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**CASE OF INTEREST**

**Date:** May 3, 2010  
**Case:** Raley's Grocery Stores  
**Contact:** Deputy District Attorney Dale Kitching 916.874.

Sacramento District Attorney Jan Scully, along with the District Attorneys of San Joaquin, Amador, Yolo, Monterey and Placer counties, announced today the settlement of an Unlawful Business Practices case against Raley's grocery stores for illegal practices in handling Workers' Compensation insurance claims by injured Raley's employees.

In 2007 the Amador County District Attorney's Office and the California Department of Insurance began a criminal investigation of a complaint that store managers of a Raley's/Bel Air (hereafter Raley's) grocery store had attempted to dissuade an injured employee from filing a Workers' Compensation claim. The investigation led to criminal charges against two store managers who pled guilty to misdemeanor violations. It also revealed a fairly widespread practice by Raley's managers of attempting to dissuade injured employees from filing claims, suggesting that injured employees use their own health insurance for work related injuries, instead of reporting accidents/injuries to the agencies required under the Workers Compensation law.

Several District Attorney's Offices then cooperated in a further investigation. Under the leadership of San Joaquin County DDA David Irely and his counterparts in Monterey (Managing DDA Annie Michaels and DDA Jim Burlison) and Sacramento (Supervising DDA Dale Kitching), over 100 Raley's employees were interviewed. Raley's management cooperated, providing documents and records the prosecutors requested. The prosecutors decided that the greatest impact could be achieved using the civil unlawful business practices laws. The goal was to hold Raley's accountable, gain compliance with the law, and deter others.

Raley's agreed to changes in their Workers' Compensation practices, including mandatory training for store managers, improved record keeping, and contracting with a telephonic medical advice company to evaluate injuries and recommend treatment. Raley's also agreed to pay \$550,000 in penalties and costs, including \$30,000 to fund training for law enforcement investigators/auditors, and an injunction prohibiting Raley's from violating Workers' Compensation laws and requiring that they continue and expand the improved practices for claims by injured workers. The settlement includes an added \$150,000 sanction if other violations occur during the next 5 years.

Copies of the court documents with the complaint and settlement specifics are available on request.