



NEWS RELEASE

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

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STATEN ISLAND PHONE COMPANY LINEMAN CAUGHT IN MORE THAN \$37,000 FRAUD BY TEACHING KICKBOXING CLASSES WHILE CLAIMING JOB-RELATED INJURIES KEPT HIM FROM WORKING

NEW YORK CITY – New York State Inspector General Catherine Leahy Scott and Richmond County District Attorney Michael E. McMahon today announced the arrest and guilty plea of a Staten Island phone company lineman who was caught teaching kickboxing, and performing all the requisite combat moves, while claiming work-related injuries kept him from performing his job.

Eugene Reems, 49, Colony Avenue, Staten Island, was arrested and pleaded guilty in Richmond County Superior Court to stealing more than \$37,000 in Workers' Compensation benefits to which he was not entitled.

An investigation by Inspector General Leahy Scott found that Reems was purportedly injured in 2007 while working as a lineman for Verizon on Staten Island. He began receiving Workers' Compensation benefits based on job-related injuries. In June 2012, Reems's wife and his cousin opened CKO Kickboxing of Westerleigh on Staten Island and Reems began instructing there. The investigation included surveillance and video of Reems at the school performing punching and kicking moves as part of the training.

Reems taught at the school through May of 2014 and throughout that time he repeatedly falsely asserted to physicians examining him that he was not working and was incapacitated. He was therefore able to continue receiving Workers' Compensation benefits to which he was not entitled.

“This defendant's repeated assertions that he was physically unable to work as a telephone company lineman, while at the same time demonstrating kicks and power punches as a martial arts instructor, was a brazen fraud perpetrated on a critical safety net meant for honest hard-working New Yorkers,” said **Inspector General Leahy Scott**. “I will continue working with law enforcement across our State to relentlessly pursue anyone who abuses or defrauds the Workers' Compensation system.”

“While collecting disability checks, this defendant was found to be perfectly capable of earning an income on his own by working as an instructor for a kickboxing class,” said **District Attorney McMahon**. “His false claims resulted in a criminal investigation which led to his arrest and prosecution. With this guilty plea, Mr. Reems has accepted responsibility for his actions and will be made to pay restitution and forego any future payments or medical coverage under the Worker's Compensation claim. I would like to thank Inspector General Leahy Scott for bringing about this investigation, and also commend the hard work of ADA James Snashall and Andrew Sterrer for prosecuting this case and ensuring that this defendant's crimes did not go unpunished.”

Under New York 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.

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

Reems pleaded guilty Monday evening in Richmond County Superior Court to the misdemeanor charge of Petit Larceny, paid \$37,500 restitution and forfeited any future Workers' Compensation wage replacement benefits.

Inspector General Leahy Scott thanked Richmond County District Attorney McMahon for prosecuting this matter.

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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