

McDonald's sued over Latino scholarships

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REUTERS

A group opposed to affirmative action filed a lawsuit accusing McDonald's of not going far enough when it recently rolled back several diversity initiatives by continuing to maintain a program that awards scholarships to Latino and Hispanic students.

American Alliance for Equal Rights, a group founded by affirmative action foe Edward Blum, in a lawsuit filed on Sunday in federal court in Nashville, alleged the decades-old scholarship program unlawfully discriminates against students from other ethnic groups.

Since its launch in 1985, McDonald's says its HACER National Scholarships Program has awarded more than \$33 million in college scholarships to Hispanic and Latino students. Up to 30 students annually receive up to \$100,000 through the program.

Blum's group says that by restricting eligibility to students who have at least one parent of Hispanic or Latino heritage, the program discriminates against other students, including one of the group's members, a white high school student in Arkansas.

The lawsuit alleges that the program violates Section 1981 of the Civil Rights Act of 1866, a Civil War-era law that bars racial bias in contracting, and asks a judge to issue an injunction blocking McDonald's from considering the race and ethnicity of scholarship applicants.

"It is our hope that McDonald's immediately pauses this scholarship program so it can be opened to all under-resourced high school students regardless of their ethnic heritage," Blum said in a statement.

McDonald's in a statement said it was reviewing the complaint. It added that as part of its announcement last week about changes to its diversity ini-

tiatives, it was reviewing programs to ensure they "align with our vision moving forward."

The Chicago-based company on Jan. 6 announced it was retiring its goal for diversity in corporate leadership and shifting away from some diversity practices, citing a "shifting legal landscape" in the United States. Other companies including Walmart have similarly been backing away from diversity practices following pressure from conservative activists.

McDonald's cited a ruling last year by the conservative-majority U.S. Supreme Court that barred the consideration of race as a factor in college admissions. That decision came in lawsuits successfully pursued by a different group founded by Blum.

Blum's American Alliance for Equal Rights and others have since that decision pursued a series of cases challenging corporate diversity initiatives.