SEPTA: Mum's the Habit

Shakeup Details Still a Mystery



By Chris Brennan Of the Legal Staff JULY 5, 2000

SEPTA reorganized its management structure last week, in the wake of the agency's handling of the trial involving the boy who lost his foot in an escalator.

But SEPTA's attorneys are still withholding documents related to the scandal, despite assurances from General Manager Jack Leary that financial records would be released.

Leary and his staff now won't say why the agency's attorneys broke their promises.

SEPTA's top attorney, Nicholas J. Staffieri, has also refused to explain why he will not release agency documents detailing the severance package for former boss, G. Roger Bowers, who was forced into retirement by the escalator scandal.

Bowers resigned as SEPTA's general counsel on May 30, after 27 years with the agency.

He had headed SEPTA's legal department during the lawsuit filed by the mother of Shareif Hall, a 4-year-old boy who had his foot chewed off by a Broad Street Subway escalator in 1996.

The legal department counter-sued the boy's mother, blaming her for the accident, and withheld reams of documents showing SEPTA knew before and after the accident that the escalator and others posed a danger to riders.

A jury hit SEPTA with a \$51 million verdict in December, and a judge fine the agency \$1 million for contempt of court.

The size of that verdict riveted the legal community.

Last week, 50 Philadelphia lawyers sat in a hotel conference room to hear <u>Tom Kline</u>, who represented the Hall family explain how he scored the victory against SEPTA.

Five SEPTA attorneys also attended, including Jim Jordan, who was hired after the verdict to help change how the transit agency deals with injury claims.

Jordan said the Hall case was mismanaged from the start with "five or six investigations" launched after the accident, run by employees probing their own departments and who did not talk other or other departments.

He said SEPTA now has a system where employees "won't be investigating their own colleagues or bosses."

Jordan noted that SEPTA went on the attack against fraudulent injury claims in the 1980's, creating an aggressive legal atmosphere that lingered for the Hall case.

"I'm afraid that mind-set started to drive here," Jordan said. "How do you come up with a theory that Shareif Hall's mother was responsible here?"

SEPTA settled the Hall lawsuit after the verdict for \$7.4 million and, after pledging to reform its legal department, the contempt fine was reduced to \$100,000.

The case continues to cost SEPTA but the price is unclear.

Bowers was one of at least three SEPTA employees forced off the job in an agency shake-up announced May 26.

Leary has said Bowers and the other employees were offered six moths of salary plus any accumulated vacation time if they agreed not to sue SEPTA.

Bowers took the deal. With an annual salary of \$143,000, that made his buy-out at least \$71,500.

The Daily News has asked SEPTA repeatedly since May 26 to release the exact details of Bowers' severance package, including his vacation time and pension pay-outs.

Despite assurances last month from Leary, assistant general manager Fran Egan and director of public affairs Richard Maloney that the information would be released, the agency now refuses to do so.

SEPTA also hasn't disclosed the cost of the four lawyers it hired as a "blue-ribbon panel" to investigate the legal department.

That panel found no coverup in the legal department but a "culture of complacency" in the agency that created problems in the escalator lawsuit.

David L. Cohen, the panel's attorney, said he intended to submit his bill by the end of June.

SEPTA said it is still waiting for the bill.