

Why Should A Family Business Investigate Itself?

In Dillon v. Ned Management, a case out of the federal court in Brooklyn, New York, a secretary accused Yacov Fridman of making unwanted sexual advances towards her and touching her inappropriately on two specific occasions.

This case demonstrates the classic tensions family businesses have when faced with harassment allegations. Here, the stepparent of the Company's owner was the suspect harasser and his stepchild conducted the investigation. As a result, the Court found the investigation was biased and incomplete.

Beside causing family struggle, this can prompt slips and trouble staying objective, and it may be harder for a privately-owned company when the supposed harasser is an individual from the family. Generally, a family is compelled to examine itself.

The Company's best interest would have been to use an independent authority to conduct a thorough investigation.