

Injured US Amazon workers face “workers compensation” regime rigged in favor of employers

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Barbara, a former Amazon worker in South Carolina, recently recounted a story to the *International Amazon Workers Voice* that has become all too common.

As a picker at Amazon, she often walked 15 miles a day in a warehouse where workers were pressured to make rate at the expense of safety. Amazon’s policy was to fire workers after three write-ups for not making rate. One day while racing to make rate, Barbara had to try to stop her cart abruptly to avoid a collision with another worker. As a result, she injured her foot and back.

Amcare, the company nursing station, was closed for the night shift. The following day the company sent Barbara to a doctor who gave her Tylenol and crutches. After being told she had no other choice, Barbara returned to work despite her injury, where she was assigned to packing and office work. Her supervisor told her to keep working despite the pain, and at one point she had to stand for five hours on her fractured foot.

Eventually she received a \$4,000 settlement that required her to sign a statement stipulating that she could not work at Amazon, could not sue for additional damages, and could not draw unemployment.

After her workers compensation payments ended, Barbara was unable to find work elsewhere. She lost her home and car.

“It was devastating to lose my car and my home,” she told the *IAWV*. “My dad built my home. All because of this little accident.”

The carnage at America’s workplaces, and the scandalous mistreatment of workers after their injuries, goes completely unreported in the establishment media.

According to the US Bureau of Labor Statistics, approximately 4,500 American workers are killed on the job each year. Nearly 3 million serious injuries are officially recorded by employers, and the true number is likely much higher. Tens of thousands die every year because of past exposure to asbestos, benzene, and other toxic substances in

the workplace.

America’s workers compensation regimes vary from state to state, with many originating from reforms enacted at the beginning of the 20th century. Under these regimes, workers are prohibited from filing lawsuits against their employers, but in return, they are nominally entitled to receive medical coverage and a percentage of their lost wages while they were out of work due to an injury. In theory, the medical benefits include doctor visits, hospital treatment, nursing care, medications, medical diagnostic tests, physical therapy, and durable medical equipment.

However, remedies once provided to workers compensation claimants have been substantially undermined over time by the employers and the insurance companies, whose lobbyists more and more have had the last word as to legislation that sets the procedural and substantive rules, aided and abetted by Democratic and Republican state governments.

Today, the reality faced by workers who enter this system includes false diagnoses by pro-company doctors, tendentious and Kafka-esque procedures that favor employers at every step, accusations that workers are malingering and faking their injuries, absurdly low compensation, and pressure to get back to work as soon as possible, often aggravating the original injuries.

According to the Social Security Administration, approximately 75 percent of workers compensation awards in the US pay only medical costs. In other words, some of the doctors may be reimbursed for the medical treatment that was provided, but the injured workers are not compensated at all. Even in disability cases where the worker receives some pay, it is usually only a fraction of the pre-injury wage.

A 2015 *Pro Publica* study found that since 2003, 33 states had passed laws reducing workers compensation benefits. In many states, workers have to choose a doctor from a list provided by the very employer whose unsafe practices in many cases were the cause of the injury.

Shannon Allen, an injured Amazon worker from Texas, reported that in the course of her long struggle to get medical treatment for her injuries, one doctor examined her and determined that she was seriously injured. But that diagnosis was rejected by another doctor who never examined her in person and never even reviewed her medical imaging.

This latter doctor based his opinion in part on the fact that he apparently could not read the handwriting on some of Shannon's older medical records. "I find it unfortunate," he wrote, "that the only medical records are these exceedingly poor handwritten notes from an emergency room."

This latter doctor, who had never met Shannon and who was apparently unable to read her records, nevertheless opined that Shannon was not injured at all and only suffered from "mild degenerative changes" due to aging. This type of outrageous and degrading smear is not an uncommon experience for workers who are victims of industrial accidents.

The actual monetary sums that workers receive through workers compensation are plainly and grossly insufficient. An article on the website of the Littler law firm, giving its perspective on a 2005 Texas law signed by then-Governor Rick Perry, complained that before the law's enactment the average per-claim total in Texas of \$5,900 had been 76 percent above the US median.

US employers "now provide only a small percentage (about 20 percent) of the overall financial cost of workplace injuries and illnesses," according to a June 2015 Occupational Safety and Health Administration (OSHA) study. The average percentage of costs paid out-of-pocket by injured workers is 50 percent.

Many employers have policies that set procedural traps for workers to lose their benefits, such as mandating that workers report injuries within 24 hours. In 2014, US Steel suspended two workers for five days without pay because of such a policy.

OSHA's report confirms that income inequality exacerbates the consequence of inadequate coverage, in part because other working members of a family often need to take time off to care for the injured person. Working two or three jobs to make ends meet causes fatigue and increases the risk of injury. Workplace injuries also damage self-confidence and cause stress within families.

Insurers, meanwhile, make billions from unused premiums on policies. According to statistics from the National Association of Insurance Commissioners, the total was more than \$50 billion in 2017 for the 20 largest private insurers. According to the Social Security Administration, total covered payrolls in the United States were \$7.2 trillion in 2015.

Conversely, the risk of fines for employers who engage in

illegal practices is small. In Massachusetts, for example, only a little more than \$1 million in fines was collected during 2017, despite the issuance of 1,900 stop work orders.

Common illegal practices by American employers include paying cash to workers off the books, using shell companies to buy one policy for multiple companies, misclassifying workers as consultants, and reporting dangerous jobs like roofing as office work. But as the experiences of many Amazon workers who have spoken to the IAWV demonstrates, even when the workers compensation system is functioning "legally" and "as intended," the result is a terrible injustice for countless workers.

For example, while it is legal for employers to use staff provided by temp agencies, this practice is known to diminish the likelihood of workers compensation claims by workers. The reason is that workers are afraid they will not receive more assignments from the staffing agency if they file a claim. Companies that contract out to temp agencies also save money by cutting back on safety training. According to OSHA, the agency "has encountered many situations, including some in which temporary workers have been killed, in which employers have chosen to not provide required safety training to temporary workers."

Sedgwick, Amazon's claims administrator, had revenues of \$1.74 billion in 2017. Workers from many different industries have gathered together on Facebook to denounce Sedgwick and share their experiences. Pepsi workers, pipefitters and hospital workers, FedEx and Amazon employees, and Hertz workers have all experienced similar outrages at the hands of this company.

According to a September 2018 Reuters report, the venture capital firm Carlyle Group LP is in talks to buy Sedgwick for \$6 billion from a consortium led by KKR & Co. (Kohlberg Kravis Roberts). The KKR group paid \$2.4 billion in 2014. In 2016, Moody's salivated over Sedgwick's "stable earnings."



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