Citigroup accused of discrimination

Executives at Citigroup, one of America's biggest banks, have been accused of running the company as a "boy's club" and of sacking female employees to save the jobs of less qualified men.

By Jon Swaine in New York

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Comment (http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/8064732/Citigroup-accused-of-discrimination.html#disqus_thread)

Citigroup is being sued by a group of six female employees, who allege that bosses underpaid them, punished them for having children and used the economic crisis as an excuse to fire them.

They allege that an outdated "boys club" mentality "filters down through the management ranks to affect all senior and junior level professional positions." This results in the "systematic and pervasive discrimination and retaliation" against women across the bank, they claim.



In a previous case involving dismissal, Debrahlee Lorenzana also sued the bank Photo: SPLASH

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The women are attempting to bring a class-action lawsuit on behalf of thousands of current and former female employees, meaning the bank could be forced to pay huge sums in compensation.

Their action comes soon after another former Citigroup worker, Debrahlee Lorenzana, alleged that she was fired by the company for being "too sexy" and for wearing figure-hugging clothes. The case was dismissed because her employment agreement said that such disputes would be settled out of court; she said she would continue the case in private arbitration. Last month three former female employees of Goldman Sachs sued their bank, also alleging systematic gender discrimination. The case, which Goldman Sachs says is "without merit", is ongoing.

The women in the latest Citigroup action are from New York, New Jersey, Florida and Chicago. Five have left the bank while one, Dorly Hazan-Amir, still works for the company.

Ms Hazan-Amir alleges that "throughout the course of her employment with Citigroup she has been subjected to

inappropriate and offensive comments based on her gender", and has been underpaid.

She also claims to have been demoted to a "less prestigious and less lucrative position" days after returning from maternity leave.

"There is a glass ceiling adversely affecting female employees, especially those female employees who become pregnant, take a maternity leave, or have childcare obligations, at Citigroup in all facets of their employment," the lawsuit alleges.

Rejecting Ms Hazan-Amir's claims, a Citigroup spokesman said: "Many of her allegations are false, unsupported or taken completely out of context." Her co-claimants allege that they and other women were disproportionately targeted when Citigroup axed a tenth of its workforce in November 2008 after being bailed out by the US government.

The number of women who were fired "was unlikely to have occurred by chance, and instead was the result of intentional gender discrimination", the lawsuit alleges. "In most circumstances Citigroup retained less qualified male employees."

The claimants also allege that throughout their employment, the company failed "to promote females at the same rate and on the same terms and conditions as similarly-situated male employees".

Just five women serve on Citigroup's 44-member senior leadership committee, their lawsuit claims, while the executive committee is made up of 19 men.

The Citigroup spokesman said the women had been made redundant for "legitimate business reasons, not based on their gender".

"Many of their allegations are either totally inaccurate or selectively incomplete," the spokesman said. "The facts do not support their claims of gender discrimination."

Citigroup, which employees about 250,000 people, is one of the "big four" consumer banks in the US and also operates a large financial services arm.

It is still part-owned by the US government, having almost collapsed during the financial crisis.

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