

FEATURE

The Company That Sells Love to America Had a Dark Secret

For thousands of women, working at the nation's largest jewelry retailer meant unequal pay, harassment or worse.

By Taffy Brodesser-Akner

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The pay-and-promotions lawsuit against Sterling Jewelers Inc. began the way a lot of these things begin: In 2005, Dawn Souto-Coons walked out of the jewelry store where she had been a successful assistant manager and into a local Tampa-area employment office, claiming sex discrimination in her store. She had been working at a Jared the Galleria of Jewelry for nearly four years. But it was only in the last few months that she began to understand that the thing that kept happening to her there, the thing that seemed to keep happening to so many of the women there, went beyond the regular, standard-issue sexism she had been hearing about her whole life. But what woman is certain that the problem isn't her, but them?

She had been with Sterling for nearly 14 years by then. Previously, she was a manager at another Sterling store, a J.B. Robinson, when her husband relocated to Florida for work. She asked the company for a transfer, too, and was offered an assistant-manager position at a Jared that hadn't yet opened. Jared was a relatively new concept, Sterling's first stand-alone, nonmall store with high-end everything, a drink when you walked through the door, a sandwich, too, Rolexes that you couldn't find in any of the mall jewelry shops. Dawn loved jewelry. She loved being a character in her customers' stories about a happy day of their lives. She was excited about the even higher-end jewelry that Jared would sell. The idea of working with the really good stuff made the demotion palatable. She told me she took the job on the condition that she would be in the running for the first manager post that opened up.

But she wasn't. Not when the manager left for training to be a district manager; not when that man was replaced by a man who had just two years of experience at another jewelry store along with a few years of nonjewelry experience at a Men's Wearhouse. She reminded her district manager that over the course of her tenure, she had helped take the J.B. Robinson from around \$800,000 in sales to more than \$3 million, but she wasn't even given an interview. Instead, she was made acting manager while her district manager looked for someone new. The manager he hired made dirty jokes about the bodies of female customers who walked in and shopped. But at the same time, her district manager brought in a manager in waiting, a man who would train under Dawn at a manager's salary so that he could be fast-tracked to management. The manager in waiting told a female sales associate that he wanted to "lick her head to toe," Dawn told me. He also would sometimes ask a saleswoman if she would meet him and a few others at the Bennigan's nearby, but when the woman got there, she'd find that she was the only one he'd asked. He was soon promoted to another store, and yet another man was made store manager. It wasn't that Dawn felt entitled to the manager position. She simply wanted to be allowed to interview for it. She never was.

She found out about the pay issue by accident. She had helped recruit Marie Wolf, a woman who had sold a million dollars' worth of jewelry in one year at the Service Merchandise down the road. According to Dawn, her manager didn't seem to like Marie, despite the fact that Dawn said she was the top salesperson not just at Service Merchandise but now at Jared as well. She didn't have "the Jared look," the manager told Dawn. Marie was tall and wore pants and blouses, not short skirt-suits, and she wore little makeup. One day Marie asked for a raise, and the manager told her she was already making more than any other salesperson in the store.



Dawn Souto-Coons, a former assistant manager at a Jared the Galleria of Jewelry in greater Tampa, who helped initiate the class-action suit against Sterling Jewelers Inc. Elinor Carucci for The New York Times

Dawn knew better. While she was acting manager, she had access to payroll forms and had seen some discrepancies: in particular, that a male sales associate who was recently recruited from a tile store was making \$2 an hour more than Marie. The egregiousness of the manager's lie bothered Dawn. That night, after the manager went home, she closed the door to the administrative office and took out all the payroll records and spread them out over the desks. One by one she saw it: There were seven women and five men who were counted as full-time sales associates. In only one case was a woman making more than a man, and it was only when you compared the highest-paid woman with the lowest-paid man. The women's hourly wages averaged \$10.39, and the men's averaged \$13.40 — so that on average, a woman working a 30-hour workweek for 52 weeks each year would make \$16,208.40 before bonuses, while a man working the same amount would make \$20,904. The men did not have more experience, nor were they quantifiably better salespeople.

There is a precise algorithm that lives in the heart of every woman, one that alerts her when the injustice she is experiencing outweighs the joy. Dawn saw those payroll records and knew she couldn't stand for it anymore.

Dawn told Marie what she had seen in the payroll records. That's when they went together to the office of an employment lawyer for help. That was nearly 14 years ago. Dawn has now been waiting for the resolution of the lawsuit for as long as she worked at the company. Fourteen years was a long time to abide deep and overt discrimination at your job. It's also a long time to be a named claimant in a lawsuit, which at one point grew to include nearly 70,000 women. It is a long time for that lawsuit to have made just about no progress toward a resolution. And it is a long time to wonder just how an enormous, publicly traded company was able to keep the details of its working conditions from its shareholders and from the public, and why those secrets might have been the company's most valuable assets after all.



A Kay Jewelers store in Bay Shore, N.Y. Natalie Keyssar for The New York Times

If Sterling Jewelers Inc. isn't a familiar name to you, it's probably not because the company isn't a part of your life. Sterling and its parent company, Signet, own the jewelry stores that dominate the malls and strip malls, with brands like Kay, Jared the Galleria of Jewelry, Osterman, J.B. Robinson, Zales and a dozen others. Often a set of two or three jewelry stores that appear to be competing in a mall are all owned by Signet, its own hall of mirrors.

The company spent the '90s and early 2000s buying up local branches of family-owned jewelry stores and incorporating them into Sterling. By the time Signet acquired Zales in 2014, it owned more than 3,600 stores — 7 percent of the specialty jewelry market in the United States, selling nearly \$6 billion in jewelry a year. It is the largest jewelry retailer in the United States.

Sterling took jewelry off its velvet avenues and made it available to people where they were, so that it would be easy to follow the company's Pied Piper jingles to acquisition: "Every Kiss Begins With Kay"; "He Went to Jared." The company's commercials were just as ubiquitous as its stores: A woman in a thunderstorm scared by the lightning leaps into her fellow's arms, happy to find both safety from bad weather and a silver Love's Embrace necklace that he bought her, which looks like arms hugging a gem; or the scene of a chaotic family Christmas, in which the man pulls the woman outside into the snow and gives her a necklace from the 3-Stone Collection, which looks like what it sounds like, and she therefore starts kissing him romantically. This is how powerful the company's marketing is: In the 1980s, a massive amount of brown diamonds, which were historically used in industrial settings, were mined, but they never took off as a commercial product. In 2000, Le Vian, which sells in Sterling stores, marketed them not as brown but as *chocolate*. Chocolate diamonds are now a thing.

The employment lawyer Dawn and Marie eventually contacted in 2005, Sam J. Smith, knew that Sterling was a large company with stores across the country. He realized that the things they were saying indicated what might be a systemic problem. He called Thomas Warren, with whom he had worked on the historically large class-action discrimination suit against the restaurant chain Shoney's, who in turn called Joseph Sellers, a partner at a large firm specializing in civil rights that could sustain what might be a bigger lawsuit than Dawn and Marie, in their one store, had ever imagined.

The lawyers told Dawn and Marie to tell their colleagues who had worked at Sterling properties to contact them if they had a similar complaint. But all the employees had signed a mandatory arbitration agreement in the flood of paperwork that accompanied their hiring at Sterling — everyone did at the time. Arbitration meant that instead of being heard in a public court, they had to proceed privately in Sterling's in-house system, called Resolve. The first step of Resolve was an internal investigation. If the employee wasn't satisfied by the results of that investigation, he or she could ask to be heard by a panel of the employee's

peers and an employment lawyer, all selected by Sterling. If the employee was still dissatisfied, the case was sent to arbitration. Sterling paid the arbitrator. The hearing's proceedings were carried out with judicial oversight, but they were done in private, and their outcome was sealed. Afterward, if there was a settlement, the employee often had to sign a nondisclosure agreement that prohibited the employee from speaking about the case again. The benefit of arbitration to the employee was that the claim was usually resolved more speedily. The benefit to the company was that it was resolved in secret. The secrecy was the point.

One by one, Dawn and Marie's colleagues called the confidential toll-free number the law firms had set up. Hundreds of women called. The lawyers heard consistent stories from across brands and stores and regions about pay disparity, but the employees didn't know what others had been through — in arbitration, the proceedings are so secretive that the lawyers weren't allowed to tell other women in the suit what had happened to them. The women and men I interviewed told me that they were instructed upon their hiring that they were not allowed to discuss their wages with their co-workers — and some, who were managers, told me they were instructed to enforce those restrictions — but that didn't stop some of the salesmen from bragging.

[Read essays from women across the working world about sexual harassment.]

But then, almost incidentally, the lawyers started to hear about other things. Women contacting them talked about groping and sexual coercion and sexual degradation and rape. Eventually they amassed more than 200 sworn statements from women who, for the most part, didn't know one another. Some men gave statements, too, haunted by what they had seen at the company and what they had participated in.

There was Diane Acampora, in Lancaster, Pa., who said that after five years at Kay and six years of experience at another store she made \$2 to \$4 less per hour than her more-recently-hired, less-experienced male colleagues. When she was promoted to manager, she attended the company's annual managers' meeting in Florida. On a shuttle bus back to the resort, she was pulled onto the lap of a manager, who held her tightly as he fondled her. At the same meeting, a district manager tried to kiss her. At a later meeting, she had to leave a hot tub because discussion turned uncomfortably sexual. She was later told that the hot-tub scene turned into an orgy.

There was Jacqueline Bailey, who, as a sales associate at a Jared in Virginia, was making \$11 an hour and had to listen to a male employee brag about being paid more than the women in the store.

And Susan Ballard, an experienced store manager in Savannah, Ga., who watched a male manager in training be offered the higher-volume store she had specifically asked to interview for, which that manager in training then turned down because he didn't want to relocate. When she was finally promoted, she went to the annual managers' meeting, and a district manager asked her to join him in one of the hot tubs in the resort. She refused. She heard that her roommate and another few female store managers went back to an executive's hotel room together.

There was Amanda Barger, a sales associate who made her way up to assistant manager — who, after five years of employment, complained that she was still making her starting salary but was brushed off by her manager; who watched the new guy who previously worked at a cellphone-cover kiosk be promoted ahead of her; who dared to complain to H.R. after her district manager invited her to a Chili's with a few other managers and, while they were eating, texted her from across the table, "I want to come on your tits."

These accounts weren't curated for maximum salaciousness. It is just a selection of the A's and B's.



Ellen Roland says that she complained to her district manager about a store manager who seemed vindictive, and that she was relegated to a side counter, where she had to clean trays of rings, keeping her off the floor and affecting her sales numbers. Elinor Carucci for The New York Times

The sworn statements, when read from beginning to end, are shocking, first for the consistency of horrors across cities and regions. Then for the egregiousness and audacity of the abuse they detail. But as you make your way through the declarations — to that of a woman in Missouri who, upon finding her store manager with his penis exposed, was asked if she wanted to join in, or another woman, whose manager felt her up while her boyfriend, also a Sterling employee, was facing another direction — they become shocking simply for their volume. When you finally get to the end — Tammy Zenner, who was called Texas Tammy by her colleagues because of the size of her breasts and who complained to her store manager that an executive visiting the store had rubbed himself against her from behind but was told when she complained that she should be flattered — another wave of shock hits you. Hot-tub orgies? At the company that has so profoundly contributed to our notions of gauzy romance and surprise Valentine's gifts and new and abundant ways to show a woman how she is treasured?

The women's lawyers pursued class action because it would have been impractical to file separate suits for the number of women who were affected. Also a suit with a large number of women stood a better chance of changing the company's culture and policies for good. The case wasn't brought as a sexual-harassment or hostile-work-environment claim, in part because it can be hard to prove that a culture of harassment was widely endorsed by an entire company.

The pay-and-promotions case went on for years. There were appeals. Then more appeals. There were motions. There were more motions. Back and forth, back and forth. In 2015, the arbitrator, a retired judge, granted the women class certification, bringing the number of claimants to 69,000. By 2017, the women's lawyers were finally allowed to share the stories of some of the other participants in the case, because it's a rule of the American Arbitration Association that at least some evidence from arbitration cases can be publicized when they involve a class. It was only then, 12 years after Dawn first quit, that she understood the extent of the company's abuse. She had thought this was just a simple wage-gap case. But now the black box of private arbitration was open, and the light shone on the ugliest abuses of power she could imagine, and she could barely stand it. Dawn read those statements and cried.

Sterling successfully appealed part of the class certification, reducing the number of women in the case by tens of thousands. The women have appealed the decertification ruling in federal court and have been awaiting a decision since last May. Whichever side loses can petition for review by the Supreme Court. All this to say: After all these years, the case has progressed only up to the part that determines how many women are part of it.

When several of the case files became public following class certification, The Washington Post and The New York Times ran a handful of articles on the case, as did the TV news. But as the women wait for a decision in the appeal, the story has faded. The rules of arbitration remain in place: The lawyers can't talk to the press about anything that hasn't been made public already. David Bouffard, a spokesman from Sterling whom I met with and spoke with several times, told me that he couldn't speak with me on the record because of the rules of arbitration, but that the company denies any claims of gender discrimination in pay and promotions and says it is defending its innocence. Sterling says that the original suit that was filed was about pay-and-promotion inequity, and that harassment has nothing to do with it. Sterling has, since Dawn and Marie first met with their lawyer, instituted a gender-blind algorithm for determining pay and an intranet program that allowed employees to post their interest in promotion, and says it has eliminated Resolve for any complaints that occurred after 2018. In 2017, Sterling hired its first female chief executive, Virginia Drosos, and has worked to achieve gender equity on its board and in the highest levels of the company. The first female board director was named in 2008; now there are six.

The women who signed their names to their statements were permitted by the rules of arbitration to speak with me if they didn't identify the men who were accused of wrongdoing. But those women had friends who had no such obligations, and if you spend a long enough time on a story, people will hear you're interested and start calling you. The documents that were made public were heavily redacted, but sometimes those redactions were incomplete enough for me to figure out who was implicated. I spoke with women who were not included in the lawsuit, and to men who were witnesses and also to men who were not witnesses. I spoke to former Sterling employees and some current ones, around the country — more than three dozen in all. What emerged was not just a list of individual horrors and degradations but an accounting of the systems put in place that allowed the abuse to proliferate and kept it from ever becoming known either to the other women at the company or to the public. What emerged was a portrait of a company that the women said felt all-powerful and was often vindictive to them; a company the women were afraid to run afoul of; a company that was, at various times, described to me as “the Wolf of Wall Street,” but for mall jewelry, and “the Gestapo meets Studio 54.”



A Zales store on Staten Island. Natalie Keyssar for The New York Times

The thing is, it was a good job.

So many of the women I spoke with said it was glamorous. It was *fun*. The Sterling workers ruled the malls. Remember, this was the hot-pink-neon “Miami Vice” ’80s, then the ’90s, then the 2000s. Malls were alive; they were where everyone was. And the Sterling women — you could spot them in an instant by their swagger. They wore blazers and skirt sets from Casual Corner (“like a bunch of Ally McBeals,” one former saleswoman told me), their hair done up in French twists, their nails manicured, everything perfection, not like the side-ponied kids at the Gap in their shlumpy sweaters or the acid-washed stoners running the Orange Julius. They were the public face of what was becoming the biggest jewelry company in the world. What is sexier than that?

Most of their customers were men; men are the ones who buy most jewelry, and so the female managers weren’t surprised when they were explicitly told whom to hire. “You hired women,” said Michelle, who became a district manager during her more than 20 years at the company and who, like many of the women I spoke with, preferred to be mentioned by only her first name. “Good-looking women, because men were the customers.”

The saleswomen watched the men seep into their stores on Monday mornings after they saw a Kay Jewelers commercial aired during the Sunday football game that made their blood run cold: an unassuming woman being given an Ever Us necklace with an infinity symbol wrapped around two stones hanging suspended inside a heart, or a Love + Be

Loved bracelet, which showed two linked loops that call to mind a trapeze artist grabbing another trapeze artist in midair. Or a young girl receiving an Open Hearts by Jane Seymour collection necklace, which looks like the Sanskrit yoga symbol and a snake that are either fighting or kissing each other, so that her mother's new fiancé could let her know that he cared about her, too. The men would run to the mall reminded that there was always an anniversary coming up; they had always screwed something up and needed to apologize; Valentine's Day comes every freaking year.

Once the men were in there, they couldn't have escaped if they tried. Sterling had trained its staff obsessively. The salespeople were given gemology and diamondology courses. They knew the chemical components of platinum versus white gold versus yellow gold versus now all of a sudden rose gold. All this training made the saleswomen into retail assassins. They knew those guys were looking for a woman's soft hand to hold theirs through the process. They would stand above the display cases and swivel their pretty wrists like a magician's assistant. And maybe one of those guys would start looking at the jewelry, but he'd realize that he had no clue about what a woman would like because he was just a dumb man, and so he would ask the woman what he should buy, maybe that solitaire? "Sure," the saleswoman would say, "that's nice." But why would you buy a single-stone diamond when you could buy a three-stone diamond? "When one diamond is not enough," goes the sales copy, "use three to tell your story." "Uh, what's my story?" the guy would ask. "You and me and us is three," she would say. "Or heart and soul and time. Or today and tomorrow and always." It's a story, she would explain. The guy would nod. Yes. Now he had a thing to give and a thing to say. Done.

But Sterling wasn't just about jewelry. It was also about selling credit cards and payment-protection plans and extended warranties. Many of the women told me that stores had quotas for that, and sometimes, when things got desperate, saleswomen were sent to the food court to flirt with men and get them to come apply for a credit card. "If you could fog up a mirror," one woman told me the saying went, "you could get a credit line." Salespeople were sometimes instructed by managers to charge customers without their consent for payment-protection plans to meet their store quotas. If the customer got home and saw the charge on the receipt, he could call customer service and get it refunded, but it could still count toward the store goal, so win-win. Occasionally they could persuade the customers to run their Social Security numbers for applications, because even if they didn't qualify, just running the numbers would allow the store to hit its targets. That was not the fun part, but what were you going to do? It was all in the name of showing how valuable they were in their jobs, how they were willing to do what needed to be done. (Sterling says it retired its payment-protection plans in 2017.)

So many of them loved this job. Every day there would be something to feed their hearts. They understood that this was about relationships. They kept in touch with their customers; they remembered when it was an anniversary or time for a daughter to graduate from college. They'd watch the important moments between couples who walked in, the ones that either imitated the "Every Kiss Begins With Kay" commercials or inspired them. A tiny diamond just as a soldier boyfriend (now fiancé) was being deployed; a lab-made-emerald promise ring that fit into a young man's budget; an upgrade for an anniversary now that he could afford a larger stone. It was beautiful to see: *I remembered our anniversary. I am compelled to adorn you I love you so much. I am getting down on my knee.* They watched as the truth of a woman's life overcame them — that she knew in that moment she was loved, she was adored and she would have a relic of her adoration forever. How could you not want to be part of that?

The saleswomen were rewarded for their talent and their hard work. Dawn, who helped initiate the suit, had received a \$10,000 sales award before she was transferred over to Jared. Michelle, from Cleveland, remembered the first time she received a bonus. She was 22, and she was given more than \$10,000 — more money than she ever thought she'd make in a year with no college degree. She remembers cashing the check and lining up all the bills at home and taking a picture.

And there were incentive trips: Sterling would send you on a vacation to Hawaii or the Caribbean if you exceeded your sales goals. I heard about an incentive trip on a cruise ship that the company had rechristened the Sterling Diamond. (I also heard that the ship ran out of alcohol — something I had never heard of happening on a cruise — so that the vessel had to drop anchor and have a helicopter deliver more midsea.)

So maybe they had to put up with a few things that weren't always so great. The way the men talked to them; the way the men talked about them with one another, right in front of them. A woman named Rebecca remembered doing inventory one night in her New Hartford, N.Y., store with a male sales colleague, and as the women in the mall would walk by, he'd rate each one as a "butter" or a "bagger" — a butter is someone who is pleasing to the young gentleman in body but (but 'er) not in face; a bagger is someone he would deign to have sex with only if she put a bag on her head. Heather Ballou, in Florida, remembered that her colleague would try to win a sale by calling over to her: "Heather, can I borrow your ears?" That was Heather's indication to walk over in her deep V-neck top and lean across the display case to the man, while trying on some lab-made amethyst solitaire earrings and touching his arm lightly and marveling aloud how beautiful she felt with these on and how treasured they made her feel. Jeanene Glaude, in California, had to hear a drunken executive say to her, "You ran into me with your boobs!"

There was more. There was a lot more. But mostly it was a good job. Or at least the women didn't know of a better one — one that allowed them to be part of a diamond moment, or handle beautiful objects, or learn so much about something, or succeed in a goal-driven environment.

They all understood that at Sterling, they were part of something bigger than themselves. They were important. They — the saleswoman of fine jewelry, the manager of the store, the customer-facing gateway to gem ownership — they were the lifeblood of a thing. They were valued for it. They were celebrated for it.

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So, every place has its problems, right?



Jeanene Glaude, a claimant in the arbitration suit. She says a drunken executive once told her, "You ran into me with your boobs!" Elinor Carucci for The New York Times

The phrase “good old boys” came up in more than a few of my interviews: “He was also very close with a lot of these corporate people, and it was just the good old boys’ club,” said Danielle in upstate New York. “They’ll look out for themselves but not the women, and they knew because there were executives at the top having affairs with everybody that this went on all the time.”

“He’s a scumbag, and he was the king of the good old boys,” said an Akron-based former district manager who didn’t want his name used.

“It was the good old boys,” said Ann, a former store manager in Mentor, Ohio.

“He was the John Gotti of that good-old-boy network,” said Scott Smith, a former district manager in Arizona and other parts of the country. In sworn statements, the phrase comes up still more.

The good old boys weren’t an official group except for how every employee knew exactly who they were: C-suite executives and senior vice presidents and regional vice presidents and district managers and even some store managers who helped keep the Sterling culture in place, from the stores to the H.R. department.

Many people I interviewed credited Nate Light as the architect of modern Sterling. He began at the company in 1977 and, before retiring in 1995, was largely responsible for its aggressive acquisition of regional, family-owned jewelry stores. By 2014, Mark Light, his son, had risen through the company to become chief executive himself. It is Mark Light who, based on my interviews, is the subject of many redacted and nonredacted pages of the lawsuit filings, and who left to tend to an unnamed illness in 2017. (I tried to contact the executives whose names I came across, but none of my Facebook, Twitter, LinkedIn InMail or text messages, or emails or phone calls, were returned, and a formal request to interview them through the company was denied.)

The company culture oozed downward onto regional vice presidents and the district managers and even the store managers. Per one of the claimants’ court filings: A store manager, Dean Huffman, said that his regional vice presidents told him that it was “better to hire female employees because the company did not have to pay them as much”; Dave Everton, a regional vice president, told a subordinate, “Why pay women more when they just get pregnant and have families? We need people who are hungry”; John Liebler, another regional vice president, told his subordinates that his wife, a former Sterling employee, was “at home waiting for me where she’s supposed to be.” And there was Tryna Kochanek, another vice president and one of the only female executives at the company during this time, who was characterized to me by several people as both a role model for a successful Sterling woman and a plausible-deniability alibi against discrimination claims.

According to my interviews, to be a good old boy, you didn't have to have achieved a specific position or have been particularly good at jewelry sales or management. You didn't even have to be a boy (though it helped). It was a state of mind, an acquiescence to a culture and the mission to do what you could to perpetuate it.

This played out through a system in which men were consistently paid more than women and promoted more quickly; a promotions system in which men received, as many I spoke to described it, a "tap on the shoulder" for advancement instead of being rewarded through any kind of predictable, fair system; a hiring system in which management received instructions from regional vice presidents that included: "Put them in a push-up bra and get them on the lease line. That's how you'll get sales."

It was even more insidious after hours: One former saleswoman told me that on one occasion, her manager forced her and others to go out for drinks with an executive who was in town; he got drunk and kept trying to get them to "come see something" in his room; another saleswoman warned her that the year before, that same executive locked a saleswoman in his hotel bathroom, and she had to call for help. Scott Smith told me that he once had to talk an executive out of trying to coerce a female manager back to his limo; the executive was drunk, and the woman was pleading for help.



Heather Ballou says she was coerced into sex by a Sterling district manager in exchange for a transfer. Elinor Carucci for The New York Times

The Sterling ethos soaked through every aspect of its annual big show: its managers' meeting, a gathering for employees at store-manager level and above, held each year in September. It was a "Bacchian nightmare," as one former district manager from Arizona described it to me. The meetings began in the 1980s, when there were fewer managers. Back then, the events were first held in a smallish hotel, like the Fontainebleau in Miami, but as several people I interviewed recalled, they were soon banned by the hotel from returning. Same for the Dolphin Hotel the next year. Finally they just rented out an entire Disney resort, and that seems to have worked out for them for a while.

The women spent months planning for the meeting. They bought the nicest dresses and new makeup; they wore the most opulent jewelry, which they had purchased with their employee discounts. "Are you ready to drink the Kool-Aid?" one manager told me they would ask one another as they boarded the plane.

The managers' meeting was, theoretically, a time for training and pats on the back for a year well done. Employees might receive recognition at the meeting's awards gala, the Gemmies. They might see entertainment like the Blue Man Group. But I learned that they might also see: "managers making out with other managers in hammocks"; "people going back to rooms that they're not married to those people and they're married to other people"; an executive "caught with his hand up the blouse of a female Sterling employee in a photograph taken on a ride." (Various people purchased this photo at the bottom of the ride, where, according to former employees, it was displayed for sale and for everyone to see.) It was a time when you could see your colleagues having sex in a stairwell. It was a time when you could see a very drunken woman from loss prevention being carried out of dinner while she screamed about all the people having sex, "[expletive] 'em and feed 'em fish."

The partying began soon after they arrived. The women were served predinner drinks. They were served during-dinner drinks at a table whose centerpiece was sometimes literally a wine bottle. They were served after-dinner drinks. They turned around during dinner, and their wine glasses were filled, and now they couldn't remember if it had been that full a second ago. If you didn't join in, many people said it was to your detriment. The deals were done over cocktails: Introductions were made at the after-hours bar. Promotions were discussed in the lounge. The managers' meeting was a place to show what kind of Sterling person you were — were you uptight? Or could you party? Could you hang with the good old boys? Could you *be* a good old boy?

According to one of the claimants' court filings, Dean Huffman, the former manager from Ohio, recalled that Joe Beck, a regional vice president, and Mark Light, the chief executive, "were entertained rather than offended when a manager at a company meeting described a good female store manager as one who 'walked like a sailor' because of the amount of sex in which she had engaged and had swollen lips because of her frequency of having oral sex."

The claimants included other statements in their filings that reported that “Mr. Light was also observed by multiple witnesses at company meetings being entertained by female managers, in various states of undress, in a swimming pool and joining them in the pool himself.” Moreover, Light and two regional vice presidents “have had sex with women employees and conditioned women’s success at Sterling upon acceding to such demands, an expectation attributed to other male executives as well.” (Light, like other executives, did not respond to my inquiries.)

At one meeting, a district manager got wind that Heather Ballou, of the V-necks and borrowable ears, wanted to move back home to Florida from Louisiana. Now, transferring was hard, she told me. You couldn’t just ask for it. And there was no place in the company intranet where promotions or job openings were listed. At a managers’ meeting, she remembered a district manager saying to her: “I could make that happen for you. Let’s go have some fun and solidify the deal.” He told her if they had sex that night, he’d make sure the transfer happened. So they did it, and to his credit, Heather’s gentleman suitor honored his commitment. He continued to harass her “lightly,” she told me — just some texts asking her to meet him halfway between Florida and Louisiana for another magical night. (“You up for a little stress release?” she told me the texts said.) She had a baby later, with another man, and things were quiet for a while. Then he started up with renewed lightness. (“Do you want to try for number 2?”)

Not everything was a test, though. Not everything was harassment or even coercion. Here is the story of one of several rapes I heard about during my interviews: Danielle, in upstate New York, was at her first managers’ meeting in 2004. (She did not opt into the lawsuit.) She said a fellow manager, Rick Docekal, kept trying to talk to her. Everywhere she went, it seemed as if Rick were there, just leering at her. (Many calls and emails and texts and Facebook messages and LinkedIn InMails to Rick were not returned.) Rick, who was in his 40s, kept bringing drinks to her friends. One night, he stayed close to one of Danielle’s friends, later going to her room and repeatedly asking if he could just come to bed to spoon with her. She refused but redirected him to Danielle’s room.

According to court filings, Danielle and her roommate, Wendy, were asleep when Danielle heard a knock. She says she opened the door to find Rick, who kept saying he couldn’t find his room, could he just come in? Danielle said no, but after his repeated badgering, she let him in. “I said these four things,” she told me. “I have never forgotten these four things: Do not take your clothes off; do not touch me; stay on your side of the bed; and stay on top of the covers.” He agreed, and she fell asleep. When she woke up, her panties were down around her ankles, and he was raping her. (Rick later said that she had brushed his ankle with her foot, which he took as an invitation, and that she initiated further foreplay.)

Danielle asked him to leave and woke up her roommate, Wendy. She called her district manager, Kelly Contreras, who came to her room in the middle of the night and accompanied Danielle to the hospital. Danielle says that Kelly told her that before they left for the hospital, Tryna Kochanek asked Kelly if she was sure Danielle wasn't lying, and to remember that Kelly's loyalty needed to be to the company. (Kelly was not permitted to confirm or deny this to me because she is a claimant in the arbitration; Tryna Kochanek did not respond to my inquiries.)

Later, after a trial, Rick was found guilty of sexual battery (his case was later reversed, and he was given a new trial and pleaded no contest; he was sentenced to probation). According to statements in Wendy's complaint and available through public Ohio court documents, a few months after the meeting, Wendy was informed by Michael Lynch, the vice president of employee relations at Sterling, that Danielle had retained counsel and was considering filing a civil suit against the company for having created an unsafe work space. Wendy had been an employee with excellent performance records, so much so that she had won a reward trip to Puerto Rico. But according to legal filings, Lynch and another executive, Bob Farrell, along with Steve Zashin, an employment lawyer who represented Sterling, summoned her to their corporate headquarters in Akron and began to interrogate her about her past romantic relationships, how well she knew Danielle, whether she'd been engaged in "dirty dancing" (their 1980s phrase, not mine) the night before the rape, whether or not Danielle had had sex with another man at the meeting, what Danielle had been wearing during the meeting, whether or not Wendy had had breast implants. She told them she would tell them about the night of the rape, but that other questions were off-limits — that she had a right to privacy. According to the filings, they told her that she was on Sterling property and therefore had no expectation of privacy. She began to cry and told them that she had been raped at 15 and that she would no longer speak with them without a lawyer. She tried to leave, and one of them said, "Sit down." When she refused to answer questions unrelated to the night of the rape, they let her leave. She was fired the next week for "failure to cooperate with an internal investigation."

I don't know much about what happened next. Sterling compelled Wendy's suit out of court and into Resolve, its very own hospice for personnel issues. Wendy's lawyer, Paul Leonard, described to me that even among arbitrations, the Resolve program seemed brutal. He was disturbed by the lack of kindness toward his client, who had been traumatized by her adjacency to the rape, having herself been raped as a teenager. The process went on and on, he said, until finally, exhausted, Wendy took a settlement that was far smaller than he believes she could have and should have gotten. "They wear you down," Leonard said. Wendy never spoke with me. Upon settlement, she had signed an N.D.A., and she could never talk about what happened at the company ever again.



Danielle says she was raped at Sterling's annual managers' meeting by a colleague in Florida. Elinor Carucci for The New York Times

So why did they stay? I keep thinking about Michelle, the woman I interviewed in Cleveland. She started out at a Belden in Ohio in 1984. It was the summer after her high school graduation. It was at first just a summer job until she could go to college and then to law school. But she started making so much money, and her success came so quickly, that the years passed, and she let college slip further and further away.

She was a good saleswoman, and then she was a great manager. She was recruited to Jared when it opened. She was excited about the Jared concept, a big store that a man could walk right up to without having to go through a mall. Inside, he'd build the jewelry himself: He picked a stone. He picked a band. He *created*. It felt good and primal. Michelle knew that at least some of her success was about her prettiness and her willingness to gather her salespeople and take them out for drinks with male executives near headquarters. She said she would smoke pot with the men while they snorted cocaine with \$100 bills, just like in the movies. One day, when Michelle was randomly drug-tested, her results somehow disappeared.

In 1989, at the managers' meeting, she was wearing a lime green bathing suit with a black zipper when, she told me, a young man approached her in the pool and asked her how far the zipper went down. He wasn't an executive yet, but he would be. He began to visit her in her mall, bringing her cookies. Michelle would not confirm who the man was — she's listed as a witness in the lawsuit and isn't allowed to. But several former employees confirmed that she was in a relationship with the married executive Mark Light, who was the former chief executive's son and, by 2014, the company's chief executive.

She knew she wasn't the only woman in the company he was seeing, and she also knew that being associated with him protected her from the harassment that other women at the company were experiencing. The year the lawsuit was filed, the company addressed it at the managers' meeting. Tryna Kochanek got onstage. She said, "Hello, superstars," as she often did, according to several people who were there. She spoke about the lawsuit, the existence of which had become known to the staff. She'd point to herself — her on-stageness, her success. "Does this look like discrimination?" attendees recalled her saying. "Can you believe that there are women out there that think that we're discriminating?" She asked for the lights to be raised in the room so that she could talk candidly to everyone there. "You know we're not a place of employment like this," she said.

"You'd see heads nodding in the crowd, and they believe it," one former manager said. They wanted to believe it. They knew there were problems, but of course there were problems. Being the best means sometimes there's collateral damage. According to another district manager who was there, by the end of her speech, Tryna had the entire room chanting: "Sterling! Sterling! Sterling!"

Michelle wanted nothing to do with the lawsuit. So many people came to her and told her that she could help out if she just contacted the lawyers, that if she told what she knew, she could do some good. But what was she going to do? She was part of the problem. She knew that. When a saleswoman found out she was paid less, Michelle knew she had to *handle* the woman. She told her what she was instructed to tell them by her regional vice president — that men had families to support, or that the man had more experience. Whatever worked.

And she didn't think that she'd ever been discriminated against, though what did she know? She never asked. This was the most glorious time in her life. She was never more alive than when she was at this company. It showed her every day who she was: someone who was competent. Someone with power. And she felt they were good to her. On the two occasions when she says the stress that came from the demands of her job landed her in the hospital, H.R. was kind enough to give her an extra week beyond the 12 guaranteed to her by the Family and Medical Leave Act.

Michelle's relationship with the executive ended shortly after a weekend at his house while his wife was away. It was O.K. with her. She didn't love him. He didn't love her. At his house, she asked him why they were seeing each other anyway. She says he answered, "Probably for my ego, I guess." She wanted a change. She was sent to Arizona and the Midwest to fix a few failing stores. Her regional vice president in the Midwest told her he was happy she wasn't with the executive anymore because he'd always had a crush on her. She says he commented on her body and told her how pretty she was. She told him she wasn't interested. Within a few months, she was written up four times; she says she had been written up only twice in her previous 27 years in the business. And then one day, walking up her stairs with groceries, she got a call from a district manager telling her she was fired.

"I'm not kidding you, I am a very strong woman, and I'm still not recovered," she told me. "They somehow drill into you that you are so lucky to be there and with them, and I did it myself. I did it myself with people. I found myself talking people into joining the company almost like it was a cult, knowing it was not a good fit. I remember thinking I can't wait to hear the numbers, where they would zing all the other companies because we were just the greatest thing since sliced bread. We were better than anybody."

Sterling had been her life. She had been given a set of rules and told how to win the game, and for a long time, she won. I spoke to Michelle often in the two years I was reporting this article. She told me repeatedly there's no way I can publish an article about this company — they're too powerful. A few years after she was fired, she came forward to the lawyers and agreed to be a witness, but she doesn't really believe the case will ever end. She points out that after The Washington Post began writing about the case, nothing really changed.

Nobody apologized. Nobody rose up enough to be any kind of existential threat to the company. She doesn't know why I'm wasting my time. "Nobody beats Sterling," she told me. "Nobody."

A Jared store in Lake Grove, N.Y. Natalie Keyssar for The New York Times Magazine

The company maintains that it is innocent, that the suit is in arbitration and that it is private. Its spokesman asked that I be clear with readers that these charges are old — that they believe this story “casts our company in an unfair and erroneous light based on unsubstantiated allegations, most of which are decades old” and have not yet been tested in

litigation. They reminded me over and over that the case was not a sexual-harassment case and that there were no claims of sexual impropriety that had made it into the case (although, again, litigation has not begun).

The company also asked that I be clear concerning a nearly decade-long Equal Employment Opportunity Commission suit, which was filed in the same year that the women filed their arbitration suit, and which Sterling's lawyers say made no findings of liability or wrongdoing and did not demand a monetary settlement. But according to the E.E.O.C., the case was settled in the interest of efficiency. The E.E.O.C. is a government agency, and it felt that its limited resources were best diverted elsewhere because, according to the E.E.O.C. regional attorney for New York, Jeffrey Burstein, "the class was more than adequately represented by three competent law firms." So the settlement was not an exoneration, and it certainly wasn't a victory. Rather, it was another case of Sterling's wearing people down. "The general watchword of arbitration is that it's supposed to be cheaper and definitely faster than litigation in federal court," Burstein said. "But this case has run contrary to that."

After legal proceedings were initiated, Sterling put certain mechanisms in place to either fix the problems it was accused of or create plausible deniability about the existence of those problems. The company already had a TIPS (Take It Personally, Sterling!) line, which an employee could use to make an anonymous complaint about a colleague's conduct without fear of reprisal. But the sworn statements are filled with instances in which retaliation occurred after a TIPS complaint. Julia Highfill, from Mississippi, called the TIPS line because her district manager showed up to her store drunk one evening. Shortly after, he called her to tell her she shouldn't have called the TIPS line on him. She said he told her that if she called it again, he'd find out immediately.

To address claims that its promotion practices were unfair, Sterling created, in 2009, the Career Advancement Registry (CAR) to list job openings. But managers reported to me that they were instructed to continue their shoulder-tap methods of promotion, though now once they tapped the shoulder they had to tell the candidate to register in the CAR so it would look legit. Half the former sales associates I interviewed told me they didn't even know what CAR was, much less that it was pretty much their only track to promotion.

Sterling appeared to try to make wage determination less subject to bias by installing what it calls a wage rate generator (W.R.G.), a supposedly gender-neutral algorithm that would spit out some wages for a new hire based on location and sales and management experience. But I was told the generator weighed management experience more heavily than sales experience, even though men were more likely to come in with management experience and management experience had no discernible bearing on sales success. (In fact, the most reliable predictor of sales success at Sterling was simply being a woman.)

Resolve was Sterling's most insidious tool; it was the lock box in which the company kept all of its good-old-boy behavior a secret; it's how the behavior was permitted to flourish, and it has proved neither efficient nor effective for the women involved. According to a 2011 study by Cornell's School of Industrial and Labor Relations, employees in private arbitration tend to win 21.4 percent of the time, which is less than in employee litigation trials, and when they do win, they receive "substantially" less money. Mandatory arbitration is a good idea only if people can be trusted to do the right thing when the consequences are minimal and don't include the threat of prison or public shame. Democrats introduced a bill in Congress just a few weeks ago to outlaw blanket mandatory arbitration agreements upon employment. At Sterling, new employees are no longer forced to sign agreements to handle all complaints through Resolve, though all the cases that were being handled through Resolve before May of last year will remain there.

Most of these changes, with the exception of ending Resolve, were made while Mark Light was a top executive at the company. He wouldn't step down until 2017, the year details of the suit became public. Why was the man women said was often found leering at his female employees in the pool making decisions about whether the company had a sexual-harassment and sex-discrimination problem?

Whether Sterling is guilty of pay-and-promotions discrimination doesn't seem as if it's up for debate. According to documents produced in discovery, as early as 2006, the vice president Michael Lynch alerted other executives that an internal study — titled "Post-Merit Field Operations EEOC Analysis" — found that female hourly sales employees were on average paid 40 cents less an hour than men. In bold, he wrote, "This equates to over 7 million annual affected hours." The arbitrator noted in her decision awarding class certification that Sterling didn't offer any alternative explanation of the data. (Sterling says this document is incomplete, but it would not provide me with any means to make it complete.)

There also doesn't seem to be a question, even by the company's own account, that a large amount of harassment was reported at Sterling. Tom Parks, one of five regional human-resources specialists, said in his deposition that he received thousands of calls each year. According to one of the claimants' expert reports, in 2006 alone, there were 19,321 calls, of which 11,851 involved discrimination complaints; 1,519 were about sexual harassment. When a case is investigated at Sterling, there are a series of steps followed, which conclude in a recommended response from H.R. Parks said that Sterling kept no data on whether recommendations were implemented. The worst part of the wage gap — other than all the other worst parts of the wage gap — is that when there's a disregard for women, pay disparity is often only a first indicator of the other stuff. The payroll records that covered Dawn's desk that day in 2005 lay atop hundreds of crimes that could have been predicted in a company culture where women were demonstrably valued less than men.

Michelle wasn't completely right about people not caring about what was going on at Sterling. Within a day of the first 2017 Washington Post article, the company's stock fell more than 10 percent. Shareholders added an additional claim to a lawsuit they filed in 2016 in which they took issue with the fact that they were not made aware that the arbitration suit concerned pervasive sexual harassment involving top executives. (Sterling maintains that because the sexual-harassment and assault claims were not part of the lawsuit, it was not required to disclose them.)

After last year's third-quarter earnings call, the stock descended further — 26 percent in one day. The company's stock, which is listed as SIG for Signet, is down roughly 75 percent in the last three years. It's down about 60 percent in the last six months. Earlier this year, the company announced its attempt to get more than 3,000 employees to take buyouts. It also agreed to pay \$11 million to the U.S. Consumer Financial Protection Bureau and the New York attorney general's office to settle charges that it had been opening credit cards for customers without their permission. This month, Sterling announced that it would close 150 stores. It is hard to say if the company's recent troubles are about a lag in creating an exciting online experience for customers, store mismanagement or simply the end of mall culture. As Michelle feared, they are probably not because of the company's supposed treatment of its female employees.

Virginia Drosos, upon replacing Mark Light in 2017 as chief executive, has touted her work promoting gender diversity at the company. In January, after a successful petition, the company was included on the 2019 Bloomberg Gender-Equality Index, which calls itself the world's only comprehensive ranking on gender equality but does not verify numbers provided by companies.

Drosos would not meet with me at any point over the two years of my reporting, even though she is ostensibly the face of a new Sterling. She may agree with the company's spokesman that these accusations are old. But while you can make a woman your chief executive and fill your board of directors with them, you still have to reckon with the past. That's the nature of secrets. When they are found out, you have to deal with them.

Most of the women involved in the suit have moved on, at least in theory. They went back to school and became nurses and teachers and speech therapists and lawyers. Or they stayed in retail but for different companies. Or they married and had children and didn't work because they didn't want to or didn't have to or because they would never work for anyone else again. In their new lives, at their new jobs, their experiences at Sterling seemed to continue to play out every day, and they felt helpless but to watch.

One woman I spoke with recently argued with her boss when she was forced to wear promotional T-shirts to an event, and she was given a men's T-shirt to wear; she knows it was a crazy thing to argue about. She watched herself do it, as if from outside her body. Another woman, now a nurse, was sitting in the lounge one day when a doctor came in and put down a plate of candy his wife had made; when he left, she warned the other women that they should consider not eating the candy, that the candy always came with a price. At night she watched "Grey's Anatomy," all those doctors having consensual romantic encounters, and she had to turn it off because it's just not like that.

One woman can't bear to look at diamonds anymore. She had her fiancé buy her a cheap, two-millimeter engagement ring from Amazon, but she never wears it. Some of them won't wear jewelry at all. Some of them will: One woman wore five pieces of Sterling jewelry to our interview and told me that wearing it helps her feel "they haven't won."

Dawn, who marched into Sam J. Smith's office with Marie Wolf that day more than 13 years ago, has left Tampa and is now a farmer in Maryland, where she raises chickens for eggs and is called "Maryland's best-dressed farmer" by her friends. I could see why. Her hair is glossy and black, with some subtle magenta highlights. On the day we met at a Panera Bread about a half-hour from her home, she was wearing what she estimated to be 12 carats of diamonds across her four bracelets, four rings, four earrings and one nose ring in the shape of a lightning bolt — probably more than the accumulated amount of diamonds in that entire Panera.

"How could you wear that stuff after all that happened?" I asked her.

"I earned every single one of these," she said, looking at the largest piece, which was an emerald-cut ring that was 5.24 carats, which she bought not from Jared but from a place down the road, because she'll no longer buy anything from a Sterling store. "I paid for them for 14 years."

Danielle, who was raped at the managers' meeting, is working toward becoming an empowerment guru for women. She does seminars and Facebook Live streams on how to diversify your career so that you don't ever have to work for one person. She has a couple of mantras she lives her life by, and one is that you never regret the things you do, only the things you don't do. She tells me she loves who she is. She loves who she has been at every stage of life. She even loves her mistakes, because her mistakes were how she got to today. "I say, you know what? I still don't regret even opening the door and letting him in because I put my boundaries there and stopped him the best I could and because I love where I'm at now. I just, I take responsibility, right? I could've not opened the door." She told me that she had just been watching the Brett Kavanaugh hearings — she's a big fan of his — and she was happy he was confirmed. Did that surprise me? she wanted to know. She wasn't sure

she could believe Christine Blasey Ford's testimony, because she knows from experience that you never forget a thing like that when it happens to you. It replays over and over, and you never forget a detail of it. She's going to write two books. She wants to share her story. She wants to show how you can move on.

Maybe jewelry was always a scam, a way to decorate a woman like a Christmas tree while really lading her with objects — around her neck, like a collar (or a choker, which, God) or around her wrist like a handcuff — so distracting that she would never really examine the bargain she was making when she put it on. The entire Sterling discrimination and harassment complex depended on this. Maybe Mark Light understood this better than we do: How could you possibly address a suit and admit that people who were the beneficiaries of the thing you sold were also its pawns? How could you do that and still with a straight face show a delighted woman opening her Jane Seymour Open Hearts necklace on TV during halftime?

Michelle, who dated the executive, keeps all her Sterling jewelry in a box at home. Last summer we sat outdoors in a restaurant near Cleveland that overlooked a parking lot. She smoked L&M red 100s as she spoke to me. She is 54 now. She wore jeans and high heels and red lipstick. She is still very beautiful, and the owner of the restaurant kept looking over at her, but she wouldn't look back at him.

She works at a furniture store now — just a single store. There's no high season, and she can spend Christmas with her family again. She likes to do a parlor trick where she can tell a female customer how much her diamond weighs down to the decimal, even from across the room. But sometimes her boss will call her over to talk about something, and she'll worry she's about to get fired. Or she'll think someone's undermining her.

She says she has withdrawal from Sterling. Sometimes she'll be at a mall, and she'll walk into a Kay; or she'll be driving past a Jared, and she'll pull over. Nobody offers her a sandwich or a drink the way they used to in the stores she ran. If she asks a question about a certain piece, nobody knows the answer. Nobody is dressed like Ally McBeal anymore. Saleswomen wear sneakers and no makeup. Sterling stores, once the envy of the mall, are now shabby, the disembodied busts of necks and stand-alone fingers fraying at the edges, their thin layers of paper velvet curling up at the seams.

Those busts are supposed to represent our bodies, but we have other parts, too: the way we want to make a home for ourselves wherever we go, the way we want to please those around us, the way we yearn for acceptance and inclusion from everyone around us, the way we're open to all opinions and always willing to believe the worst of ourselves in order

to become better. Those are our best parts, not the other ones, and Sterling weaponized them against all the women who worked there. Why is it that our best parts are always being turned against us?

Sometimes, after talking to one of the women, I would find myself alone in a parking lot or a conference room or a hotel room, or just at my desk having hung up the phone, and I would have to heave away the feelings of self-loathing the interviews brought up in me and also the tenderness, the intersection of which is absolutely deadly. We are not so easy to break, but once the job is done, it's done. The thing about the systematic reduction of a woman down to her parts is that she doesn't always know it's happening while it's going on. Just one day she wakes up and realizes that all she was was a face, a line of cleavage, two legs, a couple of hands, the swivel of her pelvis, the swell of her breast. We were just the disembodied parts in the display cases. One day we wake up to find out that the diamonds were never chocolate at all; they were brown the whole time. And our bodies, which are finally ours again, can move on all we want, though they forever remain a library of our lives — of the hurt and the shame, and of what we either allowed or didn't allow other people to get away with.