

EMPLOYMENT LAW360

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EEOC Accuses Cisco Of Hiring Discrimination

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Portfolio Media, New York (May 11, 2007)

An investigation by the U.S. Equal Employment Opportunity Commission has concluded that there was "reasonable cause" to believe that Cisco Systems Inc. discriminated against minority candidates.

The EEOC sent letters to Cisco last month, asking the San Jose-based technology company to settle allegations leveled by the minority applicants, four of whom have already filed a racial discrimination lawsuit.

The letter said there was "reasonable cause to believe that there is a violation of Title VII in that the respondent has demonstrated an ongoing pattern and practice of not hiring qualified, minority candidates based on their race, color and national origin (including Hispanics)."

The EEOC wants Cisco to settle the allegations, but may give the applicants permission to sue under Title VII if negotiations fail.

Cisco disagreed with the findings, citing that more than 43% of the company's U.S. workforce identify themselves as ethnic minorities and that the company has launched several initiatives to promote diversity.

"While we disagree with the allegations in this case, Cisco takes this issue very seriously, as evidenced by our commitment to maintaining and growing a diverse talent pipeline that is needed to compete successfully in the technology industry," Cisco said. "We will of course work with the EEOC to provide them with the facts and describe our many internal initiatives that illustrate our commitment."

In January, three black job applicants who were denied sales and technical positions at Cisco filed a proposed class action racial discrimination suit against the company. They also intend to assert Title VII discrimination claims if the EEOC gives them the go-ahead.

Albert Crews III, Sandra Hill and Craig Oliver claim that Cisco "has engaged in a pattern and practice of discriminating against African-Americans in hiring for sales and technical positions at Cisco." The potential class would include all African Americans who have applied for sales or technical positions with Cisco since Jan. 30, 2005.

The complaint also includes an individual claim by Jeyakumar Nagarathinam that he was also discriminated against for being person of color.

The job applicants claim that they were well qualified for Cisco job openings and were praised throughout the interview process. However, they say the positions were offered to less qualified white candidates.

The lawsuit said fewer than 3% of Cisco's workforce comprises African Americans, and less than 2% of the company's sales and technical workforce are African American.

"Cisco employs more than 30 times the number of whites and 10 times the number of Asian-Americans than the number of African American person it employs in its sales/technical workforce," the lawsuit said.

Cisco said it had more than 28,000 U.S. employees in 2006, with 758 black employees. Cisco said the total is a 12% increase from 2005 and is the fastest growing segment of new employees in the company.

Many of the lawsuit's claims stem from black diversity staffing consultants who were hired by Cisco to recruit diversity candidates. The suit said the consultants were hired after a government agency investigated Cisco over inadequate minority representation in its workforce. Under an agreement with the agency, Cisco agreed to ensure greater minority representation in its workforce, according to the suit.

"Ultimately, a number of Cisco's diversity consultants concluded the diversity program, at least insofar as it pertained to people of color, particularly African-Americans, was nothing more than window dressing and a sham," the lawsuit said.

The suit said the consultants submitted hundreds of qualified minority candidates for positions, but "few, if any, of those candidates secured open positions at Cisco."

"Oftentimes, qualified African-American candidates would, after submitting resumes, simply be ignored. The African-American diversity consultants received numerous complaints from potential African-American applicants that Cisco did not appear to be serious about any commitment to diversity, insofar as it pertained to African Americans," the lawsuit said.

The consultants were also allegedly told that their focus was to increase the number of female Cisco employees, not African Americans; that they were simply "filling the pipeline with people for interviews"; and that Cisco preferred to hire from within even though a majority of its employees are white.

The suit said many diversity consultants have either been terminated or have quit because of their dissatisfaction with Cisco's commitment to diversity recruiting.

"African-American Diversity Consultants have ascertained that on a number of occasions, more qualified African-Americans have been rejected for positions which have been filled by less qualified lower ranked Caucasian applicants, whether external or internal," the suit said.

Cisco said that more than 12,000 of its 28,000 U.S. workforce in 2006 were minorities. The company has internal employee networks for female, black, Latino, gay, Asian and Indian employees.

Cisco is represented by Morgan Lewis & Bockius LLP.

The plaintiffs are represented by McNamara & Martinez LLP, Roseman & Kazmierski LLC and Minami Tamaki LLP.

The case is Albert Crew III et al. v. Cisco Systems, case no. 3:07-cv-00654, in the U.S. District Court for the Northern District of California.

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