

## **AGE DISCRIMINATION**

## Federal Watchdog Launches Investigation of Age Bias at IBM

After a ProPublica story spotlighting IBM's practices in shedding older workers, the U.S. Equal Employment Opportunity Commission consolidated age discrimination complaints against the company from around the country.

by Peter Gosselin, May 17, 5 a.m. EDT



Richard Borge, special to ProPublica

The U.S. Equal Employment Opportunity Commission has launched a nationwide probe of age bias at IBM in <a href="the wake of a ProPublica">the wake of a ProPublica</a> investigation <a href="https://features.propublica.org/ibm/ibm-age-discrimination-american-workers/">the workers/</a> showing the company has flouted or outflanked laws intended to protect older workers from discrimination.

More than five years after IBM stopped providing legally required disclosures to older workers being laid off, the EEOC's New York district office has begun consolidating individuals' complaints from across the country and asking the company to explain practices recounted in the ProPublica story, according to ex-employees who've spoken with investigators and people familiar with the agency's actions.

"Whenever you see the EEOC pulling cases and sending them to investigations, you know they're taking things seriously," said the agency's former general counsel, David Lopez. "I suspect IBM's treatment of its later-career workers and older applicants is going to get a thorough vetting."

EEOC officials refused to comment on the agency's investigation, but a dozen ex-IBM employees from California, Colorado, Texas, New Jersey and elsewhere allowed ProPublica to view the status screens for their cases on the agency's website. The screens show the cases being transferred to EEOC's New York district office shortly after the March 22 publication of ProPublica's original story, and then being shifted to the office's investigations division, in most instances, between April 5 and April 10.

The agency's acting chair, Victoria Lipnic, a Republican, has made age discrimination a priority. The EEOC's New York office won a settlement last year <a href="https://www.propublica.org/article/restaurant-chain-settles-age-bias-case-for-12-million">https://www.propublica.org/article/restaurant-chain-settles-age-bias-case-for-12-million</a> from Kentucky-based national restaurant chain Texas Roadhouse in the largest age-related case as measured by number of workers covered to go to trial in more than three decades.

IBM did not respond to questions about the EEOC investigation. In response to detailed questions for our earlier story, the company issued a brief statement, saying in part, "We are proud of our company and its employees' ability to reinvent themselves era after era while always complying with the law."

Just prior to publication of the story, IBM issued a video recounting its long history of support for equal employment and diversity. In it, CEO Virginia "Ginni" Rometty said, "Every generation of IBMers has asked 'How can we in our own time expand our understanding of inclusion?'"

ProPublica reported in March that the tech giant, which has an annual revenue of about \$80 billion, has ousted an estimated 20,000 U.S. employees ages 40 and over since 2014, about 60 percent of its American job cuts during those years. In some instances, it earmarked money saved by the departures to hire young replacements in order to, in the words of one internal company document, "correct seniority mix."

ProPublica reported that IBM regularly denied older workers information the law says they're entitled to in order to decide whether they've been victims of age bias, and used point systems and other methods to pick older workers for removal, even when the company rated them high performers.

In some cases, IBM treated job cuts as voluntary retirements, even over employees' objections. This reduced the number of departures counted as layoffs, which can trigger public reporting requirements in high enough numbers, and prevented employees from seeking jobless benefits for which voluntary retirees can't file.

In addition to the complaints covered in the EEOC probe, a number of current and former employees say they have recently filed new complaints with the agency about age bias and are contemplating legal action against the company.

Edvin Rusis of Laguna Niguel, a suburb south of Los Angeles, said IBM has told him he'll be laid off June 27 from his job of 15 years as a technical specialist. Rusis refused to sign a severance agreement and hired a class-action lawyer. They have filed an EEOC complaint claiming Rusis was one of "thousands" discriminated against by IBM.

If the agency issues a right-to-sue letter indicating Rusis has exhausted administrative remedies for his claim, they can take IBM to court.

"I don't see a clear reason for why they're laying me off," the 59-year-old Rusis said in an interview. "I can only assume it's age, and I don't want to go silently."

Coretta Roddey of suburban Atlanta, 49, an African-American Army veteran and former IBM employee, said she's applied more than 50 times to return to the company, but has been turned down or received no response. She's hired a lawyer and filed an age discrimination complaint with EEOC.

"It's frustrating," she said of the multiple rejections. "It makes you feel you don't have the qualifications (for the job) when you really do."

**Correction, May 17, 2018:** This article originally misspelled Coretta Roddey's name.

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## **Peter Gosselin**

Peter Gosselin joined ProPublica as a contributing reporter to cover aging, having previously covered the U.S. and global economies for, among others, the Los Angeles Times. During the first Obama term, he was chief speechwriter to the treasury secretary and later an economic adviser to the original team implementing the Affordable Care Act.