

The U.S. Equal Employment Opportunity Commission

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CONTACT: Anna Y. Park
EEOC Regional Attorney
(213) 894-1080

Dana C. Johnson
EEOC Trial Attorney
(213) 894-1079
TTY: (213) 894-1121

Antonio Lawson
Private Plaintiffs' Attorney
(510) 419-0940

Michael J. Harrison
VP and General Counsel
Danone Waters
(203) 229-7029

COURT APPROVES \$1.2 MILLION SETTLEMENT BETWEEN EEOC AND MCKESSON FOR RACE DISCRIMINATION

LOS ANGELES - The U.S. Equal Employment Opportunity Commission (EEOC) today announced that a federal court has approved a \$1,245,000 settlement of a class action race discrimination lawsuit brought by EEOC and private counsel against McKesson Water Products Company and Groupe Danone (which acquired McKesson in 2000). The suit was filed under Title VII OF the Civil Rights Act of 1964.

Judge Florence Marie Cooper of the U.S. District Court for the Central District of California approved the Consent Decree on February 13, 2002, providing for payment of the damages to the class members and eight of the individuals who originally brought the charges to the EEOC in 1998. In addition to the monetary compensation, the settlement, (Case No. CV 01-09496 FMC PJWx), also provides for wide-ranging injunctive relief, including the implementation of company anti-discrimination policies and procedures; the provision of training on equal employment opportunity law; the institution of a formal job bidding system; and the development and implementation of improved criteria for determining route assignments, compensation, promotions, and performance evaluations.

"There are tremendous positives that have come out of the settlement of this case," said EEOC Chair Cari M. Dominguez. "The company can now turn its attention to further preventing and eliminating workplace barriers - both organizational or attitudinal - that obstruct fair and free competition in the workplace."

The EEOC initiated an investigation of McKesson in 1998 when Steven Crutchfield and several other African-American employees filed charges of discrimination with the Commission alleging that they had suffered racial discrimination at the drinking water processing and delivery company.

Specifically, they charged that McKesson had paid African-American drivers less and increased their compensation at a slower rate than white drivers. They claimed that McKesson assigned African-American drivers to routes in low-income neighborhoods, which were often less profitable than routes in affluent communities. Because pay and promotion were tied to the profitability of the routes, the African-American drivers received lower compensation and fewer promotions than those assigned to the affluent areas.

"Black drivers understood that they would work the so-called 'ghetto routes' while Beverly Hills would be handled by white drivers," said Antonio Lawson, private attorney for the drivers who filed the charges. "After many years of job segregation, they decided enough was enough."

Based upon its investigation, the EEOC joined with Lawson, the Pasadena firm of Traber & Voorhees, and Berkeley-based The Impact Fund, a non-profit civil rights law firm, to pursue the class action lawsuit against McKesson. Lawson and the EEOC will monitor the provision of injunctive relief for the duration of the five-year consent decree.

"In addition to providing a substantial amount of monetary relief to the victims, the settlement puts in place extensive mechanisms to further improve the company's workplace policies and practices," said Olophius Perry, Acting Director of the EEOC's Los Angeles District Office, which is handling the case. "The monitoring provisions of the consent decree will allow the Commission to work collaboratively and proactively with the company over the next five years to prevent discrimination."

EEOC Regional Attorney Anna Y. Park pointed out the smooth cooperation between the EEOC and private counsel in prosecuting the suit: "The Commission congratulates the employees and their private counsel, as well as counsel for

Danone. We believe that Danone, which inherited McKesson's problems, is committed to a policy of non-discrimination. During the next five years, we will work with private counsel and Danone to ensure that the procedures put in place by this Consent Decree will be administered properly."

Michael Harrison, Vice President and General Counsel for Danone North America, who led the negotiations for Danone, remarked: "We are committed to working closely with the EEOC in successfully implementing the settlement agreement. We look forward to moving ahead with Danone's culture and values to ensure that our company is a great place to work for all employees."

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, which protects workers 40 and older from discrimination based on age; 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 the agency's Web site at www.eeoc.gov.

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