

What To Know As Alphabet Hits 'Search' On A New CLO

By **Michele Gorman**

Law360 (January 23, 2020, 5:25 PM EST) -- Google parent company Alphabet is on the hunt for a new top lawyer after its embattled chief legal officer said recently that he would step down at the end of the month. Legal industry experts say there are lessons other businesses can learn as the tech giant hits the search button.

The Jan. 10 announcement by David Drummond, who joined Google in 2002 before switching to Google's parent company in 2015, follows claims that he and other executives covered up sexual harassment. Drummond himself was accused of misconduct by a former subordinate with whom he **allegedly had an affair**, in violation of Google's rules about employee dating.

Drummond's **looming departure** comes less than two months after Google's two co-founders, Larry Page and Sergey Brin, said they would be leaving their respective roles as CEO and president of Alphabet. They were succeeded by Google CEO Sundar Pichai.

Moving forward, experts say it would behoove the internet company — and any organization facing a similar situation — to identify how and why a culture that allegedly allowed sexual harassment developed and to ensure the issues are eradicated.

"If now they bring on a new CLO and new management and then six months from now something else appears, that's really not going to be good," said Jolie Balido, CEO of marketing-communications and crisis management firm NewStar Media, adding that a public-facing company like Alphabet has an opportunity to "come clean, even turn this to their advantage by making a case study out of it."

How Alphabet Got Here

Drummond's departure comes as the company has struggled to put its troubles behind it. In November 2018, 20,000 protesters took to the streets following a report that Google gave Android creator Andy Rubin a \$90 million severance package after he was accused of sexual harassment.

Five months later, four New York-based pension funds **filed a derivative suit** accusing Alphabet's directors of damaging the company by condoning a workplace filled with sexual harassment and misconduct by covering up top male executives' bad behavior.

Drummond and other Google executives have been **named in suits** claiming the company covered up sexual harassment. Many of the allegations center on the way the company responded to reports that former Vice President of Search Operations Amit Singhal allegedly **groped a coworker**.

As for Drummond, former Google legal department employee Jennifer Blakely said in a **piece published on Medium** in August that after her four-year relationship with him ended abruptly in 2008, she was pushed out of the legal department and then out of the company. She characterized Drummond's behavior as "abuse" and as designed to make her life "hell."

Among other allegations, Blakely said that after the breakup, Drummond would go months without seeing their son, who was born in 2007, but still pursued an aggressive case for custody that Blakely believed was designed to punish her. Blakely was ultimately awarded custody of the child.

In his letter to staff announcing his upcoming departure, Drummond said Alphabet is "entering an exciting new phase."

"I believe that it's also the right time for me to make way for the next generation of leaders," Drummond said in the letter, which Alphabet provided to media outlets.

Neither Alphabet nor Google responded to requests for comment.

The Hunt for a Replacement

With a permanent replacement now needed, all eyes are on the company for the high-profile pick.

Experts say that any business facing backlash should find a candidate who can set the right tone at the top. They recommend someone who is not only a strong and respected leader — either inside or outside the given industry — with business sense, communication skills and a model for the highest level of integrity, fairness and ethics, but someone who is also willing to work with the board and chief compliance or risk officer to determine a clear strategy forward to prevent similar allegations from arising in the future.

They say it would also be helpful for the lawyer to have crisis management experience and to embrace any new company initiatives that would hold all executives accountable for their actions.

Uber Technologies Inc. is another prominent company that recently went through a management change in the midst of public backlash. As part of its efforts to change course amid mounting reports of sexism and misconduct under the leadership of founder Travis Kalanick, the ride-hailing company in 2017 **hired as its chief legal officer** Tony West, then the general counsel at PepsiCo and a former senior U.S. Department of Justice official.

At the time, Uber's CEO praised West for being "well-equipped to handle the investigations into our past practices" and emphasizing diversity in his legal department and across all business units at Pepsi.

Some candidates might even welcome the challenges faced by Uber, Google and other companies.

"You're looking for someone who's going to take control of the organization and change the narrative in a way that's positive, in a way that exemplifies the mission and the vision that the company wants to have," said Jean Kuei, a labor and employment attorney at Pillsbury Winthrop Shaw Pittman LLP.

She also underscored the option of hiring an attorney from an underrepresented group for the top legal position. While an increasing number of women held general counsel roles at Fortune 500 companies in 2019 — up 5 percentage points from 2018 — they only held **a third of the spots** last year.

"As we continue to evolve, we need to make sure that our company and our culture is evolving," Kuei said. "In order to do that, you need to make sure that there are different viewpoints and people at the table when you're making important decisions that will affect the company."

Picking Up the Pieces

As Alphabet emerges from the scandal, Drummond's replacement will be a key executive responsible for ensuring the company upholds its own policies and preserves its brand.

Once a company has done its due diligence by fully investigating allegations — preferably by outside, independent counsel — its leaders must think about moving forward. In times of major transition, maintaining the company's mission at the forefront of its messaging is crucial, according to experts.

"Whenever there's a leadership change, whatever the reason for that departure, it has the potential for great turbulence," said Amanda Halter, co-leader of the crisis management team at Pillsbury. "The thing to do is maintain the company's mission at the forefront of its messaging, both internally and externally."

To communicate the message that the culture is changing and leaders understand the desire of its workforce, a company could empower its chief compliance or risk officer, who typically isn't at the C-suite level, and create a board-level committee to specifically address issues, perhaps by taking regular surveys to ensure employees' concerns are rectified, Kuei said.

Managers might also consider doubling down or reinforcing training, including for executives, adopting a platform in which individuals can report misconduct without fear of retaliation and updating employment policy manuals.

"Until it's taken seriously and until people recognize that you need to treat everybody the same and not do these horrible things these people have been accused of doing, it's not going to change," said Mark Heise, a shareholder at Heise Suarez Melville PA.

According to experts, most companies will at some point experience a crisis, so it's crucial to have a plan in place for when the unthinkable happens that will instill trust and respect in crucial stakeholders, employees and the larger community.

"You need to have an appropriate plan in place, and you need to take action, even if it hurts your bottom line or your business interests in the short run," said Balido of NewStar Media. "Over the long run, not taking appropriate action hurts something priceless and even more important, which is your reputation."

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