

# Nike Settles Lawsuit to the Tune of \$7.6 Million

In-House News:

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By Brooke Heath

Nike, Inc., is now \$7.6 million poorer, thanks to a recent settlement in a race discrimination lawsuit filed against the company. The class action lawsuit was filed against the athletic-apparel conglomerate on behalf of 400 current and former black employees who worked at Niketown in Chicago from 1999 to the present.

Filed in 2003, the lawsuit is a result of claims made by the employees that they were subjected to a hostile work environment when managers of the store used racial slurs when referring to the employees as well as customers. Allegations also include segregating black employees into lower-paying stockroom and cashier positions; denying opportunities for promotions to higher-paying jobs, such as sales positions, and failing to post job openings; and subjecting the black employees to searches when leaving the store, when white employees were not searched. The lawsuit also states that benefits such as sick leave and employee discounts were not equally applied.

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NIKE said in a statement that it reached a legal settlement to "avoid continued and protracted litigation." This was a strategic move on Nike's part, as one of the major demographics that purchase Nike apparel is black youth. Throughout the years, the company has also used many well-known black athletes, such as Michael Jordan, in its marketing.

In addition to the financial terms of the settlement, Nike must also take affirmative steps to address diversity, such as appointing a compliance officer at its corporate headquarters in Beaverton, Oregon, and appointing a diversity consultant to monitor the store in question, Niketown. The store will also be required to conduct diversity training for all of its supervisors and managers. Additionally, Nike will create a mentoring program for its black employees.

Nike has corporate policies that address discrimination, but according to the *Chicago Tribune*, Nike corporate representatives said that the store managers are left to enforce the guidelines.

Despite the settlement, Nike, Inc., denies all allegations of liability and wrongdoing.

## On the Net

Law.com

[www.law.com](http://www.law.com)

*Chicago Tribune*

[www.chicagotribune.com/business/chi-070730-niketown-settle,0,1048767.story](http://www.chicagotribune.com/business/chi-070730-niketown-settle,0,1048767.story)

NIKE, INC.

[www.nike.com](http://www.nike.com)