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Suit Accuses Dell of Ethnic Bias in Computer Financing

By DONNA HIGGINS, Andrews Publications Staff Writer

Dell Computer's financial arm illegally denies credit to Hispanics and other ethnic minorities who want to buy or lease computers from the company, according to a class-action lawsuit filed in Miami federal court.

"The exact number of people affected by these discriminatory practices [is] unknown, but we believe there are thousands of victims who simply don't know that they were denied credit based solely on their race or ethnicity," Thomas K. Equels, one of the plaintiff's attorneys, said in a May 8 statement announcing the suit.

A Dell representative said the company's policy is not to comment on pending litigation.

According to the complaint filed in the U.S. District Court for the Southern District of Florida, plaintiff Juan C. Arteaga responded to an e-mail sales pitch from Dell advertising computer equipment and software.

The complaint describes Arteaga as a "university-level educator" who had just started a company called the Global Institute of Higher Extension Studies.

Arteaga's lease order and credit application initially went through, and he made a down payment of \$4,063 to defendant Dell Financial Services, the complaint says, but the application was later denied.

The complaint cites an e-mail message from a Dell Financial employee to an employee at Arteaga's company, saying Dell's verification department believed Arteaga could not speak English.

According to the complaint, the e-mail stated that a non-English speaker cannot personally guarantee a lease account "for fear they may not understand the terms and conditions of the lease."

Arteaga has been unable to correct the problem with Dell, the lawsuit says.

"Even though Mr. Arteaga had exemplary credit, Dell would not extend him credit because of his accent and ethnic background," the complaint says.

The lawsuit alleges Dell Financial violated the Equal Credit Opportunity Act, which prohibits businesses from using age, race, national origin, gender, marital status, religion or receipt of public assistance to deny credit or to provide credit on different terms than those offered to others with a similar credit risk.

The suit seeks certification as a class action on behalf of "all persons who have been subjected" to Dell's alleged violations of the act.

Most potential class members do not know they have a claim against the company and, even if they do, the amount is likely too small to make individual lawsuits feasible, the complaint says.

Arteaga v. Dell Financial Services LP, No. 06-21123, *complaint filed* (S.D. Fla., Miami Div. May 3, 2006).

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