

Following Are Examples of Non-Profit D&O Claims

Careless Talk. A non-profit women's organization reported a claim to defend a complaint filed by members of one of its chapters. The complaint alleges executives and employees of the organization made defamatory statements against the plaintiffs. The allegations included slander per se; defamation; invasion of privacy; negligent supervision and retention; and intentional infliction of emotional distress.

At this time, the plaintiffs have dismissed their case "without prejudice" and are expected to refile.

Severance package MIA. A national social service agency hired an office manager to work for the executive director. Six months after she was hired, a new executive director was hired. A personality conflict made this new team an ill fit. At some point, the office manager was offered a promotion, which she turned down. Thereafter the executive director began a campaign of harassment. The executive director then terminated the manager at the direction of the board. The manager was allegedly offered a severance package, which included a letter of recommendation, four weeks salary, compensation for vacation hours, insurance for August and September and COBRA information.

The manager presented her counter-offer for settlement. Her package included 9 months of salary paid in advance, lump sum payment of compensatory time, lump sum payment of sick time and insurance coverage through 2003, a "glowing" letter of recommendation and payment of attorney's fees. The agency ultimately forwarded a severance payment and a COBRA letter. The manager is demanding insurance benefits as promised. The office manager's attorney has sent a letter to the agency warning not to spread libel or slander as they allege the executive director is doing. The office manager alleges the agency has violated whistleblower status in that the retaliation against her came as a result of her doing her duty. No litigation has been filed to date.

