

1995 WL 870887

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United States District Court, District of Columbia.

Bessye NEAL, et al., Plaintiffs,  
v.  
DIRECTOR, D.C. Department of Corrections, et  
al., Defendants.

No. CIV. A. 93-2420 (RCL).  
|  
Dec. 20, 1995.

MEMORANDUM AND ORDER

LAMBERTH, District Judge.

\*1 This case came before the court on a motion filed by six individually named plaintiffs pursuant to Federal Rule of Civil Procedure 59(e) to amend the judgment to include prejudgment interest on plaintiffs' compensatory damage awards and for other relief. On April 21, 1995, the jury returned a verdict granting the plaintiffs compensatory damages on their Title VII and Civil Rights Act claims. Judgment was entered on the verdict on August 9, 1995. Plaintiff now requests that this Court amend the judgment so as to include prejudgment interest on the compensatory damage awards from the date upon which the amount of damages was ascertained—April 21, 1995—through the date upon which this Court entered judgment—August 9, 1995. Upon consideration of the plaintiffs' motion and defendants' opposition, the Court shall grant plaintiffs' motion for prejudgment interest for the reasons stated below. Because defendants do not oppose the other relief sought by plaintiffs, the Court shall grant plaintiffs' motion with respect to these other requests as uncontested.

DISCUSSION

The purpose of prejudgment interest is to ensure that an award for damages is fully compensatory. Prejudgment interest is "an element of complete compensation," and is available on sums from the time at which damages are ascertained until the moment that judgment is actually entered. *West Virginia v. United States*, 479 U.S. 305, 310 (1987); *see also Osterneck v. Ernst & Whinney*, 489 U.S. 169, 175 (1989); *Frederick County Fruit Growers Ass'n v. Martin*, 968 F.2d 1265, 1275 (D.C.Cir.1992). "Prejudgment interest is normally designed to make the plaintiff whole and is part of the actual damages sought to be recovered." *Monessen S.W. Ry. Co. v. Morgan*, 486 U.S. 330, 335 (1988); *see also Library of Congress v. Shaw*, 478 U.S. 310, 321 (1986). Prejudgment interest represents "delay damages"—that is, compensation for the financial loss incurred as a result of the inability to make use of the damage award between the time at which the jury makes its finding as to the damages sustained by the claimant and the time at which the Court entered judgment on the jury verdict. *General Motors Corp. v. Devex Corp.*, 461 U.S. 648, 655-56 n. 10 (1983); *see also Foltz v. U.S. News and World Report, Inc.*, 613 F.Supp. 634, 648 (D.D.C.1985). Although sometimes considered "additional damages," C. McCormick, *Handbook on the Law of Damages* § 50, at 205 (1935), prejudgment interest represents an integral component to full compensation.

The determination as to whether a claimant is entitled to prejudgment interest is committed to the sound discretion of the district court, and is therefore subject to narrow appellate review. *See Frederick County Fruit Growers*, 968 F.2d at 1275; *Foltz*, 613 F.Supp. at 648. In some jurisdictions, prejudgment interest is "presumptively available" to plaintiffs prevailing on federal claims. *See, e.g., Gorenstein Enterprises, Inc. v. Quality Care-USA, Inc.*, 874 F.2d 431, 436 (7th Cir.1989). The law in this Circuit, however, does not reflect such a presumption. As the D.C.Circuit stated in *Frederick County Fruit Growers*, the decision whether to award prejudgment interest rests within the equitable discretion of the district court. *See Frederick County Fruit Growers*, 968 F.2d at 1275. Thus, it is the task of this Court to determine whether fairness and equitable considerations presented by this case merit an award of prejudgment interest.<sup>1</sup>

\*2 The plaintiffs argue that they should receive prejudgment interest on the compensatory damages awarded by the jury on their Title VII and Civil Rights Act claims. This Court has previously held that prejudgment interest is available under Title VII. See *Jones v. Washington Metro. Area Transit Authority*, Civil Action No. 89-0552 (RCL), 1992 U.S. Dist. LEXIS 11504 (August 7, 1992); see also *Chamberlin v. 101 Reality, Inc.*, 915 F.2d 777 (1st Cir.1990); *Bunch v. Bullard*, 795 F.2d 384 (5th Cir.1986); *E.E.O.C. v. Financial Assur., Inc.*, 624 F.Supp. 686 (W.D.Mo.1985). However, courts generally reserve prejudgment interest for backpay awards and similar relief. See *Loeffler v. Frank*, 486 U.S. 549, 557-58 (1987); *Albermarle Paper Co. v. Moody*, 422 U.S. 405, 415-16 (1975); *Townsend v. Washington Metro. Area Transit Auth.*, 746 F.Supp. 178, 188 (D.D.C.1990).

The Supreme Court articulated the rationale for prejudgment interest on back pay awards under Title VII in *Loeffler v. Frank*. Writing for the Court, Justice Blackmun observed:

The back pay award authorized by § 706(g) of Title VII ... is a manifestation of Congress' intent to make "persons whole for injuries suffered through past discrimination. Prejudgment interest, of course, is "an element of complete compensation."

*Id.* at 558 (citations omitted). The Court went on to note:

Indeed, to ensure that victims of employment discrimination would be provided complete relief, Congress also gave the courts broad equitable powers.

*Id.* at 558 n. 6.

This court sees no reason why such reasoning would not also apply to compensatory damage awards granted on Title VII and Civil Rights Act claims. An award of prejudgment interest on compensatory damages is consistent with the purpose and intent of these statutes. Prejudgment interest is clearly an integral component of full compensation, and the purpose of these statutes is to compensate fully victims of discrimination. Furthermore, courts have granted prejudgment interest on compensatory damage awards in other civil rights

contexts where the amount of damages was readily ascertainable. See, e.g., *Heritage Homes Altleboro, Inc. v. Seekonk Water Dist.*, 648 F.2d 761 (1st Cir.1981) (affirming a district court's inclusion of prejudgment interest on compensatory damages awarded under 42 U.S.C. § 1983). Because the Civil Rights Act of 1991 explicitly provides for an award of compensatory damages for violations of Title VII, it would seem entirely appropriate for a district court to consider the inclusion of prejudgment interest on a compensatory damages awarded to Title VII claimants just as it does with respect to Title VII backpay awardees.

In light of this Court's determination that an award of prejudgment interest on a compensatory damage award is in accordance with the purpose and intent of Title VII and the Civil Rights Act to compensate fully victims of discrimination, the Court now turns to the fairness and equitable considerations presented by this case. A threshold question is whether the jury awards of compensatory damages contemplated the inclusion of prejudgment interest. If the jury intended the damage award to include prejudgment interest, then the piggybacking of an additional prejudgment interest award would necessarily reach beyond the scope of compensation and into the realm of punitive damages. Prejudgment interest awards "serve to fully compensate the injured, not to penalize the party causing injury." *Raybestos Prods. Co. v. Younger*, 54 F.3d 1234, 1247 (7th Cir.1995); see also *Fortino v. Quasar Co.*, 950 F.2d 389, 397-98 (7th Cir.1991) (noting that prejudgment interest on "doubled damages" is not compensatory, but punitive, and therefore should not be awarded). In the piggybacking scenario, an award of prejudgment interest would be clearly impermissible.

\*3 In this case, however, the issue of prejudgment interest was not submitted to the jury, and, consequently, the jury did not have the opportunity to include prejudgment interest in its compensatory damage awards. Defendant argues that the submission of the Special Verdict Form, which asked the jury with respect to each individually named plaintiff "[w]hat amount of money do you award plaintiff [ ] to fully and fairly compensate [him/her] for [his/her] damages?" was sufficient to present the issue of prejudgment interest before the jury. Individual Claims Sp. Verdict Form, at ¶ 3. This Court disagrees. There is no reason for this Court to believe that the jury contemplated *and* elected to include or exclude prejudgment interest on its award of compensatory damages. The Special Verdict Form made no mention of prejudgment interest. Moreover, the parties never raised

the issue of prejudgment interest with the jury. Furthermore, this Court never provided the jury with instructions as to whether and how prejudgment interest could be figured into the damage calculus. In the absence of some indication that the jury was aware of the possibility of including prejudgment interest in its damage award, there is no reason to believe that the jury ever reached the prejudgment interest issue.

Moreover, the equities of this case weigh in favor of granting prejudgment interest on plaintiffs' damage awards. Where plaintiff is awarded compensatory damages, such damages should fairly and fully compensate the claimant. Because prejudgment interest is an element of complete compensation, it makes sense that plaintiffs should receive prejudgment interest on their damage awards. In addition, the jury rendered its verdict nearly four months before this Court entered judgment on the award. During this time, the amount of damages were known, but the plaintiffs were unable to make use of the funds. The purpose of prejudgment interest is to compensate prevailing plaintiffs for precisely this type of financial loss. Thus, basic principles of fairness dictate that plaintiffs should receive prejudgment interest on their damage awards.<sup>2</sup>

In sum, this court finds that the inclusion of prejudgment interest on plaintiffs' damage awards is appropriate in this case. A grant of prejudgment interest on plaintiffs' compensatory damage awards in this case is wholly consistent with the remedial goal of Title VII and the Civil Rights Act and the overarching purpose of granting prejudgment interest on jury awards. Fairness and equitable considerations raised in this case also militate in favor of granting prejudgment interest. Accordingly, this Court shall amend its prior judgment to include prejudgment interest on the damage awards of the six individually named plaintiffs.

## CONCLUSION

For the reasons stated above, and because defendants do not contest the other relief sought by plaintiffs, it is hereby ORDERED that:

1. Plaintiffs will receive prejudgment interest on the jury damage awards from April 21, 1995, through August 9, 1995. Such interest will be computed in the same manner and at the same rate as prejudgment interest pursuant to D.C.Code § 28-3302(b).

\*4 2. Final Judgment and Order II is amended as follows: Barbara Carter is entitled to front pay based on the midpoint of the range of time she is expected to be disabled. That is, she is entitled to 33 months of front pay, 6 months more than was included in the original calculation. Based on the salary established for this position, she is entitled to \$71,119 in front pay, which has a present value of \$68,710.

3. Final Judgment and Order II is amended as follows: The defendants shall pay Tyrone Posey \$6,775.32 for the 524 hours of AWOL for which compensation was granted.

4. The 30-day time limit question presented in plaintiffs' motion is now moot.

SO ORDERED.

## All Citations

Not Reported in F.Supp., 1995 WL 870887

## Footnotes

<sup>1</sup> Since plaintiff's claims were made under federal law, this Court shall consider only federal standards in determining the propriety of prejudgment interest. The same would be true in cases where claims are made on state and federal law grounds, and the component of state law damages is not clearly discernable. See *Conway v. Electro Switch Corp*, 825 F.2d 593 (1st Cir.1987). However, where the claims are under state and federal law, and the damage components are clearly discernable, the plaintiff is entitled to select the body of law under which the issue of prejudgment interest will be determined. See *Freeman v. Package Machinery Co.*, 865 F.2d 1331, 1345 (1st Cir.1988). With respect to pendant state claims adjudicated in federal court, the determination whether to include

prejudgment interest is governed by state law. *See Erie R.R. v. Tompkins*, 304 U.S. 64 (1938); *see also Guaranty Trust Co. v. York*, 326 U.S. 99 (1945).

- <sup>2</sup> The Court also notes the absence of any countervailing equities in this case that would militate in favor of the defendants.