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New Jersey Abortion Clinic Files for Bankruptcy

Former employees sued Pilgrim Medical Center after becoming pregnant

By

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A New Jersey abortion clinic has filed for bankruptcy after losing a legal battle with several former employees who said they were fired after becoming pregnant.

Pilgrim Medical Center Inc. filed for chapter 11 protection after a judge awarded more than \$1 million to three ex-workers who sued the clinic for discrimination.

The legal award against Pilgrim Medical Center, which is based in Montclair and employs 22 people, is worth more than half of the \$1.8 million in revenue the clinic took in last year, according to documents filed in U.S. Bankruptcy Court in Newark. The clinic is appealing the judgment.

The former employees—two medical assistants and an administrative worker—sued in the fall of 2013, accusing supervising physician and clinic owner Nicholas Campanella of punishing them for taking or requesting maternity leave.

The civil lawsuit accused Dr. Campanella of unfairly firing a pregnant worker in February of 2013, telling her there was a “lack of work” even though a job opening for her duties had been freshly posted online. The two other workers were fired in 2013 after taking maternity leave.

One coworker explicitly told women in the office not to get pregnant “because [Dr. Campanella] does not like pregnant employees,” the lawsuit said.

Dr. Campanella and his bankruptcy lawyer didn’t respond to requests for comment. In court papers, Dr. Campanella has denied wrongdoing.

The March 22 bankruptcy filing prevents the former workers from trying to collect money awarded in the lawsuit.

The clinic, which is staying open during its bankruptcy case, said it may sue the lawyers hired to fight the employment lawsuit for malpractice for failing to file the necessary court papers.

Founded in 1989, Pilgrim Medical Center's licensed surgery center employs two gynecologists who can perform abortions, court papers said. [Clinic officials say](#) it is the only center in the state to offer abortions at 24.6 weeks as a one-day procedure.

In court papers, Dr. Campanella made it clear that the clinic did not file bankruptcy because of patient care issues.

"None of the physicians employed by Pilgrim have been sanctioned or had any medical board actions taken against them," said Dr. Campanella, adding that he hasn't faced a doctor or patient complaint since he began practicing in 1978.

The government's bankruptcy watchdog, a part of U.S. Department of Justice, is calling for a judge to name an outside health-care expert to monitor the case. Such experts are routinely appointed in health-care bankruptcies after Congress passed new rules in 2005.

The department said in court papers that patient-care problems "can arise unannounced at any time."

Judge Vincent F. Papalia is scheduled to hear arguments over whether the case needs the extra oversight on Thursday.

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