

BUSINESS

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Judge chides PSC for 'shocking . . . deception'

By Robert Schwab
Denver Post Business Writer

A federal judge in Wyoming chastised Public Service Company of Colorado for a "shocking example of corporate deception" as he awarded almost \$1.6 million in severance pay to 90 former employees who left PSC in 1995.

Most of the employees didn't lose their jobs because PSC sold their entire unit, the Information Technology & Systems Department, with about 400 workers, to

a subsidiary of IBM, and the new employer kept most in place.

But U.S. District Court Judge Clarence A. Brimmer, ruling this week after a three-day trial in Denver in May, found the gas and electric company misrepresented the impact the change would have on the high-tech workers.

In a 35-page ruling, Brimmer wrote, "Additionally the court finds the stance of PSC Human Resources and Benefits personnel that plaintiffs and other IT&S em-

ployees were not asking the 'right question' as to severance a shocking example of corporate deception."

Mark Salley, a company spokesman, said Friday, "The company was in no way intending to be deceptive to these employees. The company was up front with them."

But Brimmer ruled the opposite, holding PSC responsible for a serious "breach of fiduciary duty in failing to refrain from making

material misrepresentations."

Todd McNamara, the attorney who represented the workers, said he will file an identical suit and seek class-action status to recover the lost pay for the other 300 tech workers not included in the action.

Salley said the company has not decided whether to appeal. He said costs might tilt the company away from contesting the decision.

Brimmer said costs were evi-

dently the reason the company misled its employees. PSC's move was projected to save it \$190 million over 10 years, but that would include \$5 million or more it would have paid the employees had it followed terms of a 1991 benefits plan it secretly changed in 1994, the judge said.

Employee shares in the award ranged from \$3,300 to \$37,300. Some had worked for the company for more than 30 years.