

Snuff out gossip about firings; don't forward damaging e-mail

New York Life forbade employees to use their corporate American Express cards for personal items. But Phyllis Meloff says she got permission to use the card for her commuting costs as long as she reimbursed the company.

At one point, however, she didn't make any reimbursements for nine months. During that time, she complained that she didn't get a promotion because of discrimination. When she finally tried to reimburse the company, she was fired for misusing the card.

Meloff's supervisor sent an e-mail to seven managers with the subject heading "Fraud" that said Meloff had used her company card "in a way in which the company was defrauded." The e-mail quickly spread to several other managers and lower-level staff. Meloff sued for retaliation and defamation.

A jury tossed out the retaliation claim, but it did award her \$1.25 million for defamation. (Meloff v. N.Y. Life Insurance Co., No. 99-9033, 2nd Cir., 2001)

Advice: Don't let accusations be disclosed throughout your work force. Most jurisdictions don't hold employers liable for statements made in connection with "good faith" investigations of misconduct. But you'll lose that right if your statements are false and malicious.

Also, apply your policies consistently. Another employee simply had his card canceled for making personal charges.

Final note: E-mail has a longer life than the sender anticipates, and the damage can multiply each time it's forwarded. New security software lets you control how recipients use the message, such as whether they can print or forward it. Three top vendors: www.disappearinginc.com, www.authentica.com and www.qvtech.com.