



Date: February, 2008

A Compliance Check Newsletter

SUPREME NORTHWEST LLC TO PAY \$427,000 TO SETTLE EEOC NATIONAL ORIGIN DISCRIMINATION SUIT

Company's Plant Manager Harassed and Forced Out Hispanic Employees, Federal Agency Says

The U.S. Equal Employment Opportunity Commission (EEOC) recently announced that it has resolved its national origin discrimination lawsuit brought against Supreme Corporation and Supreme Northwest LLC for \$427,000 and other relief.

The EEOC had charged the Indiana-based automotive manufacturer harassed and subjected seven employees at its Woodburn, Ore., facility to disparate treatment (demotion, discriminatory termination, and/or involuntary resignation) by the plant manager because of their national origin, Hispanic/Mexican. The EEOC's suit was filed in the U.S. District Court for the District of Oregon.

Such alleged conduct violates Title VII of the Civil Rights Act of 1964. The EEOC filed suit after first attempting to reach a voluntary settlement.

As part of the settlement of the EEOC's claims, Supreme Northwest agreed to pay \$427,000; review its discrimination, harassment and retaliation policies; train its managers, supervisors and employees about prohibited harassment, discrimination and retaliation under Title VII; and provide information to the EEOC concerning its handling of harassment, discrimination and retaliation complaints for a period of three years.

One of the charging parties, Adriana Ortiz said, "I was really angry and offended at how the Hispanic workers were treated. The company would not listen to us and I thought no one would help us until we filed a claim with the federal government."

Supreme Corporation is a manufacturer of truck bodies, including dry freight and insulated bodies, cutaway and parcel delivery vans, stake bodies and buses. Supreme is based in Indiana; however, in early 2004, the company opened a production facility, Supreme Northwest, LLC, in Woodburn Ore., to service the Northwest truck body market. Supreme also has production facilities in California, Georgia, and Texas, and employs approximately 2,000 employees. About 100 of these employees are located in the Woodburn facility, where the violations occurred. The discrimination victims were

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hired to work as cleaners, general laborers on the production line, and quality control inspectors.

For additional information, go to www.eeoc.gov.

CVS Pharmacy Inc. agrees to pay more than \$226,000 in penalties and more than \$38,000 in back wages following investigation by U.S. Labor Department

Woonsocket-based CVS Pharmacy Inc. has agreed to pay the U.S. Department of Labor civil money penalties totaling \$226,598 and to pay 51 employees back wages totaling \$38,151 following an investigation by the department that revealed violations of the wage and youth employment provisions of the federal Fair Labor Standards Act (FLSA).

Previous investigations by the department's Wage and Hour Division had disclosed violations at some of the company's retail pharmacies, according to Corlis Sellers, the division's regional administrator for the Northeast. As a result, the division took a more comprehensive look at CVS locations throughout the Northeast this year. A total of 63 CVS stores, located in Connecticut, Rhode Island, Massachusetts, New Hampshire, New York, New Jersey, Maryland, Pennsylvania and Virginia, were checked for compliance with the FLSA.

The FLSA requires that covered workers be paid at least the federal minimum wage and one and one-half times their regular rates of pay for all hours worked over 40 in a single workweek. The law also requires employers to maintain adequate and accurate records of employees' wages, hours and other conditions of employment. Finally, the law strictly regulates the employment of young workers.

Among the findings of the investigation: 78 minors were found to have been exposed to the hazards of loading/unloading/operation of cardboard compactors/balers at various CVS locations; seven minors were found to have been employed in violation of the law's time standards; and 51 employees were found to be due a total of \$38,151 in back wages, mostly because of the improper editing of their timecards by store managers.

Of the 63 sites investigated, 43 stores had FLSA wage and/or youth employment violations. For the youth employment violations, the Wage and Hour Division has assessed CVS a total of \$215,378 and, for the wage violations, a total of \$11,220 in civil penalties.

As a result of this investigation, CVS Pharmacy Inc. has agreed to pay the back wages and penalties, and to make efforts to achieve full compliance with the FLSA at its more than 6,000 stores nationwide.