

Civil Rights Department

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April 3, 2025 For Immediate Release publicaffairs@calcivilrights.ca.gov 916-938-4113

Civil Rights Department Secures Fair Chance Act Settlement with Iowa-Based Trucking Company

Settlement results in \$100,000 in compensation for individual job applicant and range of corrective actions

SACRAMENTO – The California Civil Rights Department (CRD) today announced reaching a \$100,000 settlement with CRST Expedited, Inc., a subsidiary of an Iowa-based transportation and logistics company. The settlement resolves allegations that the company unlawfully rescinded a job offer for an individual applicant as a result of their criminal history. Under California's Fair Chance Act, employers must demonstrate a direct and adverse relationship between a conviction and the specific duties of a job before rejecting an otherwise qualified candidate. As a result of the settlement, CRST Expedited will pay \$100,000 to the individual job applicant and take a range of corrective actions to protect against future discrimination.

"Everyone deserves an opportunity to make a living," **said CRD Director Kevin Kish.** "The Fair Chance Act helps ensure every Californian can work and contribute to their communities. This settlement will protect the rights of future job applicants. Whether you're an employer or a worker, our department provides a number of tools on our website to support compliance with the law. We all have a part to play in the fight against discrimination."

A Fair Chance to Make a Living

As part of California's work to ensure everyone has an equal opportunity to make a living, the state's Fair Chance Act protects workers against discriminatory employment decisions based on criminal history information like past arrests or convictions. Under the law, most employers are barred from asking about a job applicant's criminal history before making a job offer. After an offer has been made, the Fair Chance Act limits convictions that employers can use to disqualify someone to those that have a direct and adverse relationship with the position. In passing the Fair Chance Act, the Legislature recognized that nearly one in three adults in the state have an arrest or conviction that can significantly undermine their efforts to get a job. Ultimately, the law aims to contribute to increased public safety by giving people the tools they need to support themselves and their families.

Job Applicant Speaks Out

In 2023, CRD received a complaint that CRST Expedited unlawfully rejected an applicant in Southern California based on their criminal history information. According to the complaint, the company made a conditional offer of employment to the applicant for a senior leadership position after multiple rounds of interviews. However, after the applicant agreed to a background check, the company then allegedly rescinded the offer without conducting an individualized assessment of the applicant's criminal history. The complaint also alleged that the company failed to consider the nature and gravity of the offense, the time that had passed, and how the offense related to the job being sought.

State Investigation Leads to Settlement

In response to the complaint, the state initiated an investigation into the allegations and provided the company and the applicant an opportunity to directly resolve the matter through conciliation prior to the completion of the state's investigation. As a result of the settlement, CRST Expedited, without admitting liability, will take the following actions:

- Provide training on the Fair Chance Act to all employees involved in the hiring process or other employment decisions.
- Conduct a review of the company's policies to ensure they comply with the Fair Chance Act, including by making sure convictions older than seven years are not considered.
- Report any changes in policies to CRD within 45 days.
- Pay \$100,000 to the individual complainant.

If you or someone you know has experienced employment discrimination, CRD may be able to assist you through its complaint process. The department also provides general information and factsheets online about civil rights protections for members of the public, as well as specific guidance for employers and employees on the Fair Chance Act.

A copy of the settlement is available here.

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The California Civil Rights Department (CRD) is the state agency charged with enforcing California's civil rights laws. CRD's mission is to protect the people of California from unlawful discrimination in employment, housing, public accommodations, and state-funded programs and activities, and from hate violence and human trafficking. For more information, visit calcivilrights.ca.gov.











