LaSalle Ave., Niagara Falls, was charged with Grand Larceny in the Second Degree, Insurance Fraud in the Fourth Degree and the Workers' Compensation crime of Fraudulent Practices, felonies. He was accused of making nearly \$370,000 in self-employed earnings while claiming he was not working in any capacity.

“This defendant deceived the Workers' Compensation system to steal benefits meant for employees who are truly unable to work,” said Inspector General Leahy Scott. “I will continue to use the resources of my office to put an end to the abuses of the system by those who use fraud and deceit at the expense of hard-working New Yorkers.”

“Workers' compensation fraud is a serious crime that victimizes honest businesses and taxpayers who are forced to shoulder the burden of higher premiums. The Department of Financial Services is committed to aggressively investigating allegations of fraud and working with our partners, such as Inspector General Catherine Leahy Scott, to bring to justice those who attempt to game the system by committing fraud,” said Acting Superintendent of Financial Services Shirin Emami.

An investigation by Inspector General Leahy Scott working with the State Department of Financial Services found that Reagle began receiving Workers' Compensation benefits based upon an injury he sustained in 1990 while employed at a Lockport plastics company. The investigation determined Reagle was self-employed from 2001 through 2014 recycling wooden pallets and earning a total \$369,513 from his business during that period while representing to the State Workers' Compensation Board that he was not employed in any capacity. During the same time period, Reagle received more than \$82,000 in Workers' Compensation benefits he allegedly was not entitled to.

Under State law, employers are required to maintain Workers' Compensation coverage for their employees, and employees are expected to provide truthful information regarding their work activity to insurance carriers and the Workers' Compensation Board during the time they are receiving benefits.

Today's arrest is part of an ongoing coordinated effort by Inspector General Leahy Scott with local and State law enforcement partners involving multiple investigations across New York. Additional arrests are expected imminently. It also coincides with enhanced outreach efforts, including stakeholder trainings by the Inspector General, to increase public awareness of Workers' Compensation fraud in the State.

Workers' Compensation fraud impacts all New Yorkers, from increased insurance premiums to increased workloads for coworkers and an overall reduction in workforce productivity.

Reagle was arraigned in Niagara Falls City Court is due to return to court on Jan. 28, 2016.

Inspector General Leahy Scott thanked the New York State Department of Financial Services and One Beacon Insurance Group for their assistance with the investigation and Niagara County District Attorney Michael J. Violante and his staff for prosecuting this matter.

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

###

*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](mailto: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*