



PPP Does Not Stand For ‘Personal Palace Purchase’ – Employee Alleges Whistleblower Retaliation

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Now in its 11th week and including 185 cases, Barnes & Thornburg LLP’s Wage and Hour Practice Group continues to catalog [COVID-19 related workplace complaints](#) filed in courts around the country. The tracker’s interactive functionality allows readers to digest the summaries in a number of useful ways, and includes a breakdown of the number cases filed in each state and the chronological timeline of when each of these cases was filed organized by topic. As discussed in previous blogs, we continue to see an [uptick in workplace class and collective actions](#) directly related to COVID-19, filings where plaintiffs’ counsel have [attempted to tie](#) a class or collective-wide wage and hour violation to the pandemic, and cases that sit at the intersection of the [Paycheck Protection Program](#) (PPP) and wage and hour laws. This week’s spotlight further highlights this trend with a case involving alleged workplace retaliation for an employee’s objection to purported misuse of PPP funds.

In *Adler v. Starboard Group Management, Co. Inc., et al.*, the plaintiff was the defendant’s vice president of legal affairs and human resources, until she was terminated on June 1, 2020. In addition to alleging that she was sexually harassed by her supervisor – and that when she complained to the CEO, he responded by “ratifying” the harassment – the plaintiff alleges that she was directed to make false statements to the employer’s “creditors, landlords, vendors, and suppliers.” The plaintiff claims she was ordered to tell these entities that the employer “could not meet its financial obligations” because it

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had not received PPP funds. According to the complaint, those assertions were false; the company received almost \$9 million in PPP benefits. The plaintiff alleges not only that the CEO diverted roughly \$1 million of the PPP funds to finance his new home in Montana, but also that he directed the plaintiff to characterize certain personal employees in Montana as corporate employees, purportedly to “to defraud the United States and the Small Business Administration.” According to the plaintiff, when she complained to her supervisor about these actions, she was terminated. The plaintiff claims her termination violated whistleblower protections and that she was fired for engaging in protected conduct by objecting to “delivering fraudulent claims to creditors.”

This case highlights a number of relevant aspects of employment law, and paints an egregious and (hopefully) uncommon picture of an employer’s actions. Contributors to the COVID-19 Related Workplace Litigation Tracker will be [presenting on this and other trends on July 29](#). We will continue to track these trends as they unfold, and will continue to update the tracker each week. As always, stay tuned.