



Spokane businesswoman repays state nearly \$100K in disability scam

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Spokane – A Spokane woman who helped operate a motel and apartment building while claiming she was too injured to work has pleaded guilty in a nearly \$100,000 disability scam.

Mistie S. Crosby, 53, pleaded guilty today to three counts of third-degree theft, which is a gross misdemeanor. As part of her plea agreement, Crosby paid full restitution at the sentencing in the amount of \$98,623. The money will be returned to the state workers' compensation fund administered by the Washington State Department of Labor & Industries (L&I). The Washington Attorney General's Office prosecuted the case.

"The purpose of the workers' comp fund is to help workers heal from on-the-job injuries — not support crooks," said Elizabeth Smith, assistant director for L&I Fraud Prevention & Labor Standards. "We want workers' comp cheaters to know that they will be held accountable, and in the end it is going to cost them."

Spokane County Superior Court Judge Linda Tompkins also ordered Crosby to serve 364 days in jail, with all but 10 days suspended if she obeys the law for two years and pays her remaining court costs. The judge allowed Crosby to serve the 10 days in electronic home monitoring.

Claims she was too disabled to work

The case started in September 2010, when Crosby filed an injured workers' claim, stating she hurt her back, neck and shoulder while working at Sunset Junction, a former nightclub in Spokane that her husband owned. Physicians confirmed she was injured, and L&I opened the claim.

From then through early 2013, Crosby received wage-replacement payments and medical and vocational benefits from L&I, while signing official forms certifying she was not working, and could not work, due to her on-the-job injury.

Undercover investigation

But acting on a tip, an L&I investigation revealed that Crosby was working at the Lascelle Motel and an apartment complex while receiving workers' comp benefits. At one point, she even showed apartments to an undercover investigator, and easily climbed stairs as the investigator watched.

In an interview in February 2013, Crosby told the investigator she co-owned the nightclub, motel and apartment complex, and played an integral role in each business, charging papers said.

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For media information: Debby Abe, L&I Communications, (360) 902-6043, debby.abe@Lni.wa.gov.

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Broadcast version:

A Spokane woman has repaid the state nearly \$100,000 in connection with a disability scam. Mistie S. Crosby, 53, pleaded guilty today in Spokane Superior Court to three counts of third-degree theft.

Crosby was receiving workers' comp benefits based on a workplace injury at a nightclub in September 2010. But acting on a tip, an L&I investigation found that she was working at a motel and an apartment complex while she was receiving the state Labor & Industries (L&I) benefits.

As part of her plea agreement, Crosby paid full restitution, \$98,623, at the sentencing. The money will be returned to the state workers' compensation fund. Crosby also was ordered to serve 10 days in electronic home monitoring.

The Washington Attorney General's Office prosecuted the case.



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