

The U.S. Equal Employment Opportunity Commission

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COURT GIVES FINAL APPROVAL TO \$47 MILLION SETTLEMENT IN SEX DISCRIMINATION SUITS AGAINST RENT-A-CENTER BY EEOC AND PRIVATE PLAINTIFFS

Thousands of Women to Receive Money and Jobs, New Human Resources Department to be Created

ST. LOUIS - The U.S. Equal Employment Opportunity Commission (EEOC) today announced that Judge David Herndon of the U.S. District Court for the Southern District of Illinois granted final approval to a \$47,000,000 landmark agreement reached by attorneys for a class of over 5,000 women, the EEOC, and Rent-A-Center (RAC) to settle two major lawsuits alleging class-wide sex discrimination. The parties estimate that under the terms of the settlement, RAC will offer jobs to more than 1,100 women who had claimed sex discrimination under Title VII of the Civil Rights Act of 1964. Rent-A-Center, based in Plano, Texas, is the nation's largest rent to own company with over 2,200 stores.

Since the parties reached their historic agreement in principle last spring, they have been negotiating over the specifics of changes necessary to stop the conduct that gave rise to the two lawsuits (*Wilfong et al. and EEOC v. Rent-A-Center and EEOC v. Rent-A-Center*). The parties' agreement, reached in June 2002, is intended to institutionalize systems including creating a new human resources department where none existed before that will help Rent-A-Center prevent future sex discrimination in employment.

"Rent-A-Center is to be commended for taking the first steps on the path toward equal opportunity for all female employees and applicants," said EEOC Chair Cari M. Dominguez. "This historic reshaping of a business with the shared goals of access, inclusion, and opportunity for women is the result of intense and cooperative negotiations. The message for employers is clear: All individuals deserve the freedom to compete and advance in the workplace on a level playing field without discriminatory barriers."

Rent-A-Center has until December 5, 2002, to transfer \$47,000,000 in settlement funds that will be disbursed to women who claimed they were fired or forced out after the company was acquired by Renter's Choice in 1998. Payments will also be made to women who claimed they were denied promotions or were demoted, and to women who made claims of sexual harassment on the job. Over 4,600 women who made such claims will receive monetary benefits.

Since the settlement received preliminary approval by Judge Herndon, 26,728 claim forms were sent to women who are current or former employees, and to women who were known to have applied for work but been rejected for hire. In addition to significant monetary relief, the settlement provides for:

- Measures to regularly educate the company workforce, including managers, on the prevention of employment discrimination;
- Penalties for managers who discriminate against women;
- Creation of a hotline to report violations of company policy;
- New policies that will attempt to undo some of the damage done in the early years after Renter's Choice took over Rent-A-Center; and
- Videotaped messages from the company's President and CEO acknowledging the serious allegations of sex discrimination made against the company, setting a new course for RAC that includes welcoming women into the workforce, and warning of penalties for future sex discrimination by managers and employees.

The EEOC noted that even before the court gave final approval to the settlement, RAC began implementing the agreed changes. Among other things, RAC hired Jennifer Wisdom as its new Vice- President to oversee human resources. Ms. Wisdom is a member of The Society for Human Resource Management (SHRM), a national organization based in Alexandria, Virginia, that represents HR managers, executives, and professionals.

The plaintiffs in *Wilfong* are represented by the law firms of Sedey & Ray and Schlichter, Bogard & Denton of St. Louis. Mary Anne Sedey of Sedey & Ray said: "This settlement is a genuine win for everyone. Rent-A-Center will benefit from the contributions that thousands of talented women employees will make, and from the new policies and programs mandated by the Consent Decree. Women employees and applicants will have the opportunity to work in well paid positions in an environment that welcomes their contributions."

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; the Equal Pay Act; Titles I of the Americans with Disabilities Act, which prohibits discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal sector; and sections of the Civil Rights Act of 1991. Further information about the EEOC is available on the agency's Web site at www.eeoc.gov.

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