

Companies fail to pay injured workers

No compensation leaves hurt hauler jobless, penniless

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Jeffrey Carter, a 45-year-old garbage truck driver, severely injured his back and neck after picking up a garbage can filled with water.

A doctor discovered likely herniated discs, but Carter's employer, L&M Waste Systems in Muscatine, did not have workers' compensation insurance.

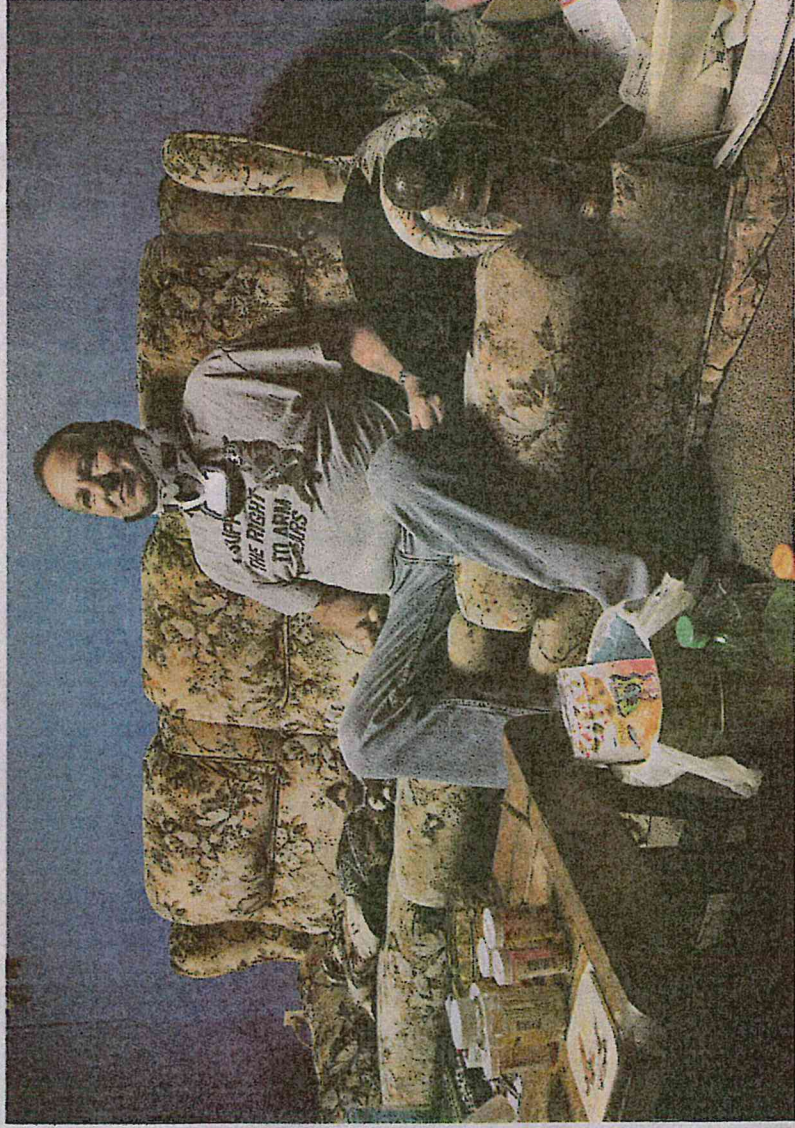
When an Iowa deputy workers' compensation commissioner found the company and its owner, James L. Watts, were responsible, Watts was ordered to pay weekly benefits for the injury, interest and prior medical expenses. But he never did.

Carter was fired, and he has not worked since. In May, he had surgery on several vertebrae, and he's currently unable to move his neck.

"It's been hell," Carter said. "I had to go on food stamps, I have no money coming in. And I lost my mobile home because I could not make payments."

Those who represent injured workers say they fear Carter will never get paid, and worry about the message that sends to other corporate lawbreakers.

"There needs to be a message ... that the state will come after you. This is a felony, after all," said Andrew Mertens, a spokesman for the Iowa Association of Justice. "These are laborers by and large. And when they are restricted from working, they don't



Jeffrey Carter, 45, of Muscatine suffered serious injuries while working for a company owned by James Watts that didn't have workers' comp insurance. DAVID PURDY/THE REGISTER

just lose their jobs. They lose their ability to earn income all together."

The Iowa attorney general's office vowed this spring to pursue court action against James Watts after workers' comp officials and attorneys complained that the garbage hauler has failed for years to insure haulers who later were seriously injured.

But because of the federal tax case looming and the size of the U.S. treasury's stake in its outcome, state prosecutors now question whether that would even be prudent.

Mertens said he hopes prosecutors don't back down. He is one of several who have argued that the attorney general's office needs to make examples of those who fail to carry workers' compensation or self-insure. In recent years, the state has yet to prosecute anyone.

One case currently under scrutiny by the attorney general's office involves Russell Vanhorn, a 55-year-old garbage truck driver who worked for Watts' Hawkeye Waste Systems in Iowa City. Vanhorn fell 8 feet while attempting to tie down a tarp on a

roll-off trash container in 2009. The fall left him with severe abdominal pain. He was vomiting blood and required hospitalization and surgery, state records show.

After Vanhorn resigned in 2011, a deputy workers' compensation commissioner found Vanhorn's injuries were not reported by the company as they should have been under law. The company acknowledged more than once that it did not have insurance to cover workers' compensation liabilities.

This month, another deputy

commissioner ordered the company to pay Vanhorn disability benefits and a \$25,000 penalty.

And state records show there are other hauler disabilities that have been ignored.

In 2008, Richard Lint, 53, a hauler for Watts' A-1 Disposal Services for four years, suffered a partial disability after his shoulder was struck by part of a front-loading garbage truck, a deputy worker's compensation commissioner found. He was never paid, according to the workers' compensation division.

Mertens said Watts has shown a pattern of taking advantage of workers and renegotiating settlements with the state "to basically manipulate workers out of money they deserve."

"With actions like that, there's no telling how many have been manipulated out of claims altogether."

Carter said his paychecks routinely bounced after he started working for L&M in March 2009. During that time, the state Department of Transportation also removed licenses from trucks because license fees went unpaid, he said.

"But I worked there a year and half because I needed a job at the time."

Carter's lawyer, David O'Brien of Cedar Rapids, said he attempted to collect both from the business and Watts personally, but he has failed.

Laura Liegois, solid waste manager for the city of Muscatine, said she is surprised the state has allowed Watts' companies to go so long without workers' compensation coverage.

"This is a very dangerous industry," she said.