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Ousted Grammys CEO Claims Rampant Discrimination and Bias in 'Boys Cub'

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By **Jeffrey Campolongo** | January 23, 2020



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One of the many perks of this column is that I get to wax poetically and write about interesting employment law topics once a month. That, plus the dental plan (spoiler: there is no dental plan). The column provides a nice respite from the pettifoggery of lawyering. Every so often I will come across a topic that happens to span two of my law practice areas, employment law and entertainment law. While it doesn't happen often because of the unique nature of each of the disciplines, when it does, it's usually a doozy of a topic.

In today's edition of employment law meets the entertainment industry, the topic du jour is a highly inflammatory discrimination, harassment and retaliation charge filed by the former president and CEO of the National Academy of Recording Arts and Sciences (Recording Academy). The Recording Academy is best known for the Grammy Awards. Ousted CEO, Deborah Dugan, filed a charge with the Equal Employment Opportunity Commission (EEOC) alleging sexual harassment by the

Recording Academy's general counsel, Joel Katz

(<https://www.law.com/therecorder/2020/01/21/greenberg-shareholder-accused-of-sexual-harassment-by-ousted-grammys-chief/>). The claims do not end there, though. In her 45-page EEOC charge, Dugan details what she calls "egregious conflicts of interest, improper self-dealing by board members, and voting irregularities with respect to nominations for Grammy Awards, all made possible by the 'boys' club' mentality and approach to governance at the academy."

As someone who has drafted numerous EEOC charges (though none as long as 45 pages) and also attended the Grammys as a member of the local chapter of the Recording Academy, these accusations certainly caught my attention. Dugan, an attorney, was hired in May 2019 as the first female head of the Recording Academy. Her charge outlines what she calls the "historic" underrepresentation of women and minority groups within the Grammy Awards, citing instances of racial discrimination within the Recording Academy along with voting and nomination processes that are "ripe with corruption." Dugan also alleged that the Recording Academy's board has shrouded the processes in secrecy, and ultimately controls, in large part, who is nominated for Grammy Awards. Dugan filed her charge just days after board chairman, Harvey Mason Jr., accused her of offering to drop her case and resign in exchange for a \$22 million buyout of her contract. Dugan has denied the accusation and asserted that Mason is trying to portray her as a "money-hungry liar." Wow.

Dugan's saga began, as outlined in her charge, when she sent an email on Dec. 22, 2019, to the Recording Academy's human resources department outlining several instances of sexual harassment by Joel Katz, an attorney at the law firm Greenberg Traurig and former member and chair of the Recording Academy's

board of trustees. According to media reports cited in Dugan's charge, insiders say that the academy and Grammy leadership is largely run by former academy CEO Neil Portnow and attorneys Joel Katz and Chuck Ortner (of Proskauer Rose).

Among other things, Dugan accused Katz of making inappropriate sexual comments and attempting to kiss Dugan at the end of an introductory one-on-one dinner "despite her stated and repeated disinterest." In that same Dec. 22 email, Dugan referenced a request by John Poppo, the then-chairman of the board, "to hire former CEO Neil Portnow as a consultant for the hefty sum of \$750,000. Portnow bowed away from the academy in disgrace after making misogynistic remarks about woman recording artists." In her charge, Dugan claims she "came to learn after she agreed to take the CEO position—for which she was paid substantially less than her two male predecessors—Portnow also allegedly raped a female recording artist, which was, upon information and belief, the real reason his contract was not renewed."

After sending her Dec. 22 email to human resources, Dugan claims she was placed on administrative leave by the board of the Recording Academy amid an investigation into allegations of abuse levied against her by a former assistant to Portnow. Dugan believes she was placed on administrative leave in retaliation for the Dec. 22 email she sent to HR. Dugan points to the fact that the allegations of bullying for which she was accused were raised well more than a month prior to Dugan being put on leave and did not become an issue until after her Dec. 22 email.

Dugan's charge also outlined what she calls the Grammys' history of "male-dominated leadership" and the underrepresentation of women and minority groups, both in award recipients and academy membership. The Recording Academy established a task force to examine issues of diversity and inclusion in 2018 and concluded that the makeup of the 12,000 voting members who

participate in Grammy nomination and awards decisions is overwhelmingly white and male. Dugan described instances of racial discrimination perpetuated by the Recording Academy, as well. Dugan goes on to criticize the Recording Academy's corrupt nomination process and legal conflicts of interest by board members.

According to Dugan's charge, the Recording Academy routinely pays hefty legal fees to attorneys who are "extremely conflicted with respect to their work for the academy." The complaint details a \$250,000 yearly retainer and several other payments to Katz, as well as a \$250,000 retainer to Ortner, both current members of the board of directors for the Grammy Museum. Dugan claims the attorneys are conflicted because they also represent individual board of trustee members, recording artists and "other entities and individuals in the music industry with personal interests in decision-making at the academy." On top of that, according to Dugan, Katz's firm, Greenberg Traurig billed the board for over \$15 million in legal work over a period of only a few years.

Dugan claims that she advised the board in December 2019 that the Recording Academy would be seeking to hire an in-house attorney to handle much of the work that is being performed by Greenberg Traurig and Proskauer Rose, potentially saving the Recording Academy millions of dollars.

Before these salacious issues became food for public consumption, Dugan and the Recording Academy attempted to work out a deal to resolve her claims. Her EEOC charge even references the fact that the parties were relatively close in negotiations and had nearly arrived at an agreement in principle. When negotiations broke down, the Recording Academy made a "take it or leave it" offer to Dugan and demanded that she accept the offer within the hour. When she did not, she was immediately placed on administrative leave. In the aftermath of the

very public breakup, Dugan drummed up support from various celebrities who came to her defense, including, among others, Chuck D of Public Enemy, Gabrielle Union, Sheryl Crow and Megyn Kelly.

In closing her Dec. 22 email to human resources, Dugan found a former female employee's forecast to be prophetic. Dugan wrote: "In my efforts to successfully resolve the many outstanding lawsuits facing the academy that I inherited, one of the claimants characterized her experience of our organization's leadership as '... it's a boy's club and they put their financial interest above the mission ...' At the time, I didn't want to believe it, but now after five months of being exposed to the behavior and circumstances outlined here, I have come to suspect she is right."

As the dispute continues to unfold in the public eye, this year's Grammy Awards broadcast is scheduled for Sunday, Jan. 26. I won't be attending this year, but I will definitely be watching from home.

Jeffrey Campolongo, *founder of the Law Office of Jeffrey Campolongo, focuses his practice on employment and entertainment law. For over a decade, he has been devoted to counseling employees, working professionals and small businesses in employment discrimination and human resource matters.*

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