



# Fired LVMH Executive Seeks \$2 Million After Whistleblower Claim

By Gaspard Sebag and Angelina Rascouet

A fired LVMH executive — accused of misconduct including giving a colleague the middle finger — is suing Moët Hennessy for €1.7 million (\$2 million), saying he was really ousted for flagging sanctions-busting sales to Russia, not his management style.

Kenneth Kralick, who led online sales for the wines and spirits division of LVMH, says his boss turned against him after blowing the whistle in April 2023 on an alleged parallel distribution system channeling products through the US to Russia.

“That’s when the real difficulties began,” his lawyer Marine Le Conte told the Paris tribunal on Thursday. She argued he was harassed in the run-up to his dismissal a year later. His remit was cut back and his boss deliberately ran meetings in French — a language Kralick doesn’t speak.

Moët Hennessy’s attorney, Pascal Delignières, said the Russian sales channel suspicions don’t stand up. He said Kralick was instead dismissed after an internal probe into his conduct as a manager based on initial complaints from staffers.

According to Delignières, the investigation found Kralick raised his middle finger at a colleague during a meeting of about 50 staff and told another he’d buy her “a pair of Louboutin shoes” if she met her targets.

Kralick denies the first incident ever happened and doesn’t recall the second, adding that no witness has corroborated what he acknowledges would have been a tactless remark if true.

## Moët Hennessy Set to Shrink Workforce by 13% as Demand Slows

The dispute coincides with a management shake up earlier this year at Moët Hennessy. Chief executive officer Philippe Schaus has been succeeded by Jean-Jacques Guiony and deputy Alexandre Arnault, son of LVMH CEO Bernard Arnault, who have pledged to shrink the workforce after revenues slumped on weaker demand for Hennessy cognac in China and the US.

Moët Hennessy and Kralick’s former manager declined to comment.

Another lawyer for Kralick, Avi Bitton, said his client was seen as a top performer at Moët Hennessy until the moment he raised the alarm about the alleged sales to Russia.

“He believes that his dismissal for serious misconduct, without notice or compensation, constitutes retaliation for having blown the whistle by reporting the violation of US sanctions against Russia,” Bitton said by email after the hearing. The lawyer claims the investigation into Kralick itself was part of the harassment campaign against his client.

Much of Kralick’s claim concerns overtime pay. He is also challenging the manner of his dismissal, saying three guards escorted him in front of colleagues on his final day.

“It was a little bit like a walk of shame,” said Le Conte.

A ruling is expected on Nov. 14.

