



# **EEOC Sues Dell for Allegedly Violating Equal Pay Laws**

Insights

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The EEOC recently sued Dell, Inc. for alleged violations of the Equal Pay Act (EPA) and Title VII of the Civil Rights Act of 1964, both of which prohibit discrimination in compensation on the basis of sex. According to the EEOC's Complaint, Dell retained an IT analyst from a company it acquired, but paid her less than a male counterpart performing work requiring substantially the same skill, effort and responsibility. This case serves as a reminder to employers to be vigilant about pay equity when retaining new employees as part of a corporate acquisition or otherwise.

## **The Complaint**

In the Complaint, filed in the federal court in Dallas, the EEOC alleges that Dell hired IT Analyst Kea Golden in September 2017 but since that time has paid her lower wages than a male colleague for equal work. Golden, who had 24 years of IT experience, previously worked for American International Group (AIG) in the storage department. Dell acquired AIG's storage department which was comprised of four IT workers, including Golden and three male employees.

Golden and her male colleagues began working for Dell in September 2017 and the Complaint alleges Golden performed the same tasks, assignments, and work as her male co-worker David Torres. Dell hired Golden at a pay rate of \$72,100 per year with a 5% bonus potential, and hired Torres at a pay rate of \$89,610 per year with an 8% bonus potential. Golden received a small merit increase in October 2018 but her salary was still well below Torres' despite the fact that she alleges that the work she performed required equal skill, effort, and responsibility under similar working conditions as Torres. According to the EEOC, Golden complained to Dell but it failed to correct the pay inequity.

The lawsuit was just recently filed, and we don't yet have the employer's response to these allegations. Of course, there are always two sides to every story – and it could turn out that Dell has a perfectly acceptable defense to these claims. But even if Dell ultimately wins the legal claim, the Complaint still provides some eye-opening lessons for employers that can help your organization avoid similar problems.

## **Takeaways for Employers**

You should carefully review the skills and job duties of any employees retained pursuant to a corporate acquisition and ensure that established salaries for acquired employees do not result in any potentially unlawful wage gaps. Technology companies should be particularly vigilant and focused on pay equity concerns given the male-dominated nature of the tech industry. Further, if an

employee raises concerns about pay issues, you should investigate those issues and confer with counsel about appropriate next steps. Allowing inequitable pay practices to fester may ultimately land you in hot water, or in court.

## ***Service Focus***

Pay Equity and Transparency