

U.S. Department of Labor

Office of Federal Contract
Compliance Programs
New Jersey District Office
200 Sheffield Street, Room 102
Mountainside, NJ 07092-2314



CONCILIATION AGREEMENT
BETWEEN
THE U. S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS
AND
QUEST DIAGNOSTICS INC.
1 MALCOM AVE.
TETERBORO, NJ 07608
OFCCP CASE NO: R00179085

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") commenced a compliance evaluation of Quest Diagnostic Inc.'s ("Quest") establishment located at 1 Malcom Ave., Teterboro, New Jersey on December 12, 2012 and found that Quest was not in compliance with the Executive Order 11246, as amended ("E.O. 11246"), Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 ("Section 503"), and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 ("VEVRAA"), and their implementing regulations at 41 C.F.R. Section(s) 60-1, 60-2, 60-3, 60-4, 60-250, 60-300, and/or 60-741. OFCCP notified Quest of the initial violations found and the corrective actions required in a Notice of Violations issued on September 25, 2014 (the "NOV"). Quest denied OFCCP's allegations and denied any noncompliance with law. In the interest of resolving the violations without engaging in further legal proceedings and in exchange for the good and valuable consideration described in this document, OFCCP and Quest enter this contract Conciliation Agreement and agree to all the terms stated below.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for Quest's fulfillment of all obligations in Parts III and IV of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246, Section 503, and/or VEVRAA based on the violations described in more detail in the NOV and Part III below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part III if Quest violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. Quest agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Quest will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

(b) (6), (b) (7)(C)

8/20/14

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3. Quest understands that nothing in this Agreement relieves Quest of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment laws.
4. Quest promises not to harass, intimidate, threaten, discriminate, or otherwise retaliate against any individual because the individual: benefits from this Agreement, files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 C.F.R. § 60-1.32(a).
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This document and its attachments contain the complete and final understanding of the parties with respect to the matters referenced herein. This Agreement contains all terms by which the parties are bound and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing, signed by all parties.
7. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
8. This Agreement becomes effective on the day it is signed by the Regional Director of the Northeast Region (the "Effective Date").
9. This Agreement expires sixty (60) days after Quest completes its obligations in Parts III(1)(B)-(C) and IV(1)-(3), unless OFCCP notifies Quest in writing prior to the expiration date that Quest has not fulfilled all of its obligations under the Agreement, in which case, the Agreement is automatically extended until the date that OFCCP determines Quest has met all of its obligations under the agreement. Provided, however, that Part II(1) shall survive the expiration of this Agreement and remain in effect in perpetuity.
10. If Quest violates this Conciliation Agreement,
 - A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1) If OFCCP believes that Quest violated any term of the Agreement while it was in effect, OFCCP will send Quest a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) Quest will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Conciliation Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - 3) If Quest is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated

immediately without issuing a show cause notice or proceeding through any other requirement.

- 4) OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.

B. Quest may be subject to the sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief for violation of this Agreement.

11. This Agreement does not constitute an admission by Quest of any violation of E.O. 11246 Section 503, VEVRAA, or other laws, nor has there been an adjudication finding that Quest violated any laws. Quest has denied any liability or wrongdoing throughout this audit and enters into this agreement solely to avoid the time and expense of enforcement.

PART III. SPECIFIC VIOLATIONS AND REMEDIES

1. COMPENSATION DISCRIMINATION

A. It is the OFCCP's position that for periods of time since December 17, 2010, Quest has discriminated in its compensation practices against Females who were employed as Medical Technologist I by paying them less than similarly situated males, in violation of 41 CFR 60-1.4(a)(1) and 41 CFR 60-20.5.

B. REMEDY FOR AFFECTED CLASS.

- 1) Notice. Within 30 calendar days of the Effective Date of this Agreement, Quest must notify 122 current and former female Medical Technologists I listed in Attachment A of the terms of this Agreement by mailing by certified mail and first class mail to each individual in the affected class the: Notice to Affected Class (Attachment B, "Notice"), Information Verification Form (Attachment C, "Information Form"), a Release of Claims under Executive Order 11246 (Attachment D, "Release"), a W-9 form, and a postage paid return envelope. Quest will notify OFCCP of all letters returned as undeliverable within one week of a returned envelope. In addition, within 30 days after expiration of the response deadline set out in the Information Form, Quest will provide OFCCP with a list of the individuals in the affected class who have not yet responded to the Notice and/or have not returned a signed Information Form. OFCCP will then attempt to obtain and provide updated addresses to Quest within thirty (30) days of receiving the list from Quest. Quest agrees to mail by certified mail and first class mail a second Notice, Information Form, and postage paid return envelope to all individuals for whom updated addresses were obtained within fifteen (15) days of receiving the updated addresses.
- 2) Eligibility. All members of the affected class listed on Attachment A who sign and return the Information Form to Quest within thirty (30) days of the postmarked date on the envelope containing the first or second Notice and Interest Form ("Eligible Class Member Employees") will receive a pro-rata share of the monetary settlement

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under this Agreement. If an individual receives, but does not return the Information Form to Quest within thirty (30) calendar days of the postmarked date on the envelope containing the first or second Notice and Information Form, he/she will no longer be entitled to a payment under this Agreement.

Within fifteen (15) days after the response deadline set out in the Information Form, Quest will provide OFCCP with a list of the Eligible Class Members (individuals who returned the Information Form by the deadline). Within ten (10) calendar days after receiving the list, OFCCP will approve the final list of Eligible Class Members or discuss with Quest any issues necessary to finalize the list, such as the inclusion or exclusion of certain individuals.

OFCCP and Quest agree that there shall be no further liability for back pay, interest, or any other relief under this Agreement to any Class Member who cannot be located within the timeframes enumerated above or who does not submit a completed Claim Form and executed release.

- 3) Monetary Settlement (Back pay). In settlement of all claims under laws enforced by OFCCP, including for back pay and interest, Quest agrees to pay the Eligible Class Members the amount of \$95,000. Quest agrees to distribute \$95,000 (\$84,138.98 in back pay and \$10,861.02 in interest) to the 122 current and former female Medical Technologist I, less legal deductions required by law (such as federal, state and/ or local taxes and the Eligible Class Member Employees' share of FICA taxes), in pro-rata shares among all Eligible Class Member Employees on the final approved list. Quest will pay any required employer contributions, such as social security withholdings. Quest will mail each Eligible Class Member an IRS W-2 Form reporting the portion of the payment representing back pay and an IRS Form 1099 for the portion of the payment representing interest. These IRS forms will be mailed at the end of the year. Quest will disburse the monetary settlement within 30 calendar days after OFCCP approves the final list of Eligible Class Members.

Within ten (10) calendar days of Quest's receipt of a check to an Eligible Class Member returned as undeliverable, Quest will notify OFCCP of this fact via e-mail sent to (b) (6), (b) (7)(E) Compliance Officer (b) (6), (b) (7)(E). OFCCP will attempt to locate the Eligible Class Member and if OFCCP obtains an alternate address, Quest will re-mail the check within 15 calendar days of receiving an alternate or corrected address. Any check that remains uncashed 120 days after the initial date the check was mailed to the Eligible Class Member will be void. With respect to any uncashed funds, Quest will within ten (10) calendar days make a second distribution, in equal amounts, to all Eligible Class Member Employees who cashed their first check.

C. NON-MONETARY REMEDIES.

- 1) Equal Employment Opportunities: Quest will ensure that employees are afforded equal employment opportunities in compensation. Quest agrees to continue or to implement the corrective actions detailed below.
- 2) Evaluation: Within 60 days of the Effective Date of this Agreement, Quest will evaluate the Medical Technologist 1 position, for whether starting salaries, salary increases, promotion decisions, performance evaluation ratings, procedures for assigning work, the availability of training opportunities, leave policies, steering applicants into low paying jobs, and/or limiting the opportunity to transfer to better jobs have a disproportionately negative effect on the compensation of females. If applicable, Quest will write or revise policies to eliminate all practices that had an adverse effect on the compensation of females.
- 3) Self-Monitoring/Auditing: For the reporting period specified in Part IV(1)(A), Quest will monitor base salary as well as the administration of non-base compensation for employees in the Medical Technologist 1 position for any indication of statistically significant disparities based on gender and will investigate and remedy any such inequity that may be established.
- 4) Improve Policies if Needed: Within 90 days of the Effective Date of this Agreement, Quest will review its policies and, if any are found to have an adverse effect on the compensation of females, Quest will revise them as necessary. Quest will review its guidelines for determining the starting salaries to be assigned to newly hired employees and, if necessary, revise them. Quest will also review its procedures and, as necessary, revise them to ensure compensation decisions are evaluated for compliance with all policies and documents are retained in accordance with 41 C.F.R. § 60-1.12(a) and Part 60.3.
- 5) Training: Within 120 days of the Effective Date of this Agreement, Quest will train all individuals involved in any way in determining compensation for Medical Technologist 1 positions on any and all new and revised policies, procedures, and programs developed under Parts III.1.C.2 & 4 of this Agreement.
- 6) No Discriminatory Compensation Practices: Though Quest denies that it discriminates/ed against female Medical Technologist I employees in compensation, as part of the Parties' mutual settlement, Quest confirms that it will have no compensation practices which result in non-neutral effects on yearly compensation with respect to females in the Medical Technologist I position.

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- 7) Quest expressly agrees to investigate any complaint or information that it receives that may indicate compensation disparities.

D. Additional Corrective Actions

1. VIOLATION: OFCCP contends that Quest failed to perform an in-depth analysis of its compensation to determine whether and where impediments to equal employment opportunity exist, in violation of 41 CFR 60-2.17(b). Specifically, OFCCP contends that Quest failed to evaluate compensation systems applicable to Medical Technologist I to determine whether there were gender-based disparities.

REMEDY: In addition to or as part of its existing pay equity processes, Quest will evaluate its compensation systems to determine whether and where impediments to equal opportunity exist, including analyzing all impediments that result in gender-based and race-based disparities.

Part IV. REPORTS REQUIRED

1. Quest must submit the documents and reports described below to:

Joanne Karayiannidis
District Director
U.S. Department of Labor, OFCCP
200 Sheffield Street, Suite 102
Mountainside, NJ 07092.

A. Within 120 calendar days of the Effective Date of this Agreement Quest will submit a certification that it has re-evaluated its compensation system and policies for the Medical Technologist I position to (i) confirm there are no impediments to females, including with regard to starting salaries, salary increases, promotion decisions, performance evaluation ratings, procedures for assigning work, the availability of training opportunities, and leave policies, and (ii) confirm and ensure that no policies or practices steer applicants into low paying jobs, and/or limit the opportunity to transfer to better jobs, in a way that has a disproportionately negative effect on the compensation of females.

B. Quest will attach to the certification described in Part IV.1.A, the following:

- i. A copy of any written Revised Compensation Policy described in Parts III.1.C.2 for the Medical Technologist I position;
- ii. Documentation describing any self-monitoring and remedies as described in Part III.1.C.3 of the Agreement. The documentation will include, as applicable, names of any employees who were provided a salary adjustment and the amount of each adjustment.

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- iii. The narrative portions of the current year AAP for EO 11246, including but not limited to a list of the Company's AAP job groups.
2. Within the prescribed timeframes, Quest must submit all remaining documents and information referenced in PART III.B
 - a. Within **40 calendar days** of the Effective Date of this Agreement, Quest will submit documentation of the mailing of the Notice, Information Verification Form to class members for whom OFCCP has located updated addresses.
 - b. Within **150 calendar days** from the Effective Date of this Agreement, Quest will submit a final list of Eligible Class Member Employees who shall be entitled to monetary and other benefits provided for in this Agreement.
 - c. Within **40 calendar days** of OFCCP's approval of the final list of Eligible Class Member Employees, Quest will submit notification to OFCCP of undeliverable/returned checks to Quest.
 3. Within eighteen-months after the Effective Date of this Agreement, Quest will submit documentation of monetary payments to all Eligible Class Members as specified in Part III. The documentation must include the names of Eligible Class Members who were paid, and, for each Eligible Class Member, the number and the amount of the check and the date the check cleared the bank. Quest must provide OFCCP with copies of all canceled checks upon request.
 4. Quest will retain all records and data pertinent to the violations resolved by this Agreement and/ or used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever date occurs later (or "whichever time period is longer").

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Part V. SIGNATURES.

This Conciliation Agreement is hereby executed by and between the OFCCP and Quest Diagnostics Inc.

(b) (6), (b) (7)(C)

WILLIAM JOHNSON
Executive Director of Employee Relations
Quest Diagnostics Inc.
1 Malcom Ave.
Teterboro, NJ 07608

DATE 9/30/17

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(E)
Compliance Officer
New Jersey District Office
OFCCP – Northeast Region

DATE 9/30/19

(b) (6), (b) (7)(C)

KEVIN KOLLGAARD
Assistant District Director
New Jersey District Office
OFCCP – Northeast Region

DATE 9/30/19

(b) (6), (b) (7)(C)

JOANNE KARAYIANNIDIS
District Director
New Jersey District Office
OFCCP – Northeast Region

DATE 9/30/19

(b) (6), (b) (7)(C)

DIANA SEN
Regional Director
OFCCP – Northeast Region

DATE 9/30/19

ATTACHMENT A

LIST OF AFFECTED INDIVIDUALS

2012 Class Members by Employee ID

No.	EID
1.	(b) (6), (b) (7)(C)
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(b) (6), (b) (7)(C)

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- 81.
- 82.
- 83.

84.	(b) (6), (b) (7)(C)
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2010 Class Members by Employee ID

No.	EID
110.	(b) (6), (b) (7)(C)
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ATTACHMENT B

NOTICE TO AFFECTED INDIVIDUALS

Dear [NAME]:

Quest Diagnostics Incorporated ("Quest") and the Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP") have entered into a Conciliation Agreement ("Agreement") to remedy the alleged violations of EXECUTIVE ORDER 11246 ("E.O. 11246") that OFCCP cited during a compliance review of Quest's Teterboro facility. OFCCP performed an analysis, and it believes that for periods of time between December 17, 2010 to September 30, 2012, Quest has paid female Medical Technologist I's less per year than similarly situated males.

Quest has not admitted to any violation of E.O. 11246, SECTION 503, and/or VEVRAA and there has not been any adjudicated finding that Quest violated any laws. OFCCP and Quest entered into the Agreement to resolve the matter without resorting to further legal proceedings.

You have been identified as one of the individuals who worked as a Medical Technologist I during the relevant time. Under the Agreement, you may be eligible to receive a payment representing a pro rata share of back pay and interest (less deductions required by law). Under the terms of the Agreement, it may take up to three (3) months from the date of this letter before you receive your payment. In order to be eligible for a payment, you must complete, sign, and return enclosed Information Verification Form. This form should be mailed as soon as possible; it *must* be postmarked to the address below no later than 30 days after the date this Notice was mailed out (postmarked) for you to be entitled to participate in this settlement:

~~(NAME) (MEDICAL TECHNOLOGIST I) (QUEST) (ADDRESS)~~

You may use the enclosed postage-paid return envelope to return the completed and signed Information Verification Form and Release of Claims under Executive Order 11246.

If you have any questions you may call [NAME] at [QUEST] at [PHONE NUMBER], or OFCCP Compliance Officer (b) (6), (b) (7)(E) at (b) (6), (b) (7)(E). Your call will be returned as soon as possible.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENT(S) TO QUEST WITHIN 90 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

Sincerely,

Enclosures: Information Verification Form
Release of Claims under Executive Order 11246

ATTACHMENT C

INFORMATION VERIFICATION FORM

You must complete this form in order to be eligible for the monetary payment under the terms of the Conciliation Agreement ("Agreement") between Quest Diagnostics Incorporated ("Quest") and the Department of Labor's Office of Federal Contract Compliance Programs. Please print legibly, except for the signature.

Name: _____

Address: _____

Telephone Nos.: Home _____ Cell _____ Work _____

Notify Quest at the address below if your address or phone number changes within the next twelve months.

Your Social Security Number (to be used for tax purposes only): _____ - _____ - _____

For purposes of this settlement, it is necessary to verify your GENDER and/or RACE:

Caucasian African American Hispanic Asian Native American

Male Female

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS BELOW WITHIN 90 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

(NAME)

(ADDRESS)

I, (print name) _____, certify the above is true and correct.

Signature

Date

ATTACHMENT D

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

This Release of Claims under Executive Order 11246 ("Release") is a legal document. The document states that in return for Quest Diagnostics Incorporated ("Quest") paying you money, you agree that you will not file any lawsuit against Quest (including its related persons and entities, described below) for allegedly violating Executive Order 11246 in its compensation of female Medical Technologist I's. It also says that Quest does not admit it violated any laws. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of the payment of \$XXX a pro rata share of back pay and interest (less deductions required by law) by Quest to me, which I agree is acceptable, I _____ agree to the following: print name

I.

I hereby waive, release and forever discharge Quest Diagnostics Incorporated ("Quest"), its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. section 793, and or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. section 4212, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to my compensation as a Medical Technologist I on the basis of my gender at any time prior to the date of my signature on this Release.

II.

I understand that Quest denies that it treated me unlawfully or unfairly in any way and that Quest entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described above to resolve alleged disparities in compensation and to resolve the matter without further legal proceedings in the compliance review initiated by OFCCP on December 12, 2012. I further agree that the payment of the aforesaid sum by Quest to me is not to be construed as an admission of any liability by Quest.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own free will to sign this Release.

IV.

I understand that if I do not sign this Release and return it to Quest WITHIN 90 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS RELEASE WAS POSTMARKED, I will not be entitled to receive any payment (less deductions required by law) from Quest.

IN WITNESS WHEREOF, I have signed this document on this _____ day of _____, 20____.

Signature