



NEWS RELEASE

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

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CENTRAL NEW YORK HEAVY EQUIPMENT OPERATOR STOLE MORE THAN \$75K IN WORKERS' COMPENSATION BENEFITS WHILE FAILING TO PROVIDE HIS OWN EMPLOYEES WITH REQUIRED COVERAGE

AUBURN – New York State Inspector General Catherine Leahy Scott and Cayuga County District Attorney Jon E. Budelmann announced today the arrest of a central New York heavy equipment operator accused of stealing more than \$75,000 in Workers' Compensation insurance benefits to which he was not entitled while also failing to provide his own logging company's employees with required coverage.

David C. Sigl, 54, of Wall Street, Auburn, was charged with Grand Larceny in the Second Degree, Insurance Fraud in the Second Degree, and five counts each of Fraudulent Practices and Offering a False Instrument for Filing in the First Degree, all felonies, and the Workers' Compensation crime of Failure to Secure Compensation, a misdemeanor.

Inspector General Leahy Scott's investigation found that Sigl had been collecting Workers' Compensation benefits since sustaining an injury in early 2013 as a heavy equipment operator for a Syracuse construction and engineering firm. In the years since, he repeatedly filed paperwork with the New York State Workers' Compensation Board indicating he was not working in any capacity, when in fact he was operating and working for his own logging business.

The Inspector General's investigation also found that Sigl's company, Lake Country Logging, employed two people, but did not provide Workers' Compensation insurance for those individuals as required by law. Sigl earned at least \$135,000 since he was injured in 2013, making him ineligible for over \$75,000 in Workers' Compensation benefits he received.

“Both as a former employee and as the proprietor of his own company, this defendant brazenly abused a system meant to protect honest, hard-working New Yorkers,” **said Inspector General Leahy Scott**. “He stole benefits he was not entitled to, and he failed to protect and provide employees of his own company with the required coverage he selfishly took advantage of. The Workers' Compensation system is meant to protect honest, hard-working New Yorkers and I will relentlessly pursue anyone who steals from it or who leaves their own employees vulnerable by not providing this critical coverage.”

“I am very pleased to partner with New York State Inspector General Leahy Scott and her office to investigate and prosecute this blatant fraud against the employers and taxpayers of New York State,” **said District Attorney Budelmann**. “This defendant claimed to be 100% disabled but was climbing in and out of log-skidder tractors, climbing up and down trees and wielding chainsaws. In truth, he earned over \$150,000 in income through manual labor. It is reprehensible and will not, must not be tolerated.”

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.

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

Sigl was arraigned in City of Auburn Court and remanded to the Cayuga County Jail in lieu of \$2,500 cash or \$5,000 bond bail. He is due to reappear in court March 21.

Inspector General Leahy Scott thanked the Auburn Police Department for their assistance, and Cayuga County District Attorney Jon E. Budelmann and his office for their assistance with the investigation prosecution of 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