

331 N.W.2d 907
Supreme Court of Minnesota.

Stephanie PONTICAS, et al., Respondents,

v.

K.M.S. INVESTMENTS, et al., Appellants,
Lakeview Realty, Inc., Defendant.

No. C7-81-1026. | March 25, 1983.

Tenant who was raped by manager of apartment complex brought action, along with her husband, against owner and operator of apartment complex alleging **negligence** in hiring of manager despite his criminal record. The District Court, Hennepin County, Michael J. O'Rourke, J., entered judgment in favor of tenants, and appeal was taken. The Supreme Court, Kelley, J., held that: (1) employer has duty to exercise reasonable care in hiring individuals who, because of nature of employment, may pose threat of injury to members of public; (2) evidence supported finding that owner and operator of apartment complex were **negligent** in failing to make reasonable investigation of apartment manager's background; (3) **negligence** was proximate cause of injuries to tenants; and (4) trial court properly refused to instruct on superseding intervening cause.

Affirmed.

Scott, J., dissented and filed opinion in which Wahl, J., joined.

West Headnotes (11)

[1] **Labor and Employment**

⚡ **Negligent Hiring**

An employer has duty to exercise reasonable care in hiring individuals who, because of nature of employment, may pose threat of injury to members of public.

49 Cases that cite this headnote

[2] **Labor and Employment**

⚡ **Negligent Hiring, Retention, and Supervision**

Whether it was reasonably foreseeable by owner and operator of apartment complex that

resident manager, who had history of offenses of violence, would rape tenant, even though criminal record would have failed to indicate any prior crimes involving criminal sexual conduct, was question for jury.

52 Cases that cite this headnote

[3] **Labor and Employment**

⚡ **Negligent Hiring**

Employer's duty to exercise reasonable care in hiring of employees who, if incompetent or unreliable, might pose risk of injury to members of public with whom employee may come in contact by reason of employment, includes making of reasonable investigation of employee's background; scope of investigation is directly related to severity of risk third parties are subjected to by such an employee.

12 Cases that cite this headnote

[4] **Labor and Employment**

⚡ **Negligent Hiring**

When prospective employee is to be furnished passkey permitting admittance to living quarters of tenants, employer has duty to use reasonable care to investigate his competency and reliability prior to employment.

25 Cases that cite this headnote

[5] **Labor and Employment**

⚡ **Negligent Hiring**

There exists no duty upon employer, as a matter of law, to make inquiry as to prospective employee's criminal record even where it is known that employee is to regularly deal with members of public.

6 Cases that cite this headnote

[6] **Labor and Employment**

⚡ **Negligent Hiring, Retention, and Supervision**

Evidence supported finding that owner and operator of apartment complex were **negligent** in failing to make reasonable investigation of

background of apartment manager, who had criminal record involving crimes of violence, who was afforded access to tenants' apartments by passkey, and who subsequently raped one of the tenants in her apartment after entering by means of passkey.

10 Cases that cite this headnote

[7] **Negligence**

← Foreseeability

For **negligence** to be proximate cause of injury, it must appear that a fact is one which party ought, in exercise of ordinary care, to have anticipated was likely to result in injury to others, then he is liable for any injury proximately resulting from it, even though he could not have anticipated particular injury which did happen.

16 Cases that cite this headnote

[8] **Labor and Employment**

← Dangerous Propensities

Labor and Employment

← Criminal Acts

Negligence by owner and operator of apartment complex in hiring apartment manager with history of offenses of violence was proximate cause of personal injuries suffered by tenant he raped after entering her apartment by means of passkey, plus loss of consortium of tenant's husband; **negligence** in hiring apartment manager was only reason he was on premises, had contact with and was provided with passkey facilitating his entry into her apartment.

3 Cases that cite this headnote

[9] **Negligence**

← Proximate Cause

Normally, proximate cause is for jury to decide.

6 Cases that cite this headnote

[10] **Negligence**

← In General; Foreseeability of Other Cause

An intervening act is not superseding unless its harmful effects must have occurred after original **negligence**; it has not been brought about by original **negligence**; it actively worked to bring about a result which would not otherwise have followed from original **negligence**; and it was not reasonably foreseeable by original wrongdoer.

10 Cases that cite this headnote

[11] **Labor and Employment**

← Instructions

Trial court, in action by tenant who was raped after apartment manager entered her apartment with passkey, and who alleged **negligence** on part of owner and operator of apartment complex in hiring apartment manager despite his criminal record, properly refused to instruct jury on superseding intervening cause; inherent nature of **negligence** in hiring cause of action precludes application of superseding intervening cause, because by its definition, fact finder, that is, jury, has already determined injury-causing conduct of employee was foreseeable.

7 Cases that cite this headnote

***908 Syllabus by the Court**

1. An employer has the duty to exercise reasonable care in hiring individuals who, because of the nature of the employment, may pose a threat of injury to members of the public.
2. The employer's duty to exercise reasonable care in the hiring of employees who, if incompetent or unreliable, might pose risk of injury to members of the public with whom the employee may come in contact by reason of the employment, includes the making of a reasonable investigation of the employee's background.
3. The evidence sustains the jury's finding that employer of a person hired as an apartment complex caretaker and afforded access to tenants' apartments by a passkey was **negligent** in

failing to make a reasonable investigation of the employee's background.

4. The breach of the employer's duty to make a reasonable investigation of the employee's background and work history was the proximate cause of injuries to the employer's tenants.

5. In a case alleging **negligent** hiring by an employer, the jury should not be instructed on superseding intervening cause.

Attorneys and Law Firms

Lommen Nelson, Sullivan & Cole, V. Owen Nelson and Phillip A. Cole, Minneapolis, for appellants.

Lawrence D. Olson and Bruce D. Peck, St. Paul, for Stephanie Ponticas, et al.

Heard, considered and decided by the court en banc.

Opinion

KELLEY, Justice.

The appellants, the owner and the operator of a residential apartment complex, were found **negligent** by jury verdict in the hiring of a resident manager who violently sexually assaulted one of the female tenants of the complex. They appeal from the Hennepin County District Court's order for entry of judgment which awarded the tenant damages for personal injuries and her husband damages for loss of consortium. We are called upon first to determine whether Minnesota recognizes a tort action creating liability on an employer for **negligence** in hiring an employee; second, if so, whether in this case the evidence was sufficient to sustain the jury's verdict that appellants had breached that duty; and, third, whether criminal assaultive actions of the *909 employee under the circumstances of this case could be considered a superseding intervening cause of respondents' damages so as to relieve appellants from liability.¹ We affirm.

In 1978, appellant K.M.S. Investments owned an apartment complex known as Driftwood Apartments. This complex was managed by appellant Skyline Builders. In May of 1978, respondents Stephanie and Jorge Ponticas moved into a ground floor apartment in the Driftwood Apartment complex. On or about the 1st of August of that year, Dennis Graffice was employed as apartment manager by appellant Skyline Builders. As apartment manager, Graffice

had general supervision over 198 apartment units. He was issued a passkey that would afford him admission into all units. On September 8, 1978, Stephanie Ponticas noticed that her refrigerator was not functioning properly and notified Graffice, who came to the apartment. Jorge Ponticas, Stephanie's husband, was a musician. When Graffice was in the apartment on September 8, he made the observation to Stephanie Ponticas that he had not seen Jorge for some time. In response, she informed him that Jorge was out of town for the week on a band job in northern Minnesota. In the early morning hours of Sunday, September 10, she was violently raped at knifepoint by a person whom she recognized to be Dennis Graffice. During the course of the sexual assault, he attempted to strangle her. Following the assault, she escaped from the apartment through a broken window and reported the incident to police. Dennis Graffice was subsequently arrested and convicted of sexual assault in the first degree and was sentenced to Stillwater State Prison. Stephanie and Jorge Ponticas commenced this lawsuit against the appellants K.M.S. Investments and Skyline Builders, alleging that they were **negligent** in the hiring of Dennis Graffice as manager of the Driftwood Apartments, and that as a direct result of such **negligent** hiring Stephanie sustained personal injuries of a physical and psychological nature and Jorge sustained damages as a result of loss of consortium.

In 1978, Dennis Graffice was 25 years old. When he was 19, he joined the Army and served 14 months until November 3, 1973, when he received a general discharge. After his discharge from the Army, he lived in California. While in California, he was charged with burglary and receiving stolen property and convicted of the latter in 1974 and served 4 ½ months in jail. Shortly after his release from jail, he moved to Colorado. There he was charged with two counts of armed robbery, two counts of burglary, three counts of theft and one count theft of auto parts. As a result of plea negotiations, he was convicted of armed robbery and burglary and sentenced to prison. He was released from prison in Colorado in June of 1977 and returned to California where he lived for approximately 6 months working self-employed as operator of a tree service. In January of 1978, he, his wife and child moved to Minnesota. He obtained a job as a driver for the Spring Lake Park School Bus Company. He and his wife were also caretakers for a 24-unit apartment building where they then lived. He was "fired" from the bus company after only a month and a half for drinking on the job and apparently had also had a fight with his supervisor. In March of 1978, he got a job as a line foreman at Carter's Car Wash where his wife also worked part-time. In June of 1978, Skyline Builders

placed an advertisement in the newspaper for a resident manager for the Driftwood Apartment complex. The resident manager's duties included showing and renting apartments, taking care of small repairs and other tenant complaints and overseeing other employees and generally insuring a smooth operation. Graffice and his wife answered the ad that had been placed in the newspaper and completed the standard form of *910 application. Delores Swanson, the property manager for Skyline Builders and the person solely responsible for hiring apartment employees, interviewed the Graffices. Later, a credit check of the Graffices was made in Minnesota and in California. It was normal for Skyline Builders to make a check on the named references, either by telephone or by mail. In the case of the Graffices, Mr. Graffice had put down on his application form two names as references, one of which did not have an address and neither of which had telephone numbers. As it turned out, the two names given were his mother and sister who resided in California. Originally, the Graffices were not the successful applicants for the vacancy. The couple that had been chosen to take over the management notified Skyline Builders that they no longer desired to do so, whereupon the Graffices were called and given 20 minutes within which to give a "yes" or "no" answer. They agreed and were hired without further investigation.

On the initial application form, Dennis Graffice indicated that he had been convicted of a crime but he described the crime as "traffic tickets." Ms. Swanson did not inquire further. She did not consider violation of traffic laws to be a crime. In fact, at the time of the application Graffice was on parole following his Colorado conviction and was being supervised by the Minnesota Department of Corrections under the interstate compact. At the trial, Graffice testified he did not voluntarily disclose his felony convictions because he wanted the job, and he further testified that if he had been asked to sign an authorization releasing his criminal record he would have refused and no longer sought the job. He also corroborated that he was never questioned about his response to that question on the application. Ms. Swanson also testified she would not have hired Dennis Graffice had she been aware of his criminal record.

1. At the outset, we must determine whether, in a tort action, a person may recover from an employer if the person was injured by a **negligently** hired employee. We have recognized that a person injured by a **negligently** retained employee may recover damages from the employer. *Porter v. Grennan Bakeries*, 219 Minn. 14, 16 N.W.2d 906 (1945);² *Travelers Indemnity Co. v. Fawkes*, 120 Minn. 353, 139 N.W. 703

(1913); *Dean v. St. Paul Union Depot*, 41 Minn. 360, 43 N.W. 54 (1889).³ The origin of the doctrine making an employer liable for **negligent** hiring, as well as **negligent retention**, arose out of the common law fellow-servant law which imposed a duty on employers to select employees who would not endanger fellow employees by their presence on the job. See Loftus, *Employer's Duty to Know Deficiencies of Employees*, 16 Clev-Mar.L.Rev. 143, 145 (1967). The concept of direct employer liability arising as a result of **negligent** hiring was later expanded to include a duty to "exercise reasonable care for the safety of members of the general public" so today it is recognized as the rule in the majority of the jurisdictions⁴ and recognized as the law by *911 Restatement (Second) Agency § 213 (1958) which states:

A person conducting an activity through servants or other agents is subject to liability for harm resulting from his conduct if he is **negligent** or reckless:

(b) in the employment of improper person or instrumentalities in work involving risk of harm to others.

Liability is predicated on the **negligence** of an employer in placing a person with known propensities, or propensities which should have been discovered by reasonable investigation, in an employment position in which, because of the circumstances of the employment, it should have been foreseeable that the hired individual posed a threat of injury to others.

The connection between the employment relationship and the plaintiff has been found sufficient by courts of other jurisdictions to impose upon a landlord a duty to use reasonable care in the hiring of an employee who may pose a threat of injury to tenants. *Kendall v. Gore Properties*, 236 F.2d 673 (D.D.C.1956); *Svacek v. Shelley*, 359 P.2d 127 (Alaska 1961); *Zerder v. Friman Holding Co.*, 153 Misc. 225, 274 N.Y.S. 588 (N.Y.Sup.Ct.1934); *La Lone v. Smith*, 39 Wash.2d 167, 234 P.2d 893 (1951). The rationale employed in those cases, as well as in similar cases involving deliverymen or others who gain access to a dwelling by virtue of their employment, is that since plaintiff comes in contact with the employee as the direct result of the employment, and since the employer receives some benefit, even if only a potential or indirect benefit, by the contact between the plaintiff and the employee, there exists a duty on the employer to exercise reasonable care for the protection of the dwelling occupant to

retain in such employment only those who, so far as can be reasonably ascertained, pose no threat to such occupant.

[1] We can ascertain no substantial difference in imposing a duty on an employer to use reasonable care in the initial hiring from his duty to use that care in the retention of an employee. We therefore align ourselves with the majority of those jurisdictions which recognize a claim by an injured third party for negligent hiring and with the authors of Restatement (Second) Agency, *supra*, and hold that an employer has the duty to exercise reasonable care in view of all the circumstances in hiring individuals who, because of the employment, may pose a threat of injury to members of the public.⁵ Here, the respondent Stephanie Ponticas met Graffice as a direct result of his employment as apartment manager, and appellants received a benefit from Graffice's employment in having a caretaker for upkeep of the property and to aid tenants with complaints of property malfunction. Therefore, we hold that these appellants owed to the tenants of the Driftwood Apartments, including these respondents, the duty of exercising reasonable care in hiring a resident manager.

2. We next address the question of whether there was sufficient evidence to support the jury's verdict that appellants *912 had breached their duty. The test we employ on this issue, as well as the proximate cause issue, is whether the jury's verdict is manifestly and decidedly contrary to the evidence as a whole. *Flom v. Flom*, 291 N.W.2d 914 (Minn.1980); *Smith v. Carriere*, 316 N.W.2d 574 (Minn.1982).

Appellants had the duty to exercise that care that a reasonable landlord would have exercised under the same or similar circumstances. The scope of the duty was commensurate with the risks of the situation. Before a breach of this duty may be found by a jury, it must be established that the employee was in fact unfit, taking into consideration the nature of the employment and the risk posed by the employee to those who foreseeably would come into association with him. It is clear that it was foreseeable that Graffice would, by virtue of his employment, associate with tenants of the complex including Stephanie Ponticas. Hindsight establishes that he, indeed, was unfit as appellants now candidly admit, but whether appellants breached their duty must be determined by their actions or omissions prior to and at the time of the hiring in ascertaining whether Graffice was a fit person to employ and to entrust with a passkey which would admit him into 198 apartment units.

The thrust of respondents' position is that (1) Graffice had a history of committing violent crimes; (2) that appellants were negligent in not making more than a superficial inquiry concerning his background, especially his criminal record; (3) that appellants failed to make any kind of reasonable investigation of Graffice's employment history, references, or Army history; and (4) that the application of the Graffices contained, or failed to contain, information that would have alerted an employer exercising reasonable care, considering the risk of injury to tenants, to conduct a more thorough investigation to explore his fitness to be a resident manager. Appellants contend that, even if they had discovered Graffice's criminal record, the particular injury, rape, was not foreseeable because his criminal record would have failed to indicate any prior crimes involving criminal sexual conduct.

[2] We first dispose of the foreseeability argument. We have often held that negligence is not to be determined by whether the particular injury was foreseeable. *Connolly v. Nicollet Hotel*, 254 Minn. 373, 381-82, 95 N.W.2d 657, 664 (1959); *Albertson v. Chicago, Milwaukee, St. Paul and Pacific Railroad Co.*, 242 Minn. 50, 64 N.W.2d 175 (1954). The jury, as finder of fact, could have found, as it did, that it was reasonably foreseeable that a person with a history of offenses of violence could commit another violent crime, notwithstanding the history would not have shown him to ever have committed the particular type of offense. Moreover, the risk of injury being foreseeable, it is clear the tenants of an apartment complex, including Mrs. Ponticas, were foreseeable plaintiffs. *Austin v. Metropolitan Life Insurance Co.*, 277 Minn. 214, 152 N.W.2d 136 (1967).

[3] [4] The most troublesome issue is whether these appellants-employers breached their duty by subjecting these foreseeable plaintiffs to a foreseeable injury by employing an incompetent person. If the employer "knew or should have known" of the incompetence, and notwithstanding hired the employee, there would exist a breach of duty.⁶ Although an employer will not be held liable for failure to discover information about the employee's incompetence that could not have been discovered *913 by reasonable investigation,⁷ the issue is whether the employer did make a reasonable investigation. The scope of the investigation is directly related to the severity of risk third parties are subjected to by an incompetent employee.⁸ Although only slight care might suffice in the hiring of a yardman, a worker on a production line, or other types of employment where the employee would not constitute a high risk of

changed the locks on all the apartment doors and posted signs on each door indicating that the locks had been changed and that new keys were available at the office. Several items of personal property were stolen from an apartment. The tenant, who had been hospitalized for several days while the sign was posted, argued that the posting of the sign was notice to all the world that the apartment was vacant and led to the criminal act and resultant loss of the property. We upheld a grant of summary judgment for the landlord, finding that "as a matter of law, the criminal act in this case was not reasonably foreseeable and was, therefore, an intervening efficient cause." *Id.* at 548, 228 N.W.2d at 586.

Similarly in this case, I would hold that the failure of an employer to investigate the criminal record of an applicant does not render it reasonably foreseeable that the individual hired will rape a tenant.

What if an investigation into his criminal record had been made and, as the facts display, no record of sexual deviation disclosed, and the employee had still been hired? Would the taking of a chance on such an employee have spelled out **negligent** hiring? Although not directly applicable, Minn.Stat. § 364.03 (1982) provides that "no person shall be disqualified from public employment * * * because of a prior conviction of a crime or crimes, unless the crime or crimes for which convicted directly relate to the position of employment sought * * *." The employer should be able to rely to some extent on the criminal justice system's determination that the individual is ready again to become an active member of society.

This brings us to the second impact of the majority's decision. Such a decision will startle all employers who have been working with various successful diversionary programs such as Amicus, PORT and others, *917 and give them considerable financial pause before hiring persons with criminal records, or even suggesting such hiring to their fellow business associates. I would not place this added burden on either the employer or on the formerly convicted employee. The devastation can be tremendous.

Creating additional barriers to the employment of persons with criminal records gives rise to social costs the majority does not take into consideration. Undoubtedly, the odds of successfully reassimilating a former convict are significantly enhanced if that person is able to obtain employment.

I would hold that in a case of **negligent** hiring, an intentional, violent crime is not the foreseeable result of a failure to determine an applicant's criminal record, and is therefore not the proximate cause of the injury. I would enter judgment for the defendants.

WAHL, Justice, concurring.

I concur in the dissent of Justice Scott.

Parallel Citations

38 A.L.R.4th 225

Footnotes

- 1 Respondents filed a notice of review assigning as error various actions of the trial court in striking claims and rulings on evidence. Respondents neither discussed those issues in briefs filed with this court nor in oral argument. Accordingly, we do not consider them here.
- 2 The rule was there recognized but not applied because there plaintiff's theory was that the employer was liable by reason of respondeat superior.
- 3 In reversing an order sustaining a demurrer, we stated that a depot company might be liable for employing or allowing one of its tenant's employees known to be dangerous and a vicious person in its building.
- 4 See *Becken v. Manpower, Inc.*, 532 F.2d 56 (7th Cir.1976); *Kendall v. Gore Properties*, 236 F.2d 673 (D.C.Cir.1956); *Texas Breeders & Racing Association v. Blanchard*, 81 F.2d 382 (5th Cir.1936); *Svacek v. Shelley*, 359 P.2d 127 (Alaska 1961); *Najera v. Southern Pacific Co.*, 191 Cal.App.2d 634, 13 Cal.Rptr. 146 (1961); *Mallory v. O'Neil*, 69 So.2d 313 (Fla.1954); *Hines v. Bell*, 104 Ga.App. 76, 120 S.E.2d 892 (1961); *Abraham v. S.E. Onorato Garages*, 50 Haw. 628, 446 P.2d 821 (1968); *Stricklin v. Parsons Stockyard Co.*, 192 Kan. 360, 388 P.2d 824 (1964); *Strawder v. Harrall*, 251 So.2d 514 (La.App.1971); *Priest v. F.W. Woolworth Five & Ten Cent Store*, 228 Mo.App. 23, 62 S.W.2d 926 (1933); *Bennett v. T & F Distributing Co.*, 117 N.J.Super. 439, 285 A.2d 59 (1971), cert. denied 60 N.J. 350, 289 A.2d 795 (1972); *Vanderhule v. Berinstein*, 285 A.D. 290, 136 N.Y.S.2d 95, modified, 284 A.D. 1089, 136 N.Y.S.2d 349 (1954); *Wegner v. Dolly-Land Delicatessen, Inc.*, 270 N.C. 62, 153 S.E.2d 804 (1967); *Mistletoe Express Service, Inc. v. Culp*, 353 P.2d 9 (Okla.1959); *Guedon v. Rooney*, 160 Or. 621, 87 P.2d 209 (1939); *Wishone v. Yellow Cab Co.*, 20 Tenn.App. 229, 97 S.W.2d 452 (1936); *Evans v. Morsell*, 284 Md. 160, 395 A.2d 480 (1978).

parole, had committed an offense, the date and geographic location of the offense, the place of confinement and the correctional disposition.¹⁰ Moreover, there is no evidence that the employers attempted to find out anything about Graffice's criminal history by contacting the Criminal Justice Information System section of the State Crime Bureau.¹¹

*915 In 1978 in Minnesota, there existed nationwide private investigation services which, for a relatively small charge, would make a national criminal record investigation. The appellants made no effort to contact any of these investigation services.¹²

On the basis of this record, viewing the evidence in the light most favorable to the verdict, we cannot conclude this jury's verdict was manifestly and palpably contrary to the evidence as a whole. *Flom v. Flom*, 291 N.W.2d 914 (Minn.1980); *Smith v. Carriere*, 316 N.W.2d 574 (Minn.1982).

[7] [8] [9] 3. Appellants next urge that, even if found **negligent** by reason of failure to exercise reasonable care in the hiring of Graffice, the breach of that duty was not the proximate cause of the plaintiffs' injuries. For **negligence** to be the proximate cause of an injury, it must appear that if the act is one which the party ought, in the exercise of ordinary care, to have anticipated was likely to result in injury to others, then he is liable for any injury proximately resulting from it, even though he could not have anticipated the particular injury which did happen. *Christianson v. Chicago, St. Paul, Minneapolis & Omaha Railway Co.*, 67 Minn. 94, 97, 69 N.W. 640, 641 (1896); *Mickelson v. Kernkamp*, 230 Minn. 448, 42 N.W.2d 18 (1950). In our view, the **negligence** in hiring found by the jury was clearly the proximate cause of the injury to the respondents. The **negligence** in hiring Graffice was the only reason he was on the premises, had contact with the tenant Mrs. Ponticas, and was provided with a passkey facilitating his entry into her apartment in order to rape her. Normally, proximate cause is for the jury to decide. *Vanderweyst v. Langford*, 303 Minn. 575, 576, 228 N.W.2d 271, 272 (1975) (per curiam).

[10] [11] 4. Finally, appellants contend the trial court erred in refusing to instruct the jury on superseding intervening cause. An intervening act is not superseding unless (1) its harmful effects must have occurred after the original **negligence**; (2) it has not been brought about by the original **negligence**; (3) it actively worked to bring about a result which would not otherwise have followed from the original **negligence**; and (4) it was not reasonably foreseeable by the original wrongdoer. *Kroeger v. Lee*, 270 Minn. 75, 78,

132 N.W.2d 727, 729-30 (1967). The inherent nature of a **negligent** hiring cause of action precludes the application of superseding intervening cause. By its definition, the factfinder-the jury-has already determined the injury-causing conduct *916 of the employee was foreseeable. Therefore, the fourth requirement is not present in a **negligent** hiring case. Moreover, in **negligent** hiring cases the alleged intervening cause was created by the original **negligence** and, accordingly, the second requirement is not met. We conclude, therefore, there was no error in the trial court's refusal to instruct the jury on superseding intervening cause.

Affirmed.

SCOTT, Justice (dissenting).

I respectfully dissent. We have never before addressed the issue of whether a person can recover from an employer for an injury caused by the criminal act of an employee, based upon **negligent** hiring. The concept is feasible, but should be approached very cautiously. The majority holds that an employer is financially liable for the violent crime of rape committed by an employee. The decision is extremely far-reaching and the ramifications suggested are extensive. All types of scenarios can be imagined where an employer would be liable for the crimes of another, including homicide, under this decision.

The employer's **negligence** in failing to investigate the criminal record and parole status of Graffice was not the proximate cause of the injury because his violent criminal act was an unforeseeable intervening efficient cause. The failure to investigate the criminal record of an applicant for employment does not render it reasonably foreseeable that the hired individual will commit a violent crime.

"Consequences which follow in unbroken sequence, *without an intervening efficient cause*, from the original **negligent** act, are natural and proximate; and for such consequences the wrongdoer is responsible even though he could not have foreseen the particular results which did follow." *Christianson v. Chicago, St. Paul, Minneapolis & Omaha Railway Co.*, 67 Minn. 94, 97, 69 N.W. 640, 641 (1896) (emphasis supplied). Ordinarily one can proceed on the assumption that others will obey the criminal laws, and the general rule is that the criminal act of a third person is an intervening cause sufficient to break the chain of causation.

This situation is controlled by *Hilligoss v. Cross Companies*, 304 Minn. 546, 228 N.W.2d 585 (1975). There a landlord

changed the locks on all the apartment doors and posted signs on each door indicating that the locks had been changed and that new keys were available at the office. Several items of personal property were stolen from an apartment. The tenant, who had been hospitalized for several days while the sign was posted, argued that the posting of the sign was notice to all the world that the apartment was vacant and led to the criminal act and resultant loss of the property. We upheld a grant of summary judgment for the landlord, finding that "as a matter of law, the criminal act in this case was not reasonably foreseeable and was, therefore, an intervening efficient cause." *Id.* at 548, 228 N.W.2d at 586.

Similarly in this case, I would hold that the failure of an employer to investigate the criminal record of an applicant does not render it reasonably foreseeable that the individual hired will rape a tenant.

What if an investigation into his criminal record had been made and, as the facts display, no record of sexual deviation disclosed, and the employee had still been hired? Would the taking of a chance on such an employee have spelled out **negligent** hiring? Although not directly applicable, Minn.Stat. § 364.03 (1982) provides that "no person shall be disqualified from public employment * * * because of a prior conviction of a crime or crimes, unless the crime or crimes for which convicted directly relate to the position of employment sought * * *." The employer should be able to rely to some extent on the criminal justice system's determination that the individual is ready again to become an active member of society.

This brings us to the second impact of the majority's decision. Such a decision will startle all employers who have been working with various successful diversionary programs such as Amicus, PORT and others, *917 and give them considerable financial pause before hiring persons with criminal records, or even suggesting such hiring to their fellow business associates. I would not place this added burden on either the employer or on the formerly convicted employee. The devastation can be tremendous.

Creating additional barriers to the employment of persons with criminal records gives rise to social costs the majority does not take into consideration. Undoubtedly, the odds of successfully reassimilating a former convict are significantly enhanced if that person is able to obtain employment.

I would hold that in a case of **negligent** hiring, an intentional, violent crime is not the foreseeable result of a failure to determine an applicant's criminal record, and is therefore not the proximate cause of the injury. I would enter judgment for the defendants.

WAHL, Justice, concurring.

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- 2 The rule was there recognized but not applied because there plaintiff's theory was that the employer was liable by reason of respondeat superior.
- 3 In reversing an order sustaining a demurrer, we stated that a depot company might be liable for employing or allowing one of its tenant's employees known to be dangerous and a vicious person in its building.
- 4 See *Becken v. Manpower, Inc.*, 532 F.2d 56 (7th Cir.1976); *Kendall v. Gore Properties*, 236 F.2d 673 (D.C.Cir.1956); *Texas Breeders & Racing Association v. Blanchard*, 81 F.2d 382 (5th Cir.1936); *Svacek v. Shelley*, 359 P.2d 127 (Alaska 1961); *Najera v. Southern Pacific Co.*, 191 Cal.App.2d 634, 13 Cal.Rptr. 146 (1961); *Mallory v. O'Neil*, 69 So.2d 313 (Fla.1954); *Hines v. Bell*, 104 Ga.App. 76, 120 S.E.2d 892 (1961); *Abraham v. S.E. Onorato Garages*, 50 Haw. 628, 446 P.2d 821 (1968); *Stricklin v. Parsons Stockyard Co.*, 192 Kan. 360, 388 P.2d 824 (1964); *Strawder v. Harrall*, 251 So.2d 514 (La.App.1971); *Priest v. F.W. Woolworth Five & Ten Cent Store*, 228 Mo.App. 23, 62 S.W.2d 926 (1933); *Bennett v. T & F Distributing Co.*, 117 N.J.Super. 439, 285 A.2d 59 (1971), cert. denied 60 N.J. 350, 289 A.2d 795 (1972); *Vanderhule v. Berinstein*, 285 A.D. 290, 136 N.Y.S.2d 95, modified, 284 A.D. 1089, 136 N.Y.S.2d 349 (1954); *Wegner v. Delly-Land Delicatessen, Inc.*, 270 N.C. 62, 153 S.E.2d 804 (1967); *Mistletoe Express Service, Inc. v. Culp*, 353 P.2d 9 (Okla.1959); *Guedon v. Rooney*, 160 Or. 621, 87 P.2d 209 (1939); *Wishone v. Yellow Cab Co.*, 20 Tenn.App. 229, 97 S.W.2d 452 (1936); *Evans v. Morsell*, 284 Md. 160, 395 A.2d 480 (1978).

Some of the courts in a few jurisdictions in older cases have refused to recognize **negligent** hiring as an independent cause of action. See *Lewis v. Southern Pacific Co.*, 102 Ariz. 108, 425 P.2d 840 (1967); *Denver City Tramway Co. v. Cowan*, 51 Colo. 64, 116 P. 136 (1911); *Black v. Hunt*, 96 Conn. 663, 115 A. 429 (1921); *Carlson v. Connecticut Co.*, 94 Conn. 131, 108 A. 531 (1919); *Everingham v. Chicago, B. & Q. Railway Co.*, 148 Iowa 662, 127 N.W. 1009 (1910); *Central Truckaway System, Inc. v. Moore*, 304 Ky. 533, 201 S.W.2d 725 (1947); *Mandel v. Byram*, 191 Wis. 446, 211 N.W. 145 (1926).

5 It should be noted that this is a direct duty running from the employer to those members of the public whom the employer might reasonably anticipate would be placed in a position of risk of injury as the result of the hiring. Thus, it is distinguishable from liability imputed to an employer as a result of the doctrine of respondeat superior. See Note, *The Responsibilities of Employers for the Actions of Their Employees: The Negligent Hiring Theory of Liability*, 53 Chi-Kent L.Rev. 717, 717-19 (1977); 9 U.Balt.L.Rev. 438, 439 (1979).

6 See *Abraham v. S.E. Onorato Garages*, 50 Haw. 628, 446 P.2d 821 (1968); *Strawder v. Harrall*, 251 So.2d 514 (La.App.1971); *Evans v. Morsell*, 284 Md. 160, 395 A.2d 480 (1978); *Hersh v. Kentfield Builders, Inc.*, 385 Mich. 410, 189 N.W.2d 286 (1971); *Bradley v. Stevens*, 329 Mich. 556, 46 N.W.2d 382 (1951); *Strauss v. Hotel Continental Co.*, 610 S.W.2d 109 (Mo.Ct.App.1980); *Stevens v. Lankard*, 31 A.D.2d 602, 297 N.Y.S.2d 686 (1968), *aff'd* 25 N.Y.2d 640, 306 N.Y.S.2d 257, 254 N.E.2d 339 (1969); *Stone v. Hurst Lumber Co.*, 15 Utah 2d 49, 386 P.2d 910 (1963); Note, *The Responsibilities, supra* at 726; Comment, *Negligent Hiring and Negligent Entrustment: The Case Against Exclusion*, 52 Or.L.Rev. 296, 299 (1973); 9 U.Balt.L.Rev., *supra* at 441.

7 See, e.g., *Kendall v. Gore Properties*, 236 F.2d 673 (D.D.C.1956); *Stevens v. Lankard*, 31 A.D.2d 602, 297 N.Y.S.2d 686 (1968), *aff'd* 25 N.Y.2d 640, 306 N.Y.S.2d 257, 254 N.E.2d 339 (1969); *Stone v. Hurst Lumber Co.*, 15 Utah 2d 49, 386 P.2d 910 (1963); see also Loftus, *Employer's Duty to Know Deficiencies of Employees*, 16 Clev-Mar.L.Rev. 143, 147 (1967); Comment, *Negligent Hiring, supra* at 299.

8 See *Kendall v. Gore Properties*, 236 F.2d 673, 678 (D.D.C.1956); *Williams v. Feather Sound, Inc.*, 386 So.2d 1238, 1240 (Fla.Dist.Ct.App.1980); *Evans v. Morsell*, 284 Md. 160, 166-67, 395 A.2d 480, 484 (1978); *Estate of Arrington v. Fields*, 578 S.W.2d 173, 178 (Tex.Civ.App.1979); *Stone v. Hurst Lumber Co.*, 15 Utah 2d 49, 386 P.2d 910 (1963); Restatement (Second) Agency § 213 comment d (1958).

9 The Florida court, in *Williams v. Feather Sound, Inc.*, 386 So.2d 1238, 1240 (Fla.Dist.Ct.App.1980), stated:

However, in view of the fact that Carter had only been employed for three weeks, we believe that Feather Sound had a duty to make a reasonable inquiry about his background before transferring him to inside work and giving him access to the townhouse passkeys. If an employer wishes to give an employee the indicia of authority to enter into the living quarters of others, it has the responsibility of first making some inquiry with respect to whether it is safe to do so. Feather Sound did not carry out this responsibility. It made no effort to contact prior employers, and it did not seek advice from Carter's references.

(footnote omitted).

10 Appellants admitted that they did not know such information could have been obtained from the Department of Corrections. Appellants claim that in the past they had attempted on various occasions to obtain criminal records of prospective employees from various police departments without success.

11 Even if they had done so, in 1978 it would have been impossible for appellants to have obtained Graffice's criminal record from that source. For many years preceding the enactment of Minnesota Data Practices Act in 1974, Minnesota Data Practices Act, ch. 479, 1974 Minn.Laws 1199-1204 (current version at Minn.Stat. §§ 13.01-43 (1982)), such criminal records had been treated as private by the Bureau. When the State Crime Bureau applied for a classification of criminal records under the Act, they continued the private classification. Although the Minnesota Data Practices Act contained a provision that allowed a person to give his consent for release of his criminal record, that provision was overridden by 28 C.F.R. § 20.21 (1982), requiring that there be a federal law or local ordinance for the release of such information. Title 28 prohibited the release of the information when required by employers for employment purposes. The intent was apparently to preclude employers from circumventing state and local dissemination restrictions by requesting applicants to obtain certifications that they did not have a criminal record. As the result of an amendment to the state law that became effective in 1979, Act of June 6, 1979, ch. 328, § 8, 1979 Minn.Laws 912-13 (current version at Minn.Stat. § 13.05, subd. 4 (1982)), the state provision allowing an informed consent release no longer conflicts with the federal regulations. Consequently, starting in 1979 an employer could obtain information regarding an employee's criminal record simply by requesting an informed consent release. Graffice, however, testified that had he been asked to sign an informed consent release authorizing the revelation of his criminal history, he would have refused to do so and would have no longer sought the job.

It was explained at the trial that the difference in accessibility to much of the same information—that it could have been secured from the Department of Corrections but not from the Bureau of Criminal Apprehension—was due to the fact that the different state departments have different access classifications for the same information. Thus, this results in the anomalous situation that criminal records can be obtained from one department but not from another.

- 12 We note that, had appellants done so, the Colorado convictions may not have been discovered by the use of a private investigation firm for the reason that Graffice, on his application, never indicated a residency in that state, thereby providing no basis for the appellants to order a search of records in any county of Colorado. However, had appellants made inquiry of the Department of Corrections they would have learned of the Colorado crimes and further inquiry could have been made if necessary. Even assuming such investigation would have failed to uncover Graffice's Colorado convictions, the fact that a bona fide attempt had been made undoubtedly would have considerable relevancy on the question of whether appellants exercised reasonable care.