

Long Before Divorce, Bill Gates Had Reputation for Questionable Behavior

 [nytimes.com/2021/05/16/business/bill-melinda-gates-divorce-epstein.html](https://www.nytimes.com/2021/05/16/business/bill-melinda-gates-divorce-epstein.html)

By the time Melinda French Gates decided to end her 27-year marriage, her husband was known globally as a software pioneer, a billionaire and a leading philanthropist.

But in some circles, Bill Gates had also developed a reputation for questionable conduct in work-related settings. That is attracting new scrutiny amid the breakup of one of the world's richest, most powerful couples.

In 2018, Ms. French Gates wasn't satisfied with her husband's handling of a previously undisclosed sexual harassment claim against his longtime money manager, according to two people familiar with the matter. After Mr. Gates moved to settle the matter confidentially, Ms. French Gates insisted on an outside investigation. The money manager, Michael Larson, remains in his job.

On at least a few occasions, Mr. Gates pursued women who worked for him at Microsoft and the Bill and Melinda Gates Foundation, according to people with direct knowledge of his overtures.

In 2019, Microsoft's board of directors, on which Mr. Gates sat, opened an investigation into one of those cases after being notified that he had "sought to initiate an intimate relationship with a company employee in the year 2000," Frank X. Shaw, a Microsoft spokesman, said on Sunday. The board hired a law firm to investigate. The following year, Mr. Gates stepped down from Microsoft's board. The Wall Street Journal reported the 2000 incident and the board's investigation.

"There was an affair almost 20 years ago which ended amicably," said Bridgitt Arnold, a spokeswoman for Mr. Gates. "Gates's decision to transition off the board was in no way related to this matter."

And then there was Jeffrey Epstein, whom Mr. Gates got to know beginning in 2011, three years after Mr. Epstein, who faced accusations of sex trafficking of girls, pleaded guilty to soliciting prostitution from a minor. Ms. French Gates had expressed discomfort with her husband spending time with the sex offender, but Mr. Gates continued doing so, according to people who were at or briefed on gatherings with the two men.

So, in October 2019, when the relationship between Mr. Gates and Mr. Epstein burst into public view, Ms. French Gates was unhappy. She hired divorce lawyers, setting in motion a process that culminated this month with the announcement that their marriage was ending.

It is not clear how much Ms. French Gates knew about her husband's behavior or to what degree it contributed to their split.

The announcement of their divorce has brought attention to a marriage whose dissolution has large social and financial implications. Multiple people said that during their marriage, Mr. Gates engaged in work-related behavior that they said was inappropriate for a person at the helm of a major publicly traded company and one of the world's most influential philanthropies.

Ms. Arnold disputed the characterization of his conduct and the couple's divorce.

"It is extremely disappointing that there have been so many untruths published about the cause, the circumstances and the timeline of Bill Gates's divorce," Ms. Arnold said.

"Your characterization of his meetings with Epstein and others about philanthropy is inaccurate, including who participated," she continued. "Similarly, any claim that Gates spoke of his marriage or Melinda in a disparaging manner is false. The claim of mistreatment of employees is also false. The rumors and speculation surrounding Gates's divorce are becoming increasingly absurd, and it's unfortunate that people who have little to no knowledge of the situation are being characterized as 'sources.'"

Mr. Gates and Ms. French Gates met at work. He was technically her boss. He ran Microsoft, and she began working there in 1987 as a product manager the year after she graduated from college.

Throughout their relationship, the two have played up the cute aspects of their office romance. He flirted with her when they sat together at a conference, then asked her out when they ran into each other in a company parking lot, according to Ms. French Gates, who described their relationship's beginnings during a public appearance in 2016.

Long after they married in 1994, Mr. Gates would on occasion pursue women in the office.

In 2006, for example, he attended a presentation by a female Microsoft employee. Mr. Gates, who at the time was the company's chairman, left the meeting and immediately emailed the woman to ask her out to dinner, according to two people familiar with the exchange.

"If this makes you uncomfortable, pretend it never happened," Mr. Gates wrote in an email, according to a person who read it to The New York Times.

The woman was indeed uncomfortable, the two people said. She decided to pretend it had never happened.

A year or two later, Mr. Gates was on a trip to New York on behalf of the Gates Foundation. He was traveling with a woman who worked for the foundation. Standing with her at a cocktail party, Mr. Gates lowered his voice and said: "I want to see you. Will you have dinner with me?" according to the woman.

The woman, who spoke on the condition of anonymity because she did not want the public attention associated with describing an unwanted advance, said she felt uncomfortable but laughed to avoid responding.

Six current and former employees of Microsoft, the foundation and the firm that manages the Gates's fortune said those incidents, and others more recently, at times created an uncomfortable workplace environment. Mr. Gates was known for making clumsy approaches to women in and out of the office. His behavior fueled widespread chatter among employees about his personal life.

Some of the employees said that while they disapproved of Mr. Gates's behavior, they did not perceive it to be predatory. They said he did not pressure the women to submit to his advances for the sake of their careers, and he seemed to feel that he was giving the women the space to refuse his advances.

Even so, Mr. Gates's actions ran counter to the agenda of female empowerment that Ms. French Gates was promoting on a global stage. On Oct. 2, 2019, for example, she said she would spend \$1 billion promoting "women's power and influence in the United States."

"Even though most women now work full-time (or more), we still shoulder the majority of caregiving responsibilities; we face pervasive sexual harassment and discrimination; we are surrounded by biased and stereotypical representations that perpetuate harmful gender norms," she wrote in a column in Time magazine announcing the pledge.

In meetings at the foundation, Mr. Gates made sure his voice was dominant and could be dismissive toward Ms. French Gates, causing some foundation employees to cringe, according to people who attended foundation meetings with the Gateses.

In 2017, the couple confronted a sexual harassment allegation against a close associate.

For nearly 30 years, Mr. Larson had served as Mr. Gates's money manager, earning solid returns on the Gateses' and the foundation's combined \$174 billion investment portfolio through a secretive operation called Cascade Investment. Cascade owned assets like stocks, bonds, hotels and vast tracts of farmland, and it also put the Gateses' money in other investment vehicles. One was a venture capital firm called Rally Capital, which is in the same building that Cascade occupies in Kirkland, Wash.

Rally Capital had an ownership stake in a nearby bicycle shop. In 2017, the woman who managed the bike shop hired a lawyer, who wrote a letter to Mr. Gates and Ms. French Gates.

The letter said that Mr. Larson had been sexually harassing the manager of the bike shop, according to three people familiar with the claim. The letter said the woman had tried to handle the situation on her own, without success, and she asked the Gateses for help. If they didn't resolve the situation, the letter said, she might pursue legal action.

The woman reached a settlement in 2018 in which she signed a nondisclosure agreement in exchange for a payment, the three people said.

While Mr. Gates thought that brought the matter to an end, Ms. French Gates was not satisfied with the outcome, two of the people said. She called for a law firm to conduct an independent review of the woman's allegations, and of Cascade's culture. Mr. Larson was put on leave while the investigation was underway, but he was eventually reinstated. (It is unclear whether the investigation exonerated Mr. Larson.) He remains in charge of Cascade.

A spokesman for Mr. Larson had no comment.

About a year after the settlement — and less than two weeks after Ms. French Gates's column in Time — The Times published an article detailing Mr. Gates's relationship with Mr. Epstein. The article reported that the two men had spent time together on multiple occasions, flying on Mr. Epstein's private jet and attending a late-night gathering at his Manhattan townhouse. "His lifestyle is very different and kind of intriguing although it would not work for me," Mr. Gates emailed colleagues in 2011, after he first met Mr. Epstein.

(Ms. Arnold, the spokeswoman for Mr. Gates, said at the time that he regretted the relationship with Mr. Epstein. She said that Mr. Gates had been unaware that the plane belonged to Mr. Epstein and that Mr. Gates had been referring to the unique décor of Mr. Epstein's home.)

The Times article included details about Mr. Gates's interactions with Mr. Epstein that Ms. French Gates had not previously known, according to people familiar with the matter. Soon after its publication she began consulting with divorce lawyers and other advisers who would help the couple divide their assets, one of the people said. The Wall Street Journal previously reported the timing of her lawyers' hiring.

The revelations in The Times were especially upsetting to Ms. French Gates because she had previously voiced her discomfort with her husband associating with Mr. Epstein, who died by suicide in federal custody in 2019, shortly after being charged with sex trafficking of girls. Ms. French Gates expressed her unease in the fall of 2013 after she and Mr. Gates had dinner with Mr. Epstein at his townhouse, according to people briefed on the dinner and its aftermath. (The incident was reported earlier by The Daily Beast.)

For years, Mr. Gates continued to go to dinners and meetings at Mr. Epstein's home, where Mr. Epstein usually surrounded himself with young and attractive women, said two people who were there and two others who were told about the gatherings.

Ms. Arnold said Mr. Gates never socialized or attended parties with Mr. Epstein, and she denied that young and attractive women participated at their meetings. "Bill only met with Epstein to discuss philanthropy," Ms. Arnold said.

On at least one occasion, Mr. Gates remarked in Mr. Epstein's presence that he was unhappy in his marriage, according to people who heard the comments.

Mr. Epstein pitched his tax-advisory and fund-raising services to Mr. Gates, although there is no indication that Mr. Gates did business with him, according to people familiar with Mr. Epstein's pitch and finances.

Sometime after 2013, Mr. Epstein brought Mr. Gates to meet Leon Black, the head of Apollo Investments who had a multifaceted business and personal relationship with Mr. Epstein, according to two people familiar with the meeting. The meeting was held at Apollo's New York offices.

It is unclear whether Ms. French Gates was aware of the latest meetings with Mr. Epstein. A person who recently spoke to her said that "she decided that it was best for her to leave her marriage as she moved into the next phase of her life."

Steve Eder and Jodi Kantor contributed reporting.