

Social Service and Charitable Organizations: What Could Go Wrong?

Former employees filed suit after allegedly being subjected to egregious sexual misconduct by the Executive Director of a social service organization. The organization also had financial issues that would have caused a public relations problem if the matter proceeded to trial. The matter settled for **\$645,000**, with an additional **\$27,190** in defense costs.

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A former Executive Director of a social service organization brought action for wrongful termination claiming he was fired for raising questions about the immigration status of various Board Members, in violation of public policy. The immigration issues and their related criminal implications, combined with the aggressive nature of the plaintiff's counsel, made the case extremely expensive to defend. The case ultimately settled at mediation for **\$475,000**, with defense costs totaling an additional **\$655,000**.

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A former Executive Director of a human service organization filed a complaint for alleged whistleblower violations and wrongful termination. The claimant maintained she was terminated after reporting alleged misuse of the organization's funds. The matter settled for **\$100,000** at early mediation, with an additional **\$18,800** in defense costs.

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A former Executive Director of a social service organization filed a complaint for alleged violations of workers' compensation statutes, disability discrimination, retaliation and wrongful termination. The claimant alleged she was denied accommodations, and then began to suffer high blood pressure due to the hostile work environment. The claimant alleged she sent an email asking about medical leave, and then later the same day, she was terminated. Despite two mediations, the parties did not reach a settlement until the eve of trial. The matter settled for **\$290,000**, with an additional **\$240,800** in defense costs.

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A claimant filed suit alleging the insured's Executive Director forced her to falsify documents. She also alleged sexual harassment. The insured insisted on early settlement to preserve public image. The matter settled for **\$250,000**, with an additional **\$25,000** in defense costs.

*AM Best rating affirmed December 3, 2021

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