



NEWS RELEASE

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

FOR IMMEDIATE RELEASE: November 7, 2018
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STEUBEN COUNTY MAN CHARGED WITH OVER \$15,000 IN WORKERS' COMPENSATION FRAUD

BUFFALO – New York State Inspector General Catherine Leahy Scott today announced the arrest of a Town of Bath man on charges that he defrauded the Workers' Compensation system and stole benefits to which he was not entitled by claiming he was out of work due to an injury when he was in fact working at his family business.

Jeffrey Smalt, 54, of Knight Settlement Road in Bath, was arrested and charged today with Grand Larceny in the third degree, Insurance Fraud in the third degree, and Perjury in the first degree, all felonies.

An investigation by Inspector General Leahy Scott found that Smalt was employed by Bath Electric, Gas & Water when he was injured on the job in July of 2017. Smalt ceased working at the utility company and began collecting Workers' Compensation benefits for his injury. In the following months, Smalt began working for his family farm, selling, delivering and advertising merchandise, all while reporting to his insurance carrier and the Workers' Compensation Board that he had not been working in any capacity whatsoever while receiving financial benefits. This alleged intentional misrepresentation allowed Smalt to obtain \$15,842.50 in Workers' Compensation insurance benefits to which he was not entitled from December 2017 to May 2018.

“This defendant is charged with brazenly misleading and abusing a benefits program meant to assist honest and hard-working New Yorkers who become disabled due to a work-related injury,” said Inspector General Leahy Scott. “I will continue to use all of the resources at my disposal to protect New York State’s vital Workers’ Compensation system from anyone who attempts to defraud and take advantage of it.”

Under State law, injured 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.

Smalt was arraigned on the charges in the Town of Bath Court and was released on his own recognizance pending further court action.

Inspector General Leahy Scott thanked Wright Public Entity, the third-party administrator for NY Municipal WC Alliance, for their assistance with the investigation, the New York State Police for their assistance with the arrest, and Steuben County District Attorney Brooks Baker and his office for 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