

CONCILIATION AGREEMENT

Between

**THE U. S. DEPARTMENT OF LABOR
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS**

and

**ANGELICA TEXTILE SERVICES, INC.
422 S. Fruit Avenue
Fresno, CA 93706**

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated Angelica Textile Services, Inc.'s ("Angelica") facility located at 422 S. Fruit Avenue, Fresno, CA and found that Angelica 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 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, 60-300, and/or 60-741. OFCCP notified Angelica of the specific violations found and the corrective actions required in a NOTICE OF VIOLATIONS issued on September 14, 2015 and a Notice to Show Cause issued on October 23, 2015. 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 Angelica enter into this contract ("Conciliation Agreement" or "Agreement") and agree to all the terms stated below.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for Angelica'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 VEVRAA based on the violations described in more detail in 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 Angelica violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. Angelica 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. Angelica will permit access to its premises

during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

3. Angelica understands that nothing in this Agreement relieves Angelica 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. Angelica 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 Pacific Region (the "Effective Date") unless the Director of OFCCP indicates otherwise within 45 calendar days of the date the Regional Director signs the Agreement.
9. This Agreement will expire sixty (60) days after Angelica submits the final progress report required in Part IV (D), below, unless OFCCP notifies Angelica in writing prior to the expiration date that Angelica has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date that OFCCP determine Angelica has met all of its obligations under the Agreement.
10. If Angelica violates this Conciliation Agreement,
 - A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1) If OFCCP believes that Angelica violated any term of the Agreement while it was in effect, OFCCP will send Angelica a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) Angelica 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 Angelica 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.** Angelica may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. § 60-741.66 (2014), or 41 C.F.R. § 60-300.66 (2014) and/or other appropriate relief for violation of this Agreement.
11. This Agreement does not constitute an admission by Angelica of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that Angelica violated any laws.
 12. Nothing herein is intended to relieve Angelica from the obligation to comply with the requirements of E.O.11246, Section 503, and/or VEVRAA, their implementing regulations, or any other equal employment statute or executive order or its implementing regulations. In addition this Conciliation Agreement in no way limits the applicability of the revised regulations implementing Section 503, 41 CFR Part 60-741 (2014) and the revised regulations implementing VEVRAA, 41 CFR Part 60-300 (2014).

PART III. SPECIFIC VIOLATIONS AND REMEDIES

1. SEX DISCRIMINATION

- A. STATEMENT OF VIOLATION.** OFCCP found that Angelica discriminated against employees based on their sex in violation of 41 CFR 60-1.4(a)(1).
- B. OFCCP'S SPECIFIC FINDINGS.** Angelica required female employees to submit written verification of pregnancy and terminated two employees based on pregnancy on August 18, 2010 and September 25, 2010. A review of personnel records, interviews, and other information obtained during the investigation supports this finding.
- C. REMEDY FOR AFFECTED CLASS.**
 1. Notice. Within five calendar days of the Effective Date of this Agreement, Angelica will notify the former employees listed in Attachment A of the terms of this Agreement by mailing by first class mail the: Notice to Affected Class (Attachment B, "Notice"), Information Verification Form (Attachment C), and the Release of Claims Form (Attachment D, "Release"), and a postage paid return envelope.

2. **Eligibility.** All members of the affected class (listed on Attachment A) who sign and return the Information Verification Form and Release to Angelica within 30 calendar days of the postmarked date on the envelope containing the Notice, Information Verification Form, and Release will receive the monetary settlement listed in Attachment A to this Agreement (Eligible Class Members).
3. **Monetary Settlement.** Angelica will distribute \$61,514.57 in back pay and \$3,718.12 in interest, less legal deductions required by law from back pay only (such as federal, state and/ or local employee taxes and the Eligible Class Members' share of FICA taxes), to the Eligible Class Members as listed in Attachment A. Angelica will pay the Internal Revenue Service ("IRS") the employer's share of social security withholdings and 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. Angelica will disburse the monetary settlement within 10 calendar days after the Eligible Class Members return the Information Verification Form.

Within 30 calendar days of Angelica's receipt of a check to an Eligible Class Member returned as undeliverable, Angelica will notify OFCCP of this fact via e-mail sent to Gregory Smith (b) (7) (c) @dol.gov) and (b) (7) (c) @dol.gov). OFCCP will attempt to locate the Eligible Class Member and if OFCCP obtains an alternate address, Angelica will re-mail the check within five 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.

D. NON-MONETARY REMEDIES.

1. Angelica will immediately cease requiring employees to inform the company when they become pregnant and cease requiring pregnant employees to submit documents verifying their pregnancy.
2. Angelica will immediately cease terminating employees based on pregnancy. Angelica will immediately revise its employment practices to ensure employees who are or become pregnant are treated equally and without regard to their sex.
3. Angelica will provide training on sex discrimination, including pregnancy-related sex discrimination to all managers and supervisors within 120 days of this Agreement.

2. DISABILITY DISCRIMINATION

A. STATEMENT OF VIOLATIONS. OFCCP found Angelica discriminated against employees based on their pregnancy-related disability in violation of 41 CFR 60-741.5(a)(1).

B. OFCCP'S SPECIFIC FINDINGS.

1. During the review period, Angelica denied a reasonable accommodation to an employee in violation of 41 CFR 60-741.21((f)(1) (2010) and 60-741.44(d) (2010), and failed to engage in an interactive process with the employee in need of an accommodation, see 41 CFR 60-741.2(v)(3) (2010).
2. During the review period, Angelica terminated an employee based on her need for a reasonable accommodation in violation of 41 CFR 60-741.21(f)(2) (2010).
3. A review of personnel records, interviews, and other information obtained during the compliance evaluation supports this finding.

C. REMEDY.

1. Angelica will immediately cease denying reasonable accommodations to employees with pregnancy-related disabilities.
2. Angelica will immediately cease terminating employees based on the need for a reasonable accommodation due to a pregnancy-related disability. Angelica will immediately revise its employment practices to ensure employees who require a reasonable accommodation due to a pregnancy-related disability are treated equally and without regard to their disability.
3. Angelica will develop, disseminate, and implement written reasonable accommodation procedures that apply equally to pregnancy and non-pregnancy related disabilities and are in accordance with 41 CFR 60-741 Appendix B (2014) within 120 days of this Agreement.
4. Whenever it becomes apparent an employee requires an accommodation due to either a pregnancy-related or non-pregnancy-related disability, Angelica will engage the employee in an interactive process to determine whether a reasonable accommodation exists that will enable the employee to perform the essential functions of her position in accordance with 41 CFR 60-741 Appendix A (2014).
5. Angelica will provide employees with pregnancy-related disabilities with the same opportunities for accommodation as other employees with short-term disabilities.

6. Angelica will provide training on reasonable accommodation and disability discrimination, including pregnancy-related disability discrimination to all managers and supervisors within 120 days of this Agreement.

3. LACK OF INTERNAL AUDIT AND REPORTING

- A. **STATEMENT OF VIOLATION.** During the review period, Angelica failed to develop and implement an audit and reporting system meeting the requirements of 41 CFR 60-741.44(h)(1) and failed to undertake necessary action to bring its affirmative action program into compliance as required by 41 CFR 60-741.44(h)(2).
- B. **REMEDY.** Angelica will develop and audit and reporting system under 41 CFR 60-741 which will include at least:
 - a. Procedures to measure the effectiveness of the Affirmative Action Program;
 - b. Identification of the need for any remedial actions;
 - c. A determination of the degree to which program objectives have been attained;
 - d. A determination of whether known individuals with disabilities have been provided the opportunity to participate in all company-sponsored educational, training, recreational, and social activities; and,
 - e. Procedures to measure Angelica's compliance with the Affirmative Action Program's specific obligations as required by 41 CFR 60-741 Subpart C.

4. OUTREACH AND RECRUITMENT

- A. **STATEMENT OF VIOLATION.** During the period June 1, 2009 through March 26, 2011, Angelica failed to undertake any appropriate outreach and positive recruitment activities for its employment openings that were reasonably designed to effectively recruit qualified individuals with disabilities, disabled veterans, recently separated veterans, other protected veterans, and Armed Forces service medal veterans, as required by 41 CFR 60-741.44(f) and 60-300.44(f).
- B. **OFCCP'S SPECIFIC FINDINGS.** Angelica could not demonstrate it had made any efforts to undertake appropriate outreach and positive recruitment activities designed to effectively recruit qualified individuals with disabilities and protected veterans.
- C. **REMEDY.** Angelica will undertake appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified individuals with disabilities and protected veterans, such as those described at 41 CFR 60-300.44 (f)(2) (2014) and 41 CFR 60-741.44(f)(2) (2014). Angelica will annually review its outreach and recruitment activities, assess their effectiveness, and document this review in accordance with 41 CFR 60-300(f)(3) and 60-741(f)(3). Angelica will document all activities it undertakes to comply with this section in accordance with 41 CFR 60-300.44(f)(4) and 60-741.44(f)(4).

PART IV. REPORTS REQUIRED

1. Angelica will submit the documents and reports described below to: U.S. Department of Labor, Office of Federal Contract Compliance Programs, 96 N. 3rd Street, Suite 410, San Jose, CA 95112.
2. Angelica must submit three (3) progress reports as follows:

<u>REPORT</u>	<u>REPORTING PERIOD</u>	<u>DUE DATE</u>
One	April 1, 2016 through May 31, 2016	July 1, 2016
Two	April 1, 2016 through March 31, 2017	May 1, 2017

Progress Report One shall contain the following:

- a) Copies of any revised personnel policies, procedures, or criteria impacting the treatment of pregnant employees and employees with pregnancy-related disabilities developed as a result of OFCCP's findings.
- b) Documentation of monetary payments to all Eligible Class Members as specified in section 1C of Remedy 1. The documentation must include the names of Eligible Class Members who were paid, the number and the amount of each check issued, the date the check cleared the bank.

Progress Report Two shall contain the following:

- a) Copies of any cancelled checks that were not cashed by an Eligible Class Member within 120 days.
- b) Copies of any revised personnel policies, procedures, or criteria impacting the treatment of pregnant employees and employees with pregnancy-related disabilities developed as a result of OFCCP's findings instituted after May 31, 2016 (if applicable).
- c) Copies of written reasonable accommodation procedures developed in accordance with 41 CFR 60-741 Appendix B (2014) and documentation of dissemination to employees and managers/supervisors.
- d) A narrative description of the implementation of written reasonable accommodation procedures described in item c) during the reporting period and documentation demonstrating the implementation.
- e) A list of all reasonable accommodation requests by employees or applicants during the reporting period, including at least: the date of each request; whether the request was related to a pregnancy-related or a non-pregnancy related disability (if known, Angelica is not required to ask employees to disclose whether a disability request is

related to pregnancy to meet this reporting requirement); whether the accommodation was granted or denied; date of decision; reason for denial (if denied); and name and title of the decision maker(s).

- f) Documentation of training provided to all managers and supervisors regarding sex discrimination, reasonable accommodations, and disability discrimination, including pregnancy-related disability discrimination.
 - g) A narrative description of all outreach and positive recruitment activities undertaken to attract qualified individuals with disabilities and protected veterans.
 - h) Documentation of all activities described in item g).
 - i) A narrative description of the audit and reporting system implemented by Angelica to measure the effectiveness of its Affirmative Action Program.
 - j) Documentation of all audit and reporting activities undertaken by Angelica specifically addressing any remedial actions taken, determinations of program objective attainment, determinations of individuals with disabilities participation in company activities, and Angelica's overall compliance with its Affirmative Action Program obligations.
3. Angelica 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").

Part V. SIGNATURES

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Angelica Textile Services, Inc., 422 S. Fruit Avenue, Fresno, CA 93706. The violations, remedies, and progress reporting requirements listed above are specific to activities at this facility.

(b) (7) (c)

Chuck Bond
Plant Manager
Angelica Textile Services, Inc.

(b) (7) (c)

Compliance Officer
OFCCP San Jose Office

Date:

3/21/2016

Date:

3/25/16

(b) (7) (c)

Gregory Smith
District Director
OFCCP San Jose District Office

(b) (7) (c)

Janette Wipper
Regional Director
OFCCP Pacific Region

Date:

3/25/2016

Date:

3/28/2016

ATTACHMENT A

Class Members

Count	Date Terminated	Name	Sex	Backpay Amount Due	Interest Due
1	(b) (7) (c)			\$31,368.98	\$1,896.24
2	(b) (7) (c)			\$30,145.59	\$1,821.88

ATTACHMENT B

NOTICE TO AFFECTED CLASS

Dear [NAME]:

Angelica Textile Services, Inc. ("Angelica") and the Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP") have entered into a Conciliation Agreement ("Agreement") to remedy violations of EXECUTIVE ORDER 11246 ("E.O. 11246"), SECTION 503 OF THE REHABILITATION ACT ("SECTION 503"), and the VIETNAM VETERANS READJUSTMENT ASSISTANCE ACT ("VEVRAA") that OFCCP found during a compliance review of Angelica's facility located at 422 S. Fruit Avenue, Fresno, California. OFCCP's analysis of Angelica's personnel practices revealed that during the period of June 1, 2009 through March 26, 2011 ("review period") Angelica discriminated against females who were pregnant and denied reasonable accommodations to employees with pregnancy-related disabilities. Angelica has not admitted to any violation of E.O. 11246, SECTION 503, or VEVRAA and there has not been any adjudicated finding that Angelica violated any laws. OFCCP and Angelica entered into an Agreement to resolve the matter without resorting to further legal proceedings. You have been identified as an individual who was negatively affected by Angelica's personnel practices during the review period.

As part of this Agreement, you are eligible to receive a distribution of (insert for (b) (7) (c) \$33,265.22) (insert for (b) (7) (c) \$31,967.47) less lawful payroll deductions. Under the terms of this Agreement it may take up to 50 days from the date of this letter before you receive your distribution. In order to be eligible for a payment, you must complete, sign, and return, the enclosed Information Verification and Release of Claims forms. You should complete and mail back the forms as soon as possible; they *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:

Schreka McKinney
Director of Employee Relations and Compliance
Angelica Corporation
1105 Lakewood Parkway, Suite 210
Alpharetta, GA 30039

You may use the enclosed postage-paid return envelope to return the completed and signed Information Verification and Release of Claims forms.

If you have any questions you may call Schreka McKinney at Angelica Corporation at (678) 823-4207 or OFCCP Compliance Officer (b) (7) (c) at (408) 283 (b) (7) (c). Your call will be returned as soon as possible.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO ANGELICA WITHIN 30 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

Sincerely,

Schreka McKinney
Director of Employee Relations and Compliance
Angelica Corporation

cc: (b) (7) (c) Compliance Officer, U.S. Department of Labor

Enclosures: Information Verification Form
Release of Claims Form

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 Angelica Textile Services, Inc. ("Angelica") 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: _____

Email Address:

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

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

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENTS TO THE ADDRESS BELOW WITHIN 30 DAYS OF THE DATE THE ENVELOPE CONTAINING THIS NOTICE WAS POSTMARKED, YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

Schreka McKinney
Director of Employee Relations and Compliance
Angelica Corporation
1105 Lakewood Parkway, Suite 210
Alpharetta, GA 30039

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

Signature

Date

ATTACHMENT D

**RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246 AND SECTION 503 OF
THE REHABILITATION ACT OF 1973**

This Release of Claims under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, ("Release") is a legal document. This document states that in return for Angelica Textile Services, Inc. ("Angelica") paying you money, you agree that you will not file any lawsuit against Angelica for alleged violations of Executive Order 11246, as amended, or Section 503 of the Rehabilitation Act of 1973, as amended, or the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended. It also says that Angelica 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 (for (b) (7) (c) insert: \$33,265.22) (for (b) (7) (c) insert: \$31,967.47) (less employee deductions required by law)

by Angelica to me, which I agree is acceptable, I, _____
agree to the following: (print name)

I.

I hereby waive, release and forever discharge Angelica Textile Services, Inc., 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, and Section 503 of the Rehabilitation Act of 1973, as amended, or the Vietnam Era Veterans Readjustment Assistance Act, of 1974, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have at any time through the effective date of this Release.

II.

I understand that Angelica Textile Services, Inc. denies that it treated me unlawfully or unfairly in any way and that Angelica Textile Services, Inc. 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 discrimination based on sex and disability and to resolve the matter without further legal proceedings in the compliance review initiated by OFCCP on March 27, 2011. I further agree that the payment of the aforesaid sum by Angelica Textile Services, Inc. to me is not to be construed as an admission of any liability by Angelica Textile Services, Inc.

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 Angelica Textile Services, Inc. WITHIN 30 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 Angelica Textile Services, Inc.

I have signed this document on this _____ day of

_____, 20_____.

Signature