

Moment of truth at Uber as internal probe results to be released

June 13 2017

Uber was to release results Tuesday of an internal investigation into misconduct and ethics, setting the stage for reforms at the ridesharing giant known for its no-holds-barred style of management.

The results of the probe led by former US attorney general Eric Holder are aimed at cleaning up a corporate culture marred by accusations of harassment, discrimination, and cutthroat practices to thwart rivals and evade regulators.

Uber has already parted ways with a handful of key executives—including its number two Emil Michael this week—but the fate of chief executive Travis Kalanick was not clear.

Some reports said Kalanick could take a temporary leave of absence as part of the effort to restore confidence in Uber. But as one of the key founders, Kalanick holds a large number of voting shares which could potentially block an effort to sideline him.

It remained unclear what further changes will be made at Uber, which is the world's richest venture-backed startup valued at some \$68 billion.

As part of the revamping at Uber, Nestle executive Wan Ling Martello was named as an independent board member, according to a source close to the company.

Michael had been linked to a number of questionable practices at Uber,

media reports said, including a visit to a South Korean escort-karaoke bar and an attempt to dig up embarrassing information on journalists.

Last week, Uber said it had fired 20 people following preliminary results of the investigation, after examining 215 claims of discrimination, harassment, unprofessional behavior, bullying, retaliation and "physical security."

The company also recently ousted Eric Alexander, who headed Asia-Pacific operations, after reports said he read and discussed medical information about a woman raped in India in 2014 during an Uber ride.

Last month, Uber fired executive Anthony Levandowski, who came from Google's self-driving car unit now known as Waymo, for failing to meet a deadline to turn over information for an internal investigation.

Waymo's lawsuit contends that Levandowski in December 2015 downloaded files from a highly confidential design server to a laptop and took the data with him to the startup.

Whither Kalanick?

Uber's board met Sunday with Holder and consultant Tammy Albarran to discuss the findings and "unanimously voted to adopt all the recommendations" of the report, according to the source.

The recommendations were not immediately known, but Uber is facing pressure to rein in its take-no-prisoners style led by Kalanick and to reform a workplace culture.

Jack Gold, analyst at J. Gold Associates, said Uber may have a hard time replacing Kalanick.

Kalanick "has done some stupid things but he's the force behind what Uber is today," Gold said.

"Kalanick can't leave, there's no one to put in" to replace him, Gold said.

Uber also faces questions about its covert use of law enforcement-evading software and tactics apparently aimed at disrupting rivals in the ridesharing business.

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