



U.S. Equal Employment Opportunity Commission

Press Release

04-16-2024

Cavco Industries, Palm Harbor Homes and Palm Harbor Villages to Pay \$135,000 to Settle EEOC Race Discrimination Lawsuit

Agency Found Manufactured Home Companies Allowed Discrimination Against a White Employee with Black Family Members

WACO, Texas – Cavco Industries, Inc.; Palm Harbor Homes, Inc.; and Palm Harbor Villages, Inc., which manufacture and sell manufactured homes in Waco, Texas, will pay \$135,000 to settle a race discrimination lawsuit filed by the U.S. Equal Employment Opportunity Commission (EEOC), the federal agency announced today.

According to the EEOC's lawsuit, a sales consultant at the Palm Harbor Homes location in Waco, Texas, experienced harassment after disclosing he had a biracial family and after he refused to engage in conversations disparaging Black people. Afterward, the general manager referred to the employee's family members using racial slurs and increased the use of racially disparaging remarks in the workplace.

The EEOC's suit alleged that employees at the store, including the general manager and assistant manager, engaged in frequent, regular use of racial slurs against both

Black individuals and white individuals who have close relationships with Black persons. They made comments about Black customers as well as Black family members of the sales consultant. Management also took actions that impacted the sales consultant's sales, which resulted in a reduction of his commissions, the EEOC said. The sales consultant, based upon his association with his biracial family, was terminated. After the EEOC began prosecuting the lawsuit, Cavco Industries, Palm Harbor Homes, and Palm Harbor Villages terminated the former general manager and assistant manager.

Such alleged conduct violates Title VII of the Civil Rights Act of 1964, which prohibits discrimination based on race. The EEOC filed suit, Civil Action No. 6:23-cv-00678, in U.S. District Court for the Western District of Texas, Waco Division, after first attempting to reach a pre-litigation settlement through its conciliation process.

Under the two-year consent decree settling the suit, in addition to monetary relief for the employee who filed the charge of discrimination, Cavco Industries, Palm Harbor Homes, and Palm Harbor Villages will maintain a policy against employment discrimination and create and implement a practice of performing exit interviews. Cavco Industries, Palm Harbor Homes, and Palm Harbor Villages will also provide training to educate both management and non-management employees on race-based discrimination, hostile work environment, the company's procedure for reporting complaints of discrimination, and the rights and responsibilities of employees and management. Cavco Industries, Palm Harbor Homes, and Palm Harbor Villages must also post and distribute a notice informing employees of their rights.

"Employees have the right to work in an environment where they are not harassed or paid less for having family of another race," said Alexa Lang, trial attorney in the EEOC's Dallas office. "Here, a sales consultant bravely spoke out against racial discrimination and exercised his rights under Title VII."

Regional Attorney Robert Canino said, "EEOC expects that the practices put into place by the consent decree will work to improve the working environment for this employer. Management has taken significant positive steps to set a better example, including changes in leadership going forward."

For more information on race discrimination, visit: <https://www.eeoc.gov/racecolor-discrimination> (<https://www.eeoc.gov/racecolor-discrimination>). For more information on harassment, visit: <https://www.eeoc.gov/harassment>

(<https://www.eeoc.gov/harassment>).

The EEOC advances opportunity in the workplace by enforcing federal laws prohibiting employment discrimination. More information is available at www.eeoc.gov (<http://www.eeoc.gov/>). Stay connected with the latest EEOC news by subscribing to our **email updates** (<https://public.govdelivery.com/accounts/USEEOC/subscriber/new>).

Recent Press Releases from the Dallas District Office

Quest Diagnostics Settles EEOC Religious Discrimination Suit (<https://www.eeoc.gov/newsroom/quest-diagnostics-settles-eeoc-religious-discrimination-suit>)

Pete's Car Smart to Pay \$145,000 to Settle EEOC Age and Disability Discrimination Suit (<https://www.eeoc.gov/newsroom/petes-car-smart-pay-145000-settle-eeoc-age-and-disability-discrimination-suit>)

Paramount Healthcare Consultants to Pay \$50,000 in EEOC Sex Discrimination and Retaliation Lawsuit (<https://www.eeoc.gov/newsroom/paramount-healthcare-consultants-pay-50000-eeoc-sex-discrimination-and-retaliation-lawsuit>)

Recent Press Releases on the Subject of Race

EEOC Sues Sheetz, Inc. For Racially Discriminatory Hiring Practice (<https://www.eeoc.gov/newsroom/eeoc-sues-sheetz-inc-racially-discriminatory-hiring-practice>)

Jacobson Memorial Hospital to Pay \$45,000 in EEOC Retaliation Lawsuit (<https://www.eeoc.gov/newsroom/jacobson-memorial-hospital-pay-45000-eeoc-retaliation-lawsuit>)

American Screening to Pay \$50,000 to Settle EEOC Race Discrimination Lawsuit (<https://www.eeoc.gov/newsroom/american-screening-pay-50000-settle-eeoc-race-discrimination-lawsuit>)

