

Suit Alleges Goldman Sachs In-House Department Covered Up Harassment by Litigation Head

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By Dan Clark

A former in-house attorney at Goldman Sachs & Co. has alleged she was fired from the bank after trying to give internal investigators information on an inappropriate relationship between the legal department's head of litigation and a younger female attorney.

Marla Crawford filed a lawsuit Monday in the New York State Supreme Court for New York County bringing claims of discrimination and retaliation against Goldman Sachs, head of litigation Darrell Cafasso and general counsel Karen Seymour.

A spokeswoman for Goldman Sachs said in an email Monday that the company has reviewed the allegations "and found that they were completely without merit."

"The general counsel took all appropriate actions, including ensuring there were thorough investigations by our HR function, after the incidents that form the basis of the plaintiff's complaint," the Goldman Sachs spokeswoman said.

Cafasso was a partner at Sullivan & Cromwell until he took the in-house position in November 2018. Seymour similarly moved over to Goldman Sachs from Sullivan & Cromwell earlier in 2018. They are two of several Sullivan & Cromwell alumni who have gone to the legal department of key client Goldman Sachs.

A spokesman for Sullivan & Cromwell did not immediately respond to a request for comment Monday.

Crawford, who worked in the legal department at Goldman Sachs in New York for 10 years, alleged that Cafasso harassed a younger attorney who was receiving bad performance reviews. Crawford alleges that Cafasso would give the unnamed attorney, referred to in the complaint as Jane Doe, work benefits while also expressing romantic feelings for Doe.

"Mr. Cafasso rewarded Jane Doe based on their intimate relationship and his expectation that she would 'return the favor' and lowered Ms. Crawford's score because she was not providing sexual favors," the complaint alleged.

Cafasso, who has worked at Goldman Sachs since 2018, allegedly told Doe, "I have feelings for you that I have never had for anyone else but my wife" and told Doe that he thought he was falling in love with her.

The complaint said Cafasso self-reported the relationship to Seymour on Nov. 1, 2019. In the previous month, the complaint alleged, he told Doe several times he was ending the relationship, but she “continued to get pulled back into this relationship.” The complaint alleged that Cafasso and his wife spoke with Doe on the phone that same day, telling Doe that the relationship was over.

Doe left Goldman Sachs on Nov. 4, the complaint said.

Goldman Sachs declined to comment on the alleged relationship between Cafasso and Jane Doe.

The complaint said Goldman Sachs hired Weil, Gotshal & Manges to conduct a review after Cafasso reported the relationship to Seymour, and Cafasso was placed on leave during the investigation. A spokesperson for Weil could not be reached immediately Monday evening.

Crawford’s complaint alleged that “Goldman likely paid a sum of money to force Jane Doe to leave, to force her to keep her experiences confidential and to force her to cooperate with Goldman in the future.” According to the complaint, Doe was represented by Gloria Allred. Allred, reached Monday, declined to comment.

Crawford said in her complaint that she was not interviewed for the investigation despite having information about the relationship from Jane Doe. She also alleged that Seymour spoke to Crawford’s direct manager about the situation and said “Let’s try to put this genie back in the bottle.”

When Cafasso came back to work, the complaint alleged, he opened Crawford’s already closed performance review and gave her negative remarks. Crawford also alleges that she saw her bonus decrease for the first time in 2019, noting a \$30,000 reduction, the complaint said.

On Sept. 29 this year, Crawford was told she was being let go, but that she could continue to work for Goldman Sachs until November, at which time she would be placed on “paid garden leave” through the end of January, the complaint said. But on Oct. 25, after telling the bank she would be commencing litigation, she was terminated immediately.

The spokeswoman for Goldman Sachs said as a part of a broader legal division restructuring, Crawford was offered her same job in a different location, but she declined. “Given the lack of merit to plaintiff’s claim of retaliation, we have been unable to resolve the matter and thus have no choice but to contest it through the proper legal channels,” the spokeswoman said.

Douglas Wigdor and David Gottlieb of Widgor Law in New York are representing Crawford.

In a written statement about her suit, Crawford said Monday: “As a lawyer and professional, I always try to stand up for what is right. Unfortunately for Goldman’s top lawyers, that made me a liability. I will hold Goldman and its senior lawyers accountable for the blatant retaliation perpetrated against me.”

It is not clear who is representing Goldman Sachs.