

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Fair Housing Act

CONCILIATION AGREEMENT

Between

Assistant Secretary

Office of Fair Housing and Equal Opportunity

(Complainant)

and

The Salvation Army, a Georgia Corporation

(Respondent)

Approved by the United States Department of Housing and Urban Development

FHEO CASE NUMBER:

00-12-0007-8

I. PARTIES

Respondent

The Salvation Army, a Georgia corporation (“The Salvation Army”)
1424 Northeast Expressway
Atlanta, GA 30329-2088

Complainant

Assistant Secretary,
for Fair Housing and Equal Opportunity,
Office of Fair Housing and Equal Opportunity
451 7th Street, SW Room 5200
Washington, DC 20410

II. BACKGROUND

The Fair Housing Act (the “Act”) authorizes the Assistant Secretary for Fair Housing and Equal Opportunity (“FHEO” or “Complainant”), on behalf of the Secretary of the Department, to file a complaint of housing discrimination, 42 U.S.C. § 3610. On October 21, 2009, the U.S. Department of Housing and Urban Development (“HUD” or “Department”) initiated a preliminary investigation into the housing practices of The Salvation Army. The investigation was conducted pursuant to the Fair Housing Act, 42 U.S.C. § 3610(a)(1)(A)(iii), to determine whether The Salvation Army “unlawfully discriminates against persons on the basis of sex (female) and familial status (pregnant women) with respect to the terms and conditions and making housing unavailable.” On August 3, 2012, after completing its preliminary investigation, the Department filed a complaint (the “Complaint”) alleging that The Salvation Army owns and operates a transitional housing program, the Turning Point Center for Women and Children in Washington, D.C. (the “Turning Point Center”), that violates Subsections 804(a)(b)(c) of the Act.

The Turning Point Center accepts pregnant women and women with children. Previously, the Resident Handbook stated, among other things, the following: “[I]t is Turning Point policy that there are to be no additions to a resident’s family while she is enrolled in the Turning Point Program. Pregnancy, regardless of outcome, will be grounds for dismissal from the program” (the “No Additions Policy”). Prior to entering the Turning Point program, the potential program participant was required to sign the Resident Handbook, acknowledging that she accepted the program rules, including the prohibition with respect to pregnancy. There is evidence that since 2008, four pregnant women have been terminated from the program at a time when The Salvation Army knew they were pregnant.

Respondent, The Salvation Army, the corporate instrumentality of The Salvation Army’s Southern Territory, is authorized to conduct its affairs in fifteen southeastern States and the District of Columbia, with its Territorial Headquarters located at 1424 Northeast Expressway, Atlanta, Georgia. The Salvation Army provides transitional housing programs as part of its many religious and charitable social services. Certain of these programs provide housing and support

services up to two years for individuals and/or families experiencing poverty, and/or homelessness, and/or who have a history of problems related to abuse of drugs or alcohol.

III. COMPLAINANT'S POSITION

The Complainant alleges that The Salvation Army's Turning Point Center violated Subsection 804(a) by making housing unavailable to pregnant women based on their sex or familial status, and violated Subsection 804(b) by subjecting pregnant women to different terms and conditions of occupancy because of their familial status and sex. In addition, the Complaint alleges that the Turning Point Center program violated Subsection 804(c) of the Act because its No Addition Policy indicates a preference, limitation, or is discriminatory on the basis of familial status and sex. The Complaint further alleged that the program at the Turning Point Center discriminates based on sex by limiting admission to women-with children, regardless of their sex, in violation of Subsections 804(a) and (c) of the Act.

IV. TERM OF AGREEMENT

This Conciliation Agreement ("Agreement") shall govern the conduct of Complainant and Respondent ("Parties") for a period of three years from the effective date of this Agreement.

V. EFFECTIVE DATE

Upon approval by the Department, this Agreement shall constitute a binding contract under state and federal law and an agreement pursuant to the Act. This Agreement shall be approved by the Department and become effective on the date on which it is signed by FHEO's Director for the Office of Systemic Investigations ("Director").

VI. GENERAL PROVISIONS

A. The Parties acknowledge that this Agreement is a voluntary and full settlement of the Complaint. The Parties affirm that they have read and fully understand the terms set forth herein. No party has been coerced, intimidated, threatened or in any way forced to become a party to this Agreement.

B. Respondent, including all of its employees, agents, representatives, assignees, and successors in interest, are hereby enjoined from violating the Act by any act or practice that unlawfully discriminates on the basis of familial status or sex in any aspect of housing.

C. This Agreement is binding upon Respondent, its employees, successors and assigns in connection with the ownership or operation any transitional housing program.

D. Pursuant to 42 U.S.C. § 3610(b)(4), upon approval of this Agreement by the Director, this Agreement is a public document.

E. This Agreement does not in any way limit or restrict the Department's authority to investigate any other complaint or matter involving Respondent made under the Act or any other matter within the Department's jurisdiction, excluding any complaint or matter related to

the subject of the investigation conducted by the Department pursuant to the Act regarding the Respondent's transitional housing programs.

F. No amendment to, modification of, or waiver of any provisions of this Agreement shall be effective unless: (1) all Parties agree in writing to the amendment, modification or waiver; (2) the amendment, modification or waiver is in writing; and (3) the amendment, modification or waiver is approved in writing by FHEO's Director of the Office of Systemic Investigations.

G. The Parties agree that the execution of this Agreement may be accomplished by separate execution of consents to this Agreement, and that the separate executed signature pages attached to the body of the Agreement shall constitute one document.

H. In exchange for Respondent's performance of the provisions of the Agreement, Complainant hereby forever waives, releases, and covenants not to sue Respondent, its officers, employees, agents, representatives, assignees, successors in interest, and attorneys with regard to any and all claims, damages, and injuries of whatever nature whether presently known or unknown, in connection with the investigation it conducted pursuant to the Act regarding the Respondent's transitional housing programs or arising out of the allegations presented in HUD Case Number 00-12-0007-8 identified in the above-referenced Complaint.

I. In exchange for Complainant's performance of the provisions of the Agreement, Respondent hereby forever waives, releases, and covenants not to sue Complainant, its officers, employees, agents, representatives, assignees, successors in interest, and attorneys with regard to any and all claims, damages, and injuries of whatever nature whether presently known or unknown, in connection with the investigation it conducted pursuant to the Act regarding the Respondent's transitional housing programs or arising out of the allegations presented in HUD Case Number 00-12-0007-8 identified in the above-referenced Complaint.

J. It is understood that the Agreement does not constitute an admission by Respondent of any violation of the Act or any other federal statute or regulation. Nor does the Agreement constitute evidence of a determination by the Department of any violation of the Act or other federal statute or regulation.

VII. GENERAL NON-DISCRIMINATION REQUIREMENTS:

A. Respondent shall not employ policies in its transitional housing programs that unlawfully discriminate against pregnant women and families with children under the age of 18 years in violation of the Act.

B. With respect to the Turning Point Center, Respondent shall take whatever actions are necessary to ensure that it provides all clients who are pregnant with an equal opportunity to apply for, obtain, use and enjoy housing. Those actions include, but are not limited to, the actions specified in this Agreement.

VIII. RELIEF IN THE PUBLIC INTEREST

A. Policy Changes

1. Respondent shall revise the Turning Point Center's No Addition's Policy to ensure that the policy does not subject pregnant women to different terms or conditions or unlawfully discriminate against them in a manner inconsistent with the Act. Specifically, the Turning Point Center shall revise the No Addition's Policy to allow women who become pregnant, after entering the program, to complete the program. Within thirty (30) days of the execution of this Agreement, Respondent shall submit proof of the revised policy to HUD.

2. In addition, Respondent shall adopt the non-discrimination policy (the "Non-Discrimination Policy") at the Turning Point Center attached as Appendix A.

B. Training

1. Within thirty (30) days of the effective date of this Agreement, Respondent shall provide notice to all current employees at the Turning Point Center of the policy change required by this Agreement (paragraph VIII.A). Respondent shall provide a copy of the Non-Discrimination Policy, attached as Appendix A to all such persons, answer any questions they may have, and require them to acknowledge receipt of this policy. See Acknowledgement, Appendix B. Within sixty (60) days of the effective date of this Agreement, Respondent shall inform HUD that the Turning Point Center's current employees have received a copy of the Non-Discrimination Policy.

2. Respondent, at its expense, shall provide fair housing training to any employee and/or contractor who are involved in policy decisions at the Turning Point Center, who interfaces with the public, and/or who interacts with participants of the program provided by the Turning Point Center. Such training shall be provided from a list of HUD-approved agencies annually for the duration of the agreement and Respondent shall provide HUD with documentation of such training within thirty (30) days of the completion of each training session.

C. Fair Housing Advertising / Outreach

1. A poster, consistent with 24 C.F.R. § 110.25, informing residents of their fair housing rights must be posted in a visible area at the Turning Point Center, and a copy of the Non-Discrimination Policy (Appendix A) must be given to participants of the Turning Point Center program during orientation. In addition, Respondent shall advertise to Turning Point Center referral agencies in a manner that does not unlawfully discriminate and that is in accordance with 24 C.F.R. § 100.75.

D. Compensation

1. Individual Relief:

Within thirty (30) days of the execution of the Agreement, Respondent shall pay \$48,000, in four equal payments of \$12,000 to each of the four women who were identified by the Respondent as being pregnant at the time they were terminated from the Turning Point Center.

The Respondent shall provide the checks to the Complainant who will disburse them to the four named victims. The payment to the four women shall be subject to the following condition: no payment shall be made by the Complainant until the individual has provided Complainant with a written release (the "Release"), as set forth in Appendix C, and the Complainant has delivered the Release to the Respondent. In the event that any of the four women fails to provide the Release to Complainant within one (1) year of the execution of the Agreement, the payment that was allocated to the individual shall be used to fund the part-time case manager described in the next paragraph.

2. Public Relief:

Respondent shall allocate an additional \$24,000 to the operating budget of the Turning Point Center over a three year period commencing as of the date hereof (\$8,000 to be allocated per year) to fund (or partially fund) the addition of a part-time case manager to assist women with housing issues after they have completed the Turning Point Center program. This will be an enhancement (supplemental) to the housing services currently offered at the Turning Point Center program.

IX. EVALUATING AND MONITORING COMPLIANCE

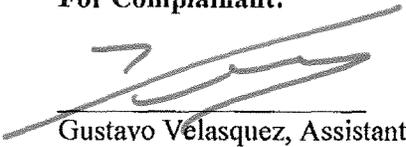
A. The Department shall determine compliance with the terms of this Agreement. During the term of this Agreement, HUD may review compliance with this Agreement. As part of such review, HUD may examine witnesses and copy pertinent records of Respondent, which information and records shall be treated by the Department in a confidential manner consistent with the Order of the United States District Court for the District of Columbia, dated June 12, 2013 (the "Order") in the case captioned United States of America v. The Salvation Army Southern Territory, et al., Misc. Action No. 13-341 (ABJ/JMF). Respondent also agrees to provide its full cooperation in any monitoring review undertaken by HUD to ensure compliance with this Agreement.

B. Every six (6) months during the duration of this Agreement, Respondent shall submit to the Department a report containing the following information with respect to the Turning Point Center, regarding the previous six (6) months:

1. A copy of the exit paperwork for each client terminated by The Salvation Army from the program, including a statement of each person's familial status (including pregnancy, if known, it being understood that The Salvation Army will be under no obligation to ask about pregnancy of terminated clients). Exit paperwork should specify the reason for termination. Exit paperwork includes, but is not limited to, termination letters, transition plans, and any other document discussing exit and move out procedures to the extent such documents are regularly generated at the Turning Point Center. All exit paperwork will be redacted in the first instance to remove any personal identifying information with respect to program participants, with the understanding that the Department may subsequently request personal identifying information concerning any individual terminated from the program for reasons that appear to relate to pregnancy. All

SIGNATURES

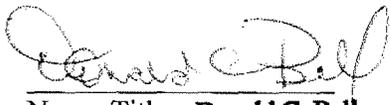
For Complainant:



Gustavo Velasquez, Assistant Secretary
Office of Fair Housing and Equal Opportunity

Date: 10/31/14

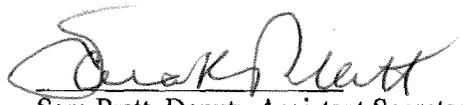
For Respondent:



Name, Title **Donald C. Bell** PRESIDENT
The Salvation Army, a Georgia corporation
1424 Northeast Expressway
Atlanta, GA 30329-2088

Date: OCTOBER 30, 2014

APPROVAL



Sara Pratt, Deputy Assistant Secretary
For Enforcement and Programs
Office of Fair Housing and Equal Opportunity
U.S. Department of Housing and Urban Development

Date: 10/31/14

information provided to the Department shall be treated by the Department as confidential in a manner consistent with the Order. Respondent shall retain all documents with respect to clients terminated from the Turning Point Center on or after the date that the Parties have entered into this Agreement. Such documents may be disposed of in accordance with The Salvation Army's document destruction policies after the termination of this Agreement.

C. The required payment, certifications and documentation of compliance must be submitted to:

Director for the Office of Systemic Investigations
Attn: Sara Pratt
Office of Fair Housing and Equal Opportunity
451 7th Street SW, Suite 5206
Washington, DC 20410

D. The required Releases shall be submitted by Complainant to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: Paul W. Mourning, Esq.

X. ADMINISTRATION

Modifications to this Agreement may be made only upon approval of the Department and Respondent, as provided in paragraph VI(F), above.

XI. SCOPE OF OBLIGATIONS

The obligations included in this Agreement are binding only on Respondent. Without limiting the foregoing, the Complainant expressly acknowledges that nothing in this Agreement shall be binding or impose any obligations on The Salvation Army, a California corporation (the "Western Territory"), which has been named as a respondent in three Secretary-initiated complaints with the following case numbers: (i) 00-12-0008-8; (ii) 00-12-0009-8; and (iii) 00-12-00010-8 (collectively, the "Western Territory Complaints"). The Complainant also expressly acknowledges that the Western Territory reserves all of its rights to assert any defenses or objections with respect to the Western Territory Complaints, and to refuse to agree to any provision that is included in this Agreement, including any factual recitations herein, or to accept or agree to any policy, theory, or concept that may be incorporated in or implied by this Agreement.

XII. CONSEQUENCES OF BREACH

Whenever the Department has reasonable cause to believe that the Respondent has breached this Agreement, and has not reasonably cured such breach within thirty (30) days of being advised of such breach, the matter may be referred to the Attorney General of the United States, to commence a civil action in the appropriate U. S. District Court, pursuant to Subsections 810(c) and 814(b)(2) of the Act.

APPENDIX A

Non-Discrimination Policy

The Turning Point Center for Women and Children

It is the policy of The Salvation Army to comply with the Fair Housing Act, 42 U.S.C. §§ 3601 (the "FHA") at the Turning Point Center for Women and Children (the "Turning Point Center"). Accordingly, The Salvation Army shall not engage in unlawful discrimination against individuals at the Turning Point Center in violation of the FHA. To that end, The Salvation Army makes all dwelling units available at the Turning Point Center to all qualified applicants and occupants without unlawful discrimination on the basis of familial status and does not unlawfully interfere with use or enjoyment of a dwelling on the basis of familial status. Any prior or conflicting policy or statement that provided for the termination of occupancy at the Turning Point Center based on a woman's pregnancy status is void. Specifically, The Salvation Army will not:

- A. Prohibit a woman from residing at the Turning Point Center because she becomes pregnant;
- B. Refuse to allow the participation in the Turning Point Center program, or refuse to permit the submission of an application for the program, or otherwise make unavailable or deny housing at the program to any woman because of familial status in violation of the FHA;
- C. Unlawfully discriminate against any woman in the terms, conditions, or privileges-in the provision of services at the Turning Point Center, because of familial status;
- D. Make, print, or publish or cause to be made, printed or published any notice, statement, or advertisement with respect to the Turning Point Center that indicates any unlawful preference, limitation, or discrimination based on familial status, or an intention to make any such preference, limitation, or discrimination;
- E. Intimidate, coerce, threaten or interfere with any person residing at the Turning Point Center in the exercise or enjoyment of, or on account of her having exercised or enjoyed, or on account of- her having aided or encouraged any other person in the exercise or enjoyment of, any right under the FHA.

APPENDIX B

Turning Point Center Employees

Acknowledgement of Receiving and Reviewing Non-Discrimination Policy

I acknowledge that on _____, I received a copy of the Turning Point Center's Non-Discrimination Policy. I have read and understood the Non-Discrimination Policy.

Print Name

Signature

Job Title

Date

APPENDIX C

Release

In consideration for the payment to me of \$12,000 by The Salvation Army, a Georgia corporation, ("The Salvation Army") pursuant to the Conciliation Agreement in *Assistant Secretary v. The Salvation Army Southern Territory, et al.*, case number 00-12-0007-8, I hereby release and forever discharge The Salvation Army, its parents, subsidiaries, affiliates, principals, officers, directors, successors and assigns, as well as all of its employees, agents, volunteers, independent contractors and representatives (the "Released Parties"), from all claims, rights, remedies, and recoveries related to my termination from transitional housing owned or operated by The Salvation Army because of familial status up to and including the date of execution of this release. I understand that this releases all claims, rights, remedies and recoveries against The Salvation Army related to discrimination on the basis of familial status, in connection with my occupancy and participation in the program at the Turning Point Center for Women and Children in Washington, D.C.

Executed on this ___ day of ____, 20__.

Print Name

Signature

Address

