

## PEPSI SETTLES RACIAL DISCRIMINATION CHARGES



The Pepsi Beverage Company will be forking over \$3.1 million as a means of settling racial discrimination charges. The company used criminal background checks to screen out certain applicants, whether or not they were convicted of a crime. A government crackdown has been taking place for hiring policies that prevent black and Hispanics from receiving employment based on their race. The Equal Employment Opportunity Commission said that because the company does not hire employees who have arrest records, more than 300 black applicants were not able to receive employment. This eliminated people who were simply arrested and not even convicted of an actual crime. It is actually sometimes illegal for companies to use arrest records as a means of deciding whether or not to employ someone within the company. It can be against the discrimination laws that have been set into place. After all of this has taken place, the Pepsi company will now be allowing jobs to those who are qualified to work for the company. The Chairwoman for the EEOC, Jacqueline Berrien, has said, "I commend Pepsi's willingness to reexamine its policy and modify it to ensure that unwarranted roadblocks to employment are removed." A spokesman for the Pepsi Beverage Company, Dave DeCecco, has said that Pepsi is neutral when it comes to criminal backgrounds and that the EEOC did not find intentional discrimination upon their investigation. He said that the issue was first raised in 2006 and the company worked willingly with the EEOC to make new processes that provided equal opportunities to all. DeCecco says, "We are committed to promoting diversity and inclusion and we have been widely recognized for our efforts for decades." The Pepsi Beverages Company manufactures, sells, and distributes in the United States, Mexico, and Canada. With the settlement, the Pepsi Beverage Company will now provide the EEOC with regular reports on its hiring process and practices along with the training and hiring that takes place. Pamela Devata, an employment lawyer in Chicago, has said, "The EEOC has taken a very aggressive enforcement posture on the use of criminal background and criminal history." In fact, the commission even held a specific meeting regarding the topic during the summer. Devata says employers are expecting the EEOC to be more specific in terms of guidance and support. And, the EEOC is being much more specific about what is and is not allowed in terms of employment and criminal charges along with prior arrests that may not be relevant to certain employment opportunities. An acting director for the EEOC, Julie Schmid, has said, "We hope that employers with unnecessarily broad criminal background check policies take note of this agreement and reassess their policies to ensure compliance."

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