

*The U.S. Equal Employment Opportunity Commission*

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## CRACKER BARREL TO PAY \$2 MILLION FOR RACE AND SEXUAL HARASSMENT AT THREE ILLINOIS RESTAURANTS

### *EEOC Settles Major Suit for 51 Employees In Bloomington, Mattoon and Matteson*

CHICAGO - Federal District Judge Charles R. Norgle, Sr. today entered a \$2 million consent decree resolving a workplace discrimination lawsuit brought by the U.S. Equal Employment Opportunity Commission (EEOC) challenging sexual and racial harassment and retaliation at Cracker Barrel restaurants in Bloomington, Mattoon, and Matteson, Illinois, under Title VII of the Civil Rights Act of 1964 (*EEOC v. Cracker Barrel Old Country Store, Inc. and CBOCS West, Inc.*, N.D. Illinois No.04-C-5273).

Under the terms of the consent decree, 51 current or former employees at the three Cracker Barrel restaurants will share in the \$2 million settlement fund. Additionally, Cracker Barrel will be required to train all employees at those stores regarding harassment, to post a notice regarding the outcome of the lawsuit, and to periodically report any complaints it receives about sex or race discrimination to the EEOC. The decree also prohibits Cracker Barrel from retaliating against

employees for complaining about illegal harassment or accepting benefits under the decree.

"These are exactly the types of systemic workplace discrimination that Title VII of the Civil Rights Act prohibits some of it obvious, some more subtle and that is what drove the EEOC's litigation of this case and what makes a \$2 million consent decree appropriate," said the EEOC's Chicago District Regional Attorney John Hendrickson. "We are optimistic that the terms of the consent decree will effect positive change at Cracker Barrel and that the ability to enforce the decree will make those changes stick."

One of the women who will share in the settlement fund, Jean Burris, a former server the Bloomington restaurant said, "I hope by speaking up and taking a stand together that positive change and equality of treatment in the workplace will follow."

John Rowe, director of the EEOC's Chicago District Office, led the agency's administrative investigation of the charges of discrimination underlying the lawsuit; that investigation resulted in a finding that there was "reasonable cause" to believe the company had violated federal law. The EEOC filed the lawsuit on August 11, 2004, after efforts to resolve the matter through its voluntary conciliation process proved futile. On February 14, 2006, U.S. Magistrate Judge Morton Denlow rejected a series of motions brought by Cracker Barrel, clearing the way for a jury trial in the event a settlement were not reached.

EEOC Supervisory Trial Attorney Diane Smason and Trial Attorneys Pamela Moore-Gibbs and June Calhoun headed the agency's litigation of the case. Moore-Gibbs said, "This case was exhaustively and expensively litigated dozens and dozens of depositions were taken. In the end, the accumulated testimony of the employees was to the effect that Cracker Barrel employees at the three restaurants were subjected to unwelcome and offensive sexual comments and touching from male co-workers and managers, and that complaints about it to management were not taken seriously."

EEOC Trial Attorney Calhoun added, "But this case wasn't just about sexual harassment it was also very clearly about race. Black employees said that they experienced racially charged language in the workplace, including 'spear chucking porch monkey,' 'you people,' 'ghetto' and the 'n-word.' They said that the discrimination they experienced took other forms as well, including being required to wait on African American customers when white servers refused to do so, and being assigned to work in smoking sections."

According to Cracker Barrel's Internet web site ([www.crackerbarrel.com](http://www.crackerbarrel.com)), the company which started out in 1969 in Lebanon, Tennessee currently has over 525 stores in more than 40 states. It employs more than 45,000 workers. For fiscal year 2005, Cracker Barrel reported revenues of \$2.6 billion and net income in excess of \$126 million, with average annual sales of over \$3.3 million per restaurant. Cracker Barrel also operates more than 120 Logan's

Roadhouse restaurants in more than 15 states.

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 Title I of the Americans with Disabilities Act, which prohibits discrimination against people with disabilities in the private sector and state and local governments; the Age Discrimination in Employment Act, which protects individuals who are 40 years of age or older; the Equal Pay Act; the Rehabilitation Act of 1973's prohibitions against discrimination affecting individuals with disabilities in the federal sector; and sections of the Civil Rights Act of 1991. Further information about the Commission is available on the agency's web site at [www.eeoc.gov](http://www.eeoc.gov).

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