

The U.S. Equal Employment Opportunity Commission

[Notice Regarding Payments Due to Sako Corporation](#)

FOR IMMEDIATE RELEASE:
April 25, 2005

CONTACT:

Joan Ehrlich, District Director
(415) 625-5611 cell (415) 238-0973
William R. Tamayo, Regional Attorney
(415) 625-5645 cell (415) 336-8805
David Offen-Brown, Supervisory Trial Attorney
(415) 625-5652
Wilfredo Tungol, Trial Attorney
(808) 541-3121

EEOC OBTAINS MILLION DOLLAR JUDGMENT AGAINST SAIPAN GARMENT CONTRACTOR SAKO CORP.

Federal Agency Alleged National Origin Bias

SAIPAN, Commonwealth of the Northern Mariana Islands - The U.S. Equal Employment Opportunity Commission (EEOC) was granted a judgment on April 19, 2005 for \$1,087,337 against Sako Corporation, a Saipan-based garment factory that sewed clothing for various U.S. retailers as well as sub-contracted work for other Saipan garment manufacturers. This judgment came out of the third federal discrimination lawsuit filed by the EEOC against Sako. In the suit (CV04-0025) filed on September 16, 2004 in the U.S. District Court of the Mariana Islands, the EEOC alleged that Sako failed to renew its yearly employment contracts with longstanding Filipino, Thai and Bangladeshi garment workers, and instead hired Chinese workers in their place.

According to the investigation by the EEOC's Honolulu Office, approximately 100 workers lost their jobs due to their national origin. Previously, Sako had routinely renewed the employment contracts for these workers, most of whom had worked for the factory for over five years. Beginning in July 2001, Sako began notifying these individuals that their employment contracts would not be renewed, citing business necessity as the reason for their loss of jobs. However, Sako brought in replacement workers, primarily less experienced workers from the People's Republic of China.

The majority of the workers impacted were Filipino sewers, but also included Thai sewers, cutters, and general workers as well as Bangladeshi guards, ironers, and packers. These non-citizen workers were recruited by Sako to work in its factory in Saipan. Most were paid \$3.15 per hour, barely ten cents over the Commonwealth minimum hourly wage of \$3.05 per hour.

After EEOC sued Sako, the company failed to provide a response to the lawsuit, and U.S. District Court Judge Alex R. Munson rendered a judgement in favor of the EEOC in the amount of \$1,087,337.

As a U.S. Commonwealth, the chain of fourteen islands in the Western Pacific Ocean that make up the Northern Mariana Islands is self-governing, setting its own minimum wage and its own immigration laws. The federal anti-discrimination laws, however, apply to the CNMI. The majority of the CNMI's population are non-citizen workers, and the garment industry employs a substantial number of these workers.

According to William Tamayo, who authorized the lawsuit as Regional Attorney for EEOC's San Francisco District Office, "National origin discrimination is one of the fastest growing types of charge filings with EEOC nationwide, increasing over 20% since the mid-1990's from 7,035 in FY1995 to 8,450 in FY2003. 8,361 charges were received in FY2004 indicating that there is still a major problem. With this judgment, we remind companies that the law strictly prohibits targeting employees due to their national origin."

He continued, "It is unfortunate that Sako did not learn its lesson from prior experience," referring to the two lawsuits EEOC previously filed against Sako, for pregnancy discrimination and retaliation. As part of the settlement that resolved the EEOC lawsuits in 2000, Sako agreed to an anti-discrimination training program on preventing sex discrimination and retaliation and to be monitored by EEOC for three years, a term which ended before the current violations.

EEOC's San Francisco District Director Joan Ehrlich said, "In view of the important role of immigrant workers in the CNMI and the U.S., it is critical that we enforce the federal law. Employment opportunity should be based on merit and experience, and not nation of origin."

The EEOC enforces Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex, and national origin; the Age Discrimination in Employment Act of 1967, which protects workers age 40 and older from discrimination based on age; the Equal Pay Act of 1963, which prohibits gender-based wage discrimination; the Rehabilitation Act of 1973, which prohibits employment discrimination against people with disabilities in the federal sector; 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; and sections of the Civil Rights Act of 1991.

The EEOC San Francisco District has jurisdiction over Northern and Central California, Hawaii, Commonwealth of Northern Mariana Islands, Guam, American Samoa and Wake Island For more information about the Commission, please visit www.eeoc.gov.

This page was last modified on April 25, 2005.



[Return to Home Page](#)