

Ex-Goldman lawyer sues bank in alleged sexual misconduct cover-up

 bankingdive.com/news/goldman-sachs-lawyer-lawsuit-sexual-misconduct/587815

Dan Ennis

Dive Brief:

- A former Goldman Sachs vice president and associate general counsel on Monday sued the bank, its head of litigation and its general counsel in New York state's Supreme Court, claiming she was fired in retaliation for blowing the whistle on a sexually inappropriate relationship her boss was having with another female lawyer in her group.
- Plaintiff Marla Crawford claims her boss — Goldman Sachs's global head of litigation, Darrell Cafasso — retroactively added negative comments to her already-completed performance review, leading Crawford's 2020 bonus to be slashed by \$30,000 when compared with the previous year's.
- Crawford's suit also alleges the bank's third-party independent investigation into the matter was "completely tainted from the start," claiming the bank's general counsel, Karen Seymour, told another senior Goldman lawyer she was trying to "put this genie back in the bottle."

Dive Insight:

Crawford's suit, which seeks unspecified damages and attorney fees, comes at a precarious time for Goldman Sachs — less than a week after the bank resolved its long-running 1MDB scandal, which cost the bank more than \$5 billion in penalties from authorities and regulators in the U.S., U.K., Hong Kong, Singapore and Malaysia.

The case also puts a spotlight on Goldman at a time when it may be looking to paint itself as an advocate of equality and representation. The bank last month reorganized its leadership and promoted a woman, Stephanie Cohen, to co-lead the bank's consumer and wealth management business.

Crawford's lawsuit accuses Cafasso and Seymour 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."

The bank defended its actions Monday in a statement emailed to Institutional Investor and the Financial Times, saying it "has a robust process for taking disciplinary action when warranted."

"We conducted a review of the allegations in this complaint and found that they were completely without merit," a Goldman spokeswoman told the publications. "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."

Crawford claims Cafasso asked a junior Goldman lawyer, identified only as Jane Doe, to meet socially outside of work for drinks in August 2019 to help Doe with her performance review, with which she was struggling. In exchange, Doe could "return the favor," Crawford alleges Cafasso told Doe.

Crawford alleges Cafasso and Doe continued to meet for drinks and closed-door meetings in his office "far beyond what might have been reasonably necessary for their work," and that Doe told Crawford she felt "increasingly uncomfortable" with the relationship and "trapped given the power dynamic."

Cafasso allegedly told Doe, "I have feelings for you I have never had for anyone else but my wife," and "I think I'm falling in love with you," according to the suit.

Cafasso's wife allegedly called Doe in October 2019, saying she knew of the relationship and that she was "praying for her," according to the suit.

Cafasso reported the relationship to the bank Nov. 1 and allegedly called Doe that day at the office with his wife on speakerphone to tell her the relationship was over, according to the lawsuit. Cafasso was placed on leave but returned two weeks later, the lawsuit claims.

Crawford alleges she told Cafasso on the day he returned that, while she had been a confidant of Doe's and "objected to his conduct," she did not want to be involved and wanted to be treated fairly.

Crawford claims her previous reviews had been good, and that Cafasso added negative comments to her review at this point as "blatant retaliation." Crawford complained to Goldman's human resources department in late November 2019, according to the suit, claiming Cafasso "never treated ... [her] the same" and steered "more interesting and substantive work" to others. She said he thought Cafasso was "trying to manage her out of the bank," according to the suit.

Crawford left Goldman on Sept. 29, 2020, after she refused a job in Dallas, where the bank said her job was being moved — at lower pay. In her suit, Crawford calls the offer a "false choice" because she is the primary caregiver for her 83-year-old mother.

"As part of a broader legal division restructuring, the plaintiff was offered her same job in a different location, an opportunity she declined," the bank said in its emailed statement. "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."

Crawford, who had worked at Goldman since 2010, previously raised complaints about the behavior of another man in Goldman's legal department, the Financial Times reported.

"As a lawyer and professional, I always try to stand up for what is right," Crawford said in an emailed statement to Institutional Investor. "Unfortunately for Goldman's top lawyers, that made me a liability."