

- **EEOC v. Morgan Stanley & Co., Inc.**

No. 01-8421 (S.D.N.Y. July 12, 2004)

The New York District Office filed this sex discrimination action, alleging that defendant, a global financial services firm with more than 600 offices in 27 countries, engaged in a pattern or practice of discrimination against female employees in its Institutional Equity Division (IED). New York alleged that the unlawful practices affected the women's promotion opportunities, compensation, and terms, conditions, and privileges of employment. New York further alleged that the defendant retaliated against the charging party-intervenor, a principal in the firm, by terminating her for complaining about sex discrimination.

This case was resolved by a three-year consent decree that requires defendant to pay a total of \$54 million. Forty million dollars will be paid into a claim fund to pay awards through a process by which claimants and the parties will submit information to a Special Master, paid by defendant, who will determine the amount, if any, to be awarded to each claimant. Any claimant dissatisfied with the Special Master's determination as to her claim can submit objections to the court. Potential claimants are women employed in the United States at any time since January 1, 1995, in IED in the positions of exempt non-officers eligible for promotion to vice president (including but not limited to associate and professional), vice president, principal or executive, and managing director, and female American citizens employed in these covered positions outside the United States during that period. Any residual funds from the \$40 million will be used for scholarship programs for female students pursuing careers in the financial services industry. Defendant also is to pay \$12 million to CP and to use \$2 million to provide anti-discrimination and diversity training and to implement policies and programs designed to prevent sex discrimination and enhance promotional opportunities for women.

Additionally, defendant will appoint an employee to be an EEOC-approved ombudsperson who will oversee the implementation of the decree's terms, administer defendant's complaint policy, and ensure compliance with recordkeeping and reporting requirements. The decree also provides for an outside monitor, paid by defendant, who will review defendant's anti-discrimination policies and practices and be a contact person for employees with sex discrimination complaints. The outside monitor also will provide a report to EEOC and defendant, at least once a year, that assesses defendant's implementation of and compliance with the decree, with special attention to whether defendant has implemented meaningful programs to address retention and promotion of women in IED. Finally, the decree enjoins defendant from discriminating against women in covered positions in promotion and compensation based on their sex and from retaliating against female employees, and provides for yearly reporting to EEOC on the sex, job title, and compensation of employees in covered positions, on transfers and hires into covered positions, and on studies of promotions of employees in covered positions.