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## Court Dismisses Libel Claim by Former Nonprofit Leader Accused of Bad-Boss Behavior

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**TOPICS**: <u>Defamation</u>, <u>Truth</u>

A former executive director of a non-profit research group focused on gender equality failed to state a libel claim arising from an article about her embattled leadership and working conditions during her tenure, a district court judge ruled in September. <u>Mason v. American Prospect, Inc., et al.</u>, No. 23-cv-2238 (D.D.C.).

Judge Loren L. AliKhan ruled on a motion to dismiss that most of the statements in the article challenged by C. Nicole Mason, former head of the Institute for Women's Policy Research ("IWPR"), were not actionable as false statements of fact. And while two other statements might have been actionable, the court ruled, Mason failed to sufficiently allege that that *The American Prospect* and a freelance reporter acted with actual malice, and an email exchange incorporated by reference into Mason's complaint rendered any such accusation implausible. Mason's complaint was therefore dismissed with prejudice.

## Background

From October 2019 until she was fired in January 2023, Mason led IWPR, a prominent non-profit that conducts and publishes research in the fields of gender equity and women's roles in the workforce, among others. Toward the end of Mason's tenure, Defendant Julianne McShane began reporting a story about IWPR and how a series of staffing and other changes Mason had implemented was perceived to be hindering the organization's ability to deliver influential research and otherwise shape the debate on gender-equality issues.

Based on IWPR documents, interviews with more than 30 sources—including Mason, her former employees, and experts in the field of non-profit management—McShane wrote an article that *The American Prospect* published in November 2022. While McShane was still reporting the article, IWPR's board engaged a law firm to investigate Mason's workplace conduct. That and other revelations appeared in the article, which ran under a headline that concluded IWPR was facing "struggles amid new leadership."

## Plaintiff's Claims and Defendants' Motion to Dismiss

Mason sued McShane and *The American Prospect* in August 2023. Alleging that they published the article as part of a conspiracy to undermine Mason's effectiveness at IWPR, Mason claimed that several passages were false and defamatory and tortiously interfered with her employment. The complaint quoted and otherwise referred to portions of some emails and materials Mason had exchanged with McShane about IWPR's staffing levels and other issues.

Defendants filed a motion to dismiss the complaint on October 16, 2023. They argued that Mason was distorting the language of the article to attack allegedly defamatory inferences no reader would draw from it and that other statements—including, for example, that Mason had contributed to a "toxic" work environment and that some former employees accused her of "screaming at staffers"—were not assertions of fact. Further, Defendants argued that Mason was a limited-purpose public figure and had failed to allege that Defendants had acted with actual malice. In support of the motion, Defendants asked the court to take judicial notice of several exhibits, including articles demonstrating Mason's status as a limited-purpose public figure and some of the emails between her and McShane.

## **Court's Ruling on Defendants' Motion to Dismiss**

Judge AliKhan on September 30, 2024, granted Defendants' motion and dismissed the complaint with prejudice. With respect to most of the statements, the court held that they did not convey defamatory implications, were opinions, or were not plausibly false. For example, the court concluded that reporting that Mason was claimed to be a "key cause" of a "toxic work environment" and that she had been accused of screaming at IWPR employees were not verifiable assertions of fact but, rather, opinions reflecting the subjective views of those employees that were published in context alongside Mason's denials, allowing readers to reach their own conclusions.

It also rejected Plaintiff's argument that the article conveyed an "overarching defamatory narrative," finding that "when viewed holistically . . . the article explains that it is recounting how former employees feel or what they believe about the organization, rather than presenting specific statements as objective truth."

Finally, the court determined that two statements in the article about IWPR's staffing levels and turnover were assertions that could be verified and were sufficiently defamatory as to Mason so as to be theoretically actionable as libel. Even so, after assessing several news articles Defendants submitted either about Mason or quoting her on gender-equality issues, the court determined that Mason was a limited purpose public figure required to plead actual malice. Mason, however, had failed to plead facts demonstrating that McShane or *The American Prospect* had doubts about anything in the story. Among other things, the court cited an email exchange Mason had selectively incorporated by reference into the complaint, and that Defendants provided in full, showing that McShane believed her methodology in assessing IWPR's turnover rate was accurate, thus rendered it implausible that Defendants acted with actual malice.

Because Mason's derivate tortious interference claim necessarily failed for the same reasons, the court dismissed Mason's complaint with prejudice.

Alia L. Smith and Matthew S.L. Cate of Ballard Spahr LLP represent Defendants The American Prospect and Julianne McShane. Plaintiff C. Nicole Mason is represented by Douglas C. Melcher.

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