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Nurses Union Sues JFL Over Unpaid Wrongful-Termination Settlement; Spreadsheet Shows More Than \$370K Due

The nurses union says JFL agreed to settle Cheryl Leddy's wrongful-termination case after finding her return-to-work form was valid, but no payment has been made. A spreadsheet showed more than \$370,000 due, and the union now seeks payment with interest.

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ST. CROIX — The territory's nurses union has sued Juan F. Luis Hospital and several government entities, alleging that a settlement for a nurse the hospital later acknowledged had been wrongfully terminated remains unpaid despite calculations showing she was due more than \$370,000 in lost wages.

The civil complaint, filed in Superior Court by the Virgin Islands State Nurses Association Collective Bargaining Unit, says JFL agreed in 2024 to settle the case of emergency room nurse Cheryl Leddy rather than proceed to arbitration.

According to the lawsuit, hospital counsel concluded that Leddy had been wrongfully fired in 2021 over accusations that she falsified a return-to-work form. A settlement agreement followed on Oct. 29, 2024.

Nearly two years later, the union alleges that Leddy has received none of the promised compensation and that JFL has failed to provide a payment plan.

Nurse Fired over Return-to-Work Form

According to the complaint, Leddy was on approved medical leave from her emergency room nursing position when Dr. Lyle Campbell signed a return-to-work form for her on June 21, 2021.

The name appearing beneath the signature line, however, was Dr. Lyn Campbell, the lawsuit states.

Lyle and Lyn Campbell, both physicians and brothers, operated an urgent care practice on St. Croix before Lyle Campbell died in 2022.

JFL fired Leddy in July 2021 after accusing her of falsifying the return-to-work document.

The following day, according to the complaint, the medical practice sent JFL a letter confirming that although Leddy had been under Lyn Campbell's care, Lyle Campbell was the physician who saw her on June 21 and signed the form on her behalf.

Despite that explanation, a grievance hearing on July 15 resulted in a finding that Leddy had been terminated for just cause and that the submitted form was fraudulent.

Arbitration Scheduled, Then Settlement Reached

The dispute initially appeared headed to the Public Employees Relations Board.

JFL's attorney and counsel for the nurses union later agreed to resolve the matter through arbitration instead, and a hearing was scheduled for Oct. 29, 2024.

Before that hearing took place, however, the lawsuit alleges that JFL's counsel verbally advised the union's attorney during a telephone conversation that Leddy had been wrongfully terminated.

According to the complaint, hospital counsel also acknowledged that the Campbells' letter explaining the apparent discrepancy established that the return-to-work form was not fraudulent.

The union was told that a settlement had been authorized and arbitration would no longer be necessary.

Correspondence subsequently received by the union's attorney stated that Leddy would be paid her lost wages and included a spreadsheet calculating compensation of more than \$370,000.

JFL Cited 'Dire Financial Straits'

The complaint says JFL nevertheless indicated that its “dire financial straits” prevented the hospital from paying the entire amount immediately.

Instead, the lawsuit says the hospital proposed that it “would need at least 60 days to make the first payment and then have a multi-year payment plan.”

A settlement agreement followed on Oct. 29, 2024.

By December, however, JFL reportedly told the union that it did not have “a concrete date” for when the first payment would be issued.

Further correspondence from JFL’s acting counsel in March 2025 reiterated the hospital’s intention to settle the matter.

The hospital retained new legal counsel in July 2025.

On July 15, the union’s attorney emailed JFL’s new lawyer and provided the documentation necessary to establish a payment plan.

According to the lawsuit, communication subsequently stopped.

The complaint alleges that JFL has been “unresponsive.” since August 2025.

Leddy has not received the promised payment, and the hospital has not provided a schedule detailing how the money owed to her will be paid, according to the union.

Union Seeks Payments Plus Interest

The lawsuit names the Virgin Islands Government Hospital and Health Facilities Corporation, the Government of the Virgin Islands, the V.I. Department of Health and the Office of Collective Bargaining as defendants.

The complaint asserts claims of breach of contract, debt and unjust enrichment.

The union is asking the Superior Court to order payment of the amount owed to Leddy, along with interest.