



Issue Date: 20 October 2020

Case No.: 2020-STA-00005

In the Matter of

JAMES GONSAULS
Complainant

v.

INNORCOR, INC.
Respondent

ORDER APPROVING SETTLEMENT AGREEMENT

This matter arises under the “whistleblower” employee protection provisions of Section 405 of the Surface Transportation Assistance Act of 1982 (the Act), as amended, 49 U.S.C. § 31105 (formerly 49 U.S.C. § 2305), and its implementing regulations, 29 C.F.R. part 1978.

Pursuant to § 31105(b)(2)(C) of the STAA, “[b]efore the final order is issued, the proceeding may be ended by a settlement agreement made by the Secretary, the complainant, and the person alleged to have committed the violation.” Under regulations implementing the STAA, the parties may settle a case at any time after the filing of objections to the Assistant Secretary’s findings “if the participating parties agree to a settlement and the settlement is approved by the ALJ” 29 C.F.R. § 1978.111(d)(2). Under the STAA, a settlement agreement cannot become effective until its terms have been reviewed and determined to be fair, adequate, and reasonable. *Tankersly v. Triple Crown Services, Inc.*, 1992-STA-00008 (Sec’y Feb. 18, 1993). Consistent with that required review, the regulations direct the parties to file a copy of the settlement agreement “with the ALJ or the Administrative Review Board as the case may be.” *Id.*

On October 15, 2020, the parties informed this Tribunal that they reached a resolution prior to hearing, which was set to occur on November 9-10, 2020. The parties submitted “Settlement Agreement, General Release and Waiver” (hereinafter “Settlement Agreement”). The Settlement Agreement was signed by Complainant, Mr. James Gonsauls, and Respondent’s general counsel, Mr. Andrew Prusky.

This Tribunal finds that the proposed Settlement Agreement is proper, and approves it with some caveats. Paragraph 5 states that the Settlement Agreement encompasses the settlement of matters under laws other than the STAA. The Court’s authority over settlement agreements is limited to such statutes as are within the Court’s jurisdiction and is defined by the applicable statute. Therefore, I may only approve terms of the agreement pertaining to

Complainant's STAA claim. *See Fish v. H and R Transfer*, ARB No. 01-071, ALJ No. 2000-STA-00056 (ARB Apr. 30, 2003).

Paragraph 19 states: "The terms and provisions of this Agreement shall be construed, interpreted and governed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to conflict-of-law principles." I construe this choice of law provision as not limiting the authority of the Secretary of Labor and any Federal court, which shall be governed in all respects by the laws and regulations of the United States. *See Phillips v. Citizens' Ass'n for Sound Energy*, 1991-ERA-00025, slip op. at 2 (Sec'y Nov. 4, 1991).

ORDER

1. The parties' request to approve their Settlement Agreement and dismiss Claimant's STAA claim is **GRANTED**. However, the parties are advised that this Tribunal does not bind the parties to the provisions in Paragraphs 5 and 19.
2. The proposed Settlement Agreement is fair and reasonable as to the claim under the Surface Transportation Assistance Act of 1982. None of the terms are against the public interest. The proposed Settlement Agreement is **APPROVED**, and the parties are **ORDERED** to comply with its terms.

The above matter is **DISMISSED** with prejudice.

SO ORDERED

SCOTT R. MORRIS
Administrative Law Judge

Cherry Hill, NJ