

Why I'm suing Amazon for racial discrimination and sexual harassment

FC fastcompany.com/90638546/why-im-suing-amazon-for-racial-discrimination-and-sexual-harassment

“It is always Day 1” is a common refrain at Amazon that reminds employees to approach each project with fresh energy and resolve. I joined Amazon’s Global Corporate Affairs team in 2017 as the first financial services public policy expert for Amazon Web Services. I imagined Amazon would be a meritocracy, where hard work is rewarded, regardless of what you look like. After over four years at the company, I found that wasn’t the case for me and many others.

The drive to make the world more fair fueled my career over seven years on Capitol Hill, where I advised four members of Congress on policy proposals for entrepreneurship and small business, financial services, housing, labor, and trade. This belief in equity is also why I currently lead a global strategy at Amazon to accelerate underrepresented startup founders and investors as the head of underrepresented founder startup business development.

My belief that every person has a right to equal opportunity is also at the heart of my lawsuit against Amazon. In March, I filed a federal lawsuit for Amazon’s failure to protect me from documented, repeated racial and sexual harassment and discrimination by supervisors, failing to safeguard me once I reported that harassment, and not paying me equitably. My complaint also explains how I was subjected to a practice known as “down-leveling.” I was offered a more junior role than the one to which I applied and was qualified for. The hiring manager told me this change was due to a reduction in the scope of the position—from covering the U.S., Canada, and Latin America to covering the U.S. only. However, that proved to be untrue; for over two and a half years, I traveled to Argentina, Brazil, Canada, Chile, Colombia, and Mexico representing Amazon. The international position that I was officially denied paid hundreds of thousands more than the more junior position I was told would be domestic only.

Once I joined, I realized that there seemed to be an invisible but palpable racial barrier. No Black person at that time, however qualified or well educated, was hired above a manager level. Within months of being down-leveled, my hiring manager began using racially coded language with me, calling me “aggressive.” One day, he called me “scary.” I went home that night and sobbed. He could not even see my full humanity, and yet he was responsible for judging and rewarding my performance. It felt like I was playing a rigged and unwinnable game.

The trauma of racial discrimination was compounded by sexual harassment. The manager responsible for evaluating my work in Latin America repeatedly harassed and assaulted me. At first, he called me beautiful while we were on a business trip in Santiago, Chile, in 2017. However, that was only the beginning. His actions later went far beyond words. In 2018, he

assaulted me at a work dinner in Washington, D.C. Shockingly, he groped me under the table and pleaded for me to sleep with him. Even after I confronted him and asked him to maintain a professional rapport, he harassed me again in 2019, pulling my hair when I attempted to leave a Seattle work outing and asking if we could pretend to be boyfriend and girlfriend.

There were many times during this period when I wanted to quit. However, I felt I had few options because of an onerous non-compete agreement. Every new employee at Amazon is forced to sign a strict confidentiality and non-compete agreement. The non-compete agreement bars employees from seeking employment for 18 months with any company that provides a competing product or service. I witnessed the company take action against two former colleagues who were accused of breaking the non-compete.

Amazon's policies instruct employees to inform their manager or a senior team member when they experience sexual harassment or racial discrimination. When I reported the unfairness of my leveling and compensation to managers, I was gaslit and dismissed. One manager dismissively told me that changes in scope are common. I was stunned. We both knew that I was performing a role that should have come with higher compensation. He just was not willing to pay me for it. Leveling guidelines are readily available, and the original job description that I responded to listed the responsibilities for a senior manager scope. I had also discussed the compensation range for an individual leveled as a senior manager in the position.

Throughout 2017-19, I talked with other women and employees of color at Amazon, and I kept hearing similar experiences of down-leveling and languishing without promotions for years, despite great results. Their stories mirrored my experience, and it became clear to me that there was a broad problem at the company.

At scale, the disproportionate financial harm inflicted on women and people of color at Amazon contributes not just to the wage gap but also to a racial wealth gap in America. 2019 Census data shows that professional Black women make an average income of \$66,782, while white men make \$110,059 on average. When workers are paid mostly in stock, as is the case for white-collar workers at Amazon, that pay gap widens as the stock price goes up.

The pay gap not only negatively impacts Black women individually, it robs their communities of resources and widens the racial wealth gap, which is the growing divide between the household wealth of white and Black families. Federal Reserve data demonstrates that the typical white family has eight times the wealth of the typical Black family. While historical prejudice and discrimination created this gap, it persists, in part, because of failures in the private and public sectors. According to a Goldman Sachs report, the pay gap accounts for a full two-thirds of the wealth gap. By failing to properly compensate, level, and promote Black employees, Amazon is exacerbating this problem.

Since filing my lawsuit two months ago, many more women and Black employees at Amazon have contacted me to share their own stories of down-leveling, sexual harassment, and unfair compensation. I hope by speaking up, other employees will gain an even playing field and safer work environment.

So what can be done? Amazon's leadership should create a robust program to protect survivors of workplace sexual harassment and racial discrimination. This program would implement preventative measures to prevent harassment on business trips and at company off-sites. It would also provide voluntary resources like counseling and recruiting services to help survivors relocate to new positions internally or externally. Amazon should also demystify the investigation process around sexual harassment and racial discrimination claims. I had no idea what would happen once I came forward. The lack of clarity likely discourages survivors from reporting harassment and means that they continue to suffer in silence, as I did.

Amazon should also eliminate down-leveling, which can have severe long-term economic and professional consequences for employees. Once down-leveled, due to stock growth and a slow promotion process, it is impossible for employees to catch up. The fact that down-leveling disproportionately impacts communities that have historically been underpaid is unconscionable and supports the case for its elimination. Amazon only began requiring company-wide bias training in 2020. Employees are simply not sufficiently prepared to make such critical decisions on a purely subjective basis without bias entering the process.

Amazon strives to be Earth's most customer-centric company. It should also endeavor to be the most transparent. As the second-largest employer in the country and one of the fastest-growing companies globally, Amazon's policies have a disproportionate impact on business and social trends. Yet, the company has repeatedly advised shareholders to vote against proposals that would lead to greater transparency. Amazon should contract an independent, external auditor to assess its compensation, promotion, and leveling practices and report on where the company stands on fair pay, leveling, and promotion on the basis of gender, race, ethnicity, and sexual orientation. Amazon cannot create the test, grade it, and then say it's done a good job. It is time someone checks the company's homework.

Amazon should also end its broad use of non-compete agreements. Non-compete agreements are intended to protect employers from the theft of their intellectual property. They should not be used to prevent Amazon's labor from freely moving to new opportunities. (Many of these steps are also included in a recent open letter from the Harvard Business School community to Jeff Bezos and Andy Jassy.)

For women and employees of color, it's time for it to be a new day at Amazon.

When reached for comment on Newman's lawsuit, an Amazon spokesperson said: "We do not tolerate discrimination or harassment of any kind. We immediately investigated Ms. Newman's sexual harassment claim and fired her harasser. The investigation also resulted

in corrective action and additional training requirements for those in her reporting line. We also reviewed Ms. Newman's interview process, leveling and onboarding, and determined that she was properly placed in her role at the company."

Charlotte Newman is a global business development leader for Amazon Web Services. She's a former entrepreneur, who leads the AWS startup strategy to engage and accelerate underrepresented founders. She previously served as an economic policy adviser to Senator Cory Booker.