



Department of Fair Employment & Housing

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Riot Games, Inc. Agrees to \$100 Million Settlement and Systemic Reforms to Resolve Allegations of Workplace Sex Discrimination and Harassment

Consent decree to resolve claims including workplace sexual harassment, unequal pay, and discrimination against women in hiring, assignments, and promotions

SACRAMENTO – California's civil rights agency, the Department of Fair Employment and Housing (DFEH), filed a joint motion today for entry of a landmark consent decree to resolve allegations that Riot Games, Inc. (Riot) engaged in systemic sex discrimination and harassment. Under the proposed consent decree, Riot will pay over \$100 million to remedy violations against approximately 1,065 women employees and 1,300 women contract workers. The decree requires comprehensive injunctive relief in the form of workplace reforms, independent expert analysis of Riot's pay, hiring, and promotion practices, and independent monitoring of sexual harassment and retaliation at Riot's California offices for three years. The decree will also resolve claims brought by the California Division of Labor Standards Enforcement (DLSE) in the first case jointly prosecuted by DFEH and DLSE.

"This historic agreement reflects California's commitment to strategic and effective government enforcement of the State's robust equal-pay, anti-discrimination, and anti-harassment laws," said DFEH Director Kevin Kish. "If entered by the court, this decree will compensate employees and contractors affected by sex discrimination and harassment, ensure lasting change in this workplace, and send the message that all industries in California, including the gaming industry, must provide equal pay and workplaces free from discrimination and harassment."

DFEH notified Riot in October 2018 of its Director's complaint investigation into allegations of sexual harassment, discrimination, and retaliation against women employees and temporary agency contractors in its workplace. In November 2018, former Riot employees filed a putative class action in Los Angeles Superior Court with private counsel and entered a proposed \$10 million settlement of that action soon thereafter. In January 2020, both DFEH and DLSE objected to the proposed \$10 million settlement. Both state entities then successfully intervened in the pending private action to protect the interests of the State and the women workers, and ensure the fairness of the resolution of the claims. Today, the private plaintiffs separately filed a motion for an order preliminarily approving class certification for settlement purposes. DFEH and DLSE, as government law enforcement agencies, are not subject to class certification requirements.

"My office determined that Riot's proposed initial PAGA settlement with private counsel was insufficient and did not adequately deter the company from violating women's right to equal pay for equal work," said California Labor Commissioner Lilia García-Brower. "Under the Equal Pay Act, employers who pay women less than their male counterparts for substantially similar work are violating the law. Collaborating with DFEH produced a proposed enforcement outcome that holds the employer accountable, compensates the workers, and

will result in the largest PAGA settlement DLSE has obtained to date.”

Both the DLSE and DFEH have jurisdiction to enforce the Equal Pay Act. This is the first case DFEH has litigated involving claims under that law, which the California Legislature authorized DFEH to enforce starting January 2021 under SB 973 (Jackson).

Under the consent decree, Riot has agreed to:

- Pay \$100 million, of which a minimum of \$80 million is dedicated to compensating workers. This amount includes \$4 million in penalties under the Private Attorney General Act (PAGA), one of the largest such penalties assessed by the DLSE in its history.
- Create a \$6 million dollar cash reserve for each year of the three-year term of the consent decree (for a total of \$18 million) to make pay adjustments and to fund diversity, equity, and inclusion programs.
- Make available 40 full-time positions in engineer, quality assurance, or art-design roles to qualified class members who worked as temporary contractors in a competitive process.
- Hire and pay for an independent third-party expert approved by DFEH to conduct a gender-equity analysis of employee pay, job assignments, and promotions each year for three years and remedy disparities that cannot be explained by bona fide, legitimate reasons.
- Hire and pay for an independent third-party monitor approved by DFEH to audit compliance with workplace protections, including a review of complaint investigations and outcomes, each year for three years.

Women who worked as employees or contractors for Riot since November 6, 2014 may be eligible to receive compensation. Additional information will be posted on DFEH’s website following entry of the consent decree by the court.

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The DFEH is the state agency charged with enforcing California’s civil rights laws. The mission of the DFEH is to protect the people of California from unlawful discrimination in employment, housing and public accommodations and from hate violence and human trafficking. For more information, visit the DFEH’s website at www.dfeh.ca.gov.



