

# Ernst & Young Defies Call To End Forced Arbitration For Sexual Harassment Claims

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Karen Ward has so far spent \$185,000 in arbitration fees to fight EY in her sexual harassment case

Despite pressure from lawmakers and women’s rights advocates, accounting giant Ernst & Young is refusing to let Karen Ward, a former partner, take her sexual harassment case to a public courtroom.

In a letter to Ward’s attorneys last week, EY’s general counsel Ronald Hauben said the firm is a “great place for women to work.” He insisted that bringing cases to private arbitration — a private courtroom outside the public justice system without juries — is “fair, efficient and cost-effective.” And he emphasized that Ward “voluntarily” agreed to the process.

But so far Ward has spent an eye-popping [\\$185,000 to arbitrate her claims](#) against the firm, because of a provision in her employment contract that requires her to split the costs of dispute resolution. If she were able to bring the case to a public court, the cost would only be \$450 in court fees.

Ward told HuffPost she had no idea what she was getting into when she agreed to submit to arbitration as part of her employment contract. She certainly didn’t know how much money it would cost.

“It is financially a train wreck to be staring at these bills,” Ward told HuffPost Tuesday, speaking from her home in North Carolina. EY’s response is discouraging and disappointing, she said. The notion that the firm is a good place for women to work is insulting: Ward complained of mistreatment, discrimination and harassment when she

was working at EY throughout her time there, she said.

Ward filed her case against EY [last October](#), detailing how her boss harassed her — commenting on her “boobs” and “ass” and relegating her to the back of the room with the “gals” at a major conference. She says she was retaliated against and ultimately fired for speaking up about mistreatment. A subsequent HuffPost investigation uncovered emails and other evidence detailing the volume of complaints Ward lodged when she was at the company — and her growing frustration with the firm’s response.

EY says Ward was fired for her performance.

Still, Ward had hoped EY would back down about arbitration in the face of mounting pressure over her case. After [HuffPost reported](#) on Ward’s mounting legal costs in arbitration, a bipartisan group of New York state legislators slammed the company for hypocrisy [in an open letter last month. They urged EY to release Ward](#) from her arbitration agreement.

Ernst & Young cannot be a leader on gender equality while it is so far behind the curve in addressing workplace harassment. open letter from New York state legislators

“It is disturbing that Ernst & Young is unwilling to recognize the negative impact arbitration requirements have on the ability of workers to get a fair hearing,” said the letter, signed by 67 legislators. “Ernst & Young cannot be a leader on gender equality while it is so far behind the curve in addressing workplace harassment.”

Ward’s case also drew support and attention from [Rep. Carolyn Maloney](#) (D-N.Y.), the [National Women’s Law Center](#), former Planned Parenthood president [Cecile Richards](#), and former Fox anchor and women’s rights advocate [Gretchen Carlson](#).

Reached by email on Tuesday, Rep. Maloney chastised EY.

“I am deeply disappointed that Ernst & Young does not recognize how their forced arbitration policies undermine the fight against sexual harassment and gender equality,” she said. “Its decision to inflict financial and emotional distress upon Karen Ward, whom I applaud for her courage and determination, is wrongheaded and must stop. Ernst & Young should immediately free Karen Ward from these harmful policies that promote discrimination and protect abusers.”

Ward [penned an open letter](#) to EY’s new global chairman and CEO, Carmine Di Sibio, pleading to be released from the arbitration agreement after the legislators spoke up.

“What kind of message do you think EY is sending about its values when it requires female employees to pay hundreds of thousands of dollars to pursue claims of sexual harassment behind closed doors in arbitration?” Ward wrote.

The 49-year-old Ward had worked for years in finance and said that nothing had prepared her for the boys club culture of EY. “The frat culture I experienced at EY was beyond anything I ever read that Wall Street could be like,” said Ward on Tuesday.

She said she received little to no support from women who worked there, because very few women were leaders in the company. “No woman ever came to me,” said Ward, who worked in a group with almost no senior women. “I would’ve gone to a woman in my chain of command if there were any.”

Ward’s case was the second harassment charge filed against the firm in 2018 — another former female partner settled claims that EY did nothing after she was groped by a male colleague.

The letter from Hauben last week was a response to Ward’s recent missive — and did not mention the state legislators’ response.

He seems to argue that because Ward was well-compensated as a partner at the firm, sharing the costs of dispute resolution was justified. “Having accepted the benefits of being an EY partner,” he wrote, “she is also bound by

these ... provisions.”

Hauben insists that Ward’s claims are without merit, a claim EY reiterated in statements to HuffPost and publicly since she filed her charges.

“EY is aggressively defending itself against these baseless claims,” the firm said.

He also noted that they have a female leader. “We are proud that our US Chair and Managing Partner is a woman,” he wrote in the letter dated Aug. 9. “EY has a longstanding commitment to diversity, fairness and equity and a strong and recognized track record of being a great place to work for women.”

A supportive professional environment for women would not force female employees to sign away their rights to go to court when they’re sexually harassed, force them to take their grievances to a private, confidential forum and pay hundreds of thousands of dollars to have their case heard, said David Gottlieb, a partner at Wigdor, the New York law firm representing Ward.

“It is completely self-serving and inaccurate for a company to say they’re a great place to work for women without acknowledging this is an unjust practice,” he said.

Arbitration is [widely believed](#) to benefit companies at the expense of employees, who are less likely to win cases before these secretive courts. Even when they do win, [research has found](#) monetary judgments are typically smaller than they’d be in public courtrooms.

There are a few bills before Congress that would eradicate forced arbitration in cases of sexual harassment, including the [FAIR Act](#). New York state recently banned the practice — though it’s expected that the provision will be overturned in court. And a few major companies voluntarily gave it up, including Facebook, Microsoft and Uber.

Ward said that she’s heard from dozens of women bound by arbitration agreements, including some EY workers.

“They see that the cost can cause financial ruin and they choose to live with injustice,” Ward said, emphasizing how inspiring and gut-wrenching it’s been to hear all their stories from people at all kinds of levels. “Some of the assault that’s occurred is shocking,” she said. “I’m left reeling.”

It’s for these women and others that Ward said she’ll continue to fight this case with EY.

“We’ll do whatever it takes to be heard,” she said. “It’s not about me and my costs, although that’s incredibly difficult to bear. Enough is enough.”