McDonald’s Ex-CEO Fined $400K By SEC For Misleading Shareholders

Federal regulators have charged former McDonald’s CEO Steve Easterbrook for lying to investors about why he was fired from the fast food chain. Easterbrook was let go in 2019 for violating company policy by having a relationship with a McDonald’s employee.



Bloomberg | Getty Images
Steve Easterbrook in 2018.

The separation agreement said Easterbrook was let go without cause. This allowed him to keep over $40 million in stock compensation he would have otherwise lost.

When he was let go, Easterbrook told McDonald’s he’d had no other relationships with subordinates. However, a later

investigation found that he'd been untruthful. McDonald's sued Easterbrook, claiming the former exec had destroyed evidence and concealed his other relationships.

The Associated Press (AP) reports that, as far as the Securities & Exchange Commission (SEC) is concerned, Easterbrook "knew or was reckless in not knowing that his failure to disclose additional violations of company policy before his firing would influence McDonald's disclosures to investors related to his exit and compensation."

The AP quoted Gurbir Grewal, SEC director of the Division of Enforcement, who said that Easterbrook, "[by] allegedly concealing the extent of his misconduct during the company's internal investigation … ultimately misled shareholders."

Without denying the results of the SEC's investigation, Easterbrook accepted penalties, including a $400,000 fine and a five-year suspension of his ability to take any new executive positions like CEO or director.

McDonald's issued a statement in response to the action against Easterbrook, which said in part that the "SEC's order reinforces what we have previously said: McDonald's held Steve Easterbrook accountable for his misconduct."

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