



July 26, 2023

Mr. Tim Ryan
Chairman of the Board of Partners and Principals
and Senior Partner
PricewaterhouseCoopers LLP
300 Madison Avenue
New York, New York 10017

Illegal PwC Employment and Contracting Practices

Dear Mr. Ryan:

America First Legal Foundation (“AFL”) is a national, nonprofit organization working to protect the rule of law, due process, and equal protection for all Americans. We write in response to strong evidence suggesting that PricewaterhouseCoopers LLP (“PwC”) is unlawfully discriminating based on race, color, national origin, religion, and sex in its hiring, promotion, training, and procurement decisions, and to demand that you immediately instruct the partnership to cease and desist from violating our civil rights laws.

This letter serves as notice to you and to the nearly 4,000 PwC “partners and principals who are not only owners, but also stakeholders who set the tone and shape the culture of [the] firm.”¹ PwC’s illegal employment practices expose these individuals to substantial risk, including, *inter alia*, the risk of being a target of litigation alleging a conspiracy to violate civil rights. As the Chairman of PwC’s Board of Partners and Principals in the United States, you owe your partners a fiduciary duty and are obliged to ensure that PwC’s employment and contracting practices comply with our civil rights laws and controlling Supreme Court authorities. However, as explained below, you have failed to carry out this critical responsibility.

I. PwC Facially Violates Our Civil Rights Laws

PwC’s official website reports at least four facially unlawful employment programs: the “Start Internship”, the “Advance Internship”, the “While You Work – CPA Acceleration Program”, and the “Enrich” program. Also, the partnership’s official statements — styled “Purpose and Inclusion Reports” for FY 2021 and FY 2022 — contain disturbing evidence of unlawful racial, national origin, religious, and sex-

¹ PwC, FY22 PURPOSE AND INCLUSION REPORT at 23 (Oct. 17, 2022), <https://tinyurl.com/3p43ebwe> (last visited July 24, 2023).

based quotas. Either the partnership is affirmatively misrepresenting its hiring and promotion practices, or it is admitting to egregious and morally indefensible violations of the law. There is no third alternative.

A. The “Start Internship Program”

PwC advertises its Start Internship Program as the “first step in PwC’s Internship Experience” for college sophomores and rising juniors.² Therefore, the Start Internship Program is an “apprenticeship or other training program” under 42 U.S.C. § 2000e(2)(d). The law provides that it is an unlawful employment practice for PwC to “discriminate against any individual because of his race, color, religion, sex, or national origin in admission to, or employment in, any program established to provide apprenticeship or other training.”³ However, PwC’s “Eligibility” tab for this program states that for a prospective student “[t]o be eligible for the Start internship,” that student “*must* self-identify as a member” of an “underrepresented racial and ethnic minority group[.]”⁴ The page clarifies that these include only “Black or African American, Hispanic or Latino, American Indian or Alaska Native, Native Hawaiian, or Other Pacific Islander, or two or more races.”⁵ Persons with white skin and who “self-identify” as non-Spanish European or American, and anyone of Asian background and/or national origin, are unlawfully excluded. In fact, of the 1,007 students who participated in the Start Internship in FY22, fewer than 10% were white.⁶ Considering that the Start Internship is 2% of the size of the entire firm’s reported employment—and the program undoubtedly is a pipeline for new hires—PwC’s conduct is unlawful.

B. The “Advance Internship Program”

PwC advertises its “Advance Internship,” which, it avers, helps individuals “develop their digital skills and business acumen through experiential training.”⁷ This program acts as PwC’s vetting process for new hires. Indeed, the website domain page for the program includes the words “Entry,” “Level,” and “Internship.”⁸ And the page itself states, “With over 90% of our interns *receiving full time offers*, the right internship can help you take the next critical step in shaping a successful and rewarding career.”⁹ Unlike the Start Internship Program, this program does not

² *PwC US Careers: Entry Level Programs—Start*, <https://tinyurl.com/58afaey6> (last visited July 24, 2023).

³ 42 U.S.C. § 2000e(2)(d).

⁴ *PwC US Careers: Entry Level Programs—Start* (emphasis added).

⁵ *Id.*

⁶ FY22 PURPOSE AND INCLUSION REPORT at 10.

⁷ PwC, FY21 PwC PURPOSE REPORT at 22 (Oct. 4, 2021), <https://tinyurl.com/ec969hd8> (last visited July 24, 2023).

⁸ *PwC US Careers: Entry Level Programs—Advance*, <https://tinyurl.com/559refuh> (last visited July 24, 2023).

⁹ *Id.* (emphasis added).

explicitly provide that admission is limited based on race, color, religion, sex, or national origin. However, the evidence clearly suggests that it is being operated in an unlawfully discriminatory manner and that admissions decisions are made using illegal race, national origin, and sex quotas.

PwC had 4,196 Advance interns in Fiscal Year 2021,¹⁰ and then it made 4,620 entry-level hires in Fiscal Year 2022.¹¹ The racial breakdown of these classes is nearly identical. The FY21 report explains that, “[t]o continue driving societal systemic change [sic], in April 2021, we announced our extension of Access Your Potential by committing an additional \$125M to support a more equitable [sic] future for 25,000 Black and Latinx [sic] college students.”¹² “From FY20 to FY21, we added 131 Black and Latinx [sic] Advance interns, increasing the racially/ethnically diverse [sic] intern composition from 44% to 48%, while females remained consistent at 50%.”¹³

C. The “While You Work – CPA Acceleration Program”

PwC’s website and Inclusion Report also advertise the “While You Work—CPA Acceleration Program.”¹⁴ “This unique one-year program is designed to provide a path for *eligible individuals* who ... identify as an underrepresented minority, to obtain additional credit hours and a Master’s Degree while working at PwC.”¹⁵ Under the “Fellowship eligibility” tab, the website clarifies that, “[y]ou are eligible to apply for the CPA Acceleration program if you self-identify as Black and/or Latinx [sic].”¹⁶ Accepted students “earn a tuition-paid master’s degree in accounting ... [w]hile they work part time at PwC” to “earn the final 30 credit hours” needed “to meet the 150 credit hour requirement for a CPA license.”¹⁷ Or as Leah Houde, PwC Chief Learning Officer, said, “We pay their tuition, so they come out of it with zero additional debt. Participants earn credit, gain work experience and get competitive compensation the entire time, while earning their master’s.”¹⁸ This program facially violates both 42 U.S.C. §§ 2000e(a)(2) and 2000e(d).

D. The “Enrich” Program

In 2021, PwC wrote, “Increasing the diversification of our partner pipeline is complex. As we work to shift the makeup of our partnership, we are focused on deliberate

¹⁰ FY21 PWC PURPOSE REPORT at 22.

¹¹ FY22 PURPOSE AND INCLUSION REPORT at 9.

¹² FY21 PWC PURPOSE REPORT at 22.

¹³ *Id.*

¹⁴ *While You Work—CPA Acceleration Program*, PwC, <https://tinyurl.com/bdf2bpnt> (last visited July 24, 2023).

¹⁵ *Id.* (emphasis added).

¹⁶ *Id.*

¹⁷ FY22 PURPOSE AND INCLUSION REPORT at 10.

¹⁸ FY21 PWC PURPOSE REPORT at 23.

cultivation of our leadership pipeline.”¹⁹ Favoring some individuals over others based solely on race, color, national origin, religion, and/or sex, PwC launched “Enrich, a multi-dimensional experience” that is designed to “enrich the potential and leadership skills of high-potential female and racially/ethnically diverse [sic] senior managers and directors.”²⁰ This program too facially violates both 42 U.S.C. §§ 2000e(a)(2) and 2000e(d).

E. Experienced Hires and Promotion Opportunities

PwC inexplicably takes pride in discriminating against white, Asian, and (seemingly) Jewish men with respect to their compensation, terms, conditions, or privileges of employment, and in limiting, segregating, or classifying them in ways that deprive or tend to deprive them of employment opportunities because of their race, color, religion, sex, or national origin. Its self-reported data shows a pervasive and unlawful focus on immutable characteristics at all levels, including associate, senior associate, manager, senior manager, director, and managing director.²¹ Similar trends appear in PwC’s workforce-wide data²² and promotion data.²³

For example, the FY21 PwC Purpose Report states, “While we have made some progress year-over-year, we did see a decrease in our experienced hires for women (44% to 38%) and our Latinx experienced hires (8% to 7%) from FY20 to FY21. *We want to course correct.*”²⁴ The very next year, PwC touted its “focus on diversity” and boasted that it was “able to increase the proportion of women, racially/ethnically diverse [sic]” hires.²⁵ PwC claimed that among the 8,041 “Experienced Hires” in FY22, 43% were white,²⁶ down from 49% in FY19.²⁷ PwC’s admissions are powerful evidence that arbitrary race, color, national origin, religion, and sex quotas drive hiring and promotion decisions. First, PwC promises that by FY26 it will have “a workforce in the US” that is “56.5% Women, 20.9% Hispanic/Latinx [sic], [and] 14.7% Black.”²⁸ It further promises “35% Black and Hispanic/Latinx [sic] representation among our experienced hires, entry-level hires and interns” and having an “overall partnership at 50% women and 35% racially/ethnically diverse [sic].”²⁹ And second, PwC touts the effect of these quotas: “In FY22, [PwC] welcomed 425 direct and internal admit partners in the US, which included 50 more female and 60 more racially/ethnically diverse partners than we added last year. As we aspire to have a

¹⁹ FY21 PwC PURPOSE REPORT at 34.

²⁰ *Id.*

²¹ FY22 PURPOSE AND INCLUSION REPORT at 14–15.

²² *Id.* at 14.

²³ *Id.* at 20–21.

²⁴ FY21 PwC PURPOSE REPORT at 24 (emphasis added).

²⁵ FY22 PURPOSE AND INCLUSION REPORT at 13.

²⁶ *Id.* at 13.

²⁷ FY21 PwC PURPOSE REPORT at 24.

²⁸ FY22 PURPOSE AND INCLUSION REPORT at 7.

²⁹ *Id.*

partnership that is 50% female and 35% racially/ethnically diverse, we're making progress, but we're not where we want to be, nor are we moving as fast as we would like to shift the makeup of our partnership.”³⁰

F. The “Supplier Diversity” [Sic] Program

42 U.S.C. § 1981 prohibits racial discrimination in the making, performance, modification, and termination of contracts, and in the enjoyment of all benefits, privileges, terms, and conditions of the contractual relationship; the statute applies to all phases and incidents of the contractual relationship. *Comcast Corp. v. Nat'l Ass'n of Afr. Am.-Owned Media*, 140 S. Ct. 1009, 1020 (2020) (Ginsburg, J., concurring). Nevertheless, PwC admits favoring some suppliers over others based solely on their immutable characteristics and discriminating based on race, color, national origin, religion, and sex in procurement. Perversely, PwC justifies breaking the law as an “ethical responsibility.”³¹

II. **PwC’s Discriminatory Employment and Contracting Practices are Illegal and Immoral.**

PwC’s use of race, color, national origin, religion, and sex in its hiring, training, and promotion is patently illegal. 42 U.S.C. §§ 2000e-2(a), (d). Decades of case law have held that — no matter how well-intentioned — quotas and other employment practices aimed at achieving racial or sexual “balancing” in the workforce are strictly prohibited. *Students for Fair Admissions*, 143 S. Ct. 2141 (2023); *Bostock v. Clayton County, Georgia*, 140 S. Ct. 1731 (2020); *see also United Steelworkers of America v. Weber*, 443 U.S. 193, 208 (1979); *Johnson v. Transp. Agency*, U.S. 616, 621, 632 (1987). Similarly, PwC’s program of steering procurement contracts based on the immutable characteristics of its suppliers is legally indefensible. An equal right to make contracts is an empty promise without equal opportunities to present or receive offers and negotiate over terms. *Comcast Corp.*, 140 S. Ct. at 1020 (Ginsburg, J., concurring). Incomprehensibly, you have decreed that PwC will judge people not by the content of their character but by the color of their skin. PwC’s employment and contracting practices, especially as described in the referenced “Purpose Reports,” reflect the cartoonish racism and rambling incoherence of “diversity, equity, and inclusion.” In fact, they are shameful and twisted.³²

PwC’s systemic violations of our civil rights laws breach your fiduciary duty and expose you and your partners to substantial liability.³³ PwC may indeed be structured

³⁰ *Id.* at 23.

³¹ FY21 PWC PURPOSE REPORT at 40–41.

³² PwC requires “partners to see gender, race and ethnicity composition [sic] of the teams they oversee and relevant related insights. Partners can assess in real-time which groups and individuals may need additional support around performance metrics, including utilization and performance differentiators.” FY21 PWC PURPOSE REPORT at 37.

³³ *Phillips v. Starbucks Corp.*, No. 1:19-cv-19432 (D.N.J. June 15, 2023).

as a network of separate legal entities.³⁴ However, ample evidence suggests you and your partners have unlawfully conspired and combined to discriminate against whites, males, Asians, and Jews in employment and procurement firmwide, although you knew, or should have known, that discrimination against *any* American based on his or her race, color, national origin, religion, or sex is illegal. Accordingly, please be advised that America First Legal Foundation stands ready to represent any person who has been harmed by PwC, and to take all appropriate measures to stop your cynical assault on Constitutional equality.

Sincerely,

/s/ Reed D. Rubinstein
Senior Counselor and Director of Oversight and
Investigations
America First Legal Foundation

³⁴ “PwC network consists of firms which are separate legal entities.” *How We Are Structured: Corporate Governance*, PwC, <https://tinyurl.com/599akv9v> (last visited July 24, 2023).