The Large Loss Report 2020 summarizes major damage awards and settlements of more than $250,000 that affected K-12 schools, colleges, and universities in 2019.

The cases include a $112.5 million settlement involving allegations that a university’s researchers submitted reports and applications with falsified data, and a nearly $60 million in damages award by a jury that found a city’s department of education and a former teacher liable for an accident resulting in a student suffering burns.

These summaries are drawn solely from published accounts. While most do not involve United Educators (UE) members, the summaries below do reflect trends UE has seen among its claims. Complaints involved wrongful terminations, harassment, discrimination, negligence, and sexual abuse and assaults.

Some of the outcomes outlined here may have changed because, for example, of legal proceedings since they were reported. However, all the cases demonstrate that losses, in terms of financial and reputational impact, can be significant. This report can help educational institutions assess their risk management practices and insurance coverage.
Discrimination
The Hesperia Unified School District in Hesperia, Calif., and its Joint Power Authority agreed to pay a $850,000 settlement to a former high school English teacher. The teacher, who had been co-advisor of the school’s Gay Straight Alliance Club, alleged she had been dismissed for supporting LGBTQ students and also because of her sexual identity. The district previously denied the allegations. Note: The teacher’s law firm stated a settlement amount; the district didn’t discuss the amount.

A lawsuit involving a former Head Start facilitator who claimed she was wrongfully dismissed by Las Cruces Public Schools in Las Cruces, N.M., settled for $250,000. The facilitator argued she was told her position was being eliminated but that in reality, the district replaced her with a younger administrator. The teacher was 62, had physical disabilities and medical conditions, and had undergone cancer treatment. In addition to her contending age and handicap discrimination and failure to accommodate her condition under the New Mexico Human Rights Act, she argued she was subjected to a hostile work environment after filing her discrimination claim.

New Haven Public Schools in New Haven, Conn., agreed to a $390,000 settlement in a case involving a teacher’s accessibility to facilities. The teacher, who has multiple sclerosis and requires a wheelchair, claimed in her lawsuit that the school had failed to give her reasonable accommodations.

Retaliation
The University of Missouri-Kansas City in Kansas City, Mo., reached a $360,000 settlement with an associate professor who claimed he was retaliated against for reporting his former boss to school officials. The associate professor contended his former boss had engaged in a pattern of abusive behavior against him and others and that the former boss mistreated vulnerable foreign students. In November 2018, it was reported that the professor had compelled students to act as his personal servants — including tending his lawn, looking after his dog, and watering his house plants.

Research issues
To settle allegations that its researchers submitted reports and applications with falsified data, Duke University will pay $112.5 million to the federal government. Duke’s alleged misconduct occurred in an attempt to win grants from the Environmental Protection Agency and the National Institutes of Health, according to the Justice Department. Allegations against Duke were originally brought in a lawsuit by a former Duke employee, under the *qui tam*, or whistleblower, provisions of the False Claims Act, which permit private individuals to sue on behalf of the government and share in any recovery.

The University of Southern California (USC) agreed to pay the University of California, San Diego, $50 million to settle a lawsuit alleging USC conspired with an Alzheimer’s researcher to take research data and federal funding from UC San Diego. The researcher and UC San Diego disputed who had been awarded the research grants. UC San Diego accused the researcher and USC of incorrectly telling UC San Diego employees that they might lose their jobs if they didn’t follow the researcher to USC.
Sexual abuse, assault, harassment, and misconduct

The supervisory school district representing Allegan County, Mich., agreed to a $450,000 settlement with two teachers who complained that a former principal sexually harassed them. The complaint alleged that the Allegan Area Educational Service Agency (AAESA) discriminated against the teachers when they were subjected to sexual harassment including verbal abuse and unwanted physical touching that escalated to physical assaults, according to the Justice Department. The complaint alleged AAESA didn’t take reasonable steps to prevent the principal’s acts. AAESA is a government agency that provides support, cooperative educational programs, and services to local school districts.

The Anaheim Union High School District in Anaheim, Calif., agreed to pay $7.9 million to settle a lawsuit alleging school and district employees concealed from law enforcement, parents, and students that a high school water polo coach had sexually abused students at the school. According to reports, the school’s athletics director and many other administrators, coaches, and teachers failed to report allegations of sexual misconduct against the coach in 2014 and 2015 to law enforcement or child protective services — something California law requires. In addition, those school leaders didn’t attempt to interview alleged victims, and this allowed the coach to engage in sexual misconduct with other students.

The Archdiocese of Los Angeles agreed to pay $8 million to a teenager who was sexually abused by her high school’s athletic director. The athletic director/health teacher at San Gabriel Mission High School abused a 15-year-old girl and kidnapped her in 2016, taking her to Las Vegas after his wife found evidence on his phone that he had molested the teen, according to reports. Prior to the incident, he had been the subject of several misconduct allegations involving other students.

The Archdiocese of Seattle reached a $300,000 settlement in November 2019 involving a sexual abuse case from 1962. Allegations were made against a former teacher and administrator at O’Dea High School — an Archdiocese of Seattle school — who is now deceased. At the time of the alleged incident, the school was overseen by the Christian Brothers of Ireland; the Christian Brothers was a separate entity from the Archdiocese of Seattle and eventually went bankrupt. The accused teacher/administrator was included in the Archdiocese’s list of clergy members for whom allegations of sexual abuse have been admitted, established, or determined to be credible, according to reports.

Dartmouth College agreed to pay $14 million in a class action settlement after nine women accused it of failing to protect them once they alleged sexual misconduct against three tenured professors within the department of Psychological and Brain Sciences. The complaint contended the three professors leered at, groped, sexted, and intoxicated students; one former student contended one of the professors raped her, and a current student contended a different professor raped her. The settlement awaits court approval.

The Fremont Unified School District in Fremont, Calif., paid a $375,000 settlement to a former student who was 16 when his gym teacher had sex with him. The lawsuit contended the district and its employees should have more quickly seen warning signs raised by the teacher’s behavior.

Florida SouthWestern State College in Fort Myers, Fla., agreed to pay $300,000 to a woman who made sexual misconduct allegations against the school’s former provost. Five women — four Florida SouthWestern State employees and a student — made sexual harassment allegations against the former provost. One of the women also accused the provost of forcing her to perform oral sex on him.
Two brothers who were sexually abused by a then-clinical director of a center for at-risk boys received a **$6.8 million** settlement, according to the victims’ attorney. In June 2019, attorneys for the brothers announced the settlement with Hanna Boys Center and the affiliated Santa Rosa Diocese of the Catholic church. The brothers were molested beginning in 2006 when they were 13 and 15, respectively, reports state. The former clinical director is serving 21 years in prison.

**Indianapolis Public Schools** settled lawsuits with a student and two former administrators for about **$600,000** after an incident in which a school counselor was accused of having sex with students. The former guidance counselor is accused of having sex with two students. One of the students argued that officials failed to keep him safe and sufficiently train and supervise staff.

The **Montgomery County Board of Education** in Montgomery County, Md., agreed to pay **$500,000** to settle a civil lawsuit stemming from a teacher’s sexual abuse of children. The money will be evenly split among two children who sued, contending the school system had failed to remove a teacher from the classroom despite learning of previous inappropriate behavior. The former third-grade teacher was convicted in June 2017 of sexually abusing four female students over the course of 15 years. He was sentenced to 48 years in prison.

The city of Sacramento, Calif., and the **Sacramento City Unified School District** will pay **$12.5 million** to a girl who contended she was molested by an after-school aide at an elementary school. City officials agreed to pay **$7.5 million** and school officials agreed to pay **$5 million**. The man was sentenced to 150 years to life in prison for molesting six girls, ages 7 to 13. Within the settlement agreement, employees in the city’s after-school programs must participate in a three-hour minimum training multiple times each year and managers and supervisors must be trained how to recognize, address, and report troubling conduct.

A boy who was molested by a California High School wrestling coach who also served as his church’s youth group leader reached a **$1.55 million** settlement with the church and the **San Ramon Valley Unified School District** in Danville, Calif. The district and the church had failed to report abuse allegations. In September 2014, a boy’s parents reported to school officials incriminating texts from the coach on their son’s phone. The school conducted its own investigation; it took a year for the coach to be arrested. Ultimately the coach pleaded guilty to eight felony counts of lewd acts on children between the ages of 14 and 15 and other related charges involving three boys. He was sentenced to 10 years and eight months in prison. The district agreed to a **$699,000** settlement. The church’s insurance company agreed to a **$849,000** settlement.

**Scottsbluff Public Schools** in Scottsbluff, Neb., agreed to settle a federal lawsuit involving a golf coach who was convicted of sexually assaulting a teenage student. The school district settled the lawsuit for **$2.75 million**. The lawsuit alleged the district allowed abuse to continue for years so the coach could be protected. The coach was sentenced to 24 to 32 years on four counts of sexual assault involving the student and another teen victim.
A roughly $370,000 settlement involving St. John’s Military School in Salina, Kan., and its endowment fund, occurred following an alleged sexual assault of an 11-year-old boy in his dormitory room. The arbitration award was made public in January 2019. A lawsuit filed in 2016 contended the child was sexually assaulted by a classmate who the school should have known posed a danger to other children. Reports indicated the classmate used to glare in the shower at the alleged victim and his behavior was reported to the staff but despite complaints, he remained with other students. The school announced in February 2019 that it would close at the end of that school year, saying it had unfairly become a target for litigation and a negative portrayal from the media.

The Torrance Unified School District in Torrance, Calif., will pay $1.3 million to settle a lawsuit stemming from a teenager being sexually abused by her former assistant wrestling coach. The student and her parents accused the district of failing to monitor and supervise the coach. The lawsuit contends the district knew the coach had prior sexual contact with minors but didn’t disclose that to parents or authorities.

UCLA has paid more than $3.5 million in settlements involving a former UCLA Health gynecologist. A patient who alleged she was sexually assaulted by Dr. James M. Heaps was awarded $2.25 million in a settlement with the University of California regents. UCLA released a redacted copy of the settlement following a public records request from a newspaper. The university released additional documents as well — including a copy of a separate settlement of nearly $1.3 million with a UCLA nurse practitioner who alleged sexual harassment by Heaps and claimed he retaliated against her for participating in UCLA’s investigations of him. He was charged in June 2019 with sexual battery and exploitation in connection with his treatment of two patients — including the woman whose claim was settled.

A judge in June 2019 granted preliminary approval to a $215 million settlement involving a class-action lawsuit against the University of Southern California (USC). The settlement includes former patients of Dr. George Tyndall, a USC gynecologist who was accused of sexual misconduct involving hundreds of patients during a tenure that lasted decades. More than 18,000 women saw Tyndall during their time at the university. Settlement terms show that each woman would receive at least $2,500 regardless of whether she alleged abuse, according to reports, and women who allege the worst abuse and would be willing to be screened by a psychologist could receive up to $250,000. Of the 18,000 people, nearly 800 opted out of the settlement — many planned to pursue separate lawsuits in state court, according to reports. Note: In January 2020 a judge signaled he is likely to give final approval to the settlement.

Wrongful termination
The Burbank Unified School District in Burbank, Calif., settled a wrongful termination lawsuit with a former special education director for $300,000 plus attorney fees. Although the director had received positive reviews, that changed in 2015 when she got a new supervisor who asked her repeatedly to break special-education compliance laws and she refused. She said district leaders worked to get rid of her and she eventually went on stress or medical leave several times before she resigned. Her resignation came after being reassigned to a different role — with a roughly $50,000 annual salary decrease.
Montebello Unified School District in Montebello, Calif., will pay its former superintendent $4.9 million to settle its appeal of her wrongful termination lawsuit; a jury had awarded her and her attorneys about $6 million in damages and attorney fees. The lawsuit alleged that the superintendent and the district’s chief financial and operations officer were whistleblowers who lost their jobs after alleging misconduct against the district’s then-school board and chief business officer. The district fired the latter man after it discovered he fabricated much of the employment history on his resume.

College of Charleston in Charleston, S.C., has settled a wrongful termination lawsuit with former baseball coach Matt Heath. The $350,000 settlement occurred after Heath was fired in 2017 with three years remaining on a contract that would have paid him $450,000. Heath argued he was fired so the university could hire another coach; the school and its athletic director argued that Heath was fired for “just cause” — alleged verbal and physical abuse of players that created a “toxic environment.” Heath denied the accusations against him.

Accidents
A former high school student received nearly $60 million in damages after a jury found the New York City Department of Education and the student’s former teacher were liable for an accident that resulted in significant burns. The student was burned when the teacher conducted an experiment to show how salts change color when exposed to methanol. Weeks before the incident, a federal agency — the United States Chemical Safety Board — had issued a warning about the potential dangers of such an experiment.

A lawsuit following the death of a 7-year-old girl who was run over by a school bus was settled for a reported $450,000. An attorney for the family stated that settlement amount; the superintendent for the Springville-Griffith Institute Central School District in Springville, N.Y., wouldn’t confirm the amount to the media. In 2016, the child got off the bus and walked in front of it, and the bus rolled over the child. The bus didn’t have an aide to escort students and didn’t have an optional crossing arm that would have forced students farther in front of the bus.

First Amendment
Chicago State University reached a $650,000 settlement with two professors who alleged the university had violated their freedom of speech rights by attempting to shut down their blog. The blog was critical of university administration. In 2013, university leaders first sent the professors a cease and desist notice to stop the blog; the argument was that the blog improperly used university “trade names and marks” and violated school policy “requiring civility and professionalism of all university faculty members.” The lawsuit argued the school’s attempt to shut down the blog wasn’t constitutional.

Cybersecurity
Washington State University (WSU) in Pullman, Wash., agreed to pay up to $4.7 million in cash reimbursements, administrative expenses, and attorney fees as a result of a hard drive being stolen from a self-storage locker. The hard drive contained personal information of nearly 1.2 million people. In addition to the monetary payment, WSU will pay for two years of credit monitoring and insurance services for those affected. Information stolen included social security numbers, contact information, college-admissions test scores, and career and health data.
Defamation, libel and copyright disputes
The **University of Illinois at Chicago (UIC)** agreed to pay a nearly **$700,000** settlement to a former Chicago State University provost who sued UIC for publicly discussing her academic history after she was accused of plagiarism. The former provost was accused of plagiarism involving a dissertation at UIC, but an independent hearing officer later cleared her of those allegations. In her lawsuit, the former provost accused UIC of violating the Family Educational Rights and Privacy Act (FERPA) by publicly discussing the dissertation she wrote as a graduate student.

A jury found **Oberlin College** and its dean of students defamed a bakery by siding with protesters who accused the store of racial profiling. The jury awarded the bakery **$33 million** in punitive damages — on top of **$11 million** in compensatory damages that had previously been awarded. The dispute originated after an African American Oberlin student tried buying a bottle of wine with a fake ID and the clerk noticed additional bottles under the student’s coat. The clerk chased the student and tackled him, resulting in a scuffle and ultimately the arrest of that student and other students involved. Other students protested on their behalf, claiming the bakery was racist. Oberlin contended school officials only got involved in an attempt to keep the peace and that it was seeking to support students, not endorsing the protests or the otherwise protected student speech. The jury, however, felt otherwise. Oberlin has appealed on a number of grounds.

A federal jury ruled that the **Houston Independent School District** must pay an Austin, Texas, company **$9.2 million** as a result of district workers violating federal copyright laws. DynaStudy alleged that school district employees misused DynaStudy’s guides by cropping out the company’s logo, hiding copyright violation warnings, and distributing the study guides.

Unlawful search
**Midland Public Schools** in Midland, Mich., agreed to a **$275,000** settlement involving a high school principal’s improper search of a locked folder on a student’s cell phone. The district won’t have out-of-pocket costs; the settlement will be covered by insurance, according to media reports.

Antitrust collusion
**Duke University** agreed to pay a **$54.5 million** settlement following an accusation that it and the University of North Carolina (UNC) agreed not to hire each other’s medical faculty in certain circumstances. Duke and UNC did not admit liability and contended their practices were lawful. However, Duke said it decided on a settlement so it could avoid the trouble and cost from prolonged litigation.

Labor
**Brown University** agreed to a **$620,000** settlement with student dining services workers who claimed the school violated federal and state labor laws. The lawsuit contended the school failed to pay workers for “on-call” and overtime hours worked. Brown denied wrongdoing and contended the legal actions had no merit.

Retirement Plans
**Johns Hopkins University** reached a **$14 million** preliminary settlement to a class of current and former employees who sued it for allegedly violating fiduciary duties in mismanaging employee retirement funds. The university — which denied allegations in the case — will make a series of changes in plan management and administration to address alleged violations of the Employee Retirement Income Security Act of 1974 (ERISA).
Recruiting

North Greenville University in Greenville, S.C., will pay $2.5 million to settle a False Claims Act lawsuit. The lawsuit contended that the school paid a company to recruit students for enrollment — compensating that company based on the number of students recruited. Court documents show that the private university owned 33% of the company and was in charge of its board of directors. The lawsuit argued the university had a covert agreement where it paid the company 50% of the gross tuition of students recruited to the university. Higher education schools that receive federal student aid are prohibited by federal law from incentive-based compensation for student recruitment and enrollment.

Oral Roberts University agreed to pay more than $300,000 to the Justice Department following allegations that it used student tuition to pay a recruiter. Such an act, according to the Justice Department, would have violated a ban on incentive-based compensation by paying a recruiter partly with tuition the school “received from the enrollment of recruited students,” according to a Justice Department release. The university admitted no wrongdoing and denied the allegations.

Other

The University of North Carolina (UNC) agreed to pay the Sons of Confederate Veterans a $2.5 million settlement in a case involving a Confederate monument known as “Silent Sam,” which protestors tore down in 2018. The Sons of Confederate Veterans filed suit against UNC to gain possession of the statue. UNC agreed to provide the statue and pay the group $2.5 to preserve it. The consent judgment included a stipulation that the statue must not be kept in the 14 North Carolina counties with a UNC institution. Faculty at the university later voted to condemn the settlement. In December 2019, the Lawyers’ Committee for Civil Rights Under Law asked a court to overturn the settlement.