

# Apology to Fired Reservist Won't Hold Off Lawsuit

■ **Law:** Newport company says termination of a major on Gulf duty was a 'foul-up.' It offers job, back pay and benefits, but his attorney says that's not enough.

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NEWPORT BEACH—Officials at a major aerospace firm apologized Wednesday for the firing of a local reservist who was serving in the Persian Gulf, and promised to give him back his job and all the back pay and medical benefits owed to him.

"We made a mistake. We recognize it, and we intend to rectify it as quickly and fully as possible," said a statement issued by the New York office of the Loral Corp., which has aerospace plants in Newport Beach and elsewhere around the country.

Maj. Stephen McConnell and his family were out of the state on vacation Wednesday and could not be reached for comment. But the family's attorney said that while the statement was encouraging, it would not be enough to stave off a wrongful-termination lawsuit alleging that Loral violated state and federal law protecting activated reservists from layoffs.

McConnell, 38, came home last week from nearly nine months in Saudi Arabia with a Bronze Star for his work in resupplying Army units. But he also returned with uncertainty about the status of his job as a subcontracting administrator in Newport Beach at Loral Aeronutronic.

While stationed in the Gulf, McConnell got letters first from Ford Aerospace—which sold the firm in October—and then from the new owner, Loral, telling him of his "termination" and instructing him to turn in his employee ID and report for a security debriefing.

In interviews last week, officials at Loral blamed the incident on a misunderstanding. They maintained that McConnell was not fired and that he had in fact been receiving his continued medical benefits and pay differential.

But on Wednesday the company took a different tack.

Spokesman Elizabeth Allen acknowledged that, in fact, McConnell had not been paid the difference between his military and company pay since last October or received medical coverage under the company's insurance plan.

His daughter had been bedridden for nearly three months with a back injury, McConnell's wife, Kim, said, and the lack of medical coverage was the sorest point in the dispute. Kim McConnell said she was forced to leave the 9-year-old girl at home—often alone—so she could continue working at a local pharmacy and keep up her own medical coverage.

"This was not the Loral way of treating people," Allen said. "We  
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regret the incident. . . . We want him to come back, and we're sorry."

Allen asserted that McConnell's case was an isolated one.

"We have checked with every single other employee called over to Desert Storm, and this was the only one for which there was a foul-up," she said. The company had 31 reservists nationwide called to duty.

The spokeswoman suggested that the snafu came about in part because of the transition from Ford to Loral, but she declined to elaborate.

"I'm a bit uncomfortable making excuses," she said.

But Kevin McDermott, a local attorney and reservist who said he has been retained by the McConnell family to work on the case, offered his own explanation. He said that McConnell would have become vested in the company pension plan in May, and noted that his termination was a way for the company to avoid that prospect.

"It's a good way to cut your employee overhead," he said.

"It's wonderful news," McDermott said after hearing the company's statement.

He said the company went further in acknowledging its responsibility than it has before. But even if McConnell does get his back pay



GAIL FISHER / Los Angeles Times

Maj. Stephen McConnell

and benefits, McDermott promised that the family still will file "a full-blown, wrongful termination tort" lawsuit against both Ford and Loral.

Federal and state law ban the firing of activated reservists in wartime except in certain circumstances, such as during broader cutbacks, and McDermott maintained that the actions of both Ford and Loral violated the law.

"They've got an obligation to treat people like Steve fairly and honestly, and you don't put someone through what McConnell went through to save a few bucks," McDermott said.

Steve McConnell responded to a call from his country when the Gulf began to heat up in August 1990. A Major in the United States Army Reserves, Steve had actively trained for this contingency for most of his adult life. When the call came, he did not hesitate.

When he received the call, Steve was also employed as a senior technician for Loral Corporation, a billion dollar aerospace behemoth. This company supplied the weapons of war that Steve was expected to maintain and operate. One would have expected such a company to be supportive of Steve's call to arms. Nothing could have been further from the truth.

While secured in a bunker near the Saudi-Iran border during a Scud attack, Steve receive a Western Union message from his wife Kim, telling Steve that Loral had sent him a termination notice to their home in Mission Viejo, California. The notice informed him that he had been terminated for "excessive leave" from work due to his military commitments. The notice was stunning and Steve now had to not only be concerned for his personal safety while in the Gulf, he was burdened with the thought of being unable to support his family when he returned home.

Steve put his personal worries aside and rose to the occasion. For his efforts in the Gulf, the Army awarded Steve the Bronze Star.

When he returned to the States, Steve embarked upon a course to make Loral pay for what it had done to his family and to his career. It was soon borne out, not long after he retained attorney Kevin Barry Mc Dermott, that Steve's termination not so coincidentally coincided with his employment anniversary date that would have vested Steve in Loral's pension program. The public response was swift and vociferous. The public was outraged and the response to the news stories was overwhelmingly in Steve's favor.

It did not take Loral long to realize the tremendous public relations gaffe it had made. Before long, Loral came to the settlement table and Steve was appropriately compensated under a settlement that is still confidential to this day.

Steve was reinstated at his job at Loral long enough to vest in its pension program and he has since moved on to a government supply position. Steve was determined never to again face the prospect of a call-up and fear the loss of support for himself and his family.

His counsel, Kevin Mc Dermott, has his practice in Tustin, California and can be reached at his toll free number 800-723-6580 or at his e-mail address, - warlawyer@aol.com. All consultations are free to military personnel and their dependants for all matters pertaining to military and civilian law. Mc Dermott, a University of Miami Law School graduate, is licensed to practice before military courts worldwide, in the courts of the States of California and Florida and the United States Supreme Court.