WeWork and its ousted CEO accused of pregnancy discrimination

By <u>Sara Ashley O'Brien</u>, <u>CNN Business</u> Updated 9:25 PM ET, Thu October 31, 2019

New York (CNN Business) – A former chief of staff to WeWork's cofounder and former CEO Adam Neumann says in a complaint filed Thursday that she was repeatedly discriminated against while pregnant at the company. The allegations add to a litany of complaints about the company's culture under Neumann's leadership.

Medina Bardhi, who said she was pregnant twice while at the company and took maternity leave each time, alleges that the discrimination started when she interviewed for the job in 2013, according to a complaint filed Thursday with the Equal Employment Opportunity Commission. She said Neumann asked her at the time if "she was going to get married and become pregnant."

When she became pregnant in March 2016, she said she was "forced" to tell her boss she was expecting early on because of the nature of how Neumann traveled for business. Neumann had a "penchant for

bringing marijuana on chartered flights and smoking it throughout the flight while in the enclosed cabin" and Bardhi "could not expose her unborn child" to this, according to the complaint. Neumann's use of marijuana while on planes has been previously reported by the Wall Street Journal.

Bardhi alleges the discrimination continued. She claims that prior to taking leave, there were multiple troubling comments made by Neumann and Jennifer Berrent, a longtime WeWork executive who currently serves as chief legal officer. Neumann allegedly characterized her maternity leave as "retirement" and "vacation," while Berrent allegedly referred to her pregnancy as a "problem" that had "to be fixed."

In a statement to CNN Business regarding the full complaint, a WeWork spokesperson said: "WeWork intends to vigorously defend itself against this claim. We have zero tolerance for discrimination of any kind. We are committed to moving the company forward and building a company and culture that our employees can be proud of."

A representative for Neumann pointed CNN Business to WeWork for its company statement.

In the complaint, Bardhi alleges that months before she went on her first maternity leave at WeWork, Neumann and Berrent hired a man to the chief of staff role, paying him a salary of \$400,000 with a \$175,000 signing bonus. Bardhi said she was paid a salary of \$150,000 for the same job.

"Such a blatantly gender-based pay disparity was the norm and part of a pattern and practice at WeWork," according to the complaint

Upon returning after her leave, Bardhi said she was "demoted" and her role was "drastically and materially reduced," while male employees, who were being paid more than her, were elevated and replaced her. Bardhi alleges that after disclosing her second pregnancy, Neumann, Berrent and other leadership looked for her permanent replacement. When she returned the second time, she learned she was no longer part of the CEO office and was "sidelined and denied any meaningful work for months," the complaint alleges.

Bardhi points to the condition of the lactation room available to employees as a sign of its lack of care given to new moms. According to the complaint, the lactation room she had to use was "inexcusably unsanitary" despite there being between five and 10 employees who were similarly using it at the time.

Bardhi said she was fired one week after Neumann stepped down as CEO after the disastrous IPO attempt.

According to Douglas Wigdor, a lawyer representing Bardhi, the hope is that "after a thorough investigation, the EEOC will consider bringing a pattern or practice class action against WeWork in order to help bring about change in the company's employment policies and practices."

Over the past year, there have been other complaints filed by former employees who say they were retaliated against and ultimately fired for reporting incidents internally. One former employee is accusing the company of retaliating against her for reporting being sexually assaulted at two company events. The company has disputed the lawsuit's claims in a statement: "These claims against WeWork are meritless and we will fight this lawsuit. WeWork has always been committed to fostering an inclusive, supportive, and safe workplace. WeWork investigated this employee's complaints, took appropriate action, and this employee was terminated solely because of her poor performance." In another case, a former vice president is suing the company over alleged age discrimination. WeWork declined to comment on the case.

Neumann's role at the company, and the culture he fostered, has lately been the subject of intense scrutiny. After filing IPO paperwork in August, the company faced a barrage of criticisms for how it operated:

It had staggering losses, no women on its board and CEO Adam Neumann had unchecked power and numerous potential conflicts of interest.

As part of a rescue deal from Japanese conglomerate SoftBank — which now controls WeWork — Neumann will be able to sell up to \$970 million in stock back to SoftBank, receive a \$500 million loan to repay a credit line, and a \$185 million fee for consulting for SoftBank, according to a person familiar with the matter.