Wigdor LLP Files Whistleblower Complaint against Rivian Automotive

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On Thursday February 16th, Wigdor LLP, on behalf of our client Jacob Marullo, has filed whistleblower claims against Rivian, a top American electronic vehicle manufacturer, in the U.S. District Court for the Northern District of Georgia. Mr. Marullo, a Marine veteran and single father, joined Rivian, as a Senior Cybersecurity Leader in September 2020. In 2021, he objected to various practices by his supervisor, Chief Information Security Officer Johnny Deutsch, that he believed created conflicts of interest and may have violated federal export control laws, such as bringing in and pressuring Mr. Marullo to use vendors and contractors based purely upon Mr. Deutsch's personal relationships and connections, rather than on a competitive basis, as they were supposed to be doing.

In mid-2021, Mr. Marullo called for more transparency regarding what he believed were deceptive practices, and soon after Mr. Deutsch began to engage in retaliatory conduct towards him. Mr. Marullo made a written formal complaint to Human Resources regarding his supervisor's conduct and retaliation in early October 2021. In early January 2022, Rivian informed Mr. Marullo that Mr. Deutsch had been terminated, but unfortunately his new manager, Wassym Bensaid, promptly began to pressure Mr. Marullo in a retaliatory manner, including asking him to run cybersecurity drills that in his view would have created unsafe conditions in the Company's manufacturing facility in Illinois. On January 27, 2022, just days after Mr. Marullo had received his objectives for the first quarter of 2022, he was terminated without notice.

Mr. Marullo's concerns and objections involved the following, among others:

- Chief Information Security Officer Johnny Deutsch engaging in unethical, fraudulent business practices that created conflicts of interest, specifically involving use of vendors and suppliers with whom he had personal relationships who were awarded non-competitive sole source contracts (even while at times maintaining the pretense of a competitive process).
- Such unethical, fraudulent conduct led to what he believed were actual or imminent violations of U.S. export control laws by Mr. Deutsch through sharing of certain technical information with overseas vendors (while acting as though the information was only being sent to people based in the U.S.).
- Threats by Mr. Deutsch to share confidential third-party test results with another vendor in order to influence objective testing results.
- Ad hoc demands by Vice President of Software Wassym Bensaid that unsafe cybersecurity tests be run on a snap basis that could jeopardize the safety of manufacturing employees and damage equipment.

Before coming to Rivian, Mr. Marullo had a long career in the cybersecurity industry, with more than 18 years of operational technology cybersecurity experience on numerous multi-billion-dollar programs. He is a single father who previously served on active duty in the Marine Corps where he received an honorable discharge. He then served in the Marine Corps Reserves, until Mr. Deutsch forced him to quit by expressing disapproval of the time away from work required by his service.

As alleged in the Complaint (can read it here), Rivian violated the Sarbanes-Oxley Act by taking adverse employment actions against Mr. Marullo, including retaliatorily terminating him, pressuring him to agree to a transfer to a less desirable job position, canceling his projects, and taking away various authority and areas of responsibility. Mr. Marullo's legally protected complaints about Mr. Deutsch's fraudulent and improper activities gave rise to the retaliatory animus that soon led to his retaliatory termination. Mr. Marullo is seeking all available damages, including for the loss of Rivian stock that was a primary component of his compensation and which had drawn him to join up with the Company.

Statement by Wigdor LLP Partner Lawrence M. Pearson:

"Mr. Marullo at all times acted to protect the interests of Rivian by objecting to and reporting fraudulent, unlawful conduct by his manager. Unfortunately, the Company decided to punish him for speaking up, even after Rivian itself saw fit to terminate his manager in connection with its investigation of Mr. Marullo's complaints. We look forward to litigating Mr. Marullo's case and uncovering further information that will corroborate the legal claims, including complaints by other employees."