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## EEOC And Walgreens Resolve Lawsuit

The U.S. Equal Employment Opportunity Commission (EEOC) recently announced a \$20 million proposed consent decree resolving a systemic race discrimination lawsuit against Walgreens, the Illinois-based national drug store chain.

The proposed settlement was filed with U.S. District Judge G. Patrick Murphy of the Southern District of Illinois, with a request for his preliminary approval. The EEOC's suit alleged that Walgreens discriminated against African American retail management and pharmacy employees in promotion, compensation and assignment. In addition to the monetary relief for an estimated 10,000 class members, the consent decree prohibits store assignments based on race. The decree is subject to final approval by Judge Murphy following a fairness hearing.

"We commend Walgreens for working cooperatively with us to reach an amicable settlement of this case without protracted litigation," EEOC Chair Earp said. "We believe this is a satisfactory resolution for all parties."

A lawsuit alleging similar claims was filed in the U.S. District Court for the Southern District of Illinois in June 2005 on behalf of 14 African American current and former Walgreens' employees by Foland, Wickens, Eisfelder, Roper & Hofer, Kansas City, Mo.; Spriggs Law Firm, Tallahassee, Fla.; and Goldstein, Demchak, Baller, Borgen & Dardarian, Oakland, Calif. Walgreens denied each of the allegations made by the private plaintiffs and the EEOC. The two cases were consolidated in April 2007.

Walgreens' CEO, Jeffrey A. Rein, said, "We are pleased to reach a resolution that is consistent with our past and future diversity and equal opportunity objectives. Our company was built on principles of fairness and equality, and we do not tolerate discrimination in any aspect of employment including store assignment, compensation and promotion opportunities. In fact, we're a drugstore industry leader when it comes to the employment and promotion of African American managers and pharmacists."

Further information about the EEOC is available at [www.eeoc.gov](http://www.eeoc.gov)

## **U.S. Department of Labor recovers \$976,327 due 904 employees of Colorado-based Ball Aerospace and Technologies Inc.**

*Includes facilities in Colorado, New Mexico, Ohio, Georgia and D.C.*

The U.S. Department of Labor recently announced an agreement with Ball Aerospace and Technologies Inc., a Broomfield, Colo.-based aerospace defense contractor, to pay \$976,327 in

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back wages to 904 employees at Ball facilities in Colorado, New Mexico, Ohio, Georgia and the District of Columbia.

"The department is committed to making sure that workers are paid all the wages they are due," said Secretary of Labor Elaine L. Chao. "In this case, nearly \$1 million in back wages will be paid to over 900 workers and the company is taking steps to ensure that workers are properly compensated in the future."

The department's Wage and Hour Division investigation found that the aerospace defense contractor had misapplied the executive exemption under the Fair Labor Standards Act (FLSA) when management changed top-tier hourly employees to salaried-exempt once an employee reached the maximum pay of the hourly scale. This change in status for senior technicians was not accompanied by any change in working conditions or professional responsibility, resulting in overtime back wages of \$383,235 due 111 employees.

Additionally, hourly employees were routinely required to work through lunch periods without compensation. This second violation resulted in back wages of \$593,092 due 793 employees. The employer agreed to future compliance with the FLSA and to pay all back wages found due.

The FLSA requires that covered employees be paid at least the federal minimum wage for all hours worked, plus time and one-half their regular rates of pay for hours worked beyond 40 per week, unless otherwise exempt. Earnings may be determined on a piece-rate, salary, commission or some other basis, but in all such cases the overtime pay due must be computed based on the average hourly rate derived from such earnings. Employers must also maintain accurate time and payroll records. The FLSA provides an exemption from both minimum wage and overtime pay for bona fide executive, administrative, professional and outside sales employees. To qualify for exemption, employees generally must meet certain job duty and salary tests.

The Wage and Hour Division concluded 31,987 compliance actions and recovered more than \$171 million in back wages for more than 246,000 employees in fiscal year 2006. Back-wage collections last year represent a 30 percent increase over back wages collected in fiscal 2001. The number of workers receiving back wages has increased by 14 percent since fiscal 2001.

For more information about the FLSA, go to [www.dol.gov](http://www.dol.gov).