

Pennsylvania Supreme Court Affirms \$1.6 million Whistleblower Award

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According to the Pennsylvania Supreme Court, damages in a whistleblower suit aren't limited to wage loss.

The court last week ruled that the Pennsylvania Whistleblower Law permits an award of non-economic damages for items such as embarrassment, humiliation, loss of reputation and mental anguish.

In <u>Bailets v Pennsylvania Turnpike Commission</u>, the trial court found that the commission terminated Ralph Bailets after he complained to his superiors about a contractor's work on a computerized financial reporting system. The trial court awarded \$1,649,316 for past and future lost earnings. The trial court also awarded \$1.6 million for harm to Bailets' reputation, and causing him humiliation, and mental anguish.

The Turnpike Commission appealed the decision to the Pennsylvania Supreme Court arguing that the Whistleblower Law does not allow for non-economic damages. The Pennsylvania Supreme Court rejected this argument and held that the phrase "actual damages" that appears in the Whistleblower Law includes non-economic losses.

"Given the overriding purpose of the Law and our determination a whistleblower must be put in no worse a position for having reported the wrongdoing, we cannot view the phrase actual damages' as excluding damages for such items of loss as humiliation, embarrassment and mental anguish because if no recovery for such items of loss are available, a whistleblower cannot be made whole," the court stated.

The commission, to no avail, also argued that the amount was excessive.

The case serves as a reminder that while the Pennsylvania Whistleblower Law protects government employees, it also protects employees of individuals, partnerships, associations and for-profit and nonprofit corporations that receive money from the government to perform work or provide services for the government. Both governmental bodies and private employers covered by the Whistleblower Law must be aware that non-economic damages are available to employees under the Pennsylvania Whistleblower Law, which can be quite significant. If anyone has any questions about how the Pennsylvania Whistleblower Law affects their business, please contact me or anyone in Barley Snyder's Employment Law Practice Group.

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