



## Automotive Supplier Pays Heavy Price In EEOC Settlement

Insights

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*(Labor Letter, May 2010)*

A recent settlement of a complaint alleging sexual harassment, disability discrimination, and retaliation brought against an automobile supplier illustrates the potential liability for employers who even arguably violate the law. An automotive supplier agreed to pay \$388,500 to a former female employee, and an additional \$40,000 to two other plaintiffs to settle these charges. *EEOC v. Eagle Wings Indus. Inc.*

### **Sordid Charges**

Kimberly Bridgman alleged that Eagle Wings Industrials had subjected her and a class of female employees to harassment because of their sex. The alleged comments were certainly lewd and included a request for oral sex in exchange for a transfer.

According to the EEOC, the harassing conduct caused Bridgman to take disability leave between January 2006 and September 2006. When the conduct continued, she claimed that she was forced to go on disability leave again. Eagle Wings then refused to reinstate her unless she agreed to undergo a battery of psychological examinations. She then claimed to be constructively discharged after she refused to submit to the examinations, which she claims were intimidating and clearly violated the Americans with Disabilities Act.

Eagle Wings chose to settle the matter and enter into what is called a Consent Decree.

### **The Cost Beyond The Money**

A troubling aspect of the settlement from the employer's perspective is not only the cost associated with settling the matter but also the additional requirements set forth in the Consent Decree, which imposed onerous recordkeeping, reporting, and training requirements.

As to recordkeeping, the Consent Decree states that for a period of two years, Eagle Wings must maintain and make available for inspection and copying by EEOC, records (including names, addresses, and telephone numbers) of each employee or applicant who complains of sexual harassment or disability discrimination. The decree also requires the company to maintain such records whether such report or complaint is made formally or informally. Such records shall include the name of the complainant, the date of the report or complaint, what was alleged, the

name(s) of any witnesses, what actions, if any, Eagle Wings took to resolve the complaint, and the resolution of the report or complaint.

As to reporting, Eagle Wings must submit semi-annual reports to the EEOC regarding its legal compliance. Additional training is also required – the company must provide annually for two years, EEOC-approved training on sexual harassment, disability discrimination, retaliation, and Eagle Wings' policies regarding such discrimination.

### **More To Come?**

The lesson for employers is clear: employees, particularly supervisors, should be thoroughly and frequently trained on employment laws, particularly harassment law, and complaints should be taken very seriously. While training may not be able to correct all unlawful behavior, it could help limit liability. And it's better to engage in training on the front end than on the back end.

And note that the case was prosecuted by the EEOC on behalf of the employee, which is not typical. But the EEOC has recently received a large amount of additional funding from the Obama administration, and we expect that this trend of vigorous prosecution from the EEOC on behalf of individual plaintiffs will only increase.

### ***Related People***

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