



# Smart Human Tricks—Saving Your Company Millions in Potential Liability with Harassment and Fraternization Policies

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The back-story behind the attempted extortion of David Letterman features behavior of the sort that keeps legal counsel and compliance officers awake at night. Admitted extortionist, Joe Halderman, crafted a story that depicts Letterman, the Worldwide Pants, Inc. Chairman, as head of an organization with a culture that fosters workplace sexual misconduct and career advancement tied to sexual relationships. Notwithstanding the veracity of Halderman's story, it presents the quintessential case of poor management behavior that puts any company at risk. The behavior of top management can foster an organizational culture acceptant of a hostile working environment, setting the stage for liability that is anything but funny. Building an effective compliance program and culture within your organization prevents your late show from developing into a veritable horror show. In light of the potential consequences, reigning in executive management may be the smartest trick of all.

It is unlikely that office romance at your organization will become as publicly embarrassing as the alleged behavior at the Ed Sullivan Theatre, it might be just as, if not, more costly. Unfortunately, no policy is iron-clad. You must be ever vigilant about rooting out and preventing risky behavior. Confront the behavior of executive management and make the leadership team accountable for compliance with and enforcement of your anti-harassment policies. The future security of your organization may very well rely upon a corporate culture that embraces anti-harassment and non-fraternization policies.

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## ***Attachments***

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