

She Spoke Up About Sexual Harassment At Ernst & Young And Got Caught In A Web Of Retaliation

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By Emily Peck

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WAXHAW, N.C. — When Karen Ward started at Ernst & Young in 2013, only four senior managers in her division at the consulting megafirm were women. All the partners were men.

This was a red flag, but she didn't see it then.

After all, Ward spent her career surrounded by men, working in the overwhelmingly male world of investment banking — at Morgan Stanley, Bank of America, a stint as a vice president at Goldman Sachs.

"It never crossed my mind to even notice or be bothered there weren't women in leadership positions," Ward, 48, told HuffPost recently in her well-appointed house in Waxhaw, a small bedroom community near Charlotte.

She sees it differently now. EY's lack of female leaders is no accident, she said, but the result of a hostile environment where women are demeaned, devalued and isolated.

Ward filed a sexual discrimination complaint in late September against EY at the Equal Employment Opportunity Commission, the federal agency that handles civil rights complaints. It was the second sex discrimination complaint filed last year against the firm, which employs 261,000 people worldwide.

She claims she was sexually harassed by her direct supervisor, Michael McNamara, who she said told her he liked her "great big boobs" and "nice ass" and worked to undermine her authority, stealing credit for her work.

McNamara did not respond to requests for comment. EY said he denied this behavior.

But those incidents were only the start of Ward's troubles. What followed was a complex web of retaliation that she is still trying to process.

She said that for years the men in McNamara's circle undermined her work and that even after he was eventually fired, she experienced retaliation from a whole boys' club in his network, eventually losing her job and hundreds of thousands of dollars — at a minimum — in potential earnings.

Her story shows the limits of the Me Too era. Simply firing or forcing out a sexual harasser often does little to change a company's culture, as she learned. It's also a reminder that, for women, privilege can't always confer protection from sexual discrimination and

harassment. Degrees from Stanford and Wharton and roots in the upper echelons of Wall Street hardly warded off harassment.

What happened to Ward contradicts the picture EY likes to paint of itself as an enlightened company committed to diversity and inclusion.

The firm vigorously and repeatedly insisted that her firing had nothing to do with sexual harassment or discrimination. "Throughout her time at the firm, EY took measures to promote and support Karen," the company told HuffPost in a statement. "The decision to separate Karen was wholly unrelated to her gender. It was solely related to her inability to meet performance goals."

HuffPost is the only news outlet to speak to Ward, who received some attention in September when she filed her complaint.

Told in a series of interviews over the phone and in person at her home, her story was corroborated by 22 contemporaneous emails, one letter and meeting notes she sent to EY executives, as well as interviews with two other former EY employees and a close friend in whom she confided in throughout the ordeal.

Sleepless Nights Are Not Uncommon

Born and raised in California, Ward moved to New York City to get her start in finance, working endless hours in investment banking. On 9/11 she was walking to work at Goldman Sachs' headquarters, a few blocks from the World Trade Center, when the planes hit.

The bank's CEO Hank Paulson and President John Thain were downstairs at 85 Broad Street, she recalled, telling people to go up to their desks, despite the chaos. Unconvinced, Ward and a friend took off walking. In the ensuing weeks, unable to go back home to her downtown apartment, she wound up staying with a friend in midtown Manhattan.

That was it for New York for Ward. She started looking for jobs and places that weren't in the "crosshairs," she said.

She wound up at EY in North Carolina, where the pace is slower. There she has been able to put down roots with her husband and raise their son in this quiet, affluent community. (They call it the "mink and manure belt" for the area's mix of well-paid executives and horse farms.)

"I don't think my schedule at Goldman was very adaptive to having kids and all of that kind of stuff," Ward said, standing in front of a marble island in her house's open kitchen.

Her manner was unfailingly polite and generous. She offered coffee, bagels, fruit and a tour of the couple's well-appointed house after making sure her son, who was doing homework, was OK with that.

Though she got away from the stress of Manhattan, working at EY brought a whole other level of anxiety.

Speaking by phone in December, Ward said that talking about her experiences at the firm for this story is forcing her to relive a lot of that stress. Sleepless nights aren't uncommon, she said. "It's really upsetting," she said, once again launching into the details of what happened.

A Warning About 'Being Perceived As A Bitch'

On a business trip early in Ward's EY tenure in 2013, McNamara texted her at 2 a.m. asking if she wanted to get a drink. She turned him down. After that, he started undercutting her authority, Ward said.

Around the same time, minutes before she was scheduled to appear on a panel at a sales conference, she said, he told her "to stand at the back with the other gals." He was referring to the administrative assistants who were in attendance. He then took her place on the stage and even used her notes. She flagged the incident to an EY partner in an email reviewed by HuffPost.

McNamara also took credit for her work, she said, by removing her name from paperwork after deals were inked.

When Ward alerted other executives about his behavior, she was initially ignored or told to tone down her complaints, she said. One male executive told her to "be careful" because she was "being perceived as a bitch," according to her complaint.

She said she experienced the kind of insidious sexual textbook harassment that has less to do with sex and more to do with power. Under threat, men in charge, just as she said McNamara did, may use harassment — hostile or inappropriate comments, exclusion, sexual overtures — to make a woman feel like an outsider and essentially keep her in her place.

"Harassment aims to shore up masculine workplace superiority," Yale Law School professor Vicki Shultz [explained in a recent paper](#).

In the EY offices in New York, where Ward attended meetings, she said, she would hear some of the men in the transaction real estate group, her division, talk about women's body parts. The men, hired by McNamara, discussed seeing a colleague's "snatch" if they positioned their chairs just so in their open-plan office, according to the complaint. They also entertained clients at strip clubs, Ward said, or what many of them called "titty bars."

They didn't exclude her from outings. In fact, they invited her to join them. She declined. It was an "awkward situation," she said.

EY released a statement about Ward in September, after she filed her complaint, calling her allegations "unfounded and baseless." In statements and background briefings to

HuffPost more recently, EY again strongly denied her claims.

'You Got My Guy Fired'

In 2015, EY moved her away from McNamara, transferring her out of the real estate group and into the company's investment banking division.

At the time it looked like a win for Ward, and EY still sees it that way. She was promoted to partner, and she said she was told the bonuses would be better.

But the promotion glow didn't last long. After her move was announced, she got a call from Troy Jones, a sympathetic partner who worked in the same division in EY's Los Angeles office. He was distressed, she said.

He thought they were moving her because they didn't like her, she said. She complained too much, he told her in a phone call, according to her complaint. He warned her that she probably wouldn't be getting any deal referrals from her old team, and a key part of the job was the bringing in and sharing business.

"There is an issue here because you are a woman," Jones said, according to her complaint. "Women do not succeed here."

Jones did not respond to emailed requests for comment. EY said he denied saying this.

To complicate matters, a few months after Ward was transferred, McNamara was fired. EY insisted that it wasn't because of Ward and that he was let go for failing to meet revenue targets.

But his departure probably made things worse for her. "You got my guy fired," one of his former colleagues told her, according to her complaint.

McNamara was gone, in other words, but his friends hadn't forgotten him.

What came next, Ward said, was retaliation for speaking up. Jones' warning of a lack of cooperation from the team came to pass.

In her new role at EY, she grew increasingly isolated. Real estate deals were mostly getting done by her old group, which purposefully excluded her from the work, according to her EEOC complaint.

HuffPost reviewed emails sent by Ward to her supervisor and other higher-ups. She regularly communicated her concerns about being cut off from her colleagues, but her complaints went unheard.

In a phone call with her new boss, James Carter, the head of the investment banking division, she complained about the lack of cooperation and wondered aloud, "Could this be because I'm a woman?" she said.

He dismissed the idea, she said, and told her to be careful about raising the gender issue. "Don't push that rock up the hill, it will roll back on you and crush you," he told her, according to her complaint.

Ward's husband, Rick Littlejohn, a real estate investor, was by her side at the time of the call. "I was holding her hand. She had the phone on speakerphone, and I was sitting right next to her to calm her down," he said. "She's reporting discrimination to her boss, who basically tells her to F off."

Carter did not respond to emails requesting comment, but EY said he denied her account.

'That Wouldn't Have Occurred If She Were A Man'

Ward held out hope that this was Carter's way of supporting her. He told her not to raise the issue of gender, and she complied.

Initially, the senior men at EY sent out notes outlining her new role. One memo in 2016, read by HuffPost, made it clear that she would be in charge of all real estate transactions.

Yet there was little done to cement her authority in practice, according to the two former employees who spoke to HuffPost. "They never followed up," one said.

On calls between her new and old groups, the men on her former team treated Ward dismissively, speaking down to her or cutting her off. "That wouldn't have occurred if she were a man," one former employee said.

After about three years in her role, she was given notice last August to finish up her deals. Her last day was Oct. 31. She was fired, like McNamara, for supposedly not making revenue goals.

EY spoke to HuffPost at length, arguing that it had no record of Ward complaining of sexual discrimination or gender bias while she was employed at the firm. It insisted that she was promoted and transferred to her new group in order to help her do her job. And that she was fired for failing to meet her revenue goals.

The firm shared documents detailing her declining performance during her time in the investment banking group. She failed to close many deals and was repeatedly warned that she needed to turn things around, the documents showed.

Ward kept emails and documents too. She shared them with HuffPost, and they paint a more complicated picture. She clearly did complain about mistreatment by her male colleagues, though she never explicitly labeled it sexual harassment or discrimination. EY characterized these complaints as office politics. And she appears to have made significant revenue targets, including a \$4.95 million dollar deal the month before she was fired. (EY insisted that she did not play a lead role in that deal and did not deserve full credit for it.)

Death By A Thousand Cuts

What happened to Ward is a more sophisticated version of retaliation, said Nancy Erika Smith, a New Jersey lawyer who handles sexual harassment and discrimination cases.

She referred to the cat's-paw theory, in which the blowback doesn't come directly from the harasser but from his allies or anyone who feels offended that a woman complained.

Smith, who represented former Fox News host Gretchen Carlson in her case against the company's then-chairman, Roger Ailes, said that as companies become more savvy about handling sexual harassment allegations, the retaliation can happen fairly slowly, through isolation and ostracization.

"Death by a thousand cuts is a hell of a lot harder to prove than 'She complained, and we fired her,'" Smith said.

Former EY partner Jessica Casucci [lodged an EEOC claim against EY last April](#). The details of their complaints initially seem wildly different: She said that she was sexually assaulted by a male EY partner, that he groped her breasts and buttocks at a bar in front of several other EY partners.

Yet Casucci has this in common with Ward: When Casucci complained about her assailant's alleged behavior, the firm did nothing about it.

Casucci's lawyer, Michael Willemin, a partner at the New York law firm Wigdor, is also representing Ward.

Now Should Be Smooth Sailing

As Ward recalled her time at EY over coffee at her home in November, her wide eyes conveyed disbelief, even now.

"I thought going to the best schools, working my tail off on Wall Street and having all of these things would be — now should be smooth sailing," she said. "It's anything but, you know."

Ward said she tried to make the most of her new role. Without referrals for new business from her colleagues, she hustled, logging extensive travel in search of deals to bring in.

The isolation really amped up the stress. Littlejohn said she was depressed toward the end of her tenure at EY, often unable to sleep.

When Ward raised the issue of being isolated from her old group in an email to Carter in March 2016, he gave her a terse, dismissive response. "You need not ask me again. It is fully on my agenda, but recall my request for patience," he wrote. "I cannot force it to occur."

But as she starting bringing in work on her own, she noticed that he asked her to write elaborate memos to justify her deals before he would greenlight them. Her male colleagues didn't have to jump through the same hoops, she said.

EY strongly denied this account, saying that Carter would have every incentive to make sure Ward's deals went through so she could bring in money for his group.

And throughout this time, she kept speaking up — at one point sitting down with an HR representative to complain about getting iced out by her former colleagues, according to notes reviewed by HuffPost.

She tried to stick it out, until last August, when Carter called, telling her they were shutting down her group in the banking division. She and her team were fired. He gave her time to wind down her deals. Ward's last day at EY was Oct. 31. "I thought it would turn around," she said. "Now I see that the rock crushed me."

Trust The Firm

Just a few days after Ward's last day, in New York City in a gleaming corner conference room with expansive views of the Hudson River, Ernst and Young's chief diversity and inclusion officer, Karyn Twaronite, sat at the helm of a long conference table to convene something called a Belonging Breakfast. Platters of pastry and fruit were close at hand.

Ten or so journalists — all women, except for a single black man — gathered to hear about EY's latest research, a survey that showed how important it is to feel included at work. The findings were just the latest push in EY's long-standing effort to portray itself as an enlightened and diverse company, despite its overwhelmingly white and male leadership.

"We aspire for everyone to feel like they belong," said Twaronite.

She featured prominently in the sexual discrimination complaint filed by Casucci.

Casucci told Twaronite in 2016 that a senior tax partner groped her breasts and buttocks in front of two other partners on a business trip to Florida. While assaulting her, the partner said, "I've wanted to fuck you for so long," according to Casucci's federal complaint.

There were also emails, she said, in which the partner propositioned her. "Why would you keep those emails?" Twaronite asked her, according to the complaint. It was as though Twaronite had no sympathy for her and was interested only in protecting the male partner, according to the complaint.

Twaronite told her to "trust the firm" to handle her allegations seriously. Yet in the ensuing months and years, Casucci was the one to decline work projects to avoid seeing this man.

The male executive was fired, only after she filed a discrimination claim and the story was picked up in the press.

I don't want my daughter to think that she doesn't have every opportunity that my sons have.
[#BeBoldForChange](#) [@EY_WFF](#) [#IWD2017](#)

— Mark Weinberger (@Mark_Weinberger) [March 8, 2017](#)

Casucci's claims against EY were settled privately, and the parties are bound by confidentiality requirements, leaving the truth forever unknown to the public.

"The various allegations have been examined, anyone deserving of punishment has received it, all other mentioned have been cleared, and we consider the matter closed," EY said in a statement to HuffPost. The firm said it "shared with our people what happened, where processes broke down, what we learned and how we are getting stronger."

The firm also detailed a long list of reforms and new measures it has since put in place, including creating and implementing a "consequences framework," beefing up training, establishing anti-bullying policies, requiring reporting of personal relationships and improving the investigation process, along with programs to ensure follow-up and protections for employees who complain.



Ward is looking for work but said she suspects that Ernst & Young's comments about her have made her search more difficult.

It's Lonely Out Here

These days, Ward is looking for work. "It is lonely out here," she said. A few times, she has had promising leads go dark, and she said she suspects that EY's public comments about her last fall are a contributing factor.

There's a good chance her case will go the same route as Casucci's. Before Ward was hired, she signed away her right to sue EY in public court, agreeing instead to arbitration. And right now her case is being heard in this private and often secret world. She has limited discovery in the case, meaning she may not be able to obtain all the necessary evidence to demonstrate discrimination.

If the judge rules against her, she will have little recourse to appeal.

Recently, facing widespread criticism over this practice, several major companies — including Microsoft, Uber and Google — have disavowed these arbitration clauses and will allow employees to press sex discrimination charges in public.

Not EY

Though Ward and her lawyers have repeatedly asked the company to release her from the arbitration requirement, the firm has declined to do so.

After she filed her complaint, she wrote a letter last fall to EY CEO Mark Weinberger, who has been outspoken about gender equality. She recounted her experiences at the firm and begged him to release her from her arbitration clause.

"Mr. Weinberger, you have said that you would not want your own daughter to be treated any differently in the workplace than your three sons. Yet, you run a company that treats women as second class citizens as a matter of course," she wrote.

He never responded.