

Fifth Circuit: Race Discrimination claim fails Because Bankruptcy Trustee is not "Employer"

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An African-American woman was employed with the office of the Chapter 13 standing trustee for the Western District of Louisiana for 14 years. For the last several years, she served as the office manager. A new trustee came on board in 2008. She and the trustee did not get along, frequently getting into disagreements. Ultimately, after a peer review process, it was recommended that the employee be terminated. When she was replaced by a Caucasian woman, the employee claimed that the Caucasian woman was less qualified than she.

The employee filed suit against the trustee claiming that she was terminated due to her race in violation of the Louisiana Employment Discrimination Law. After various removal issues, the case ended up in federal district court, which granted summary judgment in favor of the trustee, finding that he was not an "employer" under state law. The employee appealed. The U.S. Court of Appeals for the 5th Circuit affirmed, finding that to qualify as an "employer" under the state statutes, the trustee would have to employ twenty or more employees for twenty or more weeks. The court rejected the employee's assertion that the trustee was part of the larger association of the Chapter 13 system (which employed over 125 employees in the state of Louisiana) because the employee provided no authority or evidence for this position.

For more information read Bell v. Thornburg, No. 13-30155 (5th Cir. December 30, 2013).

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