

*The U.S. Equal Employment Opportunity Commission*

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## EEOC SETTLES RACIAL HARASSMENT SUIT WITH ST. LOUIS NURSING HOME FOR \$1.2 MILLION

ST. LOUIS - At a press conference today, the U.S. Equal Employment Opportunity Commission (EEOC) announced a settlement of almost \$1.2 million for nine individuals in a racial harassment lawsuit against Beverly Enterprises, Inc., which operates several nursing homes in the St. Louis area. The settlement, which still requires approval of the federal district court here, also requires substantial injunctive relief, including training, monitoring, and disciplinary action against a Beverly human resources employee.

EEOC Chairwoman Ida Castro hailed the resolution: "This case emphasizes that employers cannot condone racially repugnant conduct by their managers or retaliation against those employees who complain. The EEOC's National Enforcement Plan has targeted such cases involving egregious racial discrimination and we will continue to pursue them vigorously."

In September 1998, the EEOC filed suit under Title VII of the Civil Rights Act of 1964 on behalf of nine former employees alleging racial harassment, retaliation, and unlawful discharge. The suit claimed that the administrator of Beverly's Bridgeton Nursing Center pursued a campaign of flagrant racial harassment against the facility's predominantly black workforce during 1993 and 1994. She frequently used racial slurs to refer to black employees and ordered white supervisors and charge nurses to discipline black employees without cause. The administrator also required applications to be coded with smiling faces for white applicants and frowning faces for black applicants. When some black and white employees refused to follow or complained about her discriminatory practices, she retaliated by discharging them or forcing them to resign.

Besides paying \$1,199,000 in damages, attorneys' fees and costs, Beverly has agreed not to re-employ the administrator, who resigned from her position last fall. In addition, the human resources representative who failed to adequately investigate the complaints of discrimination will receive a one- week suspension, a written warning, and further training on investigating race discrimination and other unlawful employment practices.

Beverly also has agreed to institute a revised policy on reporting and investigating internal complaints of racial and other harassment. The revised policy will prohibit retaliation against complaining employees and require investigations by neutral persons not implicated in such internal complaints. The settlement further requires Beverly to provide compliance reports for its Missouri-owned facilities to the EEOC over the next three years. Beverly sold the Bridgeton Nursing Center in early 2000.

Felix Miller and Rebecca Stith represented the EEOC. Kathryn Render, a private attorney, represented five of the individual plaintiffs, and Ron Rothman of Librach & Rothman represented the remaining four.

"The government brought this case because employees should not have to endure racial epithets and unjustified disciplinary actions just to hold a job," said Robert G. Johnson, EEOC regional attorney in St. Louis. "The outcome of this case, involving racially offensive actions of a rogue manager, and the company's failure to respond to complaints about her, should be instructive to all employers."

According to Beverly, the company has undergone many changes since the period of the alleged discriminatory actions, installing new management and a new organizational structure. Beverly has represented to the EEOC that it is dedicated to fair treatment of all employees.

Lynn Bruner, the agency director in St. Louis, said, "We are gratified that, through this settlement, the victims have been made whole and that the employer recognizes the need to take steps to avoid such misconduct in the future. I hope this serves as an example of why employers must take prompt, effective steps to respond to employee reports of racism, reprisals, and all other forms of illegal discrimination."

In addition to enforcing Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination based on race, color, religion, sex, or national origin, the EEOC enforces the Age Discrimination in Employment Act; the Equal Pay Act; Titles I and V of the Americans with Disabilities Act, which prohibits discrimination against people with disabilities in the private sector and state and local governments; prohibitions against discrimination affecting individuals with disabilities in the federal sector; and sections of the Civil Rights Act of 1991. Further information about the EEOC is available on the agency's Web site at <http://www.eeoc.gov>.

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