

FEDEX TO PAY \$3 MILLION FOR DISCRIMINATING AGAINST 21,635 APPLICANTS



FedEx recently agreed to a settlement of three million dollars to resolve charges of hiring discrimination from federal contractors, FedEx Ground Package System, Inc. and FedEx SmartPost, Inc. The conciliation agreement was the result of compliance reviews held by officers of the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP). The reviews had taken place over a period of seven years at various FedEx facilities across the country. They were scheduled on a regular basis by OFCCP compliance officers, who uncovered evidence that FedEx' processes for hiring employers were a violation of Executive Order 11246 – a law designed to uphold fair treatment of employees from federal contractors and subcontractors. FedEx allegedly discriminated against specific groups at 23 of its facilities in 15 states, all based on sex, race or national origin. These applicants included men and women of varying races. The officers also reported "extensive violations" of the Order's requirements for keeping records. "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 L. Solis in a press release. "This settlement is proof that we will aggressively protect workers, promote workplace diversity and enforce the laws governing federal contractors." As part of the settlement, the contractors will pay three million dollars in back wages and interest to a total of 21,635 persons who were not hired for entry-level package handler and parcel assistant positions at 22 FedEx Ground facilities and one FedEx SmartPost facility. Additionally, FedEx will be offering jobs to 1,703 of the applicants affected when positions are made available.



The agreement further entitles FedEx Ground to remedy any discriminatory hiring practices, develop and put into effect equal employment opportunity training, ensure that its hiring practices are lawful and maintain records as required by Executive Order 11246. FedEx will likewise employ an outside consultant to review the hiring practices and provide recommendations for adjustments and improvements, train all supervisors and employees, and monitor compliance with equal employment opportunity laws. OFCCP Director Patricia A. Shiu said that "being a federal contractor is a privilege and means you absolutely, positively cannot discriminate, not when you are profiting for taxpayer dollars." Shiu added that the company "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." FedEx Ground and FedEx SmartPost are based, respectively, in Coraopolis, PA, and New Berlin, WI. The 22 FedEx Ground facilities where violations were discovered by the OFCCP are located in various states, including California, Florida, Georgia, Illinois, Indiana, Kansas, Michigan, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas and Utah. The single FedEx SmartPost facility found in violation is in Charlotte, NC.