BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF IDAHO

JUAN MORALES, Claimant, v. POTATO PRODUCTS OF IDAHO, LLC., Employer, and ZURICH AMERICAN INSURANCE COMPANY, Surety, Defendants.	**IC 2024-017923** **IC 2025-011892** **FINDINGS OF FACTS, CONCLUSIONS OF LAW AND ORDER** **FILED AUGUST 13, 2026** **IDAHO INDUSTRIAL COMMISSION**

INTRODUCTION

Pursuant to Idaho Code § 72-506, the Idaho Industrial Commission assigned the above-entitled matter to Referee John C. Hummel, who conducted a hearing via Zoom teleconference on January 7, 2026. Claimant, Juan Morales, was present via Zoom; Matthew Romrell, of Idaho Falls, represented him and also appeared remotely by Zoom teleconference. H. Chad Walker, of Boise, represented Defendant Employer, Potato Products of Idaho, LLC, and Defendant Surety, Zurich American Insurance Company, and appeared remotely by Zoom teleconference. The parties presented oral and documentary evidence at the hearing and later submitted briefs. The matter came under advisement on March 9, 2026.

Pursuant to Idaho Code § 72-717, Referee John Hummel submitted the record in the above-entitled matter, together with his recommended findings of fact and conclusions of law, to the members of the Idaho Industrial Commission for their review.

Each of the undersigned Commissioners has reviewed the record and the recommendations of the Referee.

For the proceeding reasons, the Commission concurs with the conclusions of law recommended by Referee Hummel, but reaches these conclusions by way of dissimilar reasoning, described below.

ISSUES

The issues to be resolved as a result of the notice of hearing were as follows:

1. Whether and to what extent Claimant is entitled to temporary disability benefits; and
2. Whether Claimant is entitled to attorney fees pursuant to Idaho Code § 72-804.

CONTENTIONS OF THE PARTIES

Claimant contends that he suffered an industrial accident in the employment of Employer on December 19, 2024, resulting in a back injury, alleging that the injury was caused as a result of his employment. He further contends that he was not paid all of the temporary disability benefits to which he is owed. He seeks attorney fees pursuant to Idaho Code § 72-804 for unreasonable delay of payment of workers' compensation benefits.

Defendants argue that this was an accepted claim. Claimant's surgery was approved by Surety, but they submit that Defendants have no further duty to pay workers' compensation benefits to Claimant in the form of temporary disability benefits between April 19, 2025, through August 23, 2025, because Claimant allegedly refused suitable work when he allegedly voluntarily quit his employment with Employer and thereafter obtained alternative employment. Defendants concede that the injury was caused as a result of Claimant's employment.

Claimant replies that Employer actually fired him due to his alleged undocumented immigrant status when he could not prove legal status, which such undocumented status he denies and asserts that he had sufficient work authorization. Claimant denies voluntarily quitting and thus making himself available for suitable work. Claimant admits that he was employed for a period of time after the termination of his employment by his Employer but was not employed at the time of hearing. Claimant asserts that he has been in a period of recovery continuously and is still in a period of recovery and thus entitled to temporary disability benefits until he reaches MMI.

EVIDENCE CONSIDERED

The record in this matter consists of the following:

1. The Industrial Commission legal file;
2. The testimony taken at the hearing dated January 7, 2026;
3. Claimant's Exhibits A through O and Defendants' Exhibits 1 through 12, admitted at the hearing; and
4. Claimant's Exhibit P admitted post-hearing.

FINDINGS OF FACT

1. Claimant Juan Morales was working for Employer Potato Products of Idaho, LLC when, on December 19, 2024, his back was injured while pushing heavy bags of potatoes. Tr. at 16:14 -17:19. He reported this injury to Employer. *Id.* at 19:3-19:6. Employer referred Claimant for treatment with Sterling Urgent Care, where was first seen on December 21, 2024. Clmnt. Opening Br. at 2 (Feb. 17, 2026). Claimant received work restrictions as early as December 27, 2024. *Id.* at 2-3. Claimant continued to receive treatment from Sterling Urgent Care through the date of hearing. Tr. at 17:24-19:6; Defendants' Ex. 1 (FROI).

2. Employer was aware of Claimant's injury and played a role in guiding, directing, and, at times, interfering with Claimant's care with the provider. Ex. F. Additionally, Claimant was referred to Wright Physical Therapy, where he attended sessions from January 16, 2025, to

March 4, 2025. Clmnt. Opening Br. at 3, 5. Claimant retuned to Sterling Urgent Care repeatedly during this period *Id.* at 2-4.

3. On March 3, 2025, Claimant's employment with Employer was terminated. Tr. at 21:21-22:1. However, there are conflicting accounts of why the employment relationship ended. Claimant testifies that he was terminated due to allegations of undocumented work status, despite providing Employer with documentation showing proper authorization. Clmnt. Opening Br. at 7-8. Defendants originally argued that Claimant was not entitled to time loss benefits because of his diabetes and high blood sugar, then that Claimant was not entitled to time loss benefits because Claimant was "fired for cause" due to his immigration status, which is consistent with Claimant's testimony, and finally that Claimant voluntarily resigned.

4. On April 23, 2025, over four months after Claimant reported the injury to Employer, the Employer filed the First Report of Injury with the Commission. Clmnt. Opening Br. at 3.

5. On April 25, 2025, Claimant presented at Eastern Idaho Regional Medical Center's Emergency Department. *Id.* at 6. Here, Claimant was diagnosed with a spinal disc herniation. *Id*. Additionally, Claimant was given an epidural steroid injection and a follow-up appointment with Dr. Brandon Kelly. *Id*. Dr. Kelly referred Claimant for a series of tests and images with Eastern Idaho Regional Medical Center and recommended a lumbar decompression and spinal fusion. *Id.* at 7. In response, Defendants scheduled Claimant for an IME with Dr. Lynn Stromberg. *Id*. Claimant attended this IME. *Id*. Dr. Stromberg agreed that surgery was necessary and on November 21, 2025, Surety Zurich American Insurance Company approved the surgery for January 8, 2026. *Id*. Dr. Kelly performed that surgery. *Id*.

6. Surety has paid all medical expenses related to the back surgery, and, it appears, all other medical expenses related to his injury. *Id.* at 5. Additionally, Surety paid Claimant temporary disability benefits from December 21, 2024, to April 19, 2025. *Id.* at 6. Surety ceased paying temporary disability benefits on April 19, 2025. *Id*. Then, on August 23, 2025, Surety resumed paying Claimant's time loss benefits. Tr. 24:25-25:16. No benefits have been paid for the time Claimant was not working between April 19, 2025, and August 23, 2025. *Id.*; Ex. O.

DISCUSSION AND FURTHER FINDINGS

Eligibility for Temporary Disability Benefits

7. This case rests upon the determination of whether or not Claimant was terminated because of his alleged status as an undocumented worker. To create a prima facie case for temporary disability benefits, a claimant must establish (1) causation and (2) that, at the relevant time, the claimant was in a period of recovery. *Perkins v. Croman, Inc.*, 134 Idaho 721, 724, 9 P.3d 524, 527 (2000). Here, causation is alleged by Claimant, and conceded by Defendants. Tr. at 13:4-13:14. And Claimant had not reached maximum medical improvement by the date of hearing, indicating that he was still in a period of recovery. Tr. at 21:12-21:14. This is sufficient to establish a prima facie case for temporary disability benefits. *Perkins*, 134 Idaho at 724, 9 P.3d at 527. Accordingly, the burden shifts to Defendants to show that either there was a reasonable offer of employment or the employee was generally available on the market. *Id*. If the employer makes such a showing, the claimant is not entitled to temporary disability benefits for the pertinent time period. Idaho Code § 72-403 (2026).

8. Defendants have not shown that Claimant should be denied temporary disability benefits for malingering. Defendants make no attempt to show that Claimant was generally

available on the market.[1] Instead, Defendants argue that Claimant refused a reasonable offer of employment. Defs. Resp. at 11. According to Defendants Claimant simply never showed up to work on March 5, 2025, thus constituting a refusal. *Id.* at 11. Defendants do not elaborate on the specifics of how the offer was extended.[2] However, it is clear that Employer did not extend a simple, direct offer of employment, but rather a contingent offer. Ex. 12. In this case, Employer would only extend an offer of employment to those who provided proof of authorization to lawfully work on March 5, 2025. *Id*. Claimant did not provide such documents at that time. *Id*. Accordingly, such an offer of employment was never extended to Claimant. Claimant cannot have refused an offer that was never extended. Therefore, Defendants have failed to carry the burden of showing that Claimant refused a reasonable offer of employment. Because Defendants have failed to rebut Claimant's prima facie case, Claimant is entitled to temporary disability benefits from April 19, 2025, to August 23, 2025.

9. Claimant's ability to receive benefits is not lessened by Employer's inability to lawfully employ workers without proper authorization. "[T]he Legislature has provided that all employees, lawfully or unlawfully employed, are entitled to the full panoply of benefits under [Worker's Compensation Law]." *Marquez v. Pierce Painting, Inc.*, 164 Idaho 59, 65, 423 P.3d 1011, 1017 (2018). Claimant is entitled to benefits regardless of his legal status. His legal status must be considered as a nonmedical factor, but it cannot be used to deny him access to benefits.

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[1] Defendants argue that Claimant should be denied temporary disability benefits during the time that he was injured and working in light duty positions for Employer. Defs. Resp. at 7-6 (Feb. 26, 2026). However, Claimants are not seeking temporary disability benefits for any time before Claimant's and Employer's relationship was terminated. Clmnt. Reply at 3 (March 6, 2026). To the extent that Defendants are arguing that this shows Claimant was on the market, Claimant was working light duty work not comparable to an ordinary position, and thus such a showing fails. Defs. Resp. at 13. Defendants do not elsewhere argue that Claimant was available on the market.

[2] Defendants have offered multiple explanations, but the only consistent element of these explanations is their inconsistency. The Commission is uncertain exactly how this contingent offer was provided to the workers, as it has been described, at different times, as digital, telephonic, and in-person upon showing up for work. No single explanation is fully consistent with the evidence before the Commission.

Id. at 64-65, 423 P.2d 1016-17. Idaho Code § 72-204 applies the protections of Worker's Compensation Law to all "person[s], lawfully or unlawfully employed." To allow employers to avoid liability for temporary disability benefits by terminating employees due to their unlawful status would directly contravene the legislative directive to extend benefits to all workers, without regard for their legal status. Moreover, allowing employers and sureties to avoid liability by hiring unauthorized workers creates a perverse incentive to hire unauthorized workers over properly authorized workers. The Commission is not persuaded that this is an intended goal of Worker's Compensation Law. Therefore, the Commission will not fashion such a rule now. Accordingly, Defendants are not able to avoid liability for temporary disability benefits in this case simply because Claimant did not provide proof of work authorization when Employer requested it.

10. Claimant is entitled to the unpaid temporary disability benefits for time lost between April 19, 2025, and August, 23, 2025.

Attorney Fees Under Idaho Code § 72-804

11. **Attorney Fees.** Idaho Code § 72-804 provides as follows:

> If the commission or any court before whom any proceedings are brought under this law determines that the employer or his surety contested a claim for compensation made by an injured employee or dependent of a deceased employee without reasonable ground, or that an employer or his surety neglected or refused within a reasonable time after receipt of a written claim for compensation to pay to the injured employee or his dependents the compensation provided by law, or without reasonable grounds discontinued payment of compensation as provided by law justly due and owing to the employee or his dependents, the employer shall pay reasonable attorney fees in addition to the compensation provided by this law. In all such cases the fees of attorneys employed by injured employees or their dependents shall be fixed by the commission.

12. Claimant is awarded reasonable attorney fees because Defendants unreasonably delayed in rendering unto Claimant the temporary disability benefits to which he was entitled. Claimant is awarded reasonable attorney fees. Defendants unreasonably denied Claimant's benefits and unreasonably delayed Claimant's treatment.

CONCLUSIONS OF LAW AND ORDER

1. Claimant is owed additional temporary disability benefits from the period beginning April 19, 2025, through August 14, 2025, and again beginning January 16, 2026, through the date that Claimant reaches MMI and thus is no longer in a period of recovery.

2. Claimant is entitled to an award of attorney fees under Idaho Code § 72-804. Unless the parties can agree on an amount for reasonable attorney's fees, Claimant's counsel shall, within twenty-one (21) days of the entry of the Commission's decision, file with the Commission a memorandum of attorney fees incurred in counsel's representation of Claimant in connection with these benefits, and an affidavit in support thereof. The memorandum shall be submitted for the purpose of assisting the Commission in discharging its responsibility to determine reasonable attorney fees and costs in the matter. *See Hogaboom v. Economy Mattress*, 107 Idaho 13, 684 P.2d 900 (1984). Within fourteen (14) days of the filing of the memorandum and affidavit thereof, Defendant may file a memorandum in response to Claimant's memorandum. If Defendant objects to any representation made by Claimant, the objection must be set forth with particularity. Within seven (7) days after Defendant's response, Claimant may file a reply memorandum. The Commission, upon receipt of the foregoing pleadings, will review the matter and issue an order determining attorney fees and costs.

3. Pursuant to Idaho Code § 72-718, this decision is final and conclusive as to all matters adjudicated.

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IT IS SO ORDERED.

DATED this 13th day of August, 2026.

INDUSTRIAL COMMISSION SEAL STATE OF IDAHO

INDUSTRIAL COMMISSION

Claire Sharp

Claire Sharp, Chair

Aaron White, Commissioner

ATTEST:

Mary McMenomey

Assistant Commission Secretary

CERTIFICATE OF SERVICE

I hereby certify that on the 13th day of August, 2026, a true and correct copy of the foregoing **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** was served by regular United States Mail and Electronic Mail upon each of the following:

MATTHEW ROMRELL
1670 JOHN ADAMS PARKWAY
IDAHO FALLS, ID 83401
matt@mrdattorneys.com

H. CHAD WALKER
1311 W JEFFERSON ST.
BOISE, ID 83702
cwalker@bowen-bailey.com

Mary McMenomey