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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Equal Employment Opportunity
Commission,

Plaintiff,

vs.

Desert Schools Federal Credit Union, a
federally chartered credit union,

Defendant.

CV 03-1852-PHX-NVW

CONSENT DECREE

The United States Equal Employment Opportunity Commission (the "Commission" or "EEOC") filed this action against Desert Schools Federal Credit Union, ("Desert Schools" or "Defendant"), to enforce Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1991. In the Complaint, the Commission alleged that Defendant discriminated against Dera Littles and a class of employees because of their religion, non-LDS, by: 1) refusing to promote them because of their religion, non-LDS and/or because of their race, Black; and 2) subjecting them to less favorable terms and conditions of employment than LDS employees because of their religion, non-LDS, including allowing a hostile work environment to exist for non-LDS employees.

Defendant Desert Schools Federal Credit Union denies all of the EEOC's allegations, and denies it is liable in any manner. Defendant is only settling this case to avoid further attorneys fees and operational disruptions.

1 In the interest of resolving this matter, and as a result of having engaged in settlement
2 negotiations, the Parties have agreed that this action should be finally resolved by entry of
3 this Decree. The Parties do not object to the jurisdiction of the Court over this action and
4 waive their rights to a hearing and the entry of findings of fact and conclusions of law.

5 It is hereby **ORDERED, ADJUDGED AND DECREED:**

6 1. This Decree resolves all claims of the Commission against Defendant,
7 including back pay, compensatory and punitive damages, interest, injunctive relief, attorney's
8 fees, and costs arising out of the issues in this lawsuit.

9 **INJUNCTION**

10 2. Defendant and its officers, agents, employees, successors, assigns, and all
11 persons in active concert or participation with it, both at the time that this Decree becomes
12 effective and for the duration of this Decree, are permanently enjoined from: (a) unlawfully
13 discriminating any employee due to his or her race or religious beliefs; (b) terminating any
14 employee due to his or her race or religious beliefs; and (c) retaliating against any employee
15 because he or she: (i) opposes or opposed discriminatory practices made unlawful by Title
16 VII; (ii) files or filed a charge of discrimination or assists, assisted, participates, or
17 participated in the filing of a charge of discrimination; or (iii) assists, assisted, participates
18 or participated in an investigation or proceeding brought under the Federal or State laws
19 prohibiting discrimination or retaliation.

20 **MONETARY RELIEF**

21 3. Judgment is entered in favor of the Commission and against Defendant in the
22 amount of \$65,000.00

23 4. Defendant shall pay the settlement amount to Dera Littles and the identified
24 class members by check no later than ten days from the Court's entry of the Consent Decree.
25 The checks shall be made payable to each class member, as set forth in Exhibit A, and mailed
26 to the addresses provided by the Commission. Within three business days of the issuance of
27 the check, Defendant shall submit a copy of the check and all related correspondence to Mary
28 Jo O'Neill, Regional Attorney, Equal Employment Opportunity Commission, 3300 North

1 Central Avenue, Suite 690, Phoenix, Arizona 85012.

2 5. Due to the evidence developed in this case, the parties agree to designate these
3 payments as compensatory damages in the amount of \$65,000.00. Defendant will issue
4 United States Internal Revenue Service Form 1099 to the class members for the
5 compensatory damages for the tax year during which payment is made.

6 **OTHER RELIEF**

7 6. To the extent necessary, Defendant shall expunge from the personnel files of
8 Ms. Littles and the class members: (a) all references to the charges of discrimination filed
9 against Defendant that formed the basis of this action; (b) all references to the class
10 members' participation in this action; and (c) any derogatory document which relates to
11 complaints or investigation of complaints of unlawful harassment and/or unlawful failure to
12 promote based on religion.

13 7. Defendant shall institute and carry out policies and practices that will continue
14 to help assure a work environment free from unlawful religious discrimination and unlawful
15 failure to promote based on religion. To assist Defendant in its continuing efforts to assure
16 such a work environment, Defendant shall take the actions provided in paragraphs eight
17 through fourteen of this Decree.

18 **NOTICE**

19 8. Defendant shall post for the duration of this Decree, in a prominent place
20 frequented by its employees at its facilities, located at 1525 N. Gilbert Road, Gilbert, Arizona
21 and 2355 S. Alma School Road, Mesa, Arizona, the Notice attached as Exhibit B. The
22 Notice shall be the same type, style, and size as set forth in Exhibit B.

23 **TRAINING**

24 9. Defendant shall provide training on religious and racial discrimination
25 according to the following terms:

26 A. Defendant shall retain and pay Neil Alexander who shall provide
27 training to its supervisory employees for a period of three years from the date of this Decree,
28 on the issues of religious and racial discrimination, including hostile work environment,

1 disparate treatment and retaliation. During each of the three years, Mr. Alexander shall
2 conduct one live training seminar. The live seminar will be videotaped by a qualified
3 videographer the first year. All of Defendant's supervisors, managers, and any human
4 resources personnel with EEO responsibilities and officers, shall attend the live seminar or
5 a videotaped showing of the live seminar each year. Executives and top management shall
6 attend the live seminar, if possible. New supervisory employees shall view the videotape
7 within thirty days of commencing employment. Defendant may have duplicative videotaped
8 seminars to accommodate staffing needs. Defendant shall be responsible for any additional
9 costs to provide such duplicative seminars. Neil Alexander shall send the Regional Attorney
10 of the EEOC a copy of the training materials two weeks prior to the scheduled training.

11 B. During the first year, 2005, the training seminars shall be conducted
12 within four months of the entry of this Decree. During the second and third years, the
13 training seminars shall be conducted between eleven (11) and thirteen (13) months after the
14 completion of the preceding seminar.

15 C. The training seminars shall be no less than two and one-half hours,
16 inclusive of questions and answers. All of Defendant's supervisory employees shall register
17 when they attend a training seminar. The registry of attendance shall be retained by
18 Defendant for the duration of this Decree.

19 D. The seminars shall include the following subjects: (1) what constitutes
20 a hostile work environment based on religion; (2) how imposing different terms and
21 conditions of employment upon individuals based upon their race and/or religion violates
22 Title VII; and (3) to whom and by what means employees may complain if they feel they
23 have been unlawfully discriminated or retaliated against. The seminar shall also review and
24 explain Defendant's policies set out in paragraph eleven of this Decree.

25 E. During the live training seminars, Defendant's Vice President, Human
26 Resources, David Strachan, shall speak to the supervisory employees about the legal
27 consequences faced by companies that unlawfully discriminate on the basis of religion and/or
28 race; the importance of maintaining an environment free of such unlawful conduct, and

1 Defendant's policies in regard to such unlawful conduct, as referred to in paragraph seven
2 of this Decree. The Vice President of Human Resources shall explain that managers and
3 supervisors will be evaluated, in part, on their enforcement of anti-discrimination policies
4 based on race and religion, and their response to complaints of failure to follow this policy.

5 **POLICIES/PROCEDURES**

6 10. Within sixty (60) days of the entry of this Decree, Defendant shall review
7 existing policies, concerning religious and racial discrimination to conform with the law and
8 revise, if necessary. The written policies must include at a minimum:

9 A. A strong and clear commitment to preventing unlawful racial and
10 religious discrimination and retaliation.

11 B. A clear and complete definition of hostile work environment and
12 disparate treatment based on race and religion.

13 C. A statement that discrimination based on race or religion is prohibited
14 and will not be tolerated.

15 D. A clear and strong encouragement of persons who believe they have
16 been discriminated or retaliated against to report such concerns.

17 E. The identification of specific individuals, with their telephone numbers,
18 to whom employees can report their concerns.

19 F. An assurance that Defendant will investigate allegations of unlawful
20 discrimination promptly, fairly, reasonably and effectively, using appropriate investigators,
21 and that appropriate corrective action will be taken by Defendant to make victims whole and
22 to eradicate the unlawful conduct.

23 G. A description of the consequences, up to and including termination, that
24 will be imposed upon violators of Defendant's anti-discrimination policies.

25 H. A promise of maximum feasible confidentiality for persons who believe
26 that they have been subjected to unlawful discrimination based on race or religion.

27 I. An assurance of non-retaliation for persons who believe they have been
28 subjected to unlawful harassment and/or unlawful termination based on race or religion, and

1 for witnesses.

2 To the extent revisions are made, Defendant's policies shall be distributed to all of
3 Defendant's employees within ninety (90) days of the entry of this Decree.

4 11. Defendant shall promptly, reasonably and appropriately investigate all
5 complaints of religious, and racial discrimination, as appropriate. The investigation must
6 include a finding of whether discrimination occurred, a credibility assessment as appropriate,
7 interviews of all potential victims and witnesses identified, including the individual(s)
8 alleged to have participated in or condoned the unlawful conduct, and concurrent notes of
9 the investigation, as appropriate. Desert Schools shall take immediate appropriate corrective
10 action to make discrimination victims whole, to discipline violators and to eradicate the
11 discrimination, as appropriate.

12 12. Defendant shall not retain investigative documents referred to in Paragraph
13 11 in any complainant's personnel file. All disciplinary actions taken against employees for
14 violation of any aforementioned policy will be retained in the violator's personnel file. In
15 those cases in which no conclusion could be reached on the allegations, the investigation
16 documents shall be maintained in a separate file.

17 **LETTERS TO CLASS MEMBERS**

18 13. Within fourteen (14) days of the entry of the Decree, Defendant's Vice
19 President of Human Resources shall prepare a letter of regret to each of the identified
20 class members as attached as Exhibit C.

21 **STATEMENT OF RESPECT**

22 14. Within fourteen (14) days of the entry of the Decree, Defendant's Vice
23 President of Human Resources shall issue a statement to all employees, regarding
24 Defendant's respect for the religious freedom and cultural diversity of its employees.

25 **REPORTING BY DEFENDANT AND ACCESS BY EEOC**

26 15. Defendant's Vice President of Human Resources shall report in writing and in
27 affidavit form to the Regional Attorney of the Commission's Phoenix District Office, at the
28 address provided in paragraph four above, beginning six months from the date of the entry

1 of this Decree, and thereafter every year for the duration of the Decree, the following
2 information:

3 A. A copy of the revised policies, if necessary, required in paragraph ten
4 of this Decree.

5 B. Any changes, modifications, revocations, or revisions to its policies and
6 procedures which concern or affect the subjects of unlawful discrimination based on race or
7 religion.

8 C. The name, address, position, social security number, and telephone
9 number of any individual who has filed a charge of discrimination with the EEOC or ACRD,
10 based on race or religion, against Defendant's personnel including, but not limited to,
11 management officials and/or non-management employees, during the first six months, and
12 thereafter every year, preceding the report to the EEOC. The nature of the complaint,
13 investigatory efforts made by Defendant, and corrective action taken, if any, also shall be
14 specified.

15 D. Within 60 days of each session, that all employees required by
16 paragraph nine of this Decree have received the requisite training.

17 E. Confirmation that: (1) the Notice required in paragraph eight of this
18 Decree was posted, and the locations where it was posted; (2) the policies required in
19 paragraph ten were distributed to each current and new employee of Defendant; (3) the
20 expungement, if applicable, from the personnel files of the class members, as required in
21 paragraph six of this Decree, took place, the date of the expungement, and the specific
22 documents expunged.

23 16. The Commission, upon at least two weeks' notice, subject to reasonable
24 scheduling efforts, shall have the right to enter and inspect Defendant's premises and work
25 sites to ensure compliance with this Decree and with Title VII prohibitions against
26 discrimination based upon race or religion.

27 **COSTS AND DURATION**

28 17. Each Party shall bear its costs and attorney's fees incurred as a result of this

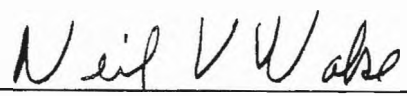
1 action through the filing of this Decree.

2 18. The duration of this Decree shall be thirty-six (36) months from its entry. This
3 Court shall retain jurisdiction over this action for the duration of the Decree, during which
4 the Commission may petition this Court for compliance with this Decree. Should the Court
5 determine that Defendant has not complied with this Decree, the Court may order appropriate
6 relief, including extension of this Decree for such period as may be necessary to remedy its
7 non-compliance.

8 19. Absent extension, this Decree shall expire by its own terms at the end of thirty-
9 six (36) months from the date of entry without further action by the Parties.

10 20. The Parties agree to entry of this Decree and judgment subject to final approval
11 by the Court.

12 DATED this 4th day of MARCH, 2005.

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16 NEIL V. WAKE
17 United States District Judge
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APPROVED AND CONSENTED TO:

ERIC S. DREIBAND
General Counsel

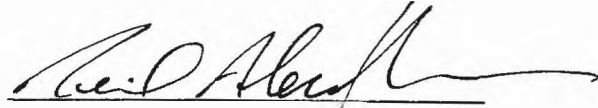
JAMES L. LEE
Assistant General Counsel

GWENDOLYN YOUNG REAMS
Associate General Counsel

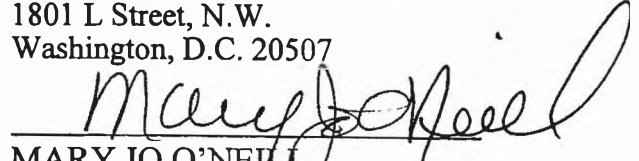


DAVID STRACHAN
Vice President of Human Resources
Desert Schools Federal Credit Union

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION
1801 L Street, N.W.
Washington, D.C. 20507

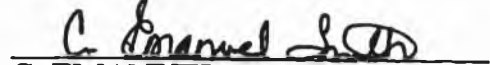


NEIL M. ALEXANDER
KRISTIN R. CULBERTSON



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Regional Attorney


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Supervisory Trial Attorney



MICHELLE G. MARSHALL
Trial Attorney



SANDRA J. PADEGIMAS
Trial Attorney

EQUAL EMPLOYMENT OPPORTUNITY
COMMISSION
3300 North Central Ave., Suite 690
Phoenix, Arizona 85012
Attorneys for Plaintiff

EXHIBIT A

CLASS MEMBER NAME	AMOUNT
Dera Littles	\$25,000
Catherine Chaussee	\$11,250
Debbie Douglas	\$11,250
Janice Paulk	\$17,500
TOTAL	\$65,000

EXHIBIT B

NOTICE TO ALL EMPLOYEES OF DESERT SCHOOLS FEDERAL CREDIT UNION

This Notice is posted pursuant to a Consent Decree entered into between Desert Schools Federal Credit Union and the Equal Employment Opportunity Commission (EEOC).

It is unlawful under federal law, Title VII of the Civil Rights Act, and state law to discriminate against an employee on the basis of race or religion. It is also unlawful to retaliate against any person because the person protested discriminatory practices or contacted the EEOC.

Desert Schools Federal Credit Union will not discriminate against any employee on the basis of race or religion and will not retaliate against any employee.

If you believe you have been discriminated against by Desert Schools Federal Credit Union, you have the right to seek assistance from:

- (1) EEOC, 3300 North Central Avenue, Suite 690, Phoenix, Arizona 85012; (602) 640-5000 or 1-800-669-4000; TTY (602) 640-5072 or 1800-669-6820; or
- (2) Arizona Civil Rights Division (ACRD) of the Attorney General's Office, 1275 W. Washington, Phoenix, Arizona, 85007, (602) 255-5263.

or have the right to file a charge with the EEOC or ACRD if you believe you are being discriminated against.

No Retaliation Clause. No action may be taken against you by any supervisory or management official of Desert Schools Federal Credit Union for: (1) opposing discriminatory practices made unlawful by federal law; (2) filing a charge or assisting or participating in the filing of a charge of discrimination; or (3) assisting or participating in an investigation or proceeding brought under Title VII. Should any such retaliatory actions be taken against you, you should immediately contact the EEOC or the ACRD at the address or telephone numbers listed above.

THIS NOTICE MUST REMAIN POSTED UNTIL _____.

Dated: _____

David Strachan
Vice President, Human Resources
Desert Schools Federal Credit Union

EXHIBIT C

[Desert Schools Federal Credit Union Letterhead]

[Date]

[Name & Address]:

As you are aware, a lawsuit was filed by the Equal Employment Opportunity Commission (EEOC) against Desert Schools Federal Credit Union alleging discrimination on the basis of race and/or religion. In the course of the discovery, the EEOC opened settlement negotiations and the two parties have successfully negotiated a settlement.

All of us on the Senior Management Team of Desert Schools regret that you perceived yourself to have been discriminated against during your employment. Please accept my commitment that the company will continue to take the necessary steps to ensure that current and future employees will work in an environment free of discrimination.

Sincerely,

Desert Schools Federal Credit Union

David Strachan
Vice President, Human Resources