

Yahoo CEO apologizes for bogus college degree

May 8 2012, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Yahoo CEO Scott Thompson is sorry for allowing an inaccuracy about his education to appear in his official bio, but not remorseful enough to heed calls for him to resign.

Thompson apologized for the uproar caused by the [misinformation](#) in a memo sent Monday to the troubled Internet company's employees. [Yahoo](#) Inc. provided a copy of the memo to The Associated Press.

The memo didn't offer any explanation why Thompson's bio has periodically listed a bachelor's degree in computer science that he never received. The exaggeration was most recently repeated in documents that Yahoo filed with the [Securities and Exchange Commission](#).

"We have all been working very hard to move the company forward, and this has had the opposite effect," Thompson wrote. "For that, I take full responsibility, and I want to apologize to you." He assured Yahoo employees that he remains focused on taking the steps that he believes are needed to revive Yahoo's revenue growth and boost its long-sagging stock, even with his own job imperiled.

Thompson's note of contrition came on the same day that an activist hedge fund that owns a 5.8 [stake](#) in Yahoo escalated its effort to oust the CEO for unethical conduct.

The fund, Third Point LLC, issued a legal demand to review internal Yahoo documents that may explain how much research the company's

board did about Thompson's background before hiring him in January. Third Point contends it's entitled to the records under the laws of Delaware, where Yahoo is incorporated.

Yahoo didn't respond to requests for comments about Third Point's demand.

After initially brushing off the misinformation as an "inadvertent error," Yahoo's board opened an investigation into the circumstances that led to the computer science degree being included on Thompson's bio. Thompson told employees that he "respects the process" and will provide whatever information the board requests.

Besides appearing in Thompson's bio in the recent SEC documents and on Yahoo's own website, the bogus degree also appeared in other summaries about the executive's accomplishments during his previous job running eBay Inc.'s online payment service, PayPal.

Several experts in corporate ethics and board governance have said the recurring deception regarding Thompson's education is probably serious enough to end his short reign as CEO.

In his memo, Thompson sounded like a man determined to stick around so he can carry out a turnaround plan that so far has focused on cutting costs. Last month, he laid off 2,000 employees, or 14 percent of the workforce, and now he is working on closing or selling about 50 Yahoo services that have been financial laggards. He is also exploring selling part of Yahoo's roughly 40 percent stake in Alibaba Group, a thriving Chinese [Internet company](#) investors view as Yahoo's most valuable asset.

"I am hopeful that this matter will be concluded promptly," Thompson wrote of the Yahoo board's investigation. "But, in the meantime, we have a lot of work to do. We need to continue to act as one team to fulfill the

potential of this great company and keep moving forward."

Yahoo has promised to share its findings about Thompson's illusory degree with shareholders when the board completes its inquiry.

After exposing the fabrication on Thompson's bio last week, Third Point set a noon Eastern Time deadline Monday for Yahoo to fire Thompson. Yahoo's inaction triggered Monday's demand for internal records so Third Point's manager, Daniel Loeb, can dig deeper into the matter.

The push to dump Thompson is unfolding against the backdrop of Third Point's campaign to gain four seats on Yahoo's board. Loeb believes he and three allies could help boost Yahoo's fortunes.

Besides demanding the internal records leading to Thompson's hiring, Third Point is seeking documents on the selection of six directors.

Five of them have been appointed since Yahoo hired Thompson. They are: Peter Liguori, John Hayes, Thomas McInerney, Maynard Webb Jr. and Fred Amoroso.

Third Point also wants records concerning the appointment of Patti Hart to the board in 2010. Hart led the committee in charge of the search for new directors after co-founder Jerry Yang resigned from Yahoo's board in January and four other members announced they would step down later this year.

Third Point also wants Hart to resign from the board because of an inaccuracy that the [hedge fund](#) uncovered on her bio. Hart's bio had claimed she held a bachelor's degree in marketing and economics. After being confronted by Third Point, Yahoo clarified that Hart graduated from Illinois State University with a bachelor's degree in business administration with specialties in marketing and economics.

©2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Yahoo CEO apologizes for bogus college degree (2012, May 8) retrieved 2 May 2024 from <https://phys.org/news/2012-05-yahoo-ceo-bogus-college-degree.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.