



## SWIMMING WITH SHARKS: A LAWYER'S VIEW OF THE PROFESSION

A blog by The Shaffer Law Firm

### Employment: Sometimes it's Hard to Fire a Crook

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It is well known that corporate fraud and embezzlement is rampant. Companies spend billions on financial controls, auditing, and internal investigations to prevent this conduct. A good prevention program mitigates risk. A good internal investigation develops support for a civil suit or criminal prosecution, or at least grounds to fire the bad guy(s).

However, at least in London, companies recently had a bit of trouble firing employees who stole **for** them, via foreign exchange ("FX") currency manipulation, rather than **from** them. Apparently, European banks fired dozens of traders after being fined \$10B as a result of regulatory probes. Bloomberg reported on March 18, 2016, that Robert Hoodless had won an "unfair dismissal" claim against Citigroup Inc., which fired him for currency-exchange manipulation. The Order of remedy was not disclosed. Other currency manipulation dismissals also are reported to have been found improper, but remedies have been reported to be limited by the conclusion that the employees' conduct contributed to their own demise.

Bloomberg reports that Hoodless admitted that he and other traders shared information with rivals "to meet the expectations of our own managers." In a [court statement](#), he asserted that, "The severity of my punishment has been influenced by the desire of senior management to demonstrate a change in culture at the bank." Bloomberg quoted another trader, Ian Drysdale, fired by the Royal Bank of Scotland Group Plc, as arguing that he was "...penalized for the bank's own failures in the currency-rigging scandal..."

It's hard to feel bad for either the banks or the traders. Their public statements are pretty funny. But, Bloomberg reports that fired former Citibank FX trader, Carly McWilliams, had an amusing perspective. She is quoted as saying, "It has been a very stressful and difficult fight lasting two years against an army of legal professionals, but it was fundamentally important to me that I take a stand and defend my reputation." Bloomberg reports the judgment to have been based upon technicalities and without an award of substantial damages. If this is [true](#), it's hard to image how an, "I did it for the company" defense helps with reputation.

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