

Charging an Employee With a 430,000 ILS Compensation in Favor of the Employer

A company dealing in the cultivation and marketing of citrus fruits employed an orchard manager called Yitzhak Kahlon. The parties had signed a labor agreement.

The company cultivates, among other things, tangerines of the "Orr" species. This species is the highlight of citrus fruits in Israel and one that should be handled with great care.

At a certain occasion, about 95,000 kg of "Orr" tangerines were cropped that were supposed to arrive at the company's packing house for marketing ("the goods").

Upon arrival of the goods to the packing house, it was found out that all the goods are infected with rot resulting from exposing the fruits to direct sunlight.

Sadly, the company had to dispose all the goods, about 95,000 kg of fruit. The value of the lost goods was 430,000 ILS.

The company filed a lawsuit against Kahlon, claiming he caused this damage intentionally by leaving the tangerine containers willfully exposed to direct sunlight in the orchard for several days, instead of ensuring they are transported to the packing house. According to the company, this followed the company's refusal to raise Kahlon's pay.

The company was able to prove that Kahlon issued an order not to handle the tangerine containers or cover them.

The labor court determined that Kahlon breached the duty entrusted with him by his employer and his basic obligations toward the employer. Kahlon's conduct is a fundamental breach of the labor agreement, a breach of his

obligation to do his job, and thereby warrants the ruling of a compensation equivalent to the damage caused to the company.

The court determined that Kahlon shall compensate the company at 430,000 ILS in total as a compensation for his breach of the labor agreement.

We are dealing here with an exceptional judgment in all respects, which continues the trend of the labor courts already reviewed in our previous articles. There should be mentioned that normally the labor court is not authorized to rule in cases of torts, but since the judicial and factual set of the case centered around breach of a labor agreement, the court thought it is authorized to handle this case.

- Judge-authority labor dispute case no. 35426-06-13 (Regional Labor Court in Beersheba), Avital Benny Agricultural Produce Industries Ltd. vs. Yitzhak Kahlon, given on May 26th, 2016.