

The Risk is Real

Here are some examples of the damage that a single lawsuit can wreak on a small to mid-sized business.

Security Company Pays \$400,000 to Settle Sexual Harassment Lawsuit

Sexual Harassment

A male security officer sued a local security company claiming sexual harassment. The claimant alleged that a male manager would regularly and repeatedly sexually harass him by touching him on the chest and stomach while stating different sexual phrases to him. He further alleged that his employer failed to investigate or take any corrective action concerning his allegations. The employer did in fact investigate the claim, and the manager was eventually terminated. In some states, strict liability can apply to certain situations such as this, meaning the employer is liable for the actions of its managers, even if no one was aware that improper behavior was taking place. This matter cost the security company \$400,000 to resolve.

\$3.4 Million Awarded in Suit Against Consumer Retail Products Company

Gender Discrimination

A class action lawsuit was filed against a consumer retail products company. The claimants, all women, alleged that the corporation discriminated against them by requiring a strength test at its meat packing plant. According to the Equal Employment Opportunity Commission (EEOC), which filed the suit on behalf of the women, roughly 60 percent of women failed the test while nearly all men passed it. A jury found intentional discrimination and a U.S. district judge upheld the decision and awarded \$3.4 million in damages to the 52 plaintiffs.

Oil Change Franchise Pays \$299,000 to Settle Sexual Harassment Lawsuit

Sexual Harassment

An oil change franchise owner has agreed to pay \$299,000 to settle a sexual harassment lawsuit brought by three female employees through the EEOC. The lawsuit claimed supervisors and other employees at the franchise created a

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hostile work environment by making explicit sexual remarks and other egregious comments to female employees, two of whom were teenagers. One female employee also claimed that she was fired when she filed a complaint with the company.

Mortgage Company Hit with \$3 Million Lawsuit

Gender and Race Discrimination/Retaliation

Nine ex-employees of a mortgage company (working at three different locations) filed a lawsuit claiming gender discrimination, race discrimination and retaliation. The claimants alleged that throughout the course of their employment managers continually harassed them by calling them derogatory names and subjecting them to a hostile work environment. The claimants have demanded \$3 million to settle despite being unable to show any tangible damages.

Restaurant Settles Sexual Harassment Lawsuit

Sexual Harassment

A family restaurant paid two former waitresses \$43,000 to settle a federal lawsuit in which they accused the eatery's owner of sexual harassment. The owner denied the accusations saying he agreed to a mediated resolution for economic reasons. "A small person like me cannot fight a federal agency," he said. The EEOC brought the suit in 2002 on behalf of two teenage girls who were employed as waitresses at the popular restaurant.

Investment Firm Sued for Allegedly Firing Pregnant Receptionist

Pregnancy Discrimination

The EEOC sued an investment firm for allegedly firing a receptionist because of her pregnancy. The EEOC accused the securities company of terminating the receptionist because it sought to protect her from working during her pregnancy. When the company found out she was pregnant, it put her on several weeks of unpaid leave, said the EEOC lawyer in charge of the case. And after seeing her physician for a couple of visits in a short period, the receptionist was required by the securities company to bring a note from her doctor showing that she had been released to perform her duties. But each time she brought a note indicating she could work without restrictions, her boss said it wasn't good enough.

