

3/23/2016

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News

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Chicago Tribune

MARCH 2, 2016, 4:09 PM

In an unusually bruising opinion, the Illinois Appellate Court on Wednesday upheld a groundbreaking order to pay a former Chicago State University administrator more than \$3 million as part of his whistleblower case.

A three-judge panel of the court said the school launched "a campaign designed to both economically harm ... and inflict psychological distress upon" former university attorney and administrator James Crowley after he refused to withhold documents about university President Wayne Watson's employment that a faculty member had requested under the state's open records law.

Crowley also claimed he was retaliated against after reporting questionable university contracts to the attorney general's office.

Calling the behavior "thoroughly reprehensible," the court suggested Watson and his top lieutenants acted with "malice and deceit." Watson stepped down as president at the Far South Side university late last year.

"Defendants did whatever they could to protect Watson's reputation, and they did it at Crowley's expense, when he sought only to comply with the public's right to know information about the activities of a state university," Justice Terrence J. Lavin wrote in the unanimous opinion.

In 2014, a Cook County jury found that Crowley was unfairly fired, making it the first verdict resulting from a whistleblower claim filed under the state ethics act, which includes protections for employees who disclose activities they believe are illegal.

Crowley, who is now working a temporary job as a document reviewer, praised the appellate court's decision, saying the judges' blistering language shows state employees that they will be protected if they push back against corruption.

"I think it sends an important message to Illinois residents that we can do the right thing, hold our public officials accountable and be confident that we are protected by the law," he said.

University attorneys had argued that Crowley was fired for misusing university resources, including reserved parking spaces, and for giving preferential treatment in awarding a scholarship and paying for conference travel for a student.

The appellate court, however, turned aside those accusations and upheld the jury's decision to award Crowley \$2 million in punitive damages and \$480,000 in back pay. Cook County Judge James McCarthy later doubled the amount of back pay and interest — a remedy allowed under the ethics law — bringing that amount to \$1.02 million. The judge also ordered that the university pay more than \$300,000 in attorneys' fees and that Crowley receive his \$120,000-a-year salary until any appeals are resolved.

With interest, the university owes Crowley about \$5 million, an amount that will climb if the school's appeal is unsuccessful.

Court records show the college has insurance to cover the judgment.

"The university is disappointed in today's ruling upholding the unprecedented level of punitive damages awarded in this case," the school said in a statement. "We will immediately move to appeal this decision to the state Supreme Court. The main issue of contention in this case is the question of the large punitive awards, and the question is an important one. Under the current act, the question of punitive damages has not been settled by the highest court and we look forward to making our case."

The university's appeal received support from Illinois' other public universities, which filed an amicus brief that insisted the state's cash-strapped colleges should not be responsible for paying multimillion-dollar verdicts.

In oral arguments before the appeals court last month, Judge James Smith dismissed that argument after Chicago State attorney Michael Resis argued about the "financial state of public universities." Illinois' public colleges and universities haven't received money from the state since July as a result of the budget impasse. Chicago State, which has about 4,500 students, has said it's in dire financial straits and has sent notices of potential layoff to all of its 900 employees.

Smith abruptly ended the argument.

"Let's not play games here," he said. "Stick to the case."

Resis also argued that the multimillion-dollar award was "excessive" and insisted that \$2 million in punitive damages was unnecessary because the double back pay was enough of a deterrent against the school repeating its bad behavior.

Resis argued that if the punitive damages are upheld, "it would be without precedent."

Crowley attorney Anthony Pinelli has maintained the award is appropriate because the ethics act was intended to discourage misconduct.

"What you need is to find an amount to make them take this seriously," Pinelli told the appellate court.

Crowley's lawsuit was filed against the university, Watson and the seven trustees on the board when he was fired.

The ruling comes after several tumultuous months at the university, which recently canceled its spring break and announced it would instead hold classes then to help ensure that students can finish the semester before the school runs out of money.

In January, a state ethics investigation found Watson violated school policy when he made false allegations against two board members as they were trying to push him out. His conduct "went against the expectation that employees act with integrity when representing the university, and raises serious questions and concerns as to his leadership of the university," according to the Governor's Office of Executive Inspector General, which investigated the matter.

Watson's presidency at the Chicago public university ended Dec. 31. He now has the title of president emeritus and will be paid his annual salary of about \$200,000 at least until his contract ends June 30.

He recently started an executive-search firm that focuses exclusively on finding administrators for historically black colleges and universities.

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A version of this article appeared in print on March 03, 2016, in the News section of the Chicago Tribune with the headline "Court backs fired CSU whistleblower - Appellate panel upholds payout; school to appeal" — Today's paper | [Subscribe](#)

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