

*The U.S. Equal Employment Opportunity Commission*

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## EEOC SETTLES DISCRIMINATION SUIT AGAINST CARL BUDDIG FOR \$2.5 MILLION

### ***Federal Court Order Also Mandates Bias-Free Hiring At Leading Chicago-Area Meat Processor***

CHICAGO - The U.S. Equal Employment Opportunity Commission (EEOC) announced this morning that a federal judge in Chicago has entered a \$2.5 million Consent Decree ending two and one-half years of litigation by the EEOC against major meat processing company Carl Buddig & Company of South Suburban Homewood, Ill.

The EEOC's lawsuit, which was filed March 28, 2002, alleged that Buddig had excluded blacks from its meat processing plants in the Morgan Park neighborhood of Chicago and in South Holland, Ill., during the 1990s, and that women factory workers were hired into only one lower-paying job. Buddig, with over \$100 million in sales in 2003, operates three plants and its products are known under the brand names Old Wisconsin, Country Cupboard and Wisconsin Maid as well as Carl Buddig.

In addition to providing for the distribution of \$2.5 million in monetary relief to the victims of discrimination, the Consent Decree enjoins the company from discriminating in the future and mandates the hiring of certain claimants who come forward and still want jobs at Buddig. The EEOC said that in the range of 300 black and female class members may receive relief under the Decree.

Eric Dreiband, the General Counsel of the EEOC, speaking at EEOC Headquarters in Washington, D.C., said, "The Consent Decree in this Buddig case goes to the heart of what we do as an agency. With the cooperation of the employer, the challenged hiring practices have been corrected, the employment discrimination suffered by African Americans and women in the past is being remedied, and measures to assure bias-free hiring in the future are now in place."

The General Counsel's comments were echoed by John Rowe, Director of the EEOC Chicago District Office, who stated, "We are pleased with the way this case has worked out. Buddig began improving its hiring practices during our investigation and continued to do so during the litigation."

Rowe added: "Now the company has joined with us in putting together a Consent Decree which the federal court has entered. The Decree will compensate and provide jobs for victims of the past discrimination, and make certain that the company's employment practices going forward comply with federal anti-discrimination laws. This is a winning combination for everyone."

Rowe noted that the Decree's measures designed to prevent future discrimination include a hiring relief component that Buddig alternate hiring between its normal applicant pool and a list of qualified claimants. In addition, the company will recruit from schools in the area of its plants and periodically report to the EEOC.

The claims process under which the \$2.5 million will be distributed to class members will be administered by the EEOC subject to the supervision of the court. Class members eligible to participate in the claims process were identified during pre-trial discovery prior to the Court's entry of the Consent Decree.

The Consent Decree was entered September 2, 2004, by District Judge Samuel Der-Yeghiayan of the United States District Court for the Northern District of Illinois in Chicago, and copies are being mailed to the parties. The EEOC's lawsuit, EEOC v. Carl Buddig & Co., N.D. Illinois No. 02 C 2240, was filed under Title VII of the Civil Rights Act of 1964 after the agency exhausted its efforts to voluntarily conciliate the matter with the company.

The EEOC brought its lawsuit, according to John Hendrickson, EEOC Regional Attorney in Chicago, because its administrative investigation had revealed that substantial numbers of African Americans were applying for jobs but were rarely hired at Buddig, and that women who were hired were being steered to the lowest-paying jobs. "Our expectation," Hendrickson said, "is that today's Consent Decree memorializes the end of this kind of discrimination at Buddig. The company had done the right thing in providing for monetary and hiring relief and in agreeing to bias-free hiring processes. We are pleased to have partnered with Buddig in getting today's Consent Decree in place, and we have confidence in the company's determination to implement it."

Ethan Cohen, the EEOC trial attorney who led the government litigation effort, said that it appeared Buddig had experienced discrimination problems at least in part because of a reliance on employee referrals in making hiring decisions. "It's important that employers realize that while there are arguably some benefits to using employee referrals when hiring, if the process leads applicants or hires who all share the same race or ethnicity, an employer may be steering into rocky waters." Cohen added, "Buddig has demonstrated that whatever their histories, companies can move away from such practices and successfully develop a more diverse applicant pool and workforce."

In addition to enforcing Title VII, which prohibits employment discrimination based on race, color, religion, sex (including sexual harassment or pregnancy) or national origin and protects employees who complain about such offenses from retaliation, the EEOC enforces the Age Discrimination in Employment Act of 1967 (ADEA), 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 of 1990 (ADA), 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. 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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*This page was last modified on September 7, 2004.*



[Return to Home Page](#)