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After Covington Report, Busier Times Ahead for Uber's Legal Department

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A three-month investigation into the corporate culture at Uber Technologies Inc. culminated Tuesday at an [all-hands meeting](#) with the release of [a 13-page document of recommendations](#) on how to move the San Francisco-based ride-hailing giant forward. Though there were a few distractions—such as CEO Travis Kalanick's announcement that he's taking personal leave—focus seemed to be on how the [embattled company](#) can fix its culture and repair its reputation.

Uber's legal department is named only a few times in the report, but lawyers and consultants unaffiliated with the company believe Uber's in-house counsel will play a large part in addressing the recommendations. And a former Uber in-house attorney who spoke to Corporate Counsel expressed confidence based on past experience that the company will make progress.

The report released Tuesday is the result of an investigation led by former U.S. Attorney General Eric Holder and fellow Covington & Burling partner Tammy Albarrán. It stems from a February [blog post](#) by former Uber engineer Susan Fowler Rigetti that portrayed the company's work culture as biased against women and alleged that managers ignored sexual harassment complaints.

The recommendations in the report, which were unanimously approved by Uber's board of directors, include rethinking governance and leadership, improving training across the company and making changes to personnel and practices in the human resources department.

In response to request for comment, an Uber spokesperson directed Corporate Counsel to the company's online newsroom. Uber chief HR officer [Liane Hornsey said in a statement](#) posted there that "implementing these recommendations will improve our culture, promote fairness and accountability, and establish processes and systems to ensure the mistakes of the past will not be repeated."

What Happens Next?

A former in-house attorney at Uber who requested anonymity in order to preserve relationships with

Uber and former colleagues there is confident current employees will keep management accountable and demand a healthier work culture moving forward. Although, the source said, admittedly, it will not happen overnight.

The main reason for the source's confidence in the impact of [the report](#) is that the former employee saw a turnaround once before as the result of an investigation conducted on Uber's behalf.

Uber previously hired law firm Hogan Lovells to conduct [an investigation](#), completed in January 2015, into the company's privacy policies after reports surfaced that Uber had [tracked movements](#) of customers, targeting celebrities, politicians and journalists specifically, using its "God View" tool.

The former attorney was employed by Uber at the time and said that changes were substantial as a result of Hogan's investigation. "Uber's privacy policies ... really did need to be revamped at the time and the company took the recommendations very seriously and implemented them," the source said. "From a privacy standpoint, I think we were a much better company as a result of that process."

The source, who was still working at Uber when Fowler Rigetti's blog post was published, said "there were a lot of people who were extremely upset inside the company who were demanding changes as a result of those allegations."

The source noted that employees were accustomed to hearing allegations in the news made by competitors against Uber, but Fowler Rigetti's claims were something many colleagues "took very seriously."

"I think just a lot of people were upset the ... alleged treatment of her didn't reflect Uber's values. ... Pretty quickly, management understood that this was a really serious problem and took a lot of measures to address the issue as quickly as possible," the former Uber lawyer said.

The attorney speculated that based on what happened in 2015 as a result of Hogan's privacy report, lawyers might even be added to the legal department to specifically address the recommendations made in Covington's recent report.

"Who knows? There may be a new group that will be started in the legal department that focuses specifically on these issues," the source said. "Given how much the employment team is already doing, that seems like a possibility."

Where to Begin

According to attorneys and legal consultants, Uber's in-house lawyers will need to step up in order to address the report's criticisms.

"[The legal department] needs to be at the epicenter of the new Uber," said Richard Levick, chairman and CEO of public relations firm Levick. "The company seems to lack that nucleus that's so important from legal."

The legal department, he said, needs to codify rules and procedures for working with HR and

should be really clear about the hierarchy and who is in charge.

Rees Morrison, principal at legal consultancy Altman Weil, said Uber's legal department should consider how to track the company's progress on the Covington recommendations and immediately think about getting help from a specialty labor and employment outside counsel team.

Morrison added that Uber's in-house labor and employment attorneys are "going to be buried" in work as they create and review new policies.

Along with filling the vacancy created by former Uber general counsel Salle Yoo's recent move to the CLO seat, it may also be wise to add to the head count in the legal department, said Jon Klassen, corporate partner at firm Kunzler Law Group, who was previously executive vice president, general counsel and secretary at life science-focused real estate company BioMed Realty Trust Inc.

"There should be more that's escalated to the legal department. You're going to need more people to do that," Klassen said. "I would be looking to hire people who have employment law expertise."

Because the board sees the report's findings as important, said Eugene Illovsky, a former Morrison & Foerster partner who has a solo practice in corporate investigations, directors will ensure it is acted upon. He added that because many of the recommendations—such as policy creation and upkeep, new hiring and further integration of executives into the business—will require some legal work, Uber's lawyers will be directly involved.

"The legal department and the new GC working under the chief legal officer can play an important role in the organizational challenge of focusing and coordinating the efforts of all these new personnel, processes and committees that are going to come about as a result of the [Holder report]," Illovsky said.

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