The New York Times Suit to Scrutinize Bloomberg Era at Firm

By RAY RIVERA September 29, 2007

The federal lawsuit accusing the company founded by Mayor Michael R. Bloomberg of discriminating against pregnant women is likely to examine conditions at the firm during the period the mayor ran it, an official with the Equal Employment Opportunity Commission said yesterday.

The agency filed a lawsuit against Bloomberg L.P. on Thursday accusing the company of demoting and reducing the pay of women after they disclosed they were pregnant or took maternity leave. The complaint covers the period from February 2002 until the present.

The company strongly denied the allegations, and Mr. Bloomberg has said he has not been involved in running Bloomberg L.P. since 2001, when he ran for mayor.

But the case, especially if it delves into the atmosphere at the company when Mr. Bloomberg ran it, could prove embarrassing.

"In any employment discrimination lawsuit, background evidence of bias prior to the incidents being challenged in the lawsuit is very frequently admissible," said Elizabeth Grossman, a regional attorney with the E.E.O.C. "We've done an investigation and we have quite a bit of information, but we expect to become aware of much more information during the lawsuit."

Aides to Mr. Bloomberg, who was traveling in Europe yesterday, have sought to distance the mayor from the new allegations and from the company. Mr. Bloomberg remains the majority owner of the multibilliondollar firm, which he founded in 1981.

The issue has flared up before for Mr. Bloomberg. He was sued in 1997, while he was still running the company, by a sales executive who said that after she became pregnant, Mr. Bloomberg urged her to have an abortion, telling her to "kill it!"

The woman, Sekiko Sakai Garrison, also said that during her time with the financial services and media company, she and other female employees were subjected to unwelcome sexual comments and overtures by Mr. Bloomberg and his male executives.

On one occasion, Ms. Garrison said in the suit, Mr. Bloomberg asked her if she was still dating her boyfriend and if she was "giving him good" oral sex.

Mr. Bloomberg strongly denied the allegations and settled the case for an undisclosed amount of money.

Neal Brickman, the lawyer who represented Ms. Garrison, said that he had handled at least 20 discrimination complaints against the company since 1997 and that the culture at Bloomberg L.P. condoned unequal treatment of women and other groups. Many of those complaints were settled out of court, he said.

Mr. Brickman said he was prohibited from discussing Ms. Garrison's case because of the settlement agreement. But he said the environment described in the lawsuit has persisted.

"I think the mayor certainly condoned and fostered it when he was there," Mr. Brickman said. "And I think it has perpetuated and worsened in his absence."

Aides to the mayor declined to comment for this article and referred questions to the company.

Judith Czelusniak, a Bloomberg L.P. spokeswoman, said of Mr. Brickman's allegations, "That is complete nonsense."

She also said that Mr. Brickman was exaggerating the number of cases he had handled involving Bloomberg L.P. "He only brought one in 1997 and only a handful since 2004," she said.

Mr. Brickman did not return calls last night seeking comment on Ms. Czelusniak's assertion. Two of his federal lawsuits against the company remain open: one filed in New Jersey involving four plaintiffs that accuses the firm of age and sex discrimination, and another in Manhattan involving age, disability and race discrimination.

The E.E.O.C. lawsuit filed on Thursday stems from complaints made by three women in 2006. After an investigation, the agency's New York district director, Spencer H. Lewis Jr., determined there was cause to bring a complaint against the company.

A separate lawsuit was brought by a fourth woman in June that is similar to the complaints described in the E.E.O.C. suit. In the June case, a former account executive, Monica Prestia, says she flourished at the company from 1997 until 2005, when she became pregnant with her first child. After that, she said, she began receiving poor performance reviews, and a form of compensation was reduced. At one point, according to the suit, a supervisor asked her, "What is this, your third baby?"

Ms. Czelusniak said Ms. Prestia's claims were baseless and the company was fighting them.

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