

Charlotte Business Journal - April 18, 2005
[/charlotte/stories/2005/04/18/story2.html](#)

CHARLOTTE BUSINESS JOURNAL

Friday, April 15, 2005

Another swing

Martha Burk is back and she's taking aim at BofA

Charlotte Business Journal - by [Will Boye](#) Staff Writer

The 2005 Masters Tournament may be over, but Martha Burk is still swinging. And Ken Lewis, the chief executive of **Bank of America Corp.** and a member of the **Augusta National Golf Club**, is among those she's taking aim at.

In her new book, *Cult of Power: Sex Discrimination in Corporate America and What Can Be Done About it*, Burk writes that Lewis "thumbed his nose at women" in 2003 by joining Augusta National, which has never admitted a woman for membership. But a year later, she writes, the bank dispatched three high-level women executives to meet with her. The delegation assured Burk that Lewis would resign his membership and launch a new women-based initiative at the company, she says.

"They were just certain that Lewis would be reasonable," she said in an interview with the Charlotte Business Journal. "They just didn't anticipate any problem at all. And of course we never heard from them again. It's obvious what happened. They went back and he wasn't willing to do anything."

BofA spokeswoman Alex Trower says the company does not pay for country-club memberships for any employees and feels such membership is a "personal matter."

Burk, who chairs the **National Council of Women's Organizations**, made headlines when she staged a protest over Augusta National's all-male membership during the 2003 Masters. Since then, she has taken a different tack, pursuing her goals through the legal system. In spring 2004, the NCWO announced a partnership with law firm Mehri & Skalet to investigate cases of gender discrimination at eight financial firms whose CEOs belong to Augusta, including BofA.

Dubbed the "Women on Wall Street Project," the NCWO last month helped file its first suit against one of the eight companies. In that case, four women at Smith Barney, now part of Citigroup Inc., allege they were denied promotions and paid less than their male counterparts.

After announcing the initiative last year, Burk sent letters asking the eight CEOs to fill out a questionnaire on how women fare in pay and promotion at their companies. The NCWO also sought information on the selection process for board memberships, and how each company and its executives treat expenses at male-only clubs such as Augusta National.

"(BofA) immediately dispatched three senior women to Washington to meet with us to 'seek a solution,'" Burk writes in her book. Burk does not name the women in her book. In an interview, she only says that marketing executive Cathy Bessant may have been one of them, along with a ranking female executive in Washington.

Trower confirms that executives from the company met with Burk to better understand her concerns but declines to identify them. "They were women who are close to Lewis," Burk says. "They wanted off the hit list, basically."

The BofA women were sure Lewis would resign his membership and "went on to say that he would undoubtedly also be willing to announce 'a new initiative' on women at Bank of America to remove the bank from scrutiny," she writes. As for Jim Hance, the former chief financial officer who is also a member of Augusta, the women told Burk he was "on his way out" and his membership would soon be irrelevant.

The three told Burk they were also concerned about scrutiny because the integration of FleetBoston Financial Corp., which BofA acquired last April, would bring layoffs. Since the acquisition, BofA has announced it would eliminate 17,000 positions throughout the franchise.

"They knew there were going to be a lot of layoffs and that a lot of them were going to be women," Burk says. "There may be reason for those women to suspect unfairness. That was discussed in the meeting."

The women told Burk they would contact the NCWO in a few days with the good news. Despite follow-up e-mails and phone calls to the bank, Burk says she never heard from the delegation again.

Burk says while the suit filed against Citigroup is the first the NCWO has assisted on, it's not necessarily going to be the last, and BofA has reason to keep its eye on the issue.

"We've heard from women at Bank of America," she says. "They still have some exposure here."

While the controversy over Augusta National has died down since 2003, the issue of gender discrimination may just be heating up for the financial services industry. Last week, a jury awarded \$29 million to a former employee of UBS who sued the bank for sexual discrimination. And last July, Morgan Stanley agreed to pay \$54 million to settle a discrimination suit brought on behalf of a bond trader

and 300 other women.

BofA has also faced gender discrimination complaints. Last month, Dianne Diaz, a former executive in the bank's insurance services group, filed suit against BofA, alleging she was fired in part because of her gender and never received a salary as high as her male predecessor. Last April, a former foreign-exchange executive at the bank sued for discrimination, alleging male colleagues were promoted ahead of her to managing director status. In 2003, a former analyst at Banc of America Securities filed a lawsuit claiming the company fosters a "men's locker-room mentality" and that she was sexually assaulted and threatened by male senior managers. The latter two cases have been settled by the company for undisclosed terms.

"Bank of America strives to ensure a diverse and inclusive workplace where every associate is respected, empowered and rewarded for good work," says Trower, the BofA spokeswoman.

Three of BofA's top executives are women -- Bessant, risk executive Amy Brinkley and technology, service and fulfillment executive Barbara Desoer -- and the bank routinely makes the list of Working Mother magazine's top companies to work for.

Julie Fosbinder, a lawyer who is representing Diaz, says there's a disparity between perception and reality. "Bank of America, in particular, is always trying to tout itself as one of your better employers for women. The average worker really doesn't want hypocrisy on the job."

All contents of this site © American City Business Journals Inc. All rights reserved.