



Executive's Departure Offers Lesson on Handling Sexual Harassment Issues

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It led to a derivative suit against him and the HP Board of Directors alleging that his actions, and the way the board handled his "resignation," cost HP and its stockholders \$9 billion in market value. And it cost him his job. The events leading to Hurd's recent departure are a trove of "teachable moments" that can be used by in-house counsel in conversations with their clients.

The other thing that HP says brought Hurd down – expense account irregularities – is another topic that bears discussion with managers – including Senior Managers. It's something I dealt with repeatedly when I was an in-house employment counsel. I would see managers at all levels throw their career away over relatively insignificant amounts for which they falsely claimed reimbursement. Don't mess around with your expense submissions! If you're expensing a dinner or an entertainment event and you really went to "Scores, a Gentlemen's Club" because the business prospect insisted, don't try to hide what can later be made to look like bad judgment by claiming on your expenses that you ate at Ruth's Chris. Dishonesty on expense reports – even the fairly venal sin of changing the name of the restaurant – will not be viewed favorably by auditors, let alone outside counsel hired by the Board of Directors to conduct an investigation.

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