

Fry's pays \$2.3 million to settle harassment complaint

Fry's Electronics, which operates 17 stores in California, will pay \$2.3 million to settle sexual harassment and retaliation complaints arising from incidents at a store in Washington. The EEOC had charged the company with tolerating harassment of a young salesperson and firing a supervisor for standing up for her.

On a per-claimant basis, the case resulted in one of the largest settlements the EEOC has ever negotiated.

According to the complaint, a Fry's manager harassed a young woman who worked for him by frequently sending her sexually charged text messages and inviting her to his house to drink. Fry's fired a different manager after she reported the harassment to the company's legal department. The fired manager filed a complaint with the EEOC, and the harassed employee later joined the lawsuit.

The judge overseeing the settlement was less than pleased with Fry's courthouse conduct. The settlement includes "court-ordered sanctions including a penalty of \$100,000 due to Fry's abusive discovery tactics which included destroying relevant evidence, wrongfully withholding evidence, and filing frivolous motions."

Note: Employers must train supervisors to investigate harassment complaints, not retaliate against those who play by the rules. One assistant manager sexting an employee mushroomed into a multimillion-dollar lawsuit and all the legal fees that go with that—not a sound business move.