



Sierra Pacific Industries

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Sierra Pacific Industries Affirms its Intolerance for Sexual Harassment – Fires Employee Accused of Harassing Three Employees in the Workplace

October 23, 2012
For Immediate Release

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Anderson, CA – Sierra Pacific Industries (SPI) announced today that the company stands by its decision to terminate employee Ahmed Elshenawy. Mr. Elshenawy was accused by three different employees of sexual harassment in the workplace. In this termination, SPI confirmed that it will not tolerate sexual harassment within its workforce and will take action against any employee who engages in such illegal behavior. Unfortunately, however, government agency intervention in the termination of Mr. Elshenawy resulted in years of expensive litigation after that agency accused SPI of terminating Mr. Elshenawy because of his Egyptian national origin.

SPI spent considerable resources and engaged in protracted litigation to defend itself against such a patently false accusation. SPI still stands by its decision to terminate Mr. Elshenawy in April of 2004 based on many sexual harassment complaints his co-workers raised against him. “Sexual harassment is something we take very seriously,” said Kendall Pierson, Vice President of SPI’s Millwork and Window Divisions. “We will not tolerate it in our company and will terminate employees who have harassed others,” he added.

Sadly, the Federal Equal Employment Opportunity Commission (EEOC) intervened on behalf of Mr. Elshenawy and alleged that SPI fired him because he is Egyptian. SPI vehemently denied that allegation from the very beginning and cited sexual harassment as the reason for the termination. “It is truly a sad day when a government agency accuses a company of something that is totally false and unsubstantiated,” said Pierson. “SPI did not discriminate against Mr. Elshenawy due to his national origin – we fired him because he violated federal and state laws and our company policy against sexual harassment,” noted Pierson. It is unsettling that the EEOC decided to pursue a case of retaliatory discrimination despite the illegal actions of the plaintiff – Mr. Elshenawy was

fired because he violated workplace standards for sexual harassment on at least three occasions, even after being repeatedly warned not to engage in such behavior. Moreover, despite the EEOC's insistence that Mr. Elshenawy is a credible victim who

was allegedly harassed by SPI, he was previously convicted of battery in Tehama County and of "making, possessing, and uttering fictitious instruments" for trying to pass counterfeit one hundred dollar bills in four Northern California County casinos.

SPI was not found to be at fault in the case brought by Mr. Elshenawy and the EEOC. SPI only agreed to settle the case in order to stop spending money and to free the courts of a meritless case. The settlement dismisses all claims of discrimination and wrongful termination and allows SPI to continue to aggressively pursue action against employees who have sexually harassed fellow employees.

SPI is a third-generation family-owned forest products company based in Anderson, California. The firm owns and manages nearly 1.9 million acres of timberland in California and Washington and is the second largest lumber producer in the United States. SPI is committed to managing its lands in a responsible and sustainable manner to protect the environment while providing quality wood products and renewable power for consumers.

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