

## 5.1.8: Case Study: Indianapolis Hampton Inn Operators Held in Contempt for Breaching EEOC Consent Decree Settling Earlier Class Race Bias Suit

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### Federal Court Also Rules That EEOC Is Entitled to Submit a Petition for Fees and Costs

INDIANAPOLIS - A federal judge has held that the operators of the Hampton Inn on Shadeland Avenue in Indianapolis in contempt for failing to comply with five different conditions settling the U.S. Equal Employment Opportunity Commission's (EEOC) class race discrimination and retaliation lawsuit against the companies, the federal agency announced today.

The judge faulted Noble Management LLC and New Indianapolis Hotels for failing to observe five out of the seven conditions imposed in the settlement of the previous suit, that is, to: (1) properly post notices; (2) properly train management employees; (3) keep employment records; (4) institute a new hiring procedure for housekeeping employees; and (5) reinstate three former housekeeping employees. The judge also faulted Noble and New Indianapolis Hotels for comingling of medical records in employee personnel files.

The EEOC filed suit in U.S. District Court for the Northern District of Indiana against New Indianapolis Hotels LLC and Noble Management LLC *EEOC v. New Indianapolis Hotels LLC and Noble Management LLC*, 1:10-CV-01234-WTL-DKL in September 2010. The agency charged that the Hampton Inn on Shadeland Avenue fired African-American housekeepers because of their race and in retaliation for complaints about race discrimination. The agency also charged that the hotel paid lower wages to black housekeepers, excluded black housekeeping applicants on a systemic basis and failed to maintain records required by law. Such alleged conduct violates Title VII of the Civil Rights Act of 1964.

On Sept. 12, 2012, Judge William T. Lawrence entered a five-year consent decree resolving the EEOC's litigation against New Indianapolis and Noble Management. The decree provided \$355,000 in monetary relief to approximately 75 African-American former housekeeping employees and applicants. The court also enjoined New Indianapolis and Noble Management from race discrimination and retaliation in the future. The decree also required training, notice posting, reinstatement of three former housekeeping employees, a new hiring procedure for housekeeping employees and ordered that the defendants maintain employment-related records.

On March 26, 2014, the EEOC moved for civil contempt sanctions based upon the defendants' failure to abide by the posting, training, recordkeeping, reinstatement and new hiring procedure provisions of the 2012 settlement.

Judge Lawrence ruled on March 23 that the defendants violated the posting, training, recordkeeping, reinstatement and new hiring procedure provisions of the 2012 decree. Defendants were ordered to pay more than \$50,000 in back wages to the three former housekeepers whose reinstatement was delayed. Defendants were also ordered to: (1) provide monthly reporting to the EEOC on compliance with the new hiring procedure, recordkeeping and posting; (2) pay fines for late reporting; (3) allow random inspections by the EEOC subject to a fine, for failure to grant access; (4) pay fines for failure to post, destroying records or failing to distribute employment applications; (5) provide EEOC with any requested employment records within 15 days of a request; (6) cease comingling medical records; and (7) train management employees. The posting and training provisions of the Decree were also extended by two years. Finally, Judge Lawrence determined that the EEOC should be permitted to submit a Petition for Attorney Fees and Costs incurred in the EEOC's attempts to gain Defendants' compliance with the Decree.

"We expect that when we resolve a case of systemic discrimination, the employer understands and agrees to meet the conditions of the settlement, said Laurie Young, the EEOC's Regional Attorney in Indianapolis. "We will not hesitate to move for Contempt when an employer blatantly disregards one or more of its obligations under the settlement. We hope, however, that this Contempt ruling will send a message to other employers concerning the importance of satisfying their obligations under a settlement with the EEOC."

Nancy Dean Edmonds, Jonathan Bryant, and Aimee McFerren, all trial attorneys in the Indianapolis District, also represented the EEOC in this contempt proceeding.

The EEOC's Indianapolis District Office is responsible for processing charges of discrimination, administrative enforcement, and the conduct of agency litigation in Indiana, Michigan, Kentucky, and Ohio, with area offices in Detroit, Louisville, and Cincinnati.

The EEOC enforces federal laws prohibiting employment discrimination. Further information about the EEOC is available on the agency's website at [www.eeoc.gov](http://www.eeoc.gov).

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