

The U.S. Equal Employment Opportunity Commission

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EEOC SETTLES RACIAL HARASSMENT SUIT AGAINST CAR DEALERSHIP

Legal Action by EEOC and Plaintiff Intervenors Results in \$1.8 Million For African-American Workers

SEATTLE -- The U.S. Equal Employment Opportunity Commission (EEOC) today announced a major settlement of a lawsuit filed under Title VII of the Civil Rights Act of 1964 against Larson Automotive Group, a Tacoma-based auto dealership, for subjecting a class of African-American employees to persistent racial harassment.

Under the terms of the settlement, current and former African-American employees of the Larson Group can file claims against a \$750,000 settlement fund for racial harassment they suffered. Under an earlier settlement, the Larson Group agreed to pay \$1.15 million to settle the claims of employment discrimination made by a group of individuals who intervened in EEOC's suit, represented by the Tacoma law firm of Grant & Grant. The Larson Automotive Group is comprised of a number of separate car dealerships located throughout the Tacoma metropolitan area.

"This settlement should put employers on notice that they will pay a high price for failing to take corrective action to remedy discrimination and harassment," said EEOC Chairwoman Ida L. Castro. "The facts of this case are particularly disturbing because they represent egregious racial harassment and discrimination in terms and conditions of employment by top level management. EEOC is seeing an increase nationwide in harassment complaints and will vigorously pursue employers who subject their employees to racially hostile work environments and employment decisions based on race."

EEOC's suit was filed by its Seattle District Office in Federal District Court for the Western District of Washington, Tacoma division, in February 2000. The litigation was initiated following complaints made by employees of Larson car dealerships alleging that management regularly used racially offensive language and made management decisions based on the race of employees and customers. According to the suit, the owner of the company and other managers allegedly referred to African-American workers as "boy" and "nigger" on a regular basis. The racially hostile work environment was perpetuated through racially derogatory cartoons, jokes, and slurs that occurred over a prolonged period.

A Consent Decree was filed with the court on January 22, 2001, which will be in effect for a period of two and a half years. Under the Consent Decree, a system has been set up by which current and former African-American employees of the Larson Group will receive notice of their right to submit a claim for racial harassment they experienced while working at the auto dealership.

A Settlement Fund Administrator will oversee the claims process, hear evidence by any individual who believes he or she endured racial discrimination while employed at Larson's, and determine what amount of damages any specific claimant is entitled to receive from the \$750,000 settlement pool.

The Consent Decree also provides that the Larson Group implement a new "zero tolerance" program to make it clear to all employees that racial harassment and discrimination will not be tolerated under any circumstances. The company will conduct training regarding its anti-discrimination policies and procedures, and provide regular reports to EEOC regarding compliance with the Consent Decree. In addition, the settlement provides for a Consent Decree Monitor, an outside person who will have broad powers to ensure that the Larson Group implements revised procedures and training programs and to monitor the investigation and resolution of complaints alleging violations of the "zero tolerance" policy. The Court retains jurisdiction over this matter for the duration of the Consent Decree.

"The resolution reached in this matter will ensure that African-American workers are recognized for their contributions, are afforded equal employment opportunities, and are treated with respect and dignity," said Jeanette Leino, Director of EEOC's Seattle office. "There is no justification to subject employees to racially

offensive language and insults in the workplace. Employers should remember that such unlawful conduct negatively affects their bottom line by causing a loss of productivity, morale, and loyalty among their workforce."

Racial harassment charges filed with EEOC have more than doubled over the past decade from 2,849 charge filings in Fiscal Year 1991 to 6,585 charge filings in FY 2000, about 11% of all charges filed with the agency. Racial harassment is a form of race discrimination which includes racial jokes, ethnic slurs, offensive or derogatory comments, or other verbal or physical conduct based on an individual's race or color. Such conduct may create an intimidating, hostile, or offensive working environment, or interfere with the individual's work performance, in violation of Title VII of the Civil Rights Act of 1964.

In addition to Title VII, which prohibits employment discrimination based on race, color, religion, sex or national origin, 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. Additional information about the Commission is available on the agency's web site at www.eeoc.gov.

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