



## California Law Update

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### MANAGERS' WORKER'S COMPENSATION FRAUD LEADS TO JAIL TIME

Two store managers from the Bel-Air Markets in Roseville, California were sentenced to jail for worker's compensation insurance fraud. Store Director, Nichole Leddy and Assistant Store Director, Amy Looper allegedly discouraged injured employees at the supermarket from filing worker's compensation claims, and instead instructed them to seek treatment through individual health insurance policies.

Leddy and Looper reportedly deterred multiple employees from filing claims in order to keep the store record injury free and earn special store incentives, including barbeques and bonuses for management. The fraud investigators revealed that "in one instance an injured employee was allegedly given cash from the store fund to cover co-payments for private health insurance coverage. Another employee was allegedly instructed to inform her private doctor that an on-duty work injury had occurred at home."

Leddy and Looper were sentenced to 45 days in jail and three years probation. Additionally, Leddy was ordered to pay \$13,500 and Looper to pay \$2,500. The money will reportedly be used to support future fraud investigations.

Leddy and Looper's jail sentence should serve as a reminder to all employers of the need to educate their managers in proper handling of work-related injuries. Except for insignificant injuries where first aid is appropriate, managers and employers should make sure that:

- All necessary medical care is provided
- Employees are given claim forms and notices of their worker's compensation rights
- The worker's compensation insurer is notified
- The injury is properly investigated and,
- No injured employee is dissuaded from filing a legitimate worker's compensation claim.

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