

11.12: Case Study: Arthur J. Gallagher to Pay \$40,000 to Settle Religious and Disability Discrimination Lawsuit

Company Fired Employee Who Fasted for Lent and Was Regarded as Having a Disability, Federal Agency Charged

DENVER – Arthur J. Gallagher & Co. will pay \$40,000 and provide other relief to settle an employment discrimination lawsuit brought by the U.S. Equal Employment Opportunity Commission (EEOC), the federal agency announced today.

The EEOC charged that Arthur J. Gallagher & Co., a worldwide insurance brokerage and risk management firm, violated federal anti-discrimination laws when it fired a client underwriting associate in its Centennial, Colorado office in 2019.

According to the EEOC's lawsuit, filed last year, Gallagher knew of Yu Rex Noda's Christian religious practices, including fasting in conjunction with Lent. As set out in the EEOC's complaint, a "Termination Memo" Gallagher issued cited "fasting" and "meditating" among reasons for firing Noda.

The EEOC said that Gallagher's termination decision violated Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on religion. The EEOC charged that Gallagher also violated the Americans with Disabilities Act (ADA), which prohibits employment decisions that are made because a company regards an employee as having a disability.

The EEOC filed suit in U.S. District Court for the District of Colorado (Equal Employment Opportunity Commission v. Arthur J. Gallagher & Co., Civil Action No. 1:20-cv-3421-RBJ) after first attempting to reach a pre-litigation settlement through its conciliation process.

Under the two-year consent decree resolving the EEOC's claims, Gallagher will pay \$40,000 to the fired employee, provide anti-discrimination training to managers in its Midwest region, and provide annual reporting to the EEOC. Senior U.S. District Judge R. Brooke Jackson has approved the decree, and the federal district court will retain jurisdiction to enforce it.

"Employers cannot discriminate based on an employee's religion or because the employer disapproves of an employee's individual religious beliefs or practices," said Regional Attorney Mary Jo O'Neill of the EEOC's Phoenix District Office. "Employers need to be respectful of employees' religious beliefs and practices and provide any needed reasonable accommodations to those employees unless the employer can prove an undue hardship."

District Director Elizabeth Cadle of the Phoenix District Office said, "The ADA also prohibits discrimination because an employer regards an employee as having a disability. Congress passed the ADA knowing that stereotypes about disabilities are themselves a barrier to equal employment opportunities, and the law prevents employment discrimination based on such myths, fears, and stereotypes."

The EEOC advances opportunity in the workplace by enforcing federal laws prohibiting employment discrimination. More information is available at www.eeoc.gov.

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