

Olympus whistleblower wins millions in settlement

June 8 2012, by YURI KAGEYAMA

(AP) — Former Olympus Corp. Chief Executive Michael Woodford will receive 10 million pounds (\$1.2 billion yen, \$15.4 million) in a settlement over his dismissal from the Japanese camera and medical equipment maker. Olympus also announced it will cut nearly 3,000 jobs.

Last week, both sides said they reached a [settlement](#). [Olympus](#) disclosed the figure Friday, following approval from its board. It said the dispute was being brought to a close.

Woodford, a Briton, was fired in October after he blew the whistle on dubious accounting at Olympus.

The Tokyo-based [company](#) has acknowledged it hid 117.7 billion yen (\$1.5 billion) in investment losses dating back to the 1990s.

Woodford sued in a British court, accusing Olympus of unlawful firing and discrimination in not treating him the same way as a Japanese executive.

The executives met without hearing from him and kicked him out, according to Woodford.

He welcomed the board's decision.

"In today's settlement between myself and the company we reached a fair and amicable agreement, and I would like to take this opportunity to

wish the new board well in taking Olympus forward," he said in a statement from London. "It is a wonderful company with wonderful products and people and has a bright future ahead of it."

Olympus also said Friday it will cut 2,700 jobs, or 7 percent of its global work force, by the end of March 2014 as part of its cost-cutting efforts. It will scrap about 40 percent of its 30 manufacturing plants around the world by the end of March 2015.

The company forecast a profit of 7 billion yen (\$88.6 million) for the fiscal year through March 2013. It had a loss of 49 billion yen (\$620 million) for the previous year.

The image of Olympus has been badly tarnished over its handling of Woodford's whistleblowing.

It faces another high-profile whistleblowing case, unrelated to the accounting scandal, from a Japanese employee Masaharu Hamada.

Three former Olympus executives, including the company's ex-chairman, were arrested earlier this year on suspicion of orchestrating the accounting cover-up. The company has carried out its own investigation and is suing some executives for damages.

Woodford, a rare foreigner to lead a major Japanese company and the first at Olympus, has conceded he has given up on any comeback at the camera and medical equipment maker.

But he has expressed interest in returning to work in Japan. Woodford has become a hero in this nation, where outspoken people are rare and whistleblowers like Hamada have often been treated as outcasts.

Copyright 2012 The Associated Press. All rights reserved. This material

may not be published, broadcast, rewritten or redistributed.

Citation: Olympus whistleblower wins millions in settlement (2012, June 8) retrieved 26 April 2024 from <https://phys.org/news/2012-06-olympus-whistleblower-millions-settlement.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.