

Goldman accused of covering up sexual misconduct allegation

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Goldman Sachs covered up allegations of sexual misconduct against its most senior litigator and fired a female lawyer for raising concerns about his behaviour, a lawsuit filed in New York on Monday claimed.

Marla Crawford, who spent 10 years at Goldman's legal and regulatory proceedings department, alleged she was discriminated against and sacked after complaining about the behaviour of Darrell Cafasso, a former Sullivan & Cromwell lawyer who has been Goldman's head of litigation since November 2018.

She is suing Goldman, Mr Cafasso and the bank's general counsel Karen Seymour, who she alleges covered up the misconduct, for unspecified damages.

"We conducted a review of the allegations in this complaint and found that they were completely without merit," Goldman said on Monday evening. Ms Seymour referred queries to Goldman's corporate spokesman. Mr Cafasso did not respond to requests for comment.

Goldman, which has vowed to improve women's representation across the company and recently promoted the first woman to co-head a big division in years, added that it "has a robust process for taking disciplinary action when warranted".

"The firm took proper and appropriate disciplinary action with respect to the personnel matters that Ms Crawford references."

In her complaint, Ms Crawford said she was a confidant of a young lawyer, described as "Jane Doe", a "conventionally attractive" woman who was "dealing with difficult personal matters outside of work".

Ms Crawford, who is described as an expert in e-discovery and document retention, alleges that Mr Cafasso asked Jane Doe to drinks in August 2019 and continued to meet for drinks and closed-door meetings in his office "far beyond what might have been reasonably necessary for their work".

Jane Doe allegedly told Ms Crawford she was "becoming increasingly uncomfortable" with their relationship and "felt trapped given the power dynamic in the relationship".

Ms Crawford also alleged that Mr Cafasso gave Jane Doe a high score in her annual appraisal even though she was an “underperformer”.

Mr Cafasso ultimately self-reported their relationship to Ms Seymour at the beginning of November, Ms Crawford claimed. Mr Cafasso was placed on administrative leave, according to the complaint, while Jane Doe has not been seen at Goldman’s office since a few days later.

Ms Crawford alleged that the third party independent investigation into the situation was “completely tainted from the start”, and said Ms Seymour told Ms Crawford’s manager that it was a “sticky situation”, adding: “Let’s try to put this genie back in the bottle.”

The lawsuit accused both Ms Seymour and Mr Cafasso of “completely disregarding their legal and ethical obligations and permitting a workplace where sexual harassment is covered up and the powerful are cloaked with immunity”.

In a statement, Goldman said Ms Seymour “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”.

Mr Cafasso returned to work two weeks after he was put on leave. Ms Crawford approached him on the day of his return and said that while she had been a confidant of Jane Doe’s and “objected to his conduct” she did not want to be involved and wanted to be treated fairly.

Ms Crawford, who had previously raised complaints about the behaviour of another man in Goldman’s legal department, alleges that after their conversation, Mr Cafasso added negative comments to her already-completed performance review.

Her previous reviews had been good, and she perceived Mr Cafasso’s intervention as “blatant retaliation and an attempt to undermine her for being a supporter of Jane Doe and for having raised complaints about his conduct”. She also believes he was responsible for her being awarded a 2020 bonus that was \$30,000 below 2019’s.

Ms Crawford registered a complaint of retaliation with Goldman’s human resources department in late November 2019. Ms Crawford said Mr Cafasso “never treated . . . [her] the same” after the complaint and steered “more interesting and substantive work” to others. She believed he was “trying to manage her out of the bank”.

On September 29 this year, Ms Crawford says she was told she was “being let go”, since her role was being moved to Dallas for cost reasons. She was offered a job in Dallas, at low pay, but this was a “false choice” as she is the primary carer for her 83-year-old mother, the lawsuit says.

Goldman said: “As part of a broader legal division restructuring, the plaintiff was offered her same job in a different location, an opportunity she declined.

“Given the lack of merit to the 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.”