



CITY OF OAKLAND
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Office of the City Attorney

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City of Oakland Wins Arbitration on Valladon Suit for Damages in Y2K Payroll Snafu Legal Victory Saves City \$1.6 million

(Oakland, CA) – The City Attorney’s Office announced today that the City of Oakland prevailed in a case brought by Oakland Police Officer’s Association President, Bob Valladon, members of the Oakland Police Department and Oakland Fire Department against the City for mistakes made in payroll checks in November and December of 1999.

The case, *Valladon, et al. v. City of Oakland*, was filed in the U.S. District Court claiming the City violated the Fair Labor Standards Act in the manner in which it paid employees during the transition to a Y2K compliant payroll system in late 1999.

In 2001, the City reached a Settlement Agreement with the plaintiffs paying \$1.6 million in interest and corrections for payroll errors. Following the settlement, Valladon sought still more money from Oakland taxpayers by utilizing a provision in the federal law that mandates monetary compensation in the form of damages. The amount was an additional \$1.6 million in damages in addition to attorney’s fees. The parties were sent to arbitration to resolve this claim.

The arbitrator, Bonnie Bogue, issued the ruling. She found the City “satisfied its burden of proving both subjective good faith and objective reasonableness in the way it approached implementation of the new Oracle payroll system and in the manner it acted after it became aware that a number of employees had not been correctly paid in a timely manner.” Valladon’s claim was denied.

“I’m pleased the arbitrator came to the decision that the City did everything humanly possible in good faith to correct the payroll problems,” said Deputy City Attorney Susan Mosk.

“It’s ironic that the President of the Police Officers Association would bring such an action,” commented outside counsel, Art Hartinger of Meyers Nave. “After all, every penny the City saves in these lawsuits goes right back to pay for police, fire and other city services.”

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