

# The Guardian

## Google board tried to cover up sexual misconduct, shareholders allege

**Alphabet directors provided big severance packages to accused executives to keep their conduct quiet, lawsuit says**

**Julia Carrie Wong** in San Francisco

Thu 10 Jan 2019 21:01 EST



Google employees staged a walkout over sexual harassment in November. Photograph: Bryan R Smith/AFP/Getty Images

Alphabet's board of directors approved outside severance packages for Google executives accused of sexual harassment in order to cover up a culture of misconduct, a shareholder lawsuit filed on Thursday alleged.

Minutes from board meetings obtained by attorneys for the shareholder reveal the personal involvement of Alphabet directors in behavior that has harmed the company, the plaintiff's attorneys Ann Ravel, Louise Renne and Frank Bottini said at a press conference.

"The directors' wrongful conduct allowed the illegal conduct to proliferate and continue," the complaint states. "As such, members of Alphabet's board were knowing and direct enablers of the sexual harassment and discrimination."

The shareholder, James Martin, is suing each of Alphabet's current directors, a former director and several current or former executives on behalf of Alphabet itself, in what is known as a shareholder derivative lawsuit.

"Google and the board of directors have direct personal liability for covering up the wrongdoing and allowing it to continue for years, thereby significantly harming women employees at Google," Bottini said. "They would never sue themselves ... [so] the law allows a current shareholder to bring a case against the board."

The suit seeks damages, including the return of more than \$90m that was paid to two former executives in severance packages, as well as reforms to Alphabet's corporate governance and share structure.

"There has been substantial evidence of sexual harassment at Google, and yet there hasn't been the appropriate follow-

through,” said Renne. “In fact, quite to the contrary, the perpetrators of the sexual harassment have been awarded handsomely ... What Ann and Frank and I are saying is ‘Time’s up.’ Now it’s really time to start doing the right thing.”

Google did not immediately respond to a request for comment.

The allegations in the suit chiefly concern the board’s handling of Andy Rubin, the creator of the Android software platform who left Google in 2014.

In October, the New York Times reported that Rubin’s departure followed an investigation into a claim by a female employee that he had forced her to perform oral sex. Despite finding the allegation credible, Google allowed Rubin to resign with a \$90m exit package, the Times reported.

News of the payout ignited unprecedented outrage among Google employees, thousands of whom staged a global walkout to demand change.

The lawsuit alleges that the board minutes show that the payout was approved by board members “since they apparently feared that if they fired Rubin for cause, he would sue Google for wrongful termination and all the tawdry details of sexual harassment by senior executives at Google would become public”.

Numerous Google executives have reportedly dated or had affairs with subordinates.

“The tone was, ‘It’s a free-for-all,’” said Ravel of the board minutes. “People who are not at the top are going to receive retribution, and everyone else gets a free pass.”

The minutes were obtained under state laws that allow shareholders to inspect certain corporate records. They are currently redacted, but Bottini suggested that he would ask a judge to unseal them.

“You won’t believe what’s in these minutes,” he said.

An attorney for Rubin said in a statement: “This lawsuit, like much of the recent media coverage, mischaracterizes Andy’s departure from Google and sensationalizes claims made about Andy by his ex-wife. Andy left Google voluntarily. Andy denies any misconduct, and we look forward to telling his story in court.”

Among the reforms sought in the lawsuit is the elimination of Alphabet’s dual-class structure, which allows Page and Brin to maintain voting control over the company, despite the fact that they no longer own a majority of its stock.

“It’s time,” said Ravel. “What we have asked for are a lot of changes in corporate governance at Google, and that is really the ultimate purpose of this litigation.”

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