

- **EEOC v. Earl Scheib, Inc., d/b/a Earl Scheib Paint & Body**

No. 03-cv-1934-BTM/BLM (S.D. Cal. Aug. 30, 2004)

The Los Angeles District Office filed this Title VII class suit, alleging race discrimination and retaliation at defendant's San Diego-area auto paint and body shop stores. Defendant operates 122 auto paint and body shops in more than 100 cities nationwide, including 50 shops in Southern California. The district office asserted that two black charging parties endured racial harassment by white coworkers, including the wife of a white district manager. Los Angeles alleged that another white district manager used racial slurs such as "nigger" and "boy" when referring to African American employees and led a campaign of race-based discrimination and retaliation, that included disparate discipline, placement in less desirable stores, and forced demotions and reassignments, especially after the two charging parties filed complaints with the EEOC. One of the charging parties was discharged and the other was constructively discharged. Lastly, the district office alleged that defendant retaliated against a white store manager and an Hispanic employee by disciplining them, demoting them, cutting the Hispanic employee's wages, and then forcing them out because they complained about or refused to participate in the racial harassment and discrimination directed at black employees.

The case was resolved by a three-year consent decree, applicable to defendant's San Diego County facilities, that requires defendant to pay a total of \$375,000: \$295,000 to five former employees and \$80,000 to a class fund for individuals employed from September 1, 2000, to December 31, 2003, who were subjected to discrimination on the basis of race, African American, or to unlawful retaliation. Using an outside EEO consultant, defendant is to develop procedures for handling and tracking complaints of discrimination, harassment, and retaliation; revise and implement anti-harassment and anti-discrimination policies; and train managerial and hourly employees about their rights and responsibilities under Title VII on annual basis.