

# **COMPLIANCE AUDIT REPORT**

**STATE OF MAINE  
WORKERS' COMPENSATION BOARD**



**Hannaford Brothers Company**  
**Engagement Date: March 16, 2020**  
**Issue Date: September 28, 2022**

**Office of Monitoring, Audit & Enforcement**

John C. Rohde  
Executive Director

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## SUMMARY

Hannaford Brothers Company (Hannaford) is a self-insured, self-administered Maine employer comprised of 183 supermarkets and combination food and drug stores in Maine, New Hampshire, Massachusetts, New York and Vermont. It also owns and operates three distribution and transportation centers in Maine and New York.

The Audit Division of the Maine Workers' Compensation Board (Board) examined thirty-five (35) claim files where indemnity benefits were paid for the period under examination (2018-2019) as well as sixty (60) medical payments for the period under examination (2018-2019) to determine compliance with statutory and regulatory requirements in the following areas:

- Form filing
- Timeliness of benefit payments
- Accuracy of benefit payments

The claim sample was drawn from a listing of all of Hannaford's 2018-2019 Maine workers' compensation claims. The medical payment sample was drawn from a listing of all of Hannaford's 2018-2019 medical payments for those claims in the sample.

One (1) Complaint for Audit that named Hannaford as the claim administrator was filed with the Audit Division since the last audit, but all issues raised by that document were addressed and resolved by Hannaford prior to this audit engagement. Therefore, that complaint was not included in this audit.

Hannaford handles its Maine workers' compensation claims primarily in Salisbury, North Carolina and Scarborough, Maine.

The audit work was conducted as a desk audit.

The compliance tables found on pages 19 through 23 of this report are representative of Board findings as of March 16, 2020. Since that time, the Audit Division has received additional information, missing form filings, form corrections and indemnity payments. Based on this information, the Detailed Claims Information provided as an appendix of this report is representative of Board findings and updated form filings as of the issuance of this report.

Following is a discussion of the aforementioned compliance tables and of the steps taken since March 16, 2020 to rectify identified noncompliance issues. This discussion also includes other significant issues identified by the audit.

◆ **Form filing**

- Title 39-A M.R.S.A. and the Board Rules and Regulations provide the requirements for reports to the Board:

<i>WCB-1, First Report of Occupational Injury or Disease</i>	<i>39-A M.R.S.A. Section 303, Rules &amp; Regs, Ch 8 Section 13, Rules &amp; Regs, Ch 3 Section 4</i>
<i>WCB-2, Wage Statement</i>	<i>39-A M.R.S.A. Section 303</i>
<i>WCB-2B, Fringe Benefits Worksheet</i>	<i>39-A M.R.S.A. Section 303</i>
<i>WCB-3, Memorandum of Payment (MOP)</i>	<i>Rules &amp; Regs, Ch 1 Section 1.1, Rules &amp; Regs, Ch 1 Section 1.3, 39-A M.R.S.A. Section 205(7), Rules &amp; Regs, Ch 8 Section 12</i>
<i>WCB-4, Discontinuance or Modification of Compensation</i>	<i>Rules &amp; Regs, Ch 8 Section 11, Rules &amp; Regs, Ch 8 Section 12</i>
<i>WCB-4A, Consent Between Employer and Employee</i>	<i>Rules &amp; Regs, Ch 8 Section 18</i>
<i>WCB-8, (21 Day) Certificate of Discontinuance or Reduction of Compensation</i>	<i>39-A M.R.S.A. Section 205(9)</i>
<i>WCB-9, Notice of Controversy (NOC)</i>	<i>Rules &amp; Regs, Ch 1 Section 1.1, Rules &amp; Regs, Ch 3 Section 4</i>
<i>WCB-11, Statement of Compensation Paid</i>	<i>Rules &amp; Regs, Ch 8 Section 1, Rules &amp; Regs, Ch 8 Section 12</i>

- Failure to file any Board form within established time frames is a violation of Title 39-A M.R.S.A. Section 360(1) (A) or (B).
- First Report of Occupational Injury or Disease (WCB-1):
  - Twenty-one (21) First Report of Occupational Injury or Disease forms were filed in accordance with the above requirements.
    - Hannaford's compliance rate for First Report of Occupational Injury or Disease filings is 60%, which is below the Board's performance benchmark of 85%.
  - Fourteen (14) First Report of Occupational Injury or Disease forms were filed late.
- Wage Statement (WCB-2) and Fringe Benefits Worksheet (WCB-2B):
  - Twenty-four (24) Wage Statements and sixteen (16) Fringe Benefits Worksheets were filed in accordance with the above requirements.
    - Hannaford's compliance rate for Wage Statement filings is 69%, which is below the Board's performance benchmark of 75%.
    - Hannaford's compliance rate for Fringe Benefits Worksheet filings is 46%, which is below the Board's performance benchmark of 75%.
  - Eleven (11) Wage Statements and nineteen (19) Fringe Benefits Worksheets were filed late.

- Memorandum of Payment (WCB-3 or WCB-4A) and Notice of Controversy (WCB-9):
  - Twenty-three (23) Memorandum of Payment forms and two (2) Notice of Controversy (“lost time”) forms were filed in accordance with the above requirements.
  - Hannaford’s compliance rate for Memorandum of Payment filings is 55%, which is below the Board’s performance benchmark of 85%.
  - Hannaford’s compliance rate for Notice of Controversy filings is 20%, which is below the Board’s performance benchmark of 90%.
  - Nineteen (19) Memorandum of Payment forms and six (6) Notice of Controversy (“lost time”) forms were filed late.
  - Two (2) Notice of Controversy (“lost time”) forms were required, but not filed.
    - Since March 16, 2020, Hannaford submitted those two (2) Notice of Controversy (“lost time”) forms.
- Discontinuance or Modification of Compensation (WCB-4 or WCB-4A):
  - Nineteen (19) Discontinuance or Modification of Compensation forms were filed in accordance with the above requirements.
  - Twenty-one (21) Discontinuance or Modification of Compensation forms were filed late.
  - One (1) Modification of Compensation form was required, but not filed.
    - Since March 16, 2020, Hannaford submitted that one (1) Modification of Compensation form.
- (21 Day) Certificate of Discontinuance or Reduction of Compensation (WCB-8 or WCB-4A):
  - Two (2) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms were filed in accordance with the above requirements.
  - Two (2) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms were required, but not filed.
    - Since March 16, 2020, Hannaford submitted those two (2) (21 Day) Certificate of Discontinuance or Reduction of Compensation forms.
- Statement of Compensation Paid (WCB-11):
  - Thirty-six (36) Statement of Compensation Paid forms were filed in accordance with the above requirements.

- Three (3) Statement of Compensation Paid forms were filed late.
- Nineteen (19) Statement of Compensation Paid forms were required, but not filed.

*In response to notice of this problem area, Hannaford has taken steps to improve future compliance by providing additional staff training and requiring supervisory review of forms to be filed.*

◆ **Timeliness of benefit payments**

- Title 39-A M.R.S.A. Section 205(2) provides the time requirements for indemnity payments.
- When there is not an ongoing dispute, failure to pay weekly compensation benefits or accrued weekly benefits within 30 days after becoming due and payable is a violation of Title 39-A M.R.S.A. Section 205(2) and subject to penalty under Section 205(3).
- Initial Indemnity Payments:
  - Twenty-one (21) initial indemnity payments were made timely.
    - Hannaford's compliance rate for initial indemnity payments is 50%, which is below the Board's performance benchmark of 87%.
  - Twenty-one (21) initial indemnity payments were made late.
    - Six (6) late initial indemnity payments were made later than 30 days after they became due and payable, in violation of Section 205(2) and subject to penalty under Section 205(3).
- Subsequent Indemnity Payments:
  - Four hundred thirteen (413) subsequent indemnity payments were made timely.
  - Twenty-nine (29) subsequent indemnity payments were made late.
    - One (1) late subsequent indemnity payment was made later than 30 days after it became due and payable in violation of Section 205(2) and subject to penalty under Section 205(3).
- Board Rules and Regulations Chapter 5 states in part, "The employer/insurer shall pay the health care provider's charge or the maximum allowable payment under this fee schedule, whichever is less, within 30 days of receipt of a bill unless the bill or previous bills from the same provider or the underlying injury has been controverted or denied. If an employer/insurer controverts whether a health care provider's bill is reasonable and proper under § 206 of the Act, the employer/insurer shall send a copy of the notice of controversy to the health care provider."
  - Fifty-nine (59) medical payments were made timely.
  - One (1) medical payment was made late.

*In response to notice of these problem areas, Hannaford has taken steps to improve future compliance by providing additional staff training regarding those actions necessary to ensure timely payments.*

◆ **Accuracy of indemnity payments**

- Title 39-A M.R.S.A. Section 102(4) and Board Rules and Regulations Chapter 1, Section 5 provide the requirements for calculating average weekly wages (AWWs). Title 39-A M.R.S.A. Section 102(1) and Board Rules and Regulations Chapter 8, Section 9 provides the requirements for determining weekly compensation rates (WCRs). Title 39-A M.R.S.A. Sections 212, 213, and 215 provide the requirements for compensation for total incapacity, partial incapacity, and death benefits.
- The accuracy of indemnity payments was reviewed for thirty-five (35) claims.
- Average Weekly Wage:
  - Thirty-three (33) AWWs were correct.
  - Two (2) AWWs were incorrect.
- Weekly Compensation Rate:
  - Thirty-one (31) WCRs were correct.
  - Four (4) WCRs were incorrect.
- Partial Benefits Calculation Method:
  - The method used to calculate partial benefits was incorrect for eighteen (18) claims.
- Amount Paid:
  - Six (6) claims were compensated correctly.
  - Fifteen (15) claims were underpaid (\$3,558.30 aggregately).
    - Since March 16, 2020, Hannaford paid the amounts due.
  - Fourteen (14) claims were overpaid (\$2,386.35 aggregately).
  - Collectively, the aforementioned errors resulted in a net underpayment of \$1,171.95 to injured workers.

*In response to notice of these problem areas, Hannaford has taken steps to improve future compliance by providing additional staff training regarding those actions necessary to ensure accurate payments.*



◆ **Accuracy of medical payments**

- Title 39-A M.R.S.A. Section 209-A and Board Rules and Regulations Chapter 5 provide the fee setting requirements for medical and ancillary services and products rendered by individual health care practitioners and health care facilities.
- The accuracy of sixty (60) medical payments was reviewed among twenty (20) claims.
- Amount Paid:
  - Fifty-seven (57) medical payments sampled were correct.
  - Three (3) medical payments sampled were incorrect.

*In response to notice of these problem areas, Hannaford has taken steps to improve future compliance by providing additional staff training regarding those actions necessary to ensure accurate payments.*

◆ **Other significant issues**

- Box 2b (Was Employee Paid for ½ Day or More on Day of Injury?) must accurately reflect whether the employee was paid for ½ day or more on the day of injury. Board Rules and Regulations Chapter 8, Section 3 states, “When an employee is paid 1/2 day or more wages on the date of injury, the date of injury will not be considered a day of incapacity.”
  - Incorrect dates were reported in Boxes 2b and 43 of the FROIs that were filed for eight (8) claims.
- Box 22 (First Day Of Compensability After Waiting Period Is Met) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date of the first compensable day that follows the completion of the 7-day waiting period. See the Board’s Forms and Petitions Manual.
  - Incorrect dates were reported in Box 22 of the MOPs that were filed for six (6) claims.
- Boxes 23a (Date of Incapacity) and 23b (Date Employer Notified) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date of incapacity and date that the employer was notified of the incapacity. Note: the Date of Incapacity reported in Box 23a and the Date Employer Notified in Box 23b must equal the Date of Incapacity (DN56) and Date Employer Notified (DN281) reported in box 43 of the WCB-1, Employer’s First Report of Occupational Injury or Disease (First Report). See the Board’s Forms and Petitions Manual.
  - Incorrect dates were reported in Boxes 23a and/or 23b of the MOPs that were filed for fifteen (15) claims.
- Box 24 (Date Check Mailed) of the WCB-3, Memorandum of Payment (MOP) must accurately reflect the date that the initial indemnity payment (for the incapacity addressed by the MOP) is sent to the employee. See the Board’s Forms and Petitions Manual.
  - Incorrect dates were reported in Box 24 of the MOPs that were filed for six (6) claims.
- Box 20a (Current Incapacity) and 20b (Date Employer Notified) of the WCB-9, Notice of Controversy (NOC) must accurately reflect the first qualifying day of disability in the current period of disability being denied and the date employer notified of such, respectively. If the date of the Current Incapacity is the same as the Initial Incapacity, this should be left blank. See the Board’s Forms and Petitions Manual.
  - Incorrect dates were reported in Box 20a and/or 20b of the NOCs that were filed for three (3) claims.
- Box 19a (From Date) and 19b (To Return Date) of the WCB-4, Discontinuance or Modification of Compensation must accurately reflect the date the incapacity ended. See also the Board’s Forms and Petitions Manual.
  - Incorrect dates were reported in Box 19a and/or 19b of the WCB-4, Discontinuance or Modification of Compensation forms that were filed for three (3) claims.

- Medical Treatment reported on the WCB-11, Statement of Compensation Paid form must not include expenses such as bill review and case management services. See the Board's Forms and Petitions Manual.
- The auditor noted that several payments for medical bill review services and case management services are reported as Medical Treatment on the WCB-11.
- Additional payments were made since the "Final" WCB-11 Statement of Compensation Paid was filed for ten (10) claims.
- Section 213 provides the requirements for partial incapacity benefits. Partial benefits must be calculated at a rate of 80% of the difference between the employee's pre-injury (after-tax) AWW and their post-injury (after-tax) weekly (based on payroll, i.e. Saturday through Friday) actual wages (not based on M-1). See Board Rules and Regulations Chapter 8, Section 8.
- It appears that post-injury wages were not reviewed to assess a potential obligation to pay partial benefits when three (3) employees returned to work on "modified duty".

## PENALTIES

### ♦ Penalties payable to providers and/or injured employees

#### Title 39-A M.R.S.A. Section 205(3)

“When there is not an ongoing dispute, if weekly compensation benefits or accrued weekly benefits are not paid within thirty (30) days after becoming due and payable, \$50 per day must be added and paid to the worker for each day over thirty (30) days in which the benefits are not paid. Not more than \$1,500 in total may be added pursuant to this subsection. For purposes of ratemaking, daily charges paid under this subsection do not constitute elements of loss.”

Delays of initial indemnity payments, subject to penalty under Section 205(3), were found on the following claims:

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Jean Bulley vs. Hannaford Date of Injury: 9/24/18 Date ER Notified of Incapacity: 10/18/18 Claim # 2018156369 Board # 18026552	No NOC was filed until 1,363 days after compensation became due and payable (11/1/18). The “mandatory payment” was made 12/18/18, which was 47 days after compensation became due and payable (11/1/18).	\$850.00*
Kevin Coughlin vs. Hannaford Date of Injury: 5/2/18 Date ER Notified of Incapacity: 5/10/18 Claim # 2018151054 Board # 18009563	No NOC was filed, and the initial indemnity payment for the second period of incapacity was made 8/30/18, which was 56 days after compensation became due and payable (7/5/18).	\$1,300.00
Linda Randazzo vs. Hannaford Date of Injury: 12/6/19 Date ER Notified of Incapacity: 12/8/19 Claim # 2019170868 Board # 19030884	No NOC was filed until 52 days after compensation became due and payable (12/22/19). The “mandatory payment” was made 2/14/20, which was 54 days after compensation became due and payable (12/22/19).	\$1,200.00

<b>CLAIM</b>	<b>PENALTY JUSTIFICATION</b>	<b>PENALTY EXPOSURE</b>
Lucas Wheelock vs. Hannaford Date of Injury: 6/10/18 Date ER Notified of Incapacity: 6/11/18 Claim # 2018152530 Board # 18013703	No NOC was filed until 46 days after compensation became due and payable (6/25/18). The “mandatory payment” was made 8/14/18, which was 50 days after compensation became due and payable (6/25/18).	\$750.00*
<b>Total Penalties to Injured Employees for Delays of Initial Indemnity Payments</b>		<b>\$4,100.00</b>

\* Paid.

Delays of “other” indemnity payments, subject to penalty under Section 205(3), were found on the following claims:

<b>CLAIM</b>	<b>PENALTY JUSTIFICATION</b>	<b>PENALTY EXPOSURE</b>
Mary Fiedler vs. Hannaford Date of Injury: 10/2/18 Date ER Notified of Incapacity: 11/26/18 Claim # 2018157100 Board # 18026434	Payment for the 7-day waiting period was made 6/13/22, which was 1,281 days after compensation became due and payable (12/10/18).	\$1,500.00
Liam Hunter vs. Hannaford Date of Injury: 10/16/18 Date ER Notified of Incapacity: 9/14/19 Claim # 2018158206 Board # 18031982	Payment for the 7-day waiting period was made 6/10/22, which was 979 days after compensation became due and payable (10/5/19).	\$1,500.00

CLAIM	PENALTY JUSTIFICATION	PENALTY EXPOSURE
Heather Potter vs. Hannaford Date of Injury: 11/19/19 Date ER Notified of Incapacity: 11/28/19 Claim # 2019170588 Board # 19028328	The claimant was totally incapacitated from 3/1/20 through 3/7/20. Payment for that incapacity was made 815 days after compensation became due and payable (3/21/20).	\$1,500.00
Dylan Robinson vs. Hannaford Date of Injury: 5/26/18 Date ER Notified of Incapacity: 5/27/18 Claim # 2018151838 Board # 18011640	Hannaford failed to place stop-payment on stale-dated indemnity check for weeks ending 6/2/18 through 6/9/18. Payment was not re-issued until 3/15/22.	\$1,500.00
Dale Rzycki vs. Hannaford Date of Injury: 7/4/18 Date ER Notified of Incapacity: 9/13/18 Claim # 2018153958 Board # 18016684	While the claimant was partially incapacitated weeks ending 7/28/18 through 11/10/18, Hannaford failed to monitor post-injury wages. Payment of accrued benefits was made 1,266 days after compensation became due and payable (11/24/18).	\$1,500.00
Trenton Salley vs. Hannaford Date of Injury: 12/30/18 Date ER Notified of Incapacity: 12/30/18 Claim # 2018159555 Board # 18030978	Payment for part of the 7-day waiting period was made 6/14/22, which was 1,248 days after compensation became due and payable (1/13/19).  Claimant was totally incapacitated from 2/9/20 through 2/12/20. Payment for that incapacity was made 839 days after compensation became due and payable (2/26/20).	\$1,500.00
Stephen Weeks vs. Hannaford Date of Injury: 4/4/18 Date ER Notified of Incapacity: 4/7/18 Claim # 2018150213 Board # 18007655	Parental leave not paid to claimant was improperly offset week ending 1/25/20. Payment of accrued benefits has not yet been made.	\$1,500.00
<b>Total Penalties to Injured Employees for Delays of "Other" Indemnity Payments</b>		<b>\$10,500.00</b>

♦ **Penalties payable to the State General Fund**

**Title 39-A M.R.S.A. Section 359(2)**

“In addition to any other penalty assessment permitted under this Act, the Board may assess civil penalties not to exceed \$25,000 upon finding, after hearing, that an employer, insurer or 3<sup>rd</sup>-party administrator for an employer has engaged in a pattern of questionable claims-handling techniques or repeated unreasonably contested claims. The Board shall certify its findings to the Superintendent of Insurance, who shall take appropriate action so as to bring any such practices to a halt. This certification by the Board is exempt from the provisions of the Maine Administrative Procedure Act. The amount of any penalty assessed pursuant to this subsection must be directly related to the severity of the pattern of questionable claims-handling techniques or repeated unreasonably contested claims. All penalties collected pursuant to this subsection shall inure to the benefit of the General Fund. An insurance carrier’s payment of any penalty assessed under this section may not be considered an element of loss for the purpose of establishing rates for workers' compensation insurance.”

- The Board may refer Hannaford to the Abuse Investigation Unit to pursue penalties under Section 359(2) for the following reasons (including, but not limited to):
  - Failure to file or timely file forms with the Board
  - Failure to pay or timely pay benefits
  - Failure to pay indemnity benefits accurately
  - Failure to pay medical benefits accurately
  - Failure to address compliance issues outlined in previous audits
  - Documented failure to respond fully/timely to the Exit Conference document’s request for information
- **Penalty exposure: \$25,000.00**

**Title 39-A M.R.S.A. Section 360(1)(A)**

“The Board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete any report or form required by this Act or rules adopted under this Act.”

Violations subject to penalty under Section 360(1)(A) were found on the following claims:

<b>Employee</b>	<b>Date of Injury</b>	<b>Forms Not Filed</b>	<b>Penalty Exposure</b>
Boege, Laura	6/15/19	WCB-11, Statement of Compensation Paid	\$100.00
Bulley, Jean	9/24/18	WCB-9, Notice of Controversy	\$100.00
Burgess, Marsha	7/11/18	WCB-11, Statement of Compensation Paid	\$100.00
Clingerman, Lora	2/11/19	WCB-11, Statement of Compensation Paid (2)	\$200.00
Darling, Michael	11/20/18	WCB-11, Statement of Compensation Paid	\$100.00
Fiedler, Mary	10/2/18	WCB-11, Statement of Compensation Paid	\$100.00
Freeman, Danielle	10/30/18	WCB-11, Statement of Compensation Paid (2)	\$200.00
Grace, Terry	1/18/18	WCB-11, Statement of Compensation Paid	\$100.00
Hunter, Liam	10/16/18	WCB-11, Statement of Compensation Paid (2)	\$200.00
Jeselskis, Sherri	8/28/19	WCB-11, Statement of Compensation Paid	\$100.00
Light, Tyler	9/8/18	WCB-11, Statement of Compensation Paid (2)	\$200.00
McGraw, Amy	6/19/18	WCB-11, Statement of Compensation Paid	\$100.00
Salley, Trenton	12/30/18	WCB-11, Statement of Compensation Paid (2)	\$200.00
Smith, Ronald	7/6/19	WCB-11, Statement of Compensation Paid	\$100.00
White, Bryan	3/15/19	WCB-11, Statement of Compensation Paid	\$100.00
<b>TOTAL</b>			<b>\$2,000.00</b>

**Title 39-A M.R.S.A. Section 360(1)(B)**

“The Board may assess a civil penalty not to exceed \$100 for each violation on any person: Who fails to file or complete such a report or form within the time limits specified in this Act or rules adopted under this Act.”

Violations subject to penalty under Section 360(1)(B) were found on the following claims:

<b>Employee</b>	<b>Date of Injury</b>	<b>Forms Filed Late</b>	<b>Penalty Exposure</b>
Boege, Laura	6/15/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
Bridges, Olive	9/15/19	WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
Bulley, Jean	9/24/18	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00



<b>Employee</b>	<b>Date of Injury</b>	<b>Forms Filed Late</b>	<b>Penalty Exposure</b>
Burgess, Marsha	7/11/18	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
Coughlin, Kevin	5/2/18	WCB-2, Wage Statement	\$100.00
		WCB-3, Memorandum of Payment (2)	\$200.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
Darling, Michael	11/20/18	WCB-4, Discontinuance or <b>Modification</b> of Compensation	\$100.00
Fiedler, Mary	10/2/18	WCB-2B, Fringe Benefits Worksheet	\$100.00
Fredette, Noah	12/3/19	WCB-3, Memorandum of Payment	\$100.00
Freeman, Danielle	10/30/18	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-9, Notice of Controversy	\$100.00
Grace, Terry	1/18/18	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment (2)	\$200.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation (3)	\$100.00
		WCB-9, Notice of Controversy	\$100.00
Hunter, Liam	10/16/18	WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
James, June	3/23/18	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-4, Discontinuance or <b>Modification</b> of Compensation	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation (3)	\$300.00
Jeselskis, Sherri	8/28/19	WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
Laplante, Sharon	11/1/19	WCB-2B, Fringe Benefits Worksheet	\$100.00
Light, Tyler	9/8/18	WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-9, Notice of Controversy	\$100.00
Marsh, Joseph	10/21/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
McCalsky, James	11/26/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
McCann, Joshua	11/25/18	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
McGraw, Amy	6/19/18	WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or <b>Modification</b> of Compensation	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation (2)	\$200.00
		WCB-11, Statement of Compensation Paid	\$100.00

<b>Employee</b>	<b>Date of Injury</b>	<b>Forms Filed Late</b>	<b>Penalty Exposure</b>
Pendleton, Tisha	4/27/18	WCB-3, Memorandum of Payment	\$100.00
Potter, Heather	11/19/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
Randazzo, Linda	12/6/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00*
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-9, Notice of Controversy	\$100.00
Robinson, Dylan	5/26/18	WCB-3, Memorandum of Payment	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
Rzyski, Dale	7/4/18	WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment (3)	\$300.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
		WCB-11, Statement of Compensation Paid (2)	\$200.00
Salley, Trenton	12/30/18	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
Smith, Ronald	7/6/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
Topham, Richard	12/6/18	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
Weeks, Stephen	4/4/18	WCB-3, Memorandum of Payment	\$100.00
		WCB-4, <b>Discontinuance</b> or Modification of Compensation	\$100.00
		WCB-9, Notice of Controversy	\$100.00
Wheelock, Lucas	6/10/18	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00**
		WCB-2, Wage Statement	\$100.00
		WCB-2B, Fringe Benefits Worksheet	\$100.00
		WCB-9, Notice of Controversy	\$100.00
White, Bryan	3/15/19	WCB-1, Employer's First Report of Occupational Injury or Disease	\$100.00
		WCB-3, Memorandum of Payment	\$100.00
		WCB-4, Discontinuance or <b>Modification</b> of Compensation	\$100.00
<b>TOTAL</b>			<b>\$9,200.00</b>

\* Paid AIU.

\*\* Dismissed AIU.

### **Title 39-A M.R.S.A. Section 360(2)**

“The Board may assess, after hearing, a civil penalty in an amount not to exceed \$1,000 for an individual and \$10,000 for a corporation, partnership or other legal entity for any willful violation of this Act, fraud or intentional misrepresentation. The Board may also require that person to repay any compensation received through a violation of this Act, fraud or intentional misrepresentation or to pay any compensation withheld through a violation of this Act, fraud or misrepresentation, with interest at the rate of 10% per year.”

- The Board may refer Hannaford to the Abuse Investigation Unit to pursue penalties under Act §360(2) for the following reasons (including, but not limited to):
  - Failure to file or timely file forms with the Board
  - Failure to pay or timely pay benefits
  - Failure to pay indemnity benefits accurately
  - Failure to pay medical benefits accurately
  - Failure to address compliance issues outlined in previous audits
  - Documented failure to respond fully/timely to the Exit Conference document’s request for information
- **Penalty exposure: \$10,000.00**

# COMPLIANCE TABLES

## ◆ Form Filing

### A. First Report of Occupational Injury or Disease (WCB-1)

		2018-2019	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	21	60%
Late		14	40%
Total		35	100%

### B. Wage Statement (WCB-2)

		2018-2019	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	24	69%
Late		11	31%
Total		35	100%

### C. Fringe Benefits Worksheet (WCB-2B)

		2018-2019	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	16	46%
Late		19	54%
Total		35	100%

### D. Memorandum of Payment (WCB-3 or WCB-4A)

		2018-2019	
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	23	55%
Late		19	45%
Total		42	100%

**E. Discontinuance or Modification of Compensation (WCB-4 or WCB-4A)**

<b>2018-2019</b>			
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	19	46%
Late		21	51%
Not Filed		1	3%
Total		41	100%

**F. Certificate of Discontinuance or Reduction of Compensation (WCB-8 or WCB-4A)**

<b>2018-2019</b>			
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	19	46%
Improperly Filed		21	52%
Not Filed		1	2%
Total		41	100%

**G. Notice of Controversy (WCB-9)**

<b>2018-2019</b>			
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	2	20%
Late		6	60%
Not Filed		2	20%
Total		10	100%

**H. Statement of Compensation Paid (WCB-11)**

<b>2018-2019</b>			
		Number	Percent
Received at the Board:			
Filed	<b>Compliant</b>	36	62%
Late		3	5%
Not Filed		19	33%
Total		58	100%

◆ **Timeliness of Benefit Payments**

**I. Initial Payment of Indemnity Benefits**

			<b>2018-2019</b>	
			Number	Percent
Check Issued Within:				
0-14	Days	<b>Compliant</b>	21	50%
15-44	Days		15	36%
45+	Days		6	14%
Total			42	100%

**J. Subsequent Payment of Indemnity Benefits**

			<b>2018-2019</b>	
			Number	Percent
Check Issued Within:				
0-7	Days	<b>Compliant</b>	413	93%
8-37	Days		28	6%
38+	Days		1	1%
Total			442	100%

**K. Medical Payments**

			<b>2018-2019</b>	
			Number	Percent
Check Issued Within:				
0-30	Days	<b>Compliant</b>	59	98%
31+	Days		1	2%
Total			60	100%

◆ **Accuracy of Indemnity Payments**

**L. Average Weekly Wage**

		<b>2018-2019</b>	
		Number	Percent
Calculated:			
Correct	<b>Compliant</b>	33	94%
Incorrect		2	6%
Total		35	100%

**M. Weekly Compensation Rate**

		<b>2018-2019</b>	
		Number	Percent
Calculated:			
Correct	<b>Compliant</b>	31	89%
Incorrect		4	11%
Total		35	100%

**N. Partial Benefits**

		<b>2018-2019</b>	
		Number	Percent
Calculated:			
Correct	<b>Compliant</b>	0	0%
Incorrect		18	100%
Total		18	100%

**O. Amount Paid**

		<b>2018-2019</b>	
		Number	Percent
Calculated:			
Correct	<b>Compliant</b>	6	17%
Underpaid		15	43%
Overpaid		14	40%
Total		35	100%

◆ **Accuracy of Medical Payments**

**P. Amount Paid**

		<b>2018-2019</b>	
		Number	Percent
Calculated:			
Correct	<b>Compliant</b>	57	95%
Incorrect		3	5%
Total		60	100%