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Civil settlement announced in Smurfit-Stone case

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Author: SUNITA VIJAYAN

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svijayan@thecalifornian.com

The Monterey County District Attorney's Office announced Wednesday that Smurfit-Stone has agreed to a civil settlement, nearly three years after two of its managers were accused of covering up workers' injury compensation claims.

Without admitting guilt, the Salinas paperboard and packaging manufacturer agreed to pay \$100,000 in civil penalties and another \$4,293 in victim restitution, the District Attorney's Office said.

Prosecutors said the settlement with Smurfit-Stone Container Enterprises Inc. and Smurfit-Stone Container Corp. also includes a permanent injunction.

Jim Burlison, a deputy district attorney, said the court approved the settlement Monday. The company has since paid in full the money owed in civil penalties and restitution, Burlison said.

In 2007, the District Attorney's Office said, it launched an investigation into the company after two employees accused two managers and a physician assistant at Pinnacles Urgent Care of concealing work-related injuries and trying to deter employees from filing workers' injury compensation claims.

Prosecutors said the District Attorney's Consumer Protection Unit conducted a follow-up investigation to the criminal case and found that some Smurfit-Stone employees were not provided claim forms in a timely manner and that they did not report or record work-related injuries in time.

On Oct. 31, 2007, authorities arrested Douglas Tateoka, a superintendent at Smurfit-Stone; David Polk, a former human relations manager at Smurfit-Stone; and Eugene Guzman, a physician assistant at Pinnacles Urgent Care. All three were booked into Monterey County Jail on suspicion of falsifying claims or statements and knowingly conspiring against a person. Polk and Guzman were also both booked on suspicion of felony conspiracy.

In March, Polk and Tateoka pleaded no contest to misdemeanor charges of concealing events related to on-the-job injuries and conspiring to deny injured workers their benefits. Polk also pleaded guilty to the latter charge in a separate case.

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Both were given a 29-day jail term, fined several hundred dollars and placed on three years of probation. The judge indicated at their sentencing that he would dismiss the probation time once the clients pay off the fines.

Thomas Worthington, Guzman's private attorney, issued a press release Wednesday stating that his client agreed to pay \$30,000 in civil penalties. Worthington stated that Guzman also agreed to an injunctive order.

"Mr. Guzman agreed to this civil resolution to avoid the costs, stress, and distraction of continuing litigation and to bring this long saga to an end," Worthington said in the statement. "His professional record is unblemished, and his reputation in the community he serves is unquestioned [para]. He looks forward to the future as he plans to continue delivering needed healthcare to the community."

He said Guzman's employer performed an internal review and found that the physician assistant's "performance always met the highest standards of care."

Burlison said the court approved the settlement with Guzman on June 4. He said Guzman has so far paid two-thirds of the fines.

It is uncertain at this time what will happen to Guzman's criminal case. His next court appearance is scheduled next week.