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THE HONORABLE BARBARA ROTHSTEIN

AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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AT SEATTLE
CLERK U.S. DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
CIVIL ACTION NO. 00-1569R
DEPUTY

EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION,

Plaintiff,

v.

PREFERRED TECHNICAL SERVICES,
INC., and PREFERRED NETWORKS,
INC.,

Defendants.

CONSENT DECREE AND ~~(PROPOSED)~~
ORDER OF DISMISSAL

I. INTRODUCTION

1. This action originated with a charge of discrimination filed by Kathryn Jencks with the Equal Employment Opportunity Commission ("EEOC"), alleging violations of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. Section 2000e et seq. ("Title VII"). The Commission issued a Determination finding that the Charging Party had been subjected to a hostile work environment, sexual harassment, and retaliation by Defendants PNI Corp. f/k/a Preferred Technical Services, Inc. (which is a wholly owned subsidiary of Preferred Networks, Inc.) and Preferred Networks, Inc. ("PTS/PNI").

2. The EEOC filed a lawsuit in the District Court for the Western District of Washington on September 30, 1999. Plaintiff alleged that PTS/PNI violated Title VII by subjecting Jencks to unlawful discriminatory practices.

3. The Commission and the Defendants want to fully and finally conclude all claims arising out of the above charge without the expenditure of further resources and expenses in contested litigation. They agree that entry of this Consent Decree will be in the interest of the parties and will further the objectives of equal employment opportunity as set forth in Title VII.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
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Federal Office Building
909 First Avenue, Suite 400
Seattle, Washington 98104-1061
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Fax (206) 220-6911
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II. JURISDICTION AND VENUE

4. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. §§451, 1331, 1337, 1343 and 1345. Plaintiff EEOC's action is authorized pursuant to Sections 705(g)(6), 706(f)(1) and (3) and Section 707 of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§2000c-4(f)(6), 2000e-5(f)(1) and (3) and 2000e-6 ("Title VII") and Section 102 of the Civil Rights Act of 1991, 42 U.S.C. §1981a. The employment practices alleged to be unlawful in the EEOC's Complaint filed herein occurred within the jurisdiction of the United States District Court for the Western District of Washington.

III. NONADMISSION OF LIABILITY

5. This Consent Decree is not an adjudication or finding on the merits of this case and shall not be construed as an admission by the Defendants of a violation of Title VII or any other law. PTS/PNI deny all wrongdoing alleged. The parties agree that this Consent Decree is not intended to be admitted in any future proceeding involving PTS/PNI.

IV. PURPOSE OF THE AGREEMENT

6. The parties had entered into this Consent Decree in order to achieve the following purposes:

a. To assure the implementation of policies and procedures which prohibit PTS/PNI from discriminating or retaliating against employees on the basis of sex, and from retaliating against employees who complain about sex discrimination or participate in the investigation of a complaint.

b. To assure that PTS/PNI implement an anti-discrimination policy and complaint process to effectively prevent discrimination and sexual harassment and to address and correct situations in which such discrimination or harassment is alleged.

c. To avoid the time, expense and uncertainty of further litigation.

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V. GENERAL PROVISIONS

7. This Consent Decree is intended to and does effectuate the full, final, and complete resolution of all allegations of unlawful employment practices and discrimination encompassed by the original discrimination charges (EEOC charge No.: 380990358) and the Complaints filed in EEOC v. Preferred Technical Services, Inc., Civil No. 99-1569R, and any other claim or charge reasonably related to or arising out of the reasonable investigation by the EEOC, including but not limited to any like or related claims. The parties further agree that the EEOC has not made a determination of cause finding with respect to any other current or former employees of PTS/PNI.

8. This Consent Decree constitutes the complete understanding between the EEOC and PTS/PNI with respect to matters herein. It is expressly agreed that if EEOC concludes that PTS/PNI have failed to comply with this Consent Decree, the Commission may bring an action in the United States District Court for the Western District of Washington to enforce the Consent Decree.

VI. INJUNCTIVE RELIEF

A. COMPLIANCE WITH TITLE VII

9. Defendants reaffirm their commitment to comply with Title VII and other federal anti-discrimination statutes. In furtherance of this commitment, PTS/PNI will monitor the affirmative obligations of this Consent Decree. PTS/PNI agree that they will not discriminate against employees on the basis of sex in any employment decisions, including decisions regarding the terms and conditions of employment.

10. Defendants will not retaliate against any employee for making a charge of discrimination or for testifying, assisting, or participating in any investigation, proceeding, or hearing associated with this lawsuit.

11. In recognition of its obligations under Title VII, PTS/PNI will institute the policies and practices set forth below to the extent that such policies and procedures are not already in place.

1 **B. POLICY AGAINST SEXUAL HARASSMENT**

2 12. PTS/PNI shall adopt written equal employment opportunity policies which set forth
3 the requirements of federal laws against employment discrimination. Specifically, the policy shall:

- 4 a. Prohibit sexual harassment and state that it is unlawful to retaliate against any
5 current or former employee for opposing any practice made unlawful by Title
6 VII;
- 7 b. State that those who violate the policy will be subject to appropriate
8 discipline, up to and including termination, and that all employees are
9 protected from retaliation should they complain about discrimination or
10 participate in an investigation of a complaint;
- 11 c. State a clear and easily understood explanation of the kind of conduct which
12 constitutes illegal sex harassment;
- 13 d. Provide an internal complaint procedure for employees to report suspected
14 incidents of discrimination and retaliation so that the Defendants can
15 investigate and take appropriate action if there is a complaint that any
16 employee has violated its EEO policy.

17 **C. INTERNAL GRIEVANCE PROCEDURE**

18 13. PTS/PNI will maintain an internal grievance procedure for applicants or employees
19 who believe they have been discriminated against. These procedures will also be set forth in the
20 written policy discussed in paragraph 12 above. Consistent with the terms of the grievance
21 procedure:

- 22 a. The employee relations or human resources department ("the
23 department") will investigate employee and applicant complaints.
- 24 b. The department will document the steps taken in the investigation of
25 each complaint, as well as any action taken as a result of the investigation and,
26 if no action is taken, the reasons for not taking corrective action.
- 27

1 c. The department shall inform the complainant of the outcome of the
2 investigation.

3 d. Within thirty (30) days after the end of each year for two (2) years
4 following the date of entry of this decree, the companies will mail to EEOC a
5 copy of each complaint of discrimination along with a summary of the
6 resolution of each complaint.

7 **D. EXPUNGING RECORDS**

8 14. Defendants will not disclose any information or make references to any charge of
9 discrimination or this lawsuit in responding to employment reference requests for information about
10 Kathryn Jencks.

11 15. At the time this Consent Decree is entered and approved, or after any subsequent
12 proceeding that involves Kathryn Jencks, as a party or witness, and PTS/PNI is concluded
13 (whichever occurs later), Defendants will expunge from the personnel file of Kathryn Jencks, and
14 any other records where such information is kept by PTS/PNI, any references to a charge of
15 discrimination against PTS/PNI and this lawsuit. If Jencks wishes to do so, PTS/PNI will permit her
16 to review her personnel file within thirty (30) days after the expungement to insure that all such
17 references have been expunged. PTS/PNI will not add any information or references to the
18 personnel file of Kathryn Jencks, or other records regarding her charge of discrimination and this
19 lawsuit after such references have been expunged.

20 **E. REPORTING**

21 16. Six months following the entry of this decree and every six months thereafter for the
22 duration of the decree, PTS/PNI will send to the EEOC a written report of individuals who
23 complained of sexual harassment during the prior six- month period and the steps taken to handle the
24 complaint. This report shall include the individual's name, address and phone number.

25 17. PTS/PNI shall submit a final report to EEOC 30 days before the consent decree
26 expires containing a statement that it has complied with all the terms of this consent decree.
27

1 **F. POSTING**

2 18. The companies will post a notice, attached as Exhibit "A" to this consent decree. The
3 notice shall be posted on a centrally located bulletin board for the duration of the consent decree.

4 **VII. ENFORCEMENT**

5 19. If the EEOC concludes that PTS/PNI have breached this agreement, it may bring an
6 action in the United States District Court for the Western District of Washington at Seattle to enforce
7 this consent decree. Before bringing an action for breach of the decree, the EEOC shall first give the
8 companies 30 days' notice. The EEOC and the companies shall use that 30-day period for good faith
9 efforts to resolve the matter.

10 **VIII. RETENTION OF JURISDICTION**

11 20. The United States District Court for the Western District of Washington at Seattle
12 shall retain jurisdiction over this matter for the duration of the decree.

13 **IX. DURATION AND TERMINATION**

14 21. This decree shall be in effect for two (2) years, commencing with the date the decree
15 is filed. If the EEOC petitions the court for breach of agreement, and the court finds the companies
16 to be in violation of the terms of the consent decree, the court may extend this consent decree.

17 **X. CONCLUSION**

18 22. The provisions of this consent decree are not binding on the parties until the
19 authorized representatives of each party sign and the court enters the consent decree in the court.

20
21 The foregoing terms and conditions are agreed upon and stipulated to this 5th day
22 of July , 2000.

23 A. LUIS LUCERO, JR.
24 Regional Attorney

 C. GREGORY STEWART
 General Counsel

25 BARBARA J. STANDAL
26 Supervisory Trial Attorney

 GWENDOLYN YOUNG REAMS
 Associate General Counsel

27 MICHELLE GONZALEZ
 Trial Attorney

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2 BY: 

3 Equal Employment Opportunity Commission
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9 Attorneys for Plaintiff

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16 2600 Century Square
17 1501 Fourth Avenue
18 Seattle, WA 98101

19 BY: 

20 Attorneys for Defendants

21 **ORDER APPROVING CONSENT DECREE AND DISMISSING ACTION**

22 The Court having considered the foregoing stipulated agreement of the parties, HEREBY
23 ORDERS THAT the foregoing Consent Decree is approved as the final decree of this Court in full
24 settlement of this action. This lawsuit is hereby dismissed with prejudice and without costs or
25 attorneys' fees to any party. The Court retains jurisdiction of this matter solely for purposes of
26 enforcing the Consent Decree approved herein.

27 DATED this 7th day of July, 2000.


BARBARA JACOBS ROTHSTEIN
UNITED STATES DISTRICT JUDGE

NOTICE TO ALL EMPLOYEES

This notice is being posted pursuant to an agreement with Preferred Technical Services, Inc., Preferred Networks, Inc, and the Equal Employment Opportunity Commission, entered as the result of a settlement of a lawsuit pending in the federal district court for the Western District of Washington at Seattle, Civil No. C99-1569R.

Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, the Equal Pay Act of 1963, and the Americans with Disabilities Act of 1990 are enforced by the EEOC and require the following:

That there be no discrimination against any employee or applicant for employment because of the employee's race, sex, color, religion, national origin, age (over age 40), or disability with respect to hiring, firing, compensation, or other terms, conditions or privileges of employment.

It is an unlawful employment practice for an employer to retaliate against any employees or applicants for employment because they have opposed a practice or because they have made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under these statutes.

Preferred Technical Services, Inc. and Preferred Networks, Inc. have posted this notice because the company supports and will comply with these federal laws in all respects and will not take any retaliatory action against employees because they have exercised their rights under the law.

DATED _____

Preferred Technical Services, Inc. and
Preferred Networks, Inc. by
