Conciliation Agreement
Between the U.S. Department of Labor
Office of Federal Contract Compliance Programs
and
Hillcrest Care Center
3401 Cedar Avenue
Long Beach, California 90807

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Hillcrest Care Center (hereinafter Hillcrest) located at 3401 Cedar Avenue, Long Beach, California 90807.

2. The alleged violations identified in this Agreement were found during a compliance evaluation of Hillcrest which began on January 17, 2012 and they were specified in a Notice of Violation issued on January 28, 2013. OFCCP alleges that Hillcrest has violated Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and implementing regulations at 41 CFR Chapter 60 due to specific violations cited in Part II below.


4. The provisions of this Agreement will become part of Hillcrest’s Affirmative Action Program (hereinafter AAP). Subject to the performance by Hillcrest of all promises and representations contained herein and in its AAP, all alleged violations in regard to the compliance of Hillcrest with all OFCCP programs will be deemed resolved. However, Hillcrest 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. Hillcrest 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 Hillcrest compliance. Hillcrest shall permit access to its premises during normal business hours for these purposes.

6. Nothing herein is intended to relieve Hillcrest from the obligation to comply with the requirements of 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 (38 U.S.C. 4212), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. Hillcrest 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 proceedings under Executive Order 11246, as amended, and/or Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).

8. This Agreement will deemed to have been accepted by the Government on the date of signature by the District Director for OFCCP, unless the Regional Director for OFCCP indicates otherwise within 45 days of the District Director’s signature on this Agreement.

9. If at any time in the future, OFCCP believes that Hillcrest has violated any portion of this Agreement during the term of this Agreement, Hillcrest 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 Hillcrest with 15 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 Hillcrest has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

Liability for violation of this Agreement may subject Hillcrest to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-300.66, 41 CFR 60-741.66, and/or other appropriate relief.
PART II: Specific Provisions

1. **VIOLATION:** OFCCP found that Hillcrest failed to ensure that its employees were compensated without regard to their race, as required by 41 CFR 60-1.4(a) and 41 CFR 60-20.5. Specifically, a review of compensation practices for the Certified Nursing Assistant ("CNA") position revealed that some Asians in the CNA positions were compensated at a lesser rate than some of their Black counterparts.

Specifically, a review of the available records, job descriptions and pay information provided by Hillcrest, the results of OFCCP’s regression analysis, along with interviews with managers and employees conducted during OFCCP’s investigation support the OFCCP’s finding that some Asians in the CNA positions received a lower hourly wage than some of their Black counterparts. The investigation also revealed that some Asian CNAs were not provided annual merit increases in a manner consistent with some of their Black counterparts, despite receiving similar or higher performance ratings.

**REMEDY:** Hillcrest agrees to revise its compensation practices and take steps to ensure that its compensation system provides an equal opportunity to all of its employees. This applies to all aspects of compensation, including, but not limited to, initial wage at time of hire and progression into higher paying categories. In order to resolve this, Hillcrest agrees to the following:

a. **Notification of Class Members:** Within 30 days after the effective date of this Agreement, Hillcrest agrees to notify each class member\(^1\), (CM) of his or her rights under this Agreement by sending a certified letter\(^2\), to their address, notifying the CM\(^3\) of this Conciliation Agreement and providing the CM with a Release of Claims Form\(^3\) and a W-4 form. CMs must return the completed Release of Claims Form\(^3\), to Brad DeHaan at Hillcrest within 30 days of receipt of the certified letter or forfeit any consideration for back pay.

Hillcrest will promptly notify OFCCP 30 days after its initial mailing to the CMs of any of the CM’s who could not be located. OFCCP will have an additional 30 days from receipt of notice from Hillcrest to locate additional CMs and to provide contact information to Hillcrest of those CMs it was subsequently able to find. Within 10 days of receipt of OFCCP’s list, Hillcrest will notify the CMs located and again provide each with a Release of Claims Form\(^3\) W-4 form. Each newly located CM will have 30 days after receipt of the notification letter to respond.

If Hillcrest does not receive a response within 30 days of the CM’s receipt of the notification letter, such lack of a response will be deemed to constitute a rejection of any financial settlement set forth in paragraph (b) and (c).

---

\(^1\) Attachment A – List of Class Members
\(^2\) Attachment B – Notification Letter
\(^3\) Attachment C – Release of Claims Form
b. **Financial Settlement:** Within 120 days (but not earlier than 45 days) from the effective date of this Agreement, Hillcrest will provide back pay in the amount of $18,719.24 and interest in the amount of $2,115 to the 24 Asian CNAs identified in Attachment A. Such payment will constitute a full settlement of all financial claims related hereto. Hillcrest will submit to the OFCCP documentation of payment of the financial settlement in accordance with the terms contained in “PART III: Reporting”, of this Agreement. The payments will be made in a lump sum to each CM, less appropriate withholding deductions. Hillcrest will send each CM an appropriate tax form (W-2 and 1099).

c. **Compensation Process:** Hillcrest agrees to take proactive measures to ensure that this practice does not recur. Within 45 days from the effective date of this Agreement, Hillcrest agrees to do the following:

a. Conduct an audit and analysis of its compensation practices as they impact all employees.
b. Develop and implement compensation policies and procedures that will not differentiate compensation on the basis of race of employees.
c. Provide training to those managers who participate in the application of any component of the compensation system. The purpose is to familiarize those managers with principles underlying the uniform application of criteria, which are used to establish compensation. The ramifications of Equal Employment opportunity will be explained not only as a diversity tool but also as a potential liability and violation of the Equal Opportunity Laws.

2. **VIOLATION:** Hillcrest failed to conduct an audit and monitor its personnel operations as follows:

Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and its obligations under these specifications are being carried out as required by 41 CFR § 60-4.3(a)7.m.

**REMEDY:** Hillcrest agrees to audit and monitor its personnel operations as follows: Maintain evidence (letters, memos, personnel files, reports) of: (a) an annual inventory and evaluation of all minority and female personnel for promotional opportunities and how these employees were encouraged to seek or to prepare for such opportunities by appropriate training; (b) the EEO Officer reviews all monthly work force reports, hiring, terminations, and training provided on-the-job; (d) the EEO Officer’s job description identifies his or her responsibility for monitoring all employment activities for discriminatory effects; and (e) initiate corrective action whenever a possible discriminatory effect has been identified.
3. **VIOLATION:** Hillcrest failed to undertake appropriate outreach, recruitment, and dissemination of its affirmative action policy for covered veterans and individuals with disabilities as required by 41 CFR §§ 60-300.44(f) and 60-741.44(f).

**REMEDY:** Hillcrest agrees to undertake appropriate outreach, recruitment, and dissemination of its affirmative action policy with organizations listed in Attachment D for covered veterans and individuals with disabilities.

Hillcrest agrees that these alleged violations will not be repeated.
PART III: Reporting

In order for the OFCCP to monitor compliance with this Conciliation Agreement, Hillcrest agrees to furnish the U.S. Department of Labor, Office of Federal Contract Compliance Programs, Los Angeles District Office, 1640 S. Sepulveda Blvd., Los Angeles, California 90025 with the following report:

<table>
<thead>
<tr>
<th>Report Due Date</th>
<th>Period Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report 1: March 3, 2014</td>
<td>Effective date of Agreement through February 28, 2014</td>
</tr>
<tr>
<td>Report 2: August 27, 2014</td>
<td>Effective date of Agreement through July 31, 2014</td>
</tr>
</tbody>
</table>

The first progress report shall contain the following:

1. Copies of checks issued for back pay and interest to the Asian CNAs identified in Attachment A;

2. Evidence of training provided to the managers who participate in the application of any component of the compensation process. This will include who was in attendance and how future compensation policies and practices are implemented.

3. Evidence (letters, memos, personnel files, reports, etc.) of an annual inventory and evaluation of all minority and female personnel, monthly workforce reports regarding hiring, promotions, terminations, and training, EEO Officer's job description identifying his or her responsibility for monitoring all employment activity for discriminatory effects, and records of corrective action taken whenever a possible discriminatory effect has been identified.

The second progress report shall contain the following:

1. Evidence of good faith efforts to recruit veterans and individuals with disabilities for employment opportunities and promotions by providing:
   a. Copies of correspondence showing it has established linkages with recruitment sources listed in Attachment “A” and notified these sources of all job openings within sufficient time prior to the closing date of the vacancy;
   b. Copies of correspondence showing it has outlined its application and employment process to these sources;
   c. Evidence of any and all referrals it has received, including a copy of each resume and/or application from all applicants for each vacancy; and
d. All interview notes, job offers, salary offers, rejections and the reasons for rejecting any persons referred from the recruitment sources.

2. The total number of veterans and individuals with disabilities that were hired broken out by job title, recruiting source hired from, and veteran/disabled status.

3. Evidence (letters, memos, personnel files, reports, etc.) of an annual inventory and evaluation of all minority and female personnel, monthly workforce reports regarding hiring, promotions, terminations, and training, EEO Officer's job description identifying his or her responsibility for monitoring all employment activity for discriminatory effects, and records of corrective action taken whenever a possible discriminatory effect has been identified.

You may also include any other information you have prepared that would assist us in understanding and evaluating your Affirmative Action commitments.

**Termination Date:**

This Agreement shall remain in effect until September 30, 2014 or until OFCCP’s written acceptance of the Progress Report, whichever date is later.
PART IV: Signatures

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Hillcrest Care Center.

9/26/13
BRAD DEHAAN
Administrator
Hillcrest Care Center
3401 Cedar Avenue
Long Beach, California 90807

10/28/13
Date

EX 7C

Compliance Officer
Office of Federal Contract Compliance Programs
Los Angeles District Office

10/28/13
Date

EX 7C

ROBERT DOLES
Assistant District Director
Office of Federal Contract Compliance Programs
Los Angeles District Office

10/19/2013
Date

EX 7C

JANE SUHR
District Director
Office of Federal Contract Compliance Programs
Los Angeles District Office
EX 7C
MELISSA L. SPEER
Acting Regional Director
Office of Federal Contract
Compliance Programs
Pacific Region

Date
10/30/2013
<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Race/Ethnicity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Asian or Pacific Islander</td>
</tr>
</tbody>
</table>
Attachment B

NOTIFICATION LETTER

Certified Mail, Return Receipt Requested

Date: ____________

[Name]
[Street]
[City, State, Zip Code]

Dear [Name]:

Hillcrest Care Center and the Department of Labor’s Office of Federal Contract Compliance Programs (hereinafter “OFCCP”) have entered into a Conciliation Agreement (hereinafter “CA”) to resolve disparities in compensation for CNAs. You have been identified as one of the individuals who are entitled to back pay.

By entering into this CA, Hillcrest Care Center has not admitted nor has there been any adjudicated finding that Hillcrest Care Center has violated any laws. Hillcrest Care Center has entered into this CA for its convenience and to resolve the matter without further legal proceeding.

As part of this CA, you are also eligible to receive a monetary distribution of $_______, subject to lawful payroll deductions. Under the terms of this CA, you may receive a payment up to four (4) months from the date of this letter. In order to be eligible for this distribution, you must execute and return the following enclosed “Release of Claims”, within 30 days of your receipt of this letter to:

Brad DeHaan
Administrator
Hillcrest Care Center
3401 Cedar Avenue
Long Beach, CA 90807

If you fail to return the release of claims within the specified timeframe, you will be ineligible for monetary and/or other relief provided by this CA.
NOTIFICATION LETTER (Continued)

If you have any questions, you may call me at (562) 426-4461 ext. 307 and your call will be returned as soon as possible.

Sincerely,

Brad DeHaan
Administrator
Hillcrest Care Center

cc: [REDACTED] Compliance Officer, U.S. Department of Labor
1640 S. Sepulveda Blvd., Los Angeles, CA 90025

Enclosures: Release of Claims
Attachment D

COMMUNITY BASED ORGANIZATIONS
AND RECRUITMENT FOR WOMEN, MINORITIES, DISABLED, & VETERANS
Los Angeles County

PV Jobs – Play Vista Jobs & Business Services
4112 South Main Street
Los Angeles, CA 90037
(323) 432-3955
Juan Alvarado-Program Manager
jalvarado@pv.jobs.org

Natl. Association of Women in Construction
NAWIC-Los Angeles
P.O. Box 10756
Marina Del Rey, CA 91402
Diane Frank- President
(310) 306-5267
dfrank@hamiltonpacific.com

Women in Non-Traditional Employment Roles (WINTER)
3655 South Grand Ave, Ste. 210
Los Angeles, CA 90007
Linda Parrott
(213) 749-3970
lparrott@winterwomen.org

Los Angeles Black Worker Center
Lola Smallwood Cuevas-Project Director
213-480-4155 ext 210
lscuevas@irlc.ucla.edu

9 to 5 Natl. Association of Working Women
630 Shatto Place 4th Fl.
Los Angeles, CA 90005
(213) 201-7029
Cathy Deppe
Board Member, Los Angeles Chapter
cathydeppela@gmail.com

United Job Creation Council
4112 S. Main Street
Los Angeles, CA 90037
Jean Franklin- Exec. Dir.
(323) 432-3976

Department of Rehabilitation
5400 E. Olympic Blvd., Suite 200
Los Angeles, CA 90022
(323) 720-4082
Grace Burque – Rehabilitation Supervisor
ghurque@dor.ca.gov

Employment Development Department
Crenshaw Workforce Service Office
5401 Crenshaw Blvd.
Los Angeles, CA 90043
(323) 290-5140
Connye Thomas- Site Manager
Connye.thomas@edd.ca.gov

VETS Los Angeles Regional Office
Federal Building
11000 Wilshire Blvd., 3rd Fl.
Los Angeles, CA 90024
(310) 235-7722 general line
Debbie Brinkley
(310) 235-7590 direct line
Deborah.brinkley@va.gov

** Contractors should include unions in the outreach and recruitment EEO/AA obligations.