VLP Partner Melissa Krasnow Quoted in Directors & Boards Article “Director Liability: Boards are on the Hot Seat over Data Breaches, Illegal Sales Practices and More”

VLP Partner Melissa Krasnow was quoted in the article “Director Liability: Boards are on the Hot Seat over Data Breaches, Illegal Sales Practices and More” for *Directors & Boards*, a quarterly journal dedicated to the topics of leadership and corporate governance.

The article reported that, in 2017, boards and senior managers at several large corporations faced significant shareholder lawsuits over allegations that they were negligent when their companies suffered damages from high-profile law suits involving data breaches, sexual harassment and discrimination scandals or improper sales practices.

The article noted one emerging oversight risk that could become an important part of the directors’ and officers’ litigation landscape is data security.

“Directors and officers must be cognizant of issues, ask questions and reach a level of satisfaction with the quality of information that they are obtaining,” Ms. Krasnow told *Directors & Boards*.

The article cited a high profile lawsuit involving Home Depot and a massive 2014 cyberattack of its payment card data system. According to court paper, the article stated, a number of former and current officers and board members were sued for allegedly failing to institute sufficient internal controls monitoring the risks the company would face in the event of a breach.

Ms. Krasnow noted that the agreement’s corporate governance reforms involving cybersecurity could help guide boards in overseeing cyber risks.

Click here to view the article.

This article was also mentioned in Broc Romanek’s *The Mentor Blog*.