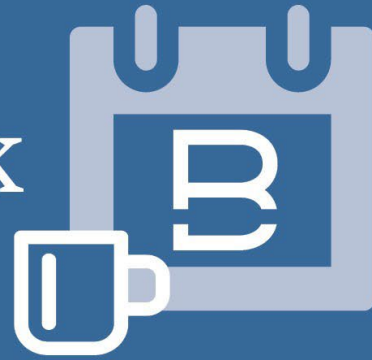


The Work Week

Bassford Remele Employment Practice Group



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Welcome to another edition of *The Work Week with Bassford Remele*. Each Monday morning, we will publish and send a new article to your inbox to hopefully assist you in jumpstarting your work week.

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Think Outside the Bun: What Employers Can Learn from the EEOC's Hostile Work Environment Lawsuit Against Taco Bell

[Andrew T. James](#)

The Equal Employment Opportunity Commission (EEOC) recently [filed a lawsuit](#) against six entities operating Taco Bell restaurants in Michigan. This case serves as a stark reminder of the serious legal risks employers face when they fail to address sexual harassment in the workplace and it exemplifies an overlooked way that claims can arise against employers.

The Facts of the Case

On February 28, 2025, the EEOC filed a lawsuit captioned *EEOC v. Teamlyders, LLC, et al.* in the United States District Court for the Eastern District of Michigan. The EEOC alleges that six entities—each of which own and operate Taco Bell restaurants, including in Michigan—maintained a hostile work environment when they allowed an upper-level manager to sexually harass female employees. The lawsuit also alleges that those entities retaliated against a female employee by terminating her employment when she reported the harassment.

The EEOC's Complaint asserts claims for creation and maintenance of a hostile work environment

The EEOC and Title VII

Many employers understand they can be sued by their employees and former employees for workplace issues. However, employers should also remember that the EEOC, a federal agency, has the power to bring direct legal actions. This means the EEOC can sue employers on behalf of employees, even if those individual employees have not filed their own lawsuits. The EEOC's mission is to enforce federal laws that prohibit employment discrimination.

In *Teamlyders*, the EEOC's claims arise under Title VII of the Civil Rights Act of 1964, a federal law that prohibits employment discrimination based on race, color, religion, sex, and national origin. Those claims include:

- **Hostile Work Environment (HWE):** For a workplace to be considered a hostile work environment due to sexual harassment, the harassment must be sufficiently severe or pervasive so as to create an abusive working environment. This means isolated incidents may not be enough; there must be a pattern of behavior that significantly impacts an employee's ability to do his or her job.
- **Retaliation:** An employer cannot punish an employee for engaging in protected conduct, such as reporting discrimination or harassment through the proper channels. This includes firing, demoting, or taking any other adverse action against an employee who has exercised their legal rights.

Prevention is Key: Proactive Measures to Protect Your Business

The best way to avoid costly lawsuits and damage to your reputation is to take proactive steps to prevent harassment, discrimination, and retaliation.

- **Implement Clear Policies:** Have clear and comprehensive policies prohibiting harassment and discrimination. Be sure to regularly update your employee handbook and any anti-harassment policies to ensure they remain compliant considering fast-changing federal and state laws and enforcement guidance.
- **Provide Regular Training:** Conduct regular training for all employees on what constitutes harassment and how to report it.
- **Establish a Complaint Procedure:** Create a clear and accessible process for employees to report concerns.
- **Take Complaints Seriously:** Investigate all complaints promptly and thoroughly.
- **Enforce Policies Consistently:** Take appropriate disciplinary action against those who violate your policies.

When Problems Arise: Seek Legal Counsel

Even with the best preventative measures, issues can still arise. If your organization is facing allegations of harassment, discrimination, or retaliation, it is crucial to seek legal counsel immediately. Addressing these issues early can help minimize potential damage and legal liability.

Furthermore, while federal law is significant, employers must also comply with state laws. In Minnesota, for example, employers need to be aware of the Minnesota Department of Human Rights (MDHR) and the Minnesota Department of Labor and Industry (DOLI). These state agencies enforce their own anti-discrimination and labor laws which may offer even greater protections than federal law. Every state has similar agencies, and those agencies often can *also* bring direct legal actions on behalf of employees. For

this reason, employers need to understand and monitor the laws of each and every state in which they operate.

Bassford Remele's [Employment Law practice group](#) is available to assist with any employment-related concerns. Whether you need help developing policies, conducting investigations, or defending against lawsuits, having experienced legal counsel can make a significant difference. Don't wait until a problem escalates – reach out for help before or shortly after issues arise.

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