

Ex-Twitter CEO reveals DOJ probe in pursuit of legal fees repayment

April 11 2023, by Jef Feeley



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Twitter Inc.'s former chief executive officer revealed the U.S. Justice Department and the U.S. Securities and Exchange Commission investigated the social-media platform in the past as part of his effort to

force the company to cover legal fees related to lawsuits and government probes.

Parag Agrawal, ousted last year by new owner Elon Musk, and other former executives said in a Delaware Chancery Court lawsuit Monday that they've spent more than \$1 million on lawyers in connection with the probes and shareholder lawsuits over their management of the firm.

Agrawal said in the complaint his lawyer was contacted by representatives of the Justice Department late in 2022 "regarding certain investigations related to the company." He didn't elaborate. *The New York Times* had reported on the lawsuit earlier.

Musk had been contacted earlier in 2022 by the SEC and the Federal Trade Commission over his initial disclosure of acquiring a major stake in Twitter. The billionaire's lawyers sought to limit disclosures of the contacts with the government, citing confidentiality rules around communications with attorneys.

Twitter's former managers claim in their suit that their [lawyers](#) have sent repeated letters to Twitter's attorneys outlining the legal expenses they've racked up, but the company is violating its own bylaws by "refusing to advance" money to cover their expenses, according to the 20-page complaint filed Monday.

"There can be no legitimate dispute that my clients are involved in these proceedings by reason of the fact each was an officer of the company, and therefore the company is obligated to advance the expenses we have submitted," Dave Anderson, a lawyer for the ex-Twitter managers, said in a March 23 letter to the platform's attorneys. Anderson is with Sidley Austin LLP based in Chicago.

Representatives of San Francisco-based Twitter didn't respond to an

email seeking comment on the suit. Other executives demanding Twitter advance [legal fees](#) include Vijaya Gadde, its former top lawyer and Ned Segal, Twitter' onetime chief financial officer

Twitter is facing several investor suits over the fallout from Musk's purchase of the platform for \$44 billion last year after his failed effort to get out of the deal. Its also facing suits by other former Twitter employees who claim they were wrongfully denied promised stock grants after getting laid off.

Over the last year, Musk has launched a massive cost-cutting effort at Twitter, laying off thousands of workers and refusing to pay leases negotiated by former managers. The billionaire faces more than \$1.5 billion in debt payments this year over the acquisition as advertising revenue has plummeted.

The case is Agrawal v. Twitter Inc., No. 2023-0409, Delaware Chancery Court (Wilmington)

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Citation: Ex-Twitter CEO reveals DOJ probe in pursuit of legal fees repayment (2023, April 11) retrieved 6 May 2024 from

<https://techxplore.com/news/2023-04-ex-twitter-ceo-reveals-doj-probe.html>

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