

Retaliation

The Whistleblower Guide

Speaking up about unlawful conduct at work can be risky. Employers often retaliate against those who report fraud and other unlawful practices, by terminating, demoting, or harassing employees who report or refuse to engage in the conduct. If you experience retaliation, the law may provide recourse.

◆ All retaliation claims have the same basic elements.

While the particulars of what activity is covered and what remedies are available may vary by the law at issue, you must prove three elements to prevail on a retaliation claim.

- **Protected Activity** – The conduct encouraged by the underlying statute, generally activity intended to stop or report a specific kind of unlawful conduct.
- **Adverse Employment Action** – Any action that negatively affects an employee's job, including termination, demotion, pay cut, as well as actions that don't directly affect pay but do make it harder for an employee to work, such as isolation, harassment, or extreme hostility.
- **Nexus** – The connection between the protected activity and the adverse action, demonstrating the employer's *knowledge* of the protected activity and the employer's *motivation* for the adverse action.

◆ Anti-retaliation laws apply even if the employee is wrong about the employer's conduct.

An employer that retaliates will be liable for retaliation even if courts or investigators later find no wrongdoing. In other words, an employee need not be right for the employer to be guilty of retaliation. As long as the employee's belief that the conduct is unlawful is reasonable, even if that belief is ultimately shown to be incorrect, the employer who fires, demotes, or otherwise punishes the employee for acting is still engaged in unlawful retaliation. In some cases, the conduct the employee reports may not be punished for reasons having nothing to do with the lawfulness of the conduct itself. In those cases, as well, the retaliation claim may remain viable even if the underlying conduct is not punished.

◆ Many anti-retaliation provisions have very tight timelines.

If you think you have a retaliation claim, don't delay! Many retaliation laws provide very short deadlines from filing your claim—in some cases as little as **30 days** after the retaliatory act. The retaliation component of a law may have a much shorter statute of limitations than the law governing the unlawful conduct.

◆ Remedies vary.

The specific remedies available to an employee who has suffered retaliation will vary by the specific law. Typical remedies include:

- Reinstatement
- Back pay (and sometimes a multiple of back pay)
- Front pay
- Interest on back pay
- Other damages
- Costs and attorneys' fees

All of these remedies are not available under every anti-retaliation law.

North Carolina

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Federal Law

False Claims Act (31 U.S.C. § 3730(h))

The federal False Claims Act prohibits retaliation against an employee, contractor or agent for "lawful acts . . . in furtherance of efforts to stop 1 or more violations" of the False Claims Act. Federal courts in North Carolina have held that the employee need only have a reasonable belief that the conduct violates the False Claims Act to prevail on a retaliation claim. Remedies available include reinstatement, 2x back pay plus interest, costs and attorneys' fees, and sometimes other damages. Documents s

Title VII of the Civil Rights Act (42 USC § 2000e-3(a))

Title VII prohibits employment discrimination based on race, sex, national origin, or religion. An employee subjected to retaliation for opposing or cooperating in an investigation into discriminatory employment practices may sue the retaliating employer. Available remedies include back pay, compensatory damages, attorneys' fees and costs, and in some circumstances punitive damages. e

OSHA-Administered Retaliation Laws

The Occupational Safety & Health Administration administers a number of laws that have anti-retaliation provisions. Claims under these laws must first be filed with OSHA, and timelines are extraordinarily tight— as little as 30 days after the retaliatory act occurs. Remedies available differ among the various laws.

"Common Law"

Wrongful Discharge in Violation of Public Policy is a common-law concept. That means it is based on judicial decisions rather than statutes, a constitution, or other explicitly codified law. Legislatures may override common law by passing specific statutes, but where no statute exists, common-law principles define the law.

State Law

N.C. False Claims Act (N.C.G.S. § 1-613)

North Carolina's False Claims Act mirrors the federal False Claims Act almost exactly, including in its anti-retaliation provision. However, the remedies allowed by North Carolina's anti-retaliation provision is arguably broader than those allowed in the federal counterpart, allowing an employee, contractor, or agent who is retaliated against "all relief necessary to make the employee, contractor, or agent whole," including reinstatement, double back pay and interest, and additional damages, costs and attorneys' fees. The North Carolina law also explicitly shortens the statute of limitations for retaliation actions, to 3 years. (The North Carolina False Claims Act, like the federal law, allows 6 years for actions regarding the fraudulent conduct itself.)

N.C. Retaliatory Employment Discrimination Act (REDA) (N.C.G.S. § 95-240 and following)

REDA is North Carolina's strongest anti-retaliation law, but it is also limited to employer conduct that violates a specific set of state laws, including the Workers Compensation Act, the Wage & Hour Act, the state OSHA Act, and some other less common statutes, as well as federal anti-discrimination laws. Remedies include reinstatement, back wages, restoration of benefits, and other economic losses. Damages may be trebled if the violation is shown to be willful, but the standard for willful is relatively high. To assert a claim under REDA, the employee must file a claim with the North Carolina Department of Labor within 180 days of the last retaliatory act. A lawsuit may be filed only after the Department of Labor process is complete.

Wrongful Discharge in Violation of Public Policy (Common Law)

Even if an employer's conduct doesn't fit into any of the statutory provisions, it may be actionable under the common-law doctrine of wrongful discharge. The employee must be actually terminated— North Carolina courts do not recognize what is called "constructive discharge." And the employee must allege specific conduct in violation of a specific, expressed public policy. Remedies available may include reinstatement and back pay, as well as other economic losses. Punitive damages may be available for "egregiously wrongful acts," but the standard is quite high. The statute of limitations is 3 years.