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UNITED STATES DEPARTMENT OF LABOR  
OFFICE OF ADMINISTRATIVE LAW JUDGES

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US DEPT OF LABOR  
ADMIN LAW JUDGES  
WASHINGTON, DC

**Office of Federal Contract  
Compliance Programs,**  
United States Department of Labor,

*Plaintiff,*

v.

**JPMorgan Chase & Co.,**

*Defendant.*

Case No. \_\_\_\_\_

ADMINISTRATIVE COMPLAINT

Plaintiff, Office of Federal Contract Compliance Programs, United States Department of Labor (“OFCCP”), by its attorneys, alleges:

**Introduction**

1. In exchange for the privilege of contracting with the government of the United States, contractors agree to promote equal employment opportunities, and eliminate unlawful discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Contractors further agree to take affirmative action to ensure that employees are treated during employment without regard to their race, color, religion, sex or national origin.

2. JPMorgan Chase & Co. (“JPMorgan”) was tasked with these responsibilities by entering into a contract with the government. However, the company continues to fall short of its obligations, compensating a group of female employees significantly less than their male counterparts and thereby failing to eliminate sex discrimination from its compensation process.

3. As a result, since at least May 15, 2012 and continuing thereafter, JPMorgan violated and continues to violate Executive Order 11246 (30 Fed. Reg. 12319), as amended by Executive Order 11375 (32 Fed. Reg. 14303), Executive Order 12086 (43 Fed. Reg. 46501), Executive Order 13279 (67 Fed. Reg. 77141), and Executive Order 13672 (79 Fed. Reg. 42971) (“Executive Order 11246” or the “Executive Order”) by discriminating in its compensation practices.

4. This action is brought by OFCCP to enforce the contractual obligations imposed by the Executive Order and the rules and regulations issued pursuant thereto at 41 C.F.R. Chapter 60.

5. This Court has jurisdiction over this action under Sections 208 and 209 of Executive Order 11246, 41 C.F.R. § 60-1.26 and 41 C.F.R. Part 60-30.

#### **Contractor Background**

6. Defendant JPMorgan Chase & Co. (“JPMorgan”) is a financial services holding company and is one of the largest banking institutions in the United States and maintains its principal office at 270 Park Avenue, New York, NY, in addition to numerous global locations, including but not limited to offices in Atlanta, GA; Brooklyn, NY; Chicago, IL; Houston, TX; Jersey City, NJ; Lewisville, TX; Newark, NJ; Orem, UT; Stamford, CT; Tampa, FL; and Whippany, NJ.

7. At all relevant times, JPMorgan has had 150 or more employees and held government contracts of \$150,000 or more.

8. As such, at all relevant times, JPMorgan has been a government contractor within the meaning of the Executive Order, and has been subject to the contractual obligations imposed on government contractors by the Executive Order and regulations issued pursuant thereto.

9. At all relevant times, JPMorgan has been required to comply with the program requirements set forth in 41 C.F.R. §§ 60-1.4(a), 60-2.17(b), and 60-2.17(d).

10. At all relevant times, JPMorgan and OFCCP had in place an agreement for JPMorgan to establish affirmative action programs based on functional or business units pursuant to 41 C.F.R. § 60-2.1(d)(4). One such unit was identified as Investment Bank, Technology & Market Strategies (“IB-TMS”).

11. On or about July 3, 2012, OFCCP sent a scheduling letter to JPMorgan stating that OFCCP had selected IB-TMS for a compliance review under Executive Order 11246 and their implementing regulations.

### **Discrimination in Compensation**

12. Pursuant to Section 202 of the Executive Order and 41 C.F.R. § 60-1.4, JPMorgan has agreed not to discriminate against any employee because of race, color, religion, sex, or national origin and has agreed to take affirmative action to ensure that employees are treated during employment without regard to their race, color, religion, sex, or national origin.

13. Since at least May 15, 2012, JPMorgan has violated the Executive Order and regulations promulgated thereto in carrying out its government contracts by discriminating against female employees with regard to compensation.

14. Since at least May 15, 2012, pay-deciding officials of JPMorgan have exercised discretion when setting compensation amounts for employees within the IB-TMS unit under the job titles of Application Developer Lead II, Application Developer Lead V, Project Manager and Technology Directors (the “Impacted Employee Group”).

15. In so doing, JPMorgan discriminated against at least 93 females employed within the Impacted Employee Group, by paying them less than comparable males employed in the same positions.

16. This compensation disparity remains after adjusting for differences in legitimate compensation-determining factors.

17. Upon information and belief, this failure continues to the present.

#### **Insufficient Affirmative Action Plan**

18. Pursuant to Section 202 of the Executive Order and 41 C.F.R. § 60-2.17(b) and (d), JPMorgan agreed to perform in-depth analyses of its total employment processes to determine whether and where impediments to equal opportunity exist, and to develop and implement an auditing system that periodically measures the effectiveness of its total affirmative action program

19. Since at least May 15, 2012, JPMorgan has violated the Executive Order and regulations promulgated thereto in carrying out its government contracts by failing to perform in-depth analyses of its total employment processes to determine whether and where impediments to equal employment opportunity exist, and failing to develop and implement an auditing system to periodically measure the effectiveness of its total affirmative action program.

20. Specifically, JPMorgan failed to evaluate compensation systems applicable to individuals employed in the Impacted Employee Group to determine whether there were gender-based disparities.

#### **Violations**

21. The acts and practices described in paragraphs 12 to 20, above, violate the Executive Order and regulations pursuant thereto, and violate JPMorgan's contractual obligations to the federal government.

22. Unless restrained by an administrative order, JPMorgan will continue to violate the obligations imposed on it by the Executive Order and regulations issued pursuant thereto.

23. All procedural requirements prior to the filing of this Complaint have been met.

24. On March 12, 2015, OFCCP issued a notice of violation describing the violations found during OFCCP's compliance review and identifying the corrective actions that the contractor must take to resolve them.

25. On April 1, 2016, OFCCP issued to JPMorgan a notice to show cause why enforcement proceedings should not be initiated based upon its findings of the above-cited violations of the Executive Order and regulations issued pursuant thereto.

26. OFCCP has attempted to secure voluntary compliance through means of conciliation and persuasion. As part of these conciliation efforts, OFCCP provided evidence to JPMorgan, including statistical evidence, demonstrating that females within the Impacted Employee Group were being discriminated against in compensation because of their sex. These efforts were unsuccessful.

**WHEREFORE**, plaintiff OFCCP prays for a Decision and Order pursuant to 41 C.F.R. §§ 60-30.27 and 60-30.30, permanently enjoining JPMorgan, its successors, officers, agents, servants, employees, divisions, subsidiaries, and all persons in active concert or participation with it from:

- (1) failing and refusing to comply with the requirements of the Executive Order and regulations issued pursuant thereto; and
- (2) discriminating against female employees in compensation based on their sex; and
- (3) failing to identify and provide complete relief to the affected female employees, including, but not limited to, lost wages, interest, salary adjustments, fringe benefits, and

all other lost benefits of employment resulting from JPMorgan's discrimination in compensation.

In the event JPMorgan fails to provide relief as ordered, JPMorgan will be subject to the following:

(1) an Order canceling all of its government contracts and those of its officers, agents, successors, divisions and subsidiaries, and persons in active concert or participation with it, and declaring said persons and entities ineligible for the extension or modification of any such government contracts; and

(2) an Order debarring JPMorgan and its officers, agents, successors, divisions and subsidiaries, and persons in active concert or participation with it from entering into future government contracts until such time as JPMorgan satisfies the Director of OFCCP that it has undertaken efforts to remedy its prior noncompliance and is currently in compliance with the provisions of the Executive Order and regulations issued pursuant thereto.

Plaintiff further prays for such other relief as justice may require.

DATED: January 17, 2017  
New York, New York

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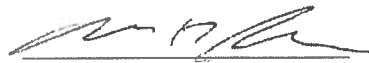
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CERTIFICATE OF SERVICE

I certify that one copy of the foregoing ADMINISTRATIVE COMPLAINT has been served on the below-named individuals this 17<sup>th</sup> day of January, 2017, by sending said copy by electronic-mail and regular mail to:

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