

# Cintas Agrees to Pay \$650K to Settle OFCCP Compensation and Hiring Bias Claims



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On August 27, 2019, the Department of Labor [announced](#) that government contractor Cintas Corp. has agreed to pay nearly \$650,000 to settle claims of sex and race discrimination in its Philadelphia, PA facility and end compliance evaluations at five other facilities. OFCCP alleged that the company's Philadelphia facility discriminated against female production workers regarding pay, against black and male applicants for garment inspector/hanger positions, and against minority applicants for service sales representative positions since September 2011.

In the consent decree, Cintas agreed to pay \$354,463 in back pay and interest to the compensation class members and \$70,000 in back pay and interest to the hiring class members. The company also agreed to hire two eligible class members for garment inspector/hangers positions. In addition, Cintas must update its hiring and compensation practices and provide progress reports to OFCCP regarding its compliance with Executive Order 11246.

Separately, Cintas also signed a corporate-wide conciliation agreement with OFCCP that will end compliance evaluations at five other Cintas Corp. establishments. The agreement provides back pay of \$190,000 and interest of \$34,984 plus a commitment

to hire to 205 female applicants. Cintas also agreed to (1) enhance its employment opportunities for female workers; (2) to hire a consultant to review its outreach, hiring, placement, and compensation policies; and (3) to report the results to OFCCP over a 5-year period.

Cintas said in a statement “[w]hen OFCCP approached us with the possibility of entering into an agreement under its new early resolution procedures, we saw it as an opportunity to work collaboratively with the agency.” They explained that “[e]ntering into this voluntary partnership with OFCCP will help further our goal of being a model employer and federal contractor.”

The substantial settlement paid by Cintas to end OFCCP’s audits illustrates the potential exposure that companies can face if its affirmative action, non-discrimination and compliance programs are not effectively implemented. Likewise, Cintas’ conciliation agreement under the new early resolution procedures, discussed [here](#), provides an example where it may be advisable to settle potential claims discovered during compliance audits to avoid enforcement proceedings and potential litigation.

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