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Ex-Facebook and Nike diversity manager gets 5 years in jail over \$5m fraud scheme: Lawyer says she 'got caught up' in Facebook's 'move fast and break things' culture

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Barbara Furlow-Smiles, who pleaded guilty to wire fraud in the case in December, stole more than \$4.9 million that had been earmarked for DEI initiatives from Facebook alone.

ROBIN L MARSHALL—GETTY IMAGES

A former diversity and inclusion manager at Facebook and Nike has been sentenced to five years and three months in prison for stealing more than \$5 million from the tech giant to "fund a luxury lifestyle".

Barbara Furlow-Smiles, who pleaded guilty to wire fraud in the case in December, stole more than \$4.9 million that had been earmarked for DEI initiatives from Facebook after apparently getting "caught up" in the company's "move fast and break things" culture.

The 38-year-old served as lead strategist and global head of employee resource groups and diversity engagement at the social media giant from 2017 to 2021, before being fired.

It's unclear whether Furlow-Smiles was let go from Facebook because of this fraud, but she then joined Nike, where she continued to "brazenly" swindle a six-figure sum from the sportswear giant's diversity program until 2023.

"Furlow-Smiles shamelessly violated her position of trust as a DEI executive at Facebook to steal millions from the company utilizing a scheme involving fraudulent vendors, fake invoices, and cash kickbacks," U.S. Attorney Ryan K. Buchanan said in a statement.

Furlow-Smiles, who lives in Marietta, Ga. was sentenced in Atlanta federal court in May and ordered to hand back the cash, including over \$121,000 to Nike.

"She not only threw away a lucrative career, but will serve time behind bars for her excessive greed," Keri Farley, Special Agent in Charge of FBI Atlanta concluded.

How did she do it?

Furlow-Smiles was able to steal from Facebook, now Meta, because she was a senior member of staff with access to company credit cards and the authority to sign off invoices—or, in this case, fake invoices from vendors who were her family and friends.

"But these individuals did not provide goods or services to the company," the attorney's office noted.

Once Facebook paid the vendors—who included her former interns, a hairstylist, baby-sitters, nannies and even her university tutor—she directed they send her a portion of the money they received.

Often kickbacks were paid in cash, sometimes delivered wrapped in T-shirts, or through transfers to accounts held in her husband's and others' names.

Not only did Furlow-Smiles cover her tracks by submitting fake expense reports, she also directed associates to pay one another, or others who she owed money.

But, according to the attorney's office, "most" of her associates "did not know that the payments came from Facebook."

Furlow-Smiles also misled Facebook into paying pay third parties for personal goods or services that did not provide kickbacks, including nearly \$10,000 to an artist for specialty portraits and more than \$18,000 to an unnamed preschool for tuition.

She got caught up in Facebook's 'move fast and break things'

"I blew it big time," Furlow-Smiles admitted in a letter to the judge in her case, adding that her actions "added fuel to the fire of disengagement and attack of DEI efforts."

But the disgraced DEI officer failed to show any regret in Nike's eyes.

The company told prosecutors that she was "entrusted as a leader for [the] company, that she would embody the value of 'Doing the Right Thing' which is one of NIKE's key maxims," adding that her "complete lack of accountability or remorse was incredibly disappointing."

Yet, Furlow-Smiles' attorney placed the blame on her actions partly on her previous employer.

In a sentencing memorandum, Phillip Hamilton argued that his client got caught up in Facebook's "move fast and break things" culture and that others were also exploiting the company's expenses for their own benefits.

"Barbara ... quickly learned that coworkers were friends with vendors and relied on these vendors to do certain things, which included providing kickbacks for referring Facebook business to them. It was the norm," Hamilton alleged in the memorandum.

Neither Meta nor Nike have responded to Fortune's request for comment.

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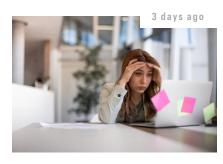


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