

Former Ernst & Young Partner Files Sexual Bias Complaint

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A former partner at Ernst & Young has filed a complaint with the U.S. Equal Employment Opportunity Commission, the second such allegation of harassment and retaliation against the professional services firm this year.

Karen Ward, represented by law firm Wigdor LLP, filed a complaint on Monday with the U.S. Equal Employment Opportunity Commission. Her complaint begins with her interview at Ernst & Young, when the firm, she contends, said she would be hired as a partner. Instead, she was offered a non-partner position. Two years later, in 2015, she was made partner, the first woman in a group of 10.

She is the second female partner to complain this year about EY. Jessica Casuccisettled with EY in May, following her complaint about sexual assault, harassment, and retaliation. Both she and her alleged assailant left the firm.

The Ward complaint lists “sexually harassing and inappropriate conduct,” by her supervisor and others, including vulgar reference to Ward’s body, and details their use of “nightclubs and titty bars” for client entertainment, “which of course acted to ensure that women would be excluded.” The supervisor identified in the complaint did not immediately respond to a request for comment.

After Ward complained to the head of the group, she says she was moved from the transaction real estate group to the EY capital advisors group -- a move “obviously made in retaliation for Ms. Ward’s complaints about the discrimination, sexual harassment, and gender motivated bullying she experienced.”

Because of her complaints, a partner allegedly told her that she would not get any referrals for business or assistance when she moved to the capital advisors group, where, the complaint goes on, she was set up to fail.

EY denies the complaint’s allegations.

“The allegations in Karen Ward’s complaint are unfounded and baseless,” the firm said in an email from spokesperson John La Place. “She was separated from EY following the firm’s decision to shut down the small real-estate investment banking advisory practice that she led for three years. Despite the firm’s full support, Ward failed to close a single transaction in the period she led the group, and it suffered multiple years of disappointing financial results.”

Ward’s complaint contends that the real estate capital markets team still exists, run by male leadership. She also says that despite the firm’s lack of support, she was able to secure a large deal in July, although that was technically right after EY’s fiscal year had ended.

“The decision to close this money-losing operation and separate Ward was wholly unrelated to her gender,” La Place says. “Her allegations of harassment, retaliation and unfair pay were raised after she was informed of her separation. After an extensive independent investigation by the Latham & Watkins law firm, these allegations were found to be completely unsubstantiated. Our review also confirmed that

throughout her career at EY, Ward was paid fairly and equitably for her work. EY will vigorously defend our firm and our people in contesting these claims.”

“EY is committed to a diverse, inclusive and safe workplace, free of harassment or discrimination of any kind, and to full compliance with all applicable laws and regulations. We promptly take steps to thoroughly investigate any claims brought to our attention and to respond based on the results of such investigations.”

Over the past 18 months, companies in a wide range of industries have grappled with the actions, alleged or proven, by some of their most influential actors abusing their power. They’ve fired harassers and sought to address discriminatory practices, piece by piece.

Ward’s complaint alleges that she was paid almost \$400,000 less than male peers doing similar jobs, and hundreds of thousands of dollars less than the average partner, the complaint alleges. In the U.K., EY has reported a pay gap between its male and female employees, including partners, of 38% -- meaning the average female employee or partner makes 62 cents on the dollar compared with male peers.