

CONCILIATION AGREEMENT

Between

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

and

CHRISTUS HOSPITAL - ST. ELIZABETH & ST. MARY

2830 Calder Street
Beaumont, TX 77702

PART I: GENERAL PROVISIONS:

1. This Conciliation Agreement ("Agreement") is between the Office of Federal Contract Compliance Programs ("OFCCP") and CHRISTUS Hospital - St. Elizabeth & St. Mary ("CHRISTUS").
2. The violation identified in this Agreement was found during a compliance evaluation of CHRISTUS' facility located at 2830 Calder Street, Beaumont, TX 77702, which began on July 19, 2010, and was specified in a Notice of Violation issued on October 28, 2011. OFCCP alleges that CHRISTUS has violated Executive Order 11246, as amended ("Executive Order") and its implementing regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by CHRISTUS of any violation of the Executive Order and its implementing regulations.
4. The provisions of this Agreement will become part of CHRISTUS' written affirmative action program ("AAP"). Subject to the performance by CHRISTUS of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of CHRISTUS with all OFCCP programs will be deemed resolved. However, CHRISTUS is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
5. CHRISTUS agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to CHRISTUS' compliance. CHRISTUS shall permit access to its premises during normal business hours for these purposes.

6. Nothing herein is intended to relieve CHRISTUS from the obligation to comply with the requirements of the Executive Order, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 ("Section 503") and/or and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212, ("VEVRAA"), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. CHRISTUS agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceeding under the Executive Order, Section 503, and/or VEVRAA.
8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Houston District Director ("District Director"), unless the Regional Director of the Southwest and Rocky Mountain Region, OFCCP, or the Director, OFCCP, indicates otherwise within 45 calendar days of the District Director's signature on this Agreement.
9. If at any time in the future, OFCCP believes that CHRISTUS has violated any portion of this Agreement during the term of this Agreement, CHRISTUS will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide CHRISTUS with 15 calendar days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes that CHRISTUS has violated this Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violation resolved by this Agreement.

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

PART II: SPECIFIC PROVISION:

1. VIOLATION: OFCCP found that a minority employee in the (b) (7) (c) was disparately treated in her compensation. The OFCCP found that this is a violation of 41 CFR 60-1.4(a)(1).

OFCCP found that (b) (7) (c) a minority female was paid less than non-minority employees (b) (7) (c) and (b) (7) (c) during the period of November 23, 2008 to the present. OFCCP found that (b) (7) (c) had more tenure with CHRISTUS and more time in the (b) (7) (c) position than the non-minorities with this job title. Additionally, her performance evaluations were similar to those of (b) (7) (c) and (b) (7) (c). OFCCP could not find a legitimate, non-discriminatory reason for the significant pay disparity.

REMEDY: CHRISTUS agrees to monitor and revise, as appropriate, any compensation practices and/or policies that may have contributed to the OFCCP's finding of a compensation disparity, train all individuals involved in implementation of compensation procedures and provide make whole relief to the minority employee as indicated below:

CHRISTUS shall adjust (b) (7) (c) salary (b) (7) (c) within 45 calendar days of the effective date of this Agreement (the effective date is the date of the District Director's signature). Within 60 days of the effective date of this Agreement, CHRISTUS shall pay (b) (7) (c) \$12,359.16 (\$10,776.00 in back pay, \$632.06 in interest and \$951.10 in bonus) less legal deductions required by law on the portion representing back pay only (such as federal, state and/or local taxes and FICA). CHRISTUS will pay to the Internal Revenue Service ("IRS") the employer's share of social security withholdings, and include the back pay as wages on (b) (7) (c) IRS W-2 Form and an IRS Form 1099 for that portion of the payment representing interest. These IRS forms will be delivered via internal means (with her pay check, personally) or by first class mail, return receipt requested with the settlement check or at the end of the year.

Within 15 calendar days of the effective date of this Agreement, CHRISTUS will notify (b) (7) (c) of the terms of this Agreement via internal means or by first class mail, return receipt requested by providing copies of the Notice to Class Member (Attachment 1, "Notice") and the Release of Claims Under Executive Order 11246 (Attachment 2, "Release"). CHRISTUS will notify OFCCP within five (5) calendar days, if they are unable to contact (b) (7) (c). OFCCP will then initiate efforts to locate her and provide updated contact information to CHRISTUS. To receive the monetary settlement, (b) (7) (c) must sign and return the Release and Interest Form to either OFCCP or CHRISTUS within 30 calendar days from the date of delivery.

No disbursements of the monetary settlement covered by this Agreement are to be made prior to 45 calendar days following the effective date of this Agreement. CHRISTUS will disburse the monetary settlement within sixty (60) days of the effective date of this Agreement.

BASIS FOR CHRISTUS AGREEMENT. By entering into this Conciliation Agreement, CHRISTUS does not admit that it has violated Executive Order 11246 or any related laws. Although denying liability, CHRISTUS has entered

into this Agreement to expeditiously resolve this matter without further investigation or litigation and to further demonstrate its cooperation with the OFCCP.

PART III: REPORTING:

CHRISTUS will submit two reports to OFCCP, and shall send each report to:

District Director
U.S. DOL/OFCCP
2320 LaBranch Street, Suite 1103
Houston, Texas 77004

Within 75 calendar days of the effective date of this Agreement, CHRISTUS will provide:

1. Documentation (i.e. personnel action form, letter to employee and/or pay stub) to demonstrate that (b) (7)(C) received a salary adjustment in accordance with the terms of this Agreement.
2. Documentation that all managers, supervisors and other personnel involved in compensation decisions have been trained. The documentation shall include the dates of the training, information covered, the names and job titles of all attendees, and the name and job title of each person who conducted the training.
3. Copies of all documentation required for distribution of the monetary settlement: Copies of the Notice, Release, cancelled back paycheck and letters returned as undeliverable, if applicable, etc., and
4. A copy of the revised compensation policy and/or plan for effective monitoring to ensure equal opportunity employment and non-discrimination in pay.

CHRISTUS will retain records pertinent to the violation found by the OFCCP and resolved by this Conciliation Agreement and to the reports submitted under it, including the underlying information on which the reports are based, until the expiration of the Conciliation Agreement or consistent with regulatory requirements, whichever is later.

This Conciliation Agreement will expire 60 calendar days after receipt of the final report or on the date the District Director gives notice to CHRISTUS that it has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies CHRISTUS in writing prior to the expiration of the 60-day period that CHRISTUS has not satisfied its reporting requirements pursuant to this Agreement.

PART IV: SIGNATURES:

This Conciliation Agreement is hereby executed by and between the OFCCP and CHRISTUS Hospital - St. Elizabeth & St. Mary.

(b) (7) (c)

ELLEN JONES
Chief Executive Officer
CHRISTUS Hospital - St. Elizabeth & St.
Mary

Date: 12/29/11

(b) (7)(C)

Compliance Officer
Houston District Office

Date: 12/30/11

(b) (7) (c)

TRENT WILLIAMS
Assistant District Director
Houston District Office

Date: 12/30/2011

(b) (7) (c)

PATRICIA H. BYRD
District Director
Houston District Office

Date: 12/30/2011

- Attachment 1: Notice to Class Member
- Attachment 2: Release of Claims Under EO 11246

ATTACHMENT 1
NOTICE TO CLASS MEMBER

Dear:

CHRISTUS Hospital – St. Elizabeth & St. Mary (“CHRISTUS”) and the Department of Labor's Office of Federal Contract Compliance Programs (“OFCCP”) have entered into a Conciliation Agreement (“Agreement”) to resolve an alleged pay disparity involving the position that you occupy, (b) (7)(C) at its Beaumont, Texas facility during the period November 23, 2008 to the present. CHRISTUS has denied any wrongdoing and has agreed to resolve the matter without further legal proceedings.

As part of this Agreement, you are eligible to receive a monetary payment of \$ _____, less lawful payroll deductions. Under the terms of this Agreement it may take up to two months from the date of this letter before you receive the monetary payment. In order to be eligible for this payment, you must fill out and sign the Release of Claims Under Executive Order 11246, and return it within thirty (30) calendar days of the date you received this letter to:

Mr. Charles Foster
Regional Vice President of Human Resources
2830 Calder Street
Beaumont, TX 77702

By entering into this Agreement, CHRISTUS has not admitted, nor has there been any adjudicated finding, that CHRISTUS violated any laws. CHRISTUS has entered into this Agreement to resolve the matter without further legal proceedings.

If you have any questions you may call Mr. Charles Foster at CHRISTUS at (409) 899-7165, or OFCCP Compliance Officer (b) (7)(C) at (713) 718-3800. Your call will be returned as soon as possible. If you fail to complete and return the enclosed Release of Claims to CHRISTUS within thirty (30) calendar days after receipt of this letter, you will forfeit any right to a monetary payment pursuant to this settlement.

Sincerely,
(NAME)

Enclosure: Release of Claims

ATTACHMENT 2
RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

In consideration of the payment of \$ _____, (less deductions required by law) by CHRISTUS Hospital - St. Elizabeth & St. Mary ("CHRISTUS") to me, which I agree is acceptable, I _____ agree to the following:

I.

I hereby waive, release and forever discharge CHRISTUS, 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, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to a disparity in pay at any time through the effective date of this Release.

II.

I understand that CHRISTUS denies that it treated me unlawfully or unfairly in any way and that CHRISTUS entered into a Conciliation Agreement with the US Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP"), and agreed to make the payment described above to resolve the alleged pay disparity and to resolve the matter without further legal proceedings in the compliance evaluation initiated by OFCCP on July 19, 2010. I further agree that the payment of the aforesaid sum by CHRISTUS to me is not to be construed as an admission of any liability by CHRISTUS.

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. 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 CHRISTUS by _____ **(DATE)** _____, I will not be entitled to receive the payment (less deductions required by law) from CHRISTUS.

IN WITNESS WHEREOF, I have signed this document on this _____ day of _____, 2011.

Signature