

## FedEx Agrees to Pay \$3 Million to Settle Hiring Claims

3/26/2012 By Allen Smith

The Office of Federal Contract Compliance Programs (OFCCP) persuaded FedEx to pay \$3 million to settle charges of hiring discrimination in an agreement that had the largest single financial settlement negotiated by the agency since 2004.

FedEx agreed to pay \$3 million in back wages and interest to 21,635 applicants rejected for entry-level package handler and parcel assistant positions at 22 FedEx Ground facilities and one FedEx SmartPost facility. FedEx also will extend job offers to 1,703 of these applicants.

The affected workers included men and women as well as black, white, Native American, Hispanic and Asian job seekers. FedEx's hiring processes allegedly violated Executive Order 11246 by discriminating on the basis of sex, race and/or national origin.

"Being a federal contractor is a privilege and means you absolutely, positively cannot discriminate, not when you are profiting from taxpayer dollars," said OFCCP Director Patricia Shiu in a March 22, 2012, release. "Under this agreement, FedEx will have to really examine and revamp its hiring practices across the entire company. The American people ought to have confidence that one of our nation's most trusted brands will not tolerate discrimination."

Greg Grant, an attorney with Shulman Rogers in Potomac, Md., remarked to SHRM Online that "FedEx is well run. If it can happen to them, it could happen to others."

The 22 FedEx Ground facilities where OFCCP found violations are in Sun Valley and Sacramento, Calif.; Tampa, Fla.; Ellenwood, Ga.; Carol Stream and Chicago, Ill.; Indianapolis and Jeffersonville, Ind.; Lenexa, Kan.; Livonia, Mich.; St. Paul, Minn.; South Hackensack, N.J.; Albany and Brooklyn, N.Y.; Greenville, N.C.; Addyston and Grove City, Ohio; Lewisberry, Pa.; Fort Worth, Houston and South Houston, Texas; and North Salt Lake City, Utah. OFCCP also conducted compliance evaluations at two FedEx Ground facilities in Phoenix and San Antonio but found no violations.

The FedEx SmartPost facility where OFCCP found violations is in Charlotte, N.C.

"We are committed to building an economy that lasts—one in which every qualified worker gets a fair shot to compete for jobs and every employer plays by the same set of rules," said Secretary of Labor

Hilda Solis in a statement. “This settlement is proof that we will aggressively protect workers, promote workplace diversity and enforce the laws governing federal contractors.”