

WEBSTER, CHAMBERLAIN & BEAN, LLP – NONPROFIT ALERT

\$11.5 Million Verdict Against Society for Human Resource Management for Racial Discrimination and Retaliation

Summary

In December 2025, a federal jury in Colorado ordered the Society for Human Resource Management (SHRM) to pay \$11.5 million to former employee Rehab Mohamed after finding SHRM liable for racial discrimination and retaliation. The award included \$1.5 million in compensatory damages and \$10 million in punitive damages.

SHRM, as its name suggests, is well known in the industry for being at the forefront of HR practices nationwide. Needless to say, this case is a strong and sobering reminder that good intentions and friendly culture do not protect organizations from liability. According to court documents, the employee assigned by SHRM to investigate Mohamed's discrimination complaint had never investigated a discrimination claim and had started drafting the termination paperwork for Mohamed the same day that Mohamed had complained about discrimination. The high punitive damages award reflects the jury's view that SHRM acted recklessly and made no effort to conduct an actual investigation.

Best Practices – What to Check Now

Associations should take the time to check their internal policies to confirm they are up-to-speed with industry best practices and to check that their policies are legally sound:

- Do you have clear, written policies on discrimination, harassment, and retaliation?
- Are complaint procedures documented and accessible to employees?
- Do you investigate complaints promptly and thoroughly?
- Is there accountability at all levels, including leadership? Are employment decisions properly documented?

As this case shows, organizations that position themselves as authorities will be held to the standards they set for others. Building sound and effective governance is a continual, iterative process. Collegial culture is no substitute for solid internal procedures and robust legal review.

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