

The U.S. Equal Employment Opportunity Commission

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EEOC AND EAGLE GLOBAL LOGISTICS SETTLE EMPLOYMENT DISCRIMINATION LAWSUIT WITH \$9 MILLION CONSENT DECREE

Voluntary Agreement Resolves Allegations of Discrimination

HOUSTON -- The United States Equal Employment Opportunity Commission and Eagle Global Logistics f/k/a Eagle U.S.A. Airfreight, Inc., announced today that they have reached a \$9,000,000 voluntary settlement which has been submitted for approval by U.S. District Court Judge Lynn Hughes in Houston, Texas. The settlement through a Consent Decree avoids protracted litigation by the EEOC on behalf of a class of African-Americans, Hispanics, and female employees and applicants who were allegedly subjected to race, gender, age, national origin discrimination, and harassment on the basis of sex and retaliation.

In the Commission's Intervention Complaint and the Amended Complaint, the EEOC alleged that Eagle violated Title VII, Equal Pay Act and the Age Discrimination in Employment Act by: failing and or refusing to promote African-Americans, Hispanics, and female employees into managerial and sales positions; failing and/or refusing to recruit and hire these same groups into warehouse, delivery, and truck driver positions, demoting females from managerial positions; imposing disparate discipline to African-Americans, Hispanics, and female employees; maintaining a hostile working environment against African-Americans, Hispanics, and females with respect to terms, conditions, and privileges of employment; by failing to adequately investigate incidents of sexual and gender harassment; by failing to maintain proper records regarding applicants for employment positions with Eagle; paying African-Americans, Hispanics and female employees less than Caucasian and/or male employees for performing similar or comparable work; and by discriminating against older female and older African-American employees and applicants for employment. Eagle has denied the allegations made by the EEOC.

Under the Consent Decree, which will be enforced over the next three years, Eagle will pay a sum of \$8,500,000 for back pay and damages to be allocated to the class members, which consist of African-Americans, Hispanics, and female employees employed by Eagle at any time between December 1, 1995 and December 30, 2000, and former applicants who sought employment at Eagle during the period December 1, 1995 to December 31, 2000. All claimants who assert claims for compensation under the Decree must complete and return a claim form to the claims administrator.

In addition, Eagle will pay \$500,000 to establish a Leadership Development Program. This Program is intended by Eagle and EEOC to benefit minorities and women by preparing them for leadership roles in employment at Eagle. The Program will include the distribution of funds to set up scholarships and facilitate other educational and advancement opportunities for current and prospective Eagle employees.

Eagle also agreed to continue vigorous enforcement of its existing sexual harassment policy and policy prohibiting discrimination. Eagle has agreed to provide annual mandatory training to all supervisors concerning the avoidance of harassment and discrimination (by reason of age, sex, gender, national origin and/or race) and the investigation of complaints of harassment and discrimination; to provide mandatory harassment training to all new employees during employee orientation; to provide mandatory harassment training to all new senior management officials and to provide training to all persons charged with handling complaints of age, race, national origin, gender and/or sexual harassment, sex-based harassment and/or retaliation to educate them on recognizing harassment and discrimination in the workplace and the techniques for investigating and eliminating it.

Katharine W. Kores, EEOC Regional Attorney, said: "This is a fair and equitable settlement for the EEOC and Eagle. This settlement will help to foster a work environment that is free of race, age, sex, national origin, and sex-based harassment and retaliation. It not only provides relief for past discrimination but also an opportunity for qualified African-Americans, Hispanics and females employees to advance in the future with Eagle. In the current economy, it is particularly important to get appropriate relief to victims of discrimination promptly. This settlement allows us to accomplish our mission and avoid protracted and costly litigation."

Jim Crane, Chief Executive Officer for Eagle, stated: "This settlement represents our real commitment to our employees, and, specifically, our ongoing commitment to a productive work environment free of discrimination . Eagle does not and will not tolerate discrimination or harassment in the workplace on the basis of race, age, national origin, gender, nor does Eagle tolerate retaliation against those who might complain of discrimination. While we continue to deny the EEOC's allegations, we feel that it is in the best interest of our Company and its future to resolve this matter at this time in a productive, forward-looking manner. In this regard, and in an effort to provide educational and development opportunities to qualified current and prospective female and minority employees, Eagle has proposed as a part of this resolution with the EEOC, the creation of a Leadership Development Program. Through this Program, we hope to increase the pool of qualified individuals within Eagle for potential advancement at the Company. We also hope to provide meaningful work experience for female and minority students in high school and college in an effort to encourage them to pursue careers with Eagle or other employers in the transportation industry."

The EEOC enforces Title I of the Americans with Disabilities Act of 1990, which prohibits discrimination against people with disabilities in the private sector and state and local governments, Title VII of the Civil Rights Act of 1964 and Title I of the Civil Rights Act of 1991, which prohibits discrimination based on race, color, religion, sex, or national origin, the Age Discrimination in Employment Act, the Equal Pay Act, and disability discrimination in the federal sector. Further information about the Commission is available on its Web site at www.eeoc.gov.

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