

*The U.S. Equal Employment Opportunity Commission*

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## EEOC SETTLES SUIT AGAINST ARIZONA COMPANY FOR \$3.5 MILLION ON BEHALF OF LOW-WAGE WORKERS

### *Employees Subjected to Rampant Sexual Harassment, National Origin Bias and Retaliation*

PHOENIX - The U.S. Equal Employment Opportunity Commission (EEOC) today announced a \$3.5 million settlement of an employment discrimination lawsuit against Quality Art LLC, a defunct picture frame manufacturer based in Gilbert, Ariz. The suit alleged that 35 female and Hispanic low-wage workers, mostly Mexican and Guatemalan, were subjected to widespread sexual harassment, national origin discrimination, and retaliation - including firing and forced resignations and reporting several employees to the Immigration and Naturalization Service (INS) for arrest and deportation after they complained about the discrimination.

The EEOC stipulated to the entry of judgment with Quality Art's bankruptcy trustee in an effort to avoid expending additional resources and delay during the pendency of Quality Art's Chapter 7 bankruptcy proceedings. Quality Art filed for bankruptcy in December 2000.

"This case is an unfortunate example of the kind of abhorrent discrimination that still exists in some of today's workplaces," said EEOC Chair Cari M. Dominguez. "This settlement also exemplifies the effective interagency coordination between EEOC and INS to protect immigrants from being targeted for abuse, exploitation, and retaliation in the workplace."

The agreement was approved last week as a stipulated judgment by Judge Stephen M. McNamee of the U.S. District Court for the District of Arizona (case number CIV00-1171PHX SMM). EEOC's suit, filed in June 2000 under Title VII of the Civil Rights Act of 1964, charged Quality Art with the following:

- Subjecting female employees to an intrusive search while not subjecting male employees to a similar search;
- Subjecting female employees to other harassment on the basis of sex;
- Assigning female employees to sex-segregated positions;
- Subjecting female employees of Mexican or Guatemalan national origin to an offensive search while not subjecting male employees or white female employees to a similar search;
- Subjecting female employees of Mexican or Guatemalan national origin to sexual harassment;
- Assigning female employees of Mexican or Guatemalan national origin to sex-segregated positions;
- Providing Mexican and Guatemalan employees lower wages and benefits, such as the failure to provide overtime compensation, than comparably situated non-Mexican and non-Guatemalan employees;
- Subjecting Mexican and Guatemalan employees to national origin harassment;
- Subjecting female employees of Mexican or Guatemalan national origin to an offensive search while not subjecting male employees or white female employees to a similar search;
- Terminating some employees based upon their involvement in the protected activity of protesting or otherwise opposing Quality Art's discriminatory employment practices;
- Threatening to report employees to the INS and subsequently contacting the INS in an attempt to secure the arrest and/or deportation of employees who protested Quality Art's discriminatory employment practices; and,
- Constructively discharging female and employees of Guatemalan and Mexican national origin.

"This stipulated judgment represents the best resolution of the claims against Quality Art and is a public acknowledgment of the discriminatory behavior alleged in the lawsuit brought by EEOC," said C. Emanuel Smith, acting regional attorney for the EEOC's Phoenix District Office.

David Lopez of EEOC's Phoenix office, lead trial attorney on the case, said: "This was an egregious case of harassment involving the exploitation of a particularly vulnerable segment of Arizona's Hispanic community. Retaliating against workers protesting sexual harassment by threatening to call the Immigration and Naturalization Service is an outrageous violation of Title VII. No worker should ever be afraid to protest against sexual harassment."

In addition to enforcing Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex or national origin, the EEOC enforces the Age Discrimination in Employment Act; the Equal Pay Act; Title I of the Americans with Disabilities Act, which prohibits employment discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal government; and sections of the Civil Rights Act of 1991. Further information about the Commission is available on its Web site at [www.eeoc.gov](http://www.eeoc.gov).

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*This page was last modified on August 8, 2001.*



[Return to Home Page](#)