

## Maryland News

# Red Cross sued over layoffs

## Former workers weren't fired, nonprofit says

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Nearly 60 former Red Cross employees sued the humanitarian organization last week for \$3.8 million in damages on claims the American Red Cross denied them severance benefits in 2003.

The American Red Cross fired more than 58 employees from its Jerome H. Holland Laboratory in Rockville in November 2003 to help the national organization balance its books, according to the suit.

"They were misled to believe they would receive severance payments when the Red Cross announced that massive firings would occur at the Holland Lab, and then wrongfully denied severance payments after being terminated by the Red Cross," the suit states.

The former employees claim the Red Cross illegally denied them severance pay and other benefits totaling \$1.3 million, and lied about their severance benefits.

Most of the scientists landed jobs with the University of Maryland, Baltimore.

"Once the Red Cross got wind of this they attempted to change their severance policy to exempt any research entity acquired by another research organization," said Anthony Conti, the employees' attorney.

Conti filed the suit in Maryland Circuit Court in Baltimore March 24 against The American Red Cross, Martin H. Jones, human resources manager for the Holland Lab, and Christian B. Hansen, attorney for the American Red Cross.

'They made the offer'

Tiger Woods did it. The Masters. Was his incredible catch-up luck or the kind of skill that will restart the miracles?

Some of his shots Saturday and Sunday had to be incredible luck. Wouldn't count on a year of this.

He was too consistently incredible over the weekend. Think he's found perfect pitch again.

There was certainly some luck but the skill showed through. No stopping him now.

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Red Cross spokesman Ryland Dodge said the employees were never terminated.

"The University of Maryland [Baltimore] had worked with us. They made the offer and took on those others that were not continually focused on our blood products," Dodge said.

Former lab head David Scott, however, said they were terminated and left to fend for themselves to find additional employment.

Scott said he helped the group stay together so they could continue their work, but "anybody who got an offer letter from the University of Maryland was denied severance."

### Scrutiny since 9/11

The employees claim they were denied severance pay, calculated by their length of service to the Red Cross, ranging from just more than \$2,000 to as much as \$102,000. In addition to the \$727,000 in severance, they claimed \$600,000 in retention pay and other denied benefits.

Under Maryland's Wage Payment and Collections Act, they claimed \$3.8 million, or triple their damages.

A volunteer-led organization formed to lend emergency and disaster-relief assistance, the American Red Cross has come under increasing scrutiny since 2001 over the way it handles donated funding.

Questions arose after the Sept. 11, 2001, terrorist attacks about how the Red Cross used donations intended to help the disaster victims and about large quantities of donated blood which had to be destroyed because the organization was not equipped to preserve it.

In the suit, Conti claims similar scrutiny into the organization's bookkeeping in the summer of 2003 led to the Holland Lab layoffs.

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With the smugness of someone who has done his taxes (or rather someone who paid someone else to do the work) it is my duty to tell you to shape up or ship out! Shame on you for waiting until the last minute. Time's a wasting. And if you have done your 2004 taxes, this is no time to gloat. It is already time to think about your 2005 tax bill.

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