

Race discrimination lawsuit says Amazon "de-levels" employees of color

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A Black woman who has worked at Amazon since 2017 is suing the online retailer and cloud services giant for racial discrimination, alleging the company purposely doesn't promote employees of color and even pays them less than their White counterparts.

Lawyers representing Charlotte Newman said in the [lawsuit](#) filed Monday in Washington D.C., that Newman interviewed for a senior manager job at Amazon after obtaining a master's degree in business administration from Harvard University. Newman was offered a role at Amazon Web Services that was one pay grade below the job she had interviewed for even though she was qualified for the senior manager job at the company's cloud-services division, her lawsuit alleges. She took the job anyway and was then asked to perform senior manager duties, the lawsuit states.

Newman's story isn't unique at Amazon, her lawyers claim, citing other examples of the company "de-leveling" Black employees, or placing them in lower level jobs that don't match their experience and credentials.

Amazon is accused in the lawsuit of breaking anti-discrimination and equal pay laws.

"Black employees who Ms. Newman talked with, as well as many Black employees who talked with reporters, consistently found that they and Black co-workers were slotted into Amazon job levels and compensation lower than their experience and credentials supported," the lawsuit states.

This practice has long-term financial repercussions for workers, the lawsuit states, because many Amazon workers are paid partly in lucrative company shares, which are awarded based on their job title. In Newman's case, "this lower job level came with much lower awards of valuable Amazon stock units, which have greatly increased in value and therefore magnify the discriminatory pay disparity as time goes on," according to the lawsuit.

Newman's lawsuit also alleges a sexual assault stemming from a January 2018 incident when she said she was groped by a senior co-worker under a dinner table.

Amazon is investigating the allegations Newman makes in the lawsuit, a company spokesperson told CBS MoneyWatch.

"Amazon works hard to foster a diverse, equitable and inclusive culture, and these allegations do not reflect those efforts or our values," the spokesperson said in a statement. "We do not tolerate discrimination or harassment of any kind and thoroughly investigate all claims and

take appropriate action."

Company data from December 2020 shows that Black Americans represent 26.5% of the total 1.2 million workers at Amazon and 11% of its manager ranks. Employees of color earn 99 cents for every dollar that White employees make in salary, according to the company.

Amazon's critics say the company's army of warehouse workers, many of whom are Black and Latino, make its overall diversity appear better than it is. As of 2014, more than 85% of Amazon's Black workers had unskilled jobs, while just 3% were classified as "professional" workers, according to an analysis of company statistics by the Puget Sound Business Journal. Amazon has not released comparable data since that year.

Newman's lawsuit references a time in 2019 when she said she was in line for a senior-level promotion. Her manager was looking for someone "more seasoned" for the job, her lawsuit states. The manager eventually hired someone who had graduated from college only three years before Newman had, according to the lawsuit.

"Ms. Newman had been passed over for a promotion in favor of a White male when she had been acknowledged as well-suited to the role," the lawsuit states.

Newman's lawsuit lands just days after more than a dozen Black former Amazon employees told Vox Media that Amazon managers are biased and company leadership is unwilling to make culture changes. Black workers, for example, are given low marks on their performance evaluations more frequently than White workers, the former employees told Vox after sharing internal company employee data.

Amazon told Vox in a statement that the former employee stories "misrepresent the facts" and are "based on the views of a small number of individuals."

"We recognize we have work to do, including increasing Black representation at all levels, and we set — and met — aggressive goals to double the representation of Black vice presidents and directors in 2020 and are committing to do so again in 2021," the statement said.