

# News Release



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## **Shell Exploration and Production Co. to Pay \$50,000 to Minorities** ***U.S. Dept. of Labor Investigation Finds Hiring Discrimination at New Orleans Facility***

**HOUSTON**—The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) announced today that Shell Exploration and Production Co., headquartered in Houston, Texas, has agreed to settle findings of hiring discrimination against 40 rejected minority applicants at its New Orleans facility.

The conciliation agreement settles the department's allegations that Shell Exploration engaged in hiring discrimination against minority applicants in 2001 when it used an inappropriate test to screen applicants for hire. Under the agreement, Shell will pay 40 black applicants \$50,000 in back pay and interest, and provide eight positions to the affected class members.

“Contractors who utilize any testing procedure in their employment selection process, to include written tests, scored interviews, and skill tests, must ensure that the test is valid for the particular job if the test disproportionately screens out applicants from a protected group,” said Fred Azúa, Jr., regional director of the Southwest and Rocky Mountain Region of the OFCCP.

In a compliance evaluation of the Shell New Orleans plant, OFCCP investigators found the company administered a pre-employment test as part of the selection process for offshore operator positions that adversely impacted black applicants.

Employers can lawfully give a test that is neutral on its face as a screening tool. However, if the test has an adverse impact on a protected group, the employer must conduct a validity study to ensure that the test is justified by business necessity or job relatedness. The test must also be reviewed regularly to ensure that it accounts for changes in the relevant job. OFCCP investigators found that substantial changes had occurred in the offshore operator position since the company conducted its validity study in 1978. Shell Exploration no longer uses the test.

The company has agreed to undertake extensive self-monitoring measures for at least two years to ensure that all hiring practices fully comply with the law and correct any discriminatory practice.

OFCCP, an agency of the U.S. Department of Labor's Employment Standards Administration, enforces Executive Order 11246 and other laws that prohibit employment discrimination by federal contractors. The agency monitors federal contractors to ensure that they provide equal employment opportunities without regard to race, gender, color, religion, national origin, disability or veterans' status.

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