

The U.S. Equal Employment Opportunity Commission

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MITSUBISHI MOTOR MANUFACTURING AND EEOC REACH VOLUNTARY AGREEMENT TO SETTLE HARASSMENT SUIT

NORMAL AND CHICAGO, ILL. -- Mitsubishi Motor Manufacturing of America, Inc. (MMMA) and the U.S. Equal Employment Opportunity Commission (EEOC) announced today that they have reached a \$34 million settlement, subject to court approval, that resolves all claims in the lawsuit filed on April 9, 1996, by the EEOC on behalf of a class of current and former MMMA employees who were subjected to an alleged pattern and practice of sexual harassment at MMMA's Normal, Illinois, manufacturing plant since 1990.

The terms of the settlement are in a [proposed Consent Decree](#) to be submitted to the U.S. District Court for the Central District of Illinois, and will be in effect for three years from the date of final Court approval.

At the joint request of the parties, U.S. District Court Judge Joe Billy McDade appointed a "special master," Judge Abner Mikva, on April 16, 1998, to facilitate settlement discussion which led to the proposed Consent Decree.

Judge Mikva said: "This is a fair settlement designed to accelerate the creation of a workplace that is free of sexual harassment. The lawyers representing Mitsubishi and the EEOC did an outstanding job of representing their interests. They insisted on principle, but recognized the need to find common ground. This is a win-win situation for the company, for the EEOC and, most of all, for the employees."

Kohei Ikuta, Executive Vice-President of MMMA, said: "MMMA and the EEOC share the same goal -- to have a harassment-free workplace for our employees. Over the last 20 months, we have been instituting best practices and training programs to further our commitment to address and prevent harassment in the workplace."

Mr. Ikuta continued: "With today's settlement, our company takes significant further steps to accelerate the progress toward the type of workplace environment we have been working to create, free of harassment or discrimination of any kind. We are moving forward -- women and men, management and employees -- to work together to have the best possible workplace and to build the best cars possible for our customers.

"We want to reaffirm today what we have said previously: we have had problems involving sexual harassment which required correction and we extend our sincere regret to any woman who has been harmed. But today we are moving forward. The goal of today's settlement with the EEOC is to enhance our commitment that our workplace environment achieves our goal of zero tolerance of sexual harassment. We acknowledge and respect the EEOC's authority to pursue equal employment opportunity and we look forward to working with the EEOC as a partner in our progress."

Paul M. Igasaki, Chairman of the EEOC, said: "The people of the United States have looked to all of their institutions -- the government, our employers, and our labor unions -- to act decisively to stop the serious problem of sexual harassment. By now agreeing to pay \$34 million, the largest amount ever paid in resolution of a sexual harassment case, and to work with the panel of Decree Monitors, MMMA is demonstrating that it stands ready to so act. Perhaps the most important aspect of this settlement is what happens from this day forward. On that score, I am hopeful that with continued effort and vigilance the problems at Mitsubishi will be a thing of the past."

Karsuhiko Kawasoe, President of Mitsubishi Motors Corporation, the parent company of MMMA, said: "We are pleased that MMMA has reached a resolution with the EEOC in this matter. This is the right business decision in order to be able to move forward. We support MMMA's future efforts in working with the EEOC to carry out the terms of the Consent Decree."

EEOC General Counsel C. Gregory Stewart said: "The importance of the injunctive, non-monetary relief elements of this settlement -- whether the monitors, the 'zero tolerance' policy, the training, or other items -- cannot be overestimated. We have all been around too long to believe that anything is absolutely certain, but we at EEOC

are optimistic that MMMA's agreement to the terms of the proposed Consent Decree announced today will make concrete differences in the day to day life of the dedicated line workers at Mitsubishi. If we are right about this, then the consequences for both the mission of our agency and the objectives of the business community can be huge."

John C. Hendrickson, EEOC's Regional Attorney in Chicago and lead counsel for the government, said: "The litigation of this case and the negotiations which produced today's settlement have been as tough and rigorous as any I have experienced. But just as the heat of fire tempers the strongest steel, the rigor of this litigation has forged a decree with real strength."

Hendrickson added: "It provides immediate compensation to women who suffered discrimination, it provides protection for them inside the work place, and it ensures fairness and cooperation and dignity for everybody on the line at Mitsubishi. These are the things that the federal employment discrimination laws and the public interest are all about. This is a good result."

According to the proposed Consent Decree, MMMA will pay \$34 million, which will be distributed among all eligible claimants, as defined in the proposed Consent Decree. In the proposed Consent Decree, which MMMA entered into voluntarily and which formally enjoins MMMA, the Company agreed that it will revise as necessary its existing sexual harassment policy and complaint procedure to ensure that it continues to encourage employees to come forward with complaints about violations of MMMA's Statement of Zero-Tolerance Policy and Equality Objectives. MMMA further agrees that it will continue its best efforts to investigate all complaints of sexual harassment within three weeks and prepare its written findings of the results of each investigation and remedial actions proposed seven days thereafter. As part of the settlement, MMMA will continue to provide mandatory sexual harassment training to employees.

The Company has voluntarily agreed to the appointment of a three-person panel of Decree Monitors to oversee the execution of the steps included in the settlement for the duration of the proposed Consent Decree. The Decree Monitors will work as a team to review the policies and practices to ensure that they meet MMMA's Statement of Zero-Tolerance Policy and Equality Objectives. The Decree Monitors will complete their review and evaluation within one year after their appointment and will provide continuing review and evaluation of ongoing employment policies and practices related to the Zero-Tolerance Policy and will provide a final written report to MMMA, the EEOC, and the Court.

Additionally, one of the three Decree Monitors will serve as the Complaint Monitor who will monitor, for the duration of the proposed Consent Decree, the investigation and resolution of complaints alleging violations of MMMA's sexual harassment policy.

Mitsubishi Motor Manufacturing of America, Inc., a subsidiary of Mitsubishi Motors Corporation, manufactures the Mitsubishi Eclipse, Eclipse Spyder convertible and Galant, and the Dodge Avenger and Chrysler Sebring.

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, which prohibits discrimination against individuals 40 years of age or older; sections of the Civil Rights Act of 1991; the Equal Pay Act; Title I of the Americans with Disabilities Act, which prohibits discrimination against people with disabilities in the private sector and state and local governments; and the Rehabilitation Act's prohibitions against disability discrimination in the federal government.

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