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Abstract       Texas appeals court overturns \$3 million award to Ashley and T. O. Gravitt's widow.

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# \$3 Million Award Is Overturned

## In a Suit Against Southwest Bell

SAN ANTONIO, Nov. 29 (AP) — A state appeals court today overturned a jury's \$3 million damage judgment against the Southwestern Bell Telephone Company in a case involving two executives who had allegedly been slandered by an internal investigation.

The slander suit was the subject of a long and lurid trial last year in which the company, a major component of the Bell telephone system, was accused of corporate misdeeds. The executives had been accused of sexual and financial abuses on the job.

One executive, James Ashley, was dismissed in 1974, and the other, T.O. Gravitt, committed suicide. They had contended that they were hounded by the company because they had raised objections to the corporate policies. According to Mr. Ashley and Mr. Gravitt's widow, these policies included secret political slush funds, dishonest rate practices, and wiretapping of employees.

But the appeals court ruled that Bell had a right to investigate allegations of sexual misconduct and other misdeeds by the two executives when it got such reports, which included allegations of sex in the executive offices and falsified expense vouchers.

### /// Inquiry Called Justified

"We agree with appellant that the reports of wrongdoing established the defendant's conditional privilege to make inquiries or investigations in order to preserve its own effectiveness," Associate Justice Robert Murray said in the written opinion.

"The judgment is hereby rendered that the plaintiffs take nothing," he said.

Pat Maloney, a lawyer representing the plaintiffs, said the ruling would be appealed to the Texas Supreme Court.

Mr. Gravitt was the \$80,000-a-year head of Bell's Texas operations until he committed suicide at his Dallas home in October 1974, in the midst of the investi-

gation. Later that month, Mr. Ashley was dismissed from his \$55,000-a-year post as head of the San Antonio office.

### Suicide Note Is Found

The case broke after Mr. Gravitt committed suicide and left a note saying: "Watergate is a gnat compared to the Bell system."

Mr. Ashley and Mr. Gravitt's widow, Oleta Gravitt Dixon, later sued Bell for \$29 million, alleging that the investigation had been improperly conducted.

In 1977, the State District Court jury found that the investigation had been a "proximate cause" for the insanity that led to Mr. Gravitt's suicide. It awarded \$1.5 million each to Mr. Ashley and to Mr. Gravitt's widow.

At the same time, however, it ruled that Mrs. Gravitt should pay Bell \$1,771 to reimburse it for false expense vouchers that her husband had filed. The jury had heard testimony from several female employees that they had sex with Mr. Ashley and Mr. Gravitt in order to earn promotions. The company also said the men had funneled Bell business to a printing company in which they had an interest.

### A 'Vindication' of Company

"We view the appellate court's decision as a vindication of Southwestern Bell and its employees," said C.L. Todd, vice president and general manager of Southwestern Bell. "We're very pleased that the courts have upheld the right of a business to deal with internal wrongdoing and allegations of wrongdoing."

But Mr. Maloney, the lawyer, said that "Bell can count on this as their most influential day. The people can count this as their blackest day. The rich get richer. It has always been my experience as an attorney that the further you get from a jury, the less the people prevail."

Mrs. Dixon has since remarried and lives in Oklahoma. Mr. Ashley sells real estate in Blanco. They could not be reached for comment.