Former pro baseball player and 40-year McDonald’s franchisee, Herb Washington, came out swinging with both fists at McDonald’s Tuesday, first filing suit against the mega-QSR for both allegedly racially discriminating against him as a black owner, and retaliating against him for speaking out about such treatment. In a virtual news conference called by Washington and his attorneys with his legal team at Washington, D.C.-based Peiffer Wolf Carr Kane & Conway, the 69-year-old restaurateur spoke in vividly compelling terms about his career as an operator with the Chicago-based mega-chain, which he said had always played a game of racial favorites, where Black operators were presented less profitable business ownership opportunities with the company than white franchisees.

In the suit, filed in Youngstown, Ohio, Washington alleges McDonald’s pushed Black franchisees into the least desirable locations and withheld advantages provided to white store owners. But unlike previous suits filed last year by 18 former Black franchisees of the chain, alleging much of the same treatment, Washington also claimed in his suit that McDonald’s has also worked to systematically dismantle his business, which one time included 27 stores in New York, Pennsylvania and Ohio. In fact, in the press conference, Washington said that McDonald’s has allegedly forced him into selling seven stores in three years to white owners. He said he now owns 14 stores in Ohio and Pennsylvania.

“This is day I hoped would never have to happen,” Washington started out at Tuesday’s press briefing.

He went on to say after four decades with the system, he continued to “believe McDonald’s was going to do the right thing” by Black owners, by fixing disparities between the terms of their franchisee ownership and those of white, but has come to realize that isn’t likely to happen without the chain being forced into true racial parity, he said.

“I believed … however, the culture at Mcdonald’s has not changed. They don’t listen. The only time McDonald’s does anything for black folk is when they’re forced to. Like Maya Angelou said, ‘When they show you who they are the first time, believe them,” Washington said paraphrasing Angelou’s words that first were spoken as “When people show you who they are believe them (the first time).”

During the press conference, Washington’s attorneys highlighted that the difference between earlier similar suits lodged by Black franchisees and Washington was that in Washington’s case, the company allegedly is actively working to retaliate against him. But Washington was resolute in his conviction that he will stay the course.

“The arches are in full-scale retaliation mode against me,” he explained, detailing the loss of seven stores in three years. “But that wasn’t enough. … Now McDonald’s is coming for the rest of my stores. But I will no longer give up my seat on the bus. … I’ve always been a competitor. … I’ve had focus -- the will to survive and thrive.”

McDonald’s did not respond to QSRweb’s request for response, but did release a comment to the Detroit Free Press stating that --------------, claiming that the reason Washington lost some of his stores had to do more with his business skills than any discrimination or retaliation by the company. Washington countered that in his understanding, “most black owners leave the (McDonald’s) system broke” attributing those losses to what he called a two-tier system, that relegates Blacks to the worst business opportunities. But he maintained that he has and continues to succeed with his locations, despite the odds he characterized as many black businesspeople having to contend with.

“It took every ounce of me to succeed against insurmountable odds. …” he said during the conference. “No matter how good you are, it ain’t good enough if you’re skin looks like mine.”

Attorneys at the news conference with Washington said that on average, Black McDonald’s franchisees take in about $700,000 less in annual sales per store than white owners. The team asserted that Washington’s case is a case that furthers the interests of every Black business owner nationally who has faced some kind of systemic issues that prevent them from equal opportunity with their white counterparts.

“If a Black business leader like Herb Washington can be silenced for speaking up against racial discrimination by a major U.S. corporation, then what Black businessperson is safe?” Joseph Peiffer, managing partner, Peiffer Wolf Carr Kane & Conway, asked. “McDonald’s acknowledged its discriminatory racial-steering policy decades ago and promised to ensure parity for its Black franchisees, but then failed to do so. If anything, it’s even worse today for Herb Washington and other Black store owners. In 1998, there were 377 Black franchisees in the McDonald’s system. Now there are 186. These numbers lay bare McDonald’s intentionally racist policies and practices toward Black franchisees.”

One additional and substantive reason that Washington said he is fighting back is that since he began speaking out against McDonald’s alleged racial inequity, his own son had also lost the opportunity to own stores with the chain. Washington alleges that is corporate retaliation that denies him his legacy. He explained that his son completed training with the company as a prerequisite to ownership successfully, but following Washington’s first acts speaking out against the company’s conduct, he alleges McDonald’s refused to allow his son to go on to store ownership.

 “facing business challenges” for which the company has “invested significantly in his organization” while offering him ”multiple opportunities over several years to address these issues."

For 40 years mcd’s has been moving the goalposts…let them try….but let’s be clear, I ddin’t quit on mcd’ s….mcd’s quit onme.”

By the way, I don’t owe a dime.

I know mcd’s is coming for me…if you’re listening….and you’ve been discriminated against…join the team in way comfy for you. Stay woke. It’s on.”

McDonald’s is systematically driving black franchisees out of its system…

Forcing them to turn over stores to white operators…

Sets black franchisees up to fail, then profits from their demise

Black franchise owners like herb washginton, don’t need marketing campaign that tells them mcdona’dls cares about black people.

REPORTER QUESTIONS:

How did you speak out?

In the 80s…if I can grow, why can’t I go to the suburbs? They kept offering inner city stores……

Mcdonal’s put in 5-year parity program, lasted 5-years and went away.

HERB WASHINGTON: Usually what mcd’s does, they give you a few trinkets, to pacify you to quiet you. ……McDonald’s is not gonna have parity until they’re made to have parity. ….THEY WANNA FIX THIS, THEY COULD HAVE FIXED THIS.

Abc NEWS QUESTION:

WHAT is the reason McDonald’s gave you?

Herb: Need to work harder, there are opportunities within your own restaurant……where they really came together was in that 18, 18 black mcdona’ds owners sat down and demanded parity. And that parity was a temporary program…….they cashflow diff in diff’t parts of the state can be 100s of thousands of dollars..

You know what mcd’s recently offered me…..it amounts to six dollars a day per restaurant to help my sales gap between my restaurants and my white counterparts. I can’t even buy a happy meal with that……..The retaliation. They don’t want a guy like me around because I’m telling the truth..

Think about this: there’s a huge financial gap, …..why offer me some pittance like that. That’s help? …..and this is the mighty mighty golden arches.”

Athletic – alex coffee question:

Mentioned 2-tier system:

White owners get higher volume restaurants than blacks…which puts them in position to be more successful. Theyr costs are cheaper, for example. I have a restaurant, I have to have securityin it. My counterpart across town, they don’t have to do that.

McDonald’s has a way of leveling the playingfield but they choose not to.

(Let’s remember mcDonald’s is makingmoney off topline revenue, …so every dollar herb has to spend that white owner doesn’t, that doesn’t affect mcdonald’s---THIS IS LAW PARTNER))

USA Today reporter: Did you THINK ABOUT joining other black lawsuit?

Some differences in lawsuits, that’s of former mcd’s black owners and …I’m a current Mcd’s owner. …so don’t know if mixing the two will make the most sense. Though many of the issues are the same:

Kevin Conway from piper wolf: HW’s plight very similar to black operators…..but in addition to herb still being there. This is talking about retaliation. This is talking about some body who is successful despite obstacles put in front of him.”

Justin Mitchell in WFMJ in Youngstown:

How many locations still have? 14 restaurant I still have

Mcd’s saying bad businessman (health code violations, infestations, etc)

Treat me the same way you treated white operators that may have had similar situations. Over 40 yrs, you’re going to hit a few speedbumps, …what mcd didn’t say to you is this…..but understand ….they didn’t say hey herb ‘s rest do do less volume than white counterparts. They didn’t talk about that did they?......

John Shay at SF chronicle

Had as many as 27 at one time. Few have been closed at mcd’s discretion due to changing demos in n-hoods that are impoverished. You walk away, mcd’s doesn’t kick in a dime…they still own the real estate, a valuable asset….I walk away, I have some equipment that has devaluated.

End game:

What I want to accomplish with this lwsuit is make mcdonald’s stop the two-tier system…for them and for folk who look like me……At one time there were 42 black mcd executives…two years ago it was down to seven….they were doing it to their own employees that look like me.

WJW-Cleveland reporter alex stokes:

Of 14 your still have? All are in ne ohio, except ones in western pa

New York Post

Explain situation with your son:

What I’e been told is that mcd’s has system, where you go thru this training program, second gen program…my son went thru that……he completed it….some time later as I started to speak out on issues within mcd’s franchising world….he was later told he was no longer eligible to purchase restaurants for anyone.

Mahonnig matters website

What about mcd’s efforts to increase diversity and inclusion

I wonder why. Why now? That’s what I would ask mcd’s why now…..this admin been in place. What made you think you needed to have a chief diversity officer…..under your admin. You wnt from 42 balck execs down to 7..? ….It took you til now to have diversity and inclusion officer, you had one before did that person not do the job…..we had to get someone cuz it looks good……..

Pifer:

In 1996 mcd’s admitted to placing some black owners…..in less equal stores….been promising for 20 years to parity.

Kevin Conway, partner, Peiffer Wolf Carr Kane & Conway, said: “While McDonald’s has joined the chorus of brands releasing hollow solidarity statements in support of Black Lives Matter and has launched a marketing campaign to profit from that movement, it has done nothing to change its own internal policies that perpetuate systemic racism by disadvantaging and squeezing out its Black franchise owners.”

When the McDonald’s franchise system was established in 1955, its restaurants were located only in white neighborhoods and owned exclusively by white franchisees. During the 1960s, white flight to the suburbs led to changing neighborhood demographics, with McDonald’s locations once in predominantly white neighborhoods now located in predominantly Black ones.

In the wake of protests after the murder of Dr. Martin Luther King, McDonald’s recognized its first Black store owner in 1968. In 1996, McDonald’s admitted its policy of “redlining” Black operators into less desirable store locations, with Executive Vice President Thomas S. Dentice writing: “for business reasons we thought valid at the time, the Company has placed many Black Franchisees in restaurants that have not allowed them to achieve the same level of economic success as their peers.” He promised to “create and implement a strategy designed to achieve parity for African American franchisees.”

However, such promises remain unfulfilled as, one by one, Black franchisees are pushed out of the McDonald’s system and those remaining continue to earn vastly less than white franchisees because of McDonald’s longstanding and demonstrable disparate treatment of Black franchisees.

Peiffer said: “Herb Washington remained in the McDonald’s system because McDonald’s continued to promise that it would end its history of discrimination and achieve parity. He reasonably believed that once parity was achieved, the revenue and profitability numbers McDonald’s touts would finally be obtainable for him. While he has been waiting for fair and equal treatment, McDonald’s has enjoyed a steady stream of rent and fees from our client’s efforts and success under racially discriminatory circumstances. Now, McDonald’s is working to dismantle his life’s work to create the illusion of parity in cash flow between white and Black franchisees. And it is targeting Herb Washington because of his opposition to the relentless discrimination he has endured in the McDonald’s system.”

Before becoming a McDonald’s franchisee, Washington was a world-class athlete. He attended Michigan State University on a track scholarship. Washington was a four-time All-American, won seven Big Ten Titles and an NCAA championship, and narrowly missed the 1972 Olympic track team.

In 1972, Washington participated in a protest at a Michigan State men’s basketball game over the lack of Black coaches and officials in the Big Ten. As a scholarship athlete, it was a huge risk for him to take. But he believed then, as he believes now, in standing up to injustice. The following season, Tom Rucker became the first Black men’s basketball official in the Big Ten.

After graduating from Michigan State, Washington played for the Oakland Athletics professional baseball team from 1974-75, including a trip to the Word Series. Four years later, he became a McDonald’s franchisee.

The law firm Peiffer Wolf Carr Kane & Conway maintains offices in Cleveland, Youngstown, St. Louis, New York, Los Angeles, San Francisco, Austin, and New Orleans.

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Max Karlin at (703) 276-3255 or mkarlin@hastingsgroup.com

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PEIFFER WOLF: MOST SUCCESSFUL BLACK McDONALD’S FRANCHISE OPERATOR FACES RACIAL DISCRIMINATION, FORCED TO SELL 7 STORES TO WHITE OWNERS

“Targeted for Extinction”: Former Michigan State University Track Star and Oakland A’s Player Herb Washington’s Civil Rights Lawsuit Details How McDonald’s “Redlines” Black Owners Into Sub-Par Locations and Is Now Driving Black Franchisees Out of Its System.

WASHINGTON, D.C. – February 16, 2021 – Herb Washington, a college track star at Michigan State University, former Oakland A’s player, community leader, and one of the most notable success stories in Black American business history, filed a civil rights lawsuit today against fast-food giant McDonald’s, exposing the company’s campaign of racial discrimination and retaliation against him as a Black franchisee. The complaint filed by the law firm Peiffer Wolf Carr Kane & Conway details how McDonalds “redlined” Washington and other Black store owners into its least desirable locations, withheld advantages provided to white store owners, and then, in the case of Washington, systematically dismantled his 27-store chain empire in New York, Pennsylvania and Ohio – forcing him to sell seven stores in the last three years, in every case, to white owners.

Despite McDonald’s hostility to Black franchise owners and being relegated to sub-par locations with an average of $700,000 less in annual sales per store than white owners, Washington became the largest Black McDonald’s restaurant operator in the United States. Washington succeeded against incredible odds posed in the form of obstacles created by McDonald’s to impede and undermine Black store owners. McDonald’s put the screws to Washington when he objected to its discriminatory treatment of himself and other Black store owners, saying that he is “not a house negro and will not be treated like one.”

Herb Washington said: “There are two McDonald’s systems: one that is designed for white owners to flourish and grow and another that is designed to pigeonhole and oppress Black owners. I will no longer give up my seat on the bus for white franchisees. After four decades in the McDonald’s system, I have been targeted for extinction. When I stood up for myself and other Black franchisees, McDonald’s began dismantling my life’s work, forcing me to sell one store after another to white operators. At the very same time, McDonald’s deemed my 35-year-old son ineligible to purchase any stores. While it may look like a multicultural Mecca in TV commercials, the McDonald’s experience for Black franchisees is one of redlining and retaliation. Behind the curtain, McDonald’s is about cultural appropriation and restricting the transfer of intergenerational wealth in the Black community.”

Joseph Peiffer, managing partner, Peiffer Wolf Carr Kane & Conway, said: “If a Black business leader like Herb Washington can be silenced for speaking up against racial discrimination by a major U.S. corporation, then what Black businessperson is safe? McDonald’s acknowledged its discriminatory racial-steering policy decades ago and promised to ensure parity for its Black franchisees, but then failed to do so. If anything, it’s even worse today for Herb Washington and other Black store owners. In 1998, there were 377 Black franchisees in the McDonald’s system. Now there are 186. These numbers lay bare McDonald’s intentionally racist policies and practices toward Black franchisees.”

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as well as As a standout Michigan State athlete and member of the ----------Oakland A’s, Herb Washington

Herb Washington Press Conference

Piper wolf law firm…..piperwolf.com

Joe Pifer

Managing partner..

Today we filed civil rights lawsuit…..H..am

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Maya.

When they show you who they are the first time, believe them…

The arches are in ful scale retaliation mode against me….that wasn’t enough…now mcd’s is coming for rest of my stores. I will no longer give up my seat on the bus…”

If mcd is trying to send a message it is painfully obvious…going back to my days at mchigan states…..I’ve always had to fight for everything I’ve got….I’ve always been a competitor…I’ve had focus, the will to survive and thrive.”

I know I rep a lot of other black americans…

Bet you didn’t know most black owners, leave the system broke…….because of the 2-tier system.

It took every ounce of me to succeed against insurmountable odds……no matter how good you are it aint good enough if you’re skin looks like mine…..

((said he was relegated to stores white owners didn’t want, but he took that and made something of it. When spoke up, mcdona;d

S told me to shut up, go back to the grill …..”

Why now?