

FP AUTO DEALER SNAPSHOT: IF YOU HAVEN'T BEEN FILING EEO-1 REPORTS, IT'S TIME TO RETHINK EVERYTHING – AND FAST

Insights
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If you've always thought your dealership couldn't face any *real* trouble for not filing your EEO-1 reports, it's time to think again. The feds just filed lawsuits against 15 employers across the country – including two dealerships – because they are alleged not to have filed the mandatory reports. This is the first time the EEOC has taken such a drastic step, and it means it's time for you to reconsider whether or not you should file your EEO-1s. And this is especially true right now since the current reporting deadline is coming up on June 4. Read on to find out what your dealership should know – and what it should do – given this pressing deadline.

Snapshot Look at Unprecedented Lawsuits

Most of you know that dealers with at least 100 employees need to submit employee demographic data by employee job category, as well as gender and race/ethnicity, on an annual basis. You do so by filing an EEO-1 report with the EEOC. But what happens when you don't file your EEO-1?

If you want to hear the full story about what could happen to you, [click here and read our Insight](#) summarizing the news. In a nutshell, the EEOC filed a series of lawsuits alleging that 15 employers did not submit mandatory EEO-1 reports in reporting years 2021 and 2022. This is the first time the federal watchdog agency has ever done something like this. It asked the courts to force the employers to file the missing EEO-1 reports – and to issue orders requiring them to do so in the future.

Time to Rethink Everything

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You may have heard that failure to file EEO-1 reports is not that big of deal. You may have heard that there are no penalties for not filing. You may have also weighed the risk and decided that you didn't want to turn over information about your workplace to the federal government, especially since the data could become public and land in the arms of your competitors or others.

Time to rethink everything.

Now that the EEOC has shown it is taking things seriously, you need to determine whether you want to run the risk of being the next target of a federal lawsuit. Besides facing a court order, you may also have to pay EEOC's attorneys' fees, court costs – not to mention the expense of hiring your own attorneys to defend the case.

And lawsuits filed by the EEOC (and almost always any settlements that are negotiated) are matters of public record. They could be in the local media, your employees and customers could learn about them, and it could harm your reputation and business relationships.

Counting to 100 Isn't Always a Simple Task

Some dealerships may wonder whether they have 100 employees and are subject to EEO-1 reporting at all. Unfortunately, counting to 100 comes with special rules and can be especially tricky for dealers with interrelated stores.

You must consider whether you own, are owned by, and/or are affiliated or associated with another employer (*for example, if there is interrelation between operations*) – or whether there is centralized or common ownership, control, or management so that the group of employers constitutes a single enterprise and/or integrated enterprise – to determine whether you have 100 or more employees.

If you have questions about whether you have 100 employees under these complex rules, reach out to your Fisher Phillips attorney.

What Should You Do? Follow These 5 Steps

If you haven't filed your 2023 EEO-1 reports, you are reading this in the nick of time. You have until June 4 to complete the process. [Read our five-step process here](#) to figure out how to get into compliance right away. And if you need help, call your Fisher Phillips attorney.

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Conclusion

We will continue to monitor workplace law developments as they apply to employers in the auto dealer industry, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox. If you have questions, contact your Fisher Phillips attorney, the authors of this Insight, or any attorney on [our Auto Dealership Team](#).