

Ex-Oracle employee accuses company of accounting chicanery

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This Monday, June 18, 2012, file photo shows Oracle headquarters in Redwood City, Calif. In a lawsuit filed Wednesday, June 1, 2016, in federal court, a former employee in Oracle's finance department accuses the business software maker of trying to pressure her into cooking the books in an effort to boost the company's stock price. (AP Photo/Paul Sakuma, File)

A former employee in Oracle's finance department is accusing the business software maker of trying to pressure her into cooking the books in an effort to boost the company's stock price.

Svetlana Blackburn, a former senior finance manager at Oracle, made the allegations in a lawsuit filed Wednesday in federal court. The complaint seeks damages for wrongful termination and violations of laws protecting workers blowing the whistle on misconduct by their employers.

Oracle Corp. stood behind its accounting practices in a company statement Thursday that derided Blackburn's lawsuit as "malicious prosecution." The Redwood Shores, California, company said it fired Blackburn for poor performance.

Blackburn painted a much different picture in her lawsuit, alleging Oracle tried to force her "to fit square data into round holes" to inflate its financial results.

Oracle wanted Blackburn to report results that couldn't be documented in a division that leases software applications accessed over the Internet, according to her lawsuit.

The performance of Oracle's "cloud services" division has become increasingly important to investors as more companies and government agencies have decided to lease their software stored in remote data centers instead of buying the licensing rights to applications that are installed on the hard drives of individual computers.

Investor concerns about Oracle's ability to adapt to the cloud computing phenomenon have contributed to a sub-par performance by the company's stock price, which has declined by about 11 percent during the past year while the Standard & Poor's 500 index has been flat.

Oracle's shares shed \$1.60, or 4 percent, to close Thursday at \$38.66.

In a Thursday research note, Citi analyst Walter Pritchard predicted the

allegations of accounting chicanery will "keep some level of uncertainty" hanging over Oracle's stock until more information comes out in the case. Pritchard said Oracle had told him there were five to six layers of management separating Blackburn from Oracle's co-CEOs, Mark Hurd and Safra Catz.

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