

# Bankruptcy Discharge Erases Debt to Repay Fraudulent Workers? Comp Payments



An injured worker found to have fraudulently received nearly \$45K in fraudulent workers' comp benefits filed for bankruptcy before the WCB could get the money back. With the bankruptcy action still pending, he pled guilty to fraud and was fined \$5,001. After he was discharged from bankruptcy (and no longer exempt from civil lawsuits) the WCB sued him for the rest of the overpayments. But the court said no dice. The WCB's exclusive authority to determine when worker receive greater workers' comp benefits than they're entitled to doesn't trump the bankruptcy law's power to clear individuals of all debts. The WCB appealed but the Sask. high court found the ruling reasonable and refused to reverse it [*The Workers' Compensation Board v Petkau*, 2018 SKCA 85 (CanLII), Nov. 1, 2018].