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NOT FOR PUBLICATION
United States District Court,
E.D. New York.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, Plaintiff,
v.
GRACE EPISCOPAL CHURCH OF WHITESTONE, INC. and the Episcopal Diocese of Long Island, Defendants.

No. 06–CV–5302 (ERK)(WDW). | July 3, 2007.

Attorneys and Law Firms

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Opinion

MEMORANDUM & ORDER

KORMAN, District Judge.

***1** The plaintiff in this case, the Equal Employment Opportunity Commission ("EEOC"), has filed a complaint under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e *et seq.* ("Title VII"), and Title I of the Civil Rights Act of 1991, 42 U.S.C. § 1981a, against the defendants, Grace Episcopal Church of Whitestone, Inc. ("Grace Church") and the Episcopal Diocese of Long Island ("Episcopal Diocese" or "Diocese"), on behalf of "Mildred Spencer and a class of similarly situated female employees" who were affected by alleged unlawful employment practices. According to the complaint, Grace Church is registered as a domestic religious corporation under New York law and is located in Whitestone, Queens, New York. Compl. ¶ 4. It is a parish of the Episcopal Diocese and has at least 15 employees. *Id.* The Episcopal Diocese is a voluntary association of churches, of which Grace Church is a member, and is headquartered in Garden City, Nassau County, New York. Compl. ¶ 5. The Diocese employs at least 15 people. *Id.* Both defendants are alleged to be 'employers' as defined in 42 U.S.C. § 2000e(b). Compl. ¶¶ 6–7.

The EEOC alleges that from approximately July 2001, through around February 2004, Mildred Spencer and other female employees were sexually harassed while working at Grace Episcopal Church. Compl. ¶ 9. The EEOC claims that the defendants "created and maintained a sexually hostile work environment for Mildred Spencer and subjected her to severe or pervasive sexual harassment by her supervisor, [the] Rector at Grace Episcopal Church ...." Compl. ¶ 9(b). This harassment included making unwelcome sexual remarks to Spencer, commentating on her physical appearance, and on one occasion, grabbing Spencer, touching her breast and attempting to kiss her. Compl. ¶¶ 9(a)-(b). The EEOC charges that when Spencer rebuffed the Rector, she was fired. Compl. ¶ 9(a).

The EEOC also claims other female employees were subject to a sexually hostile work environment and the Rector made sexual jokes and comments to them and inappropriately touched, kissed, or attempted to touch and kiss them. Compl. ¶ 9(c). The EEOC charges the defendants "failed to prevent or remedy [this] hostile work environment," Compl. ¶ 9(d), and in fact acted intentionally and maliciously or recklessly by creating and allowing such unlawful employment practices. Compl. ¶¶ 11–12. As a result of the alleged unlawful employment practices, Spencer and the other female employees were deprived of equal employment opportunities and otherwise adversely affected as a result of their sex. Compl. ¶ 10. The EEOC asks for (1) a permanent injunction enjoining the defendants from engaging in employment practices that discriminate on the basis of sex, Compl. ¶ A; (2) an order that requires the defendants to provide equal employment opportunities to women and "eradicate the effects of [ ] past and present unlawful employment practices," *id.* at ¶ B; (3) front pay, reinstatement, and the award of back pay with prejudgment interest, for Spencer, *id.* at ¶ C; (4) compensation for past and pecuniary losses that resulted from the unlawful employment practices, for Spencer and all the female employees, *id.* at ¶ D; (5) compensation for non-pecuniary losses including pain, suffering and

humiliation, for Spencer and all the female employees, *id.* at ¶ E; (6) punitive damages, for Spencer and all the female employees, *id.* at F; and (7) an award of costs to the EEOC, *id.* at H.

***2** The Episcopal Diocese has moved to dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim, or, in the alternative, either to dismiss the complaint under Rule 12(b)(7) or for the plaintiff to provide a more definitive statement of the case. In response, the EEOC has moved for partial summary judgment on the issue of whether the Diocese and Grace Church constitute a single employer for the purposes of Title VII liability.

DISCUSSION

Title VII prohibits discriminatory employment practices by "employers" as defined in 42 U.S.C. § 2000e(b). The Episcopal Diocese argues that the EEOC's complaint is insufficient because it fails to allege that the Diocese was ever "an employer of the plaintiff" or had ever employed the Rector, and it fails to give fair notice of the claim and the legal grounds upon which it rests. Mem. of Law filed by The Episcopal Diocese of Long Island ("Def.Mem.") at 2. The Diocese puts forward the same insufficiency argument with regard to the claim for punitive damages. *Id.* at 4. In response, the EEOC argues that paragraphs 5 and 7 of the complaint adequately allege that the Diocese is the employer of Spencer and the Rector. *See* EEOC's Opp'n to Def. Diocese's Mot. to Dismiss at 4. In fact, neither of these paragraphs include any such allegations. Instead, these paragraphs merely allege that the Diocese is a voluntary association of churches that has at least 15 employees and has been engaged in an industry affecting commerce. *See* Compl. ¶¶ 5, 7. While the latter allegations may be sufficient to bring the Diocese within the definition of an employer subject to Title VII, the complaint does not allege that the Diocese employed Mildred Spencer or the Rector, nor does it allege any facts from which such a relationship may be inferred.

Rather than amending the complaint to address this problem, the EEOC instead filed a motion for partial summary judgment seeking "a ruling that Defendants constitute an integrated enterprise as a matter of law and therefore, they together employed those working at Grace Church." EEOC's Mem. of Law in Supp. of Its Mot. for Partial Summ. J. ("EEOC Summ. J. Mem.") at 1. The EEOC argues that the defendants are so interrelated that they should be treated as a single employer for the purposes of Title VII liability. *Id.* at 3. As a general matter, "the law only treats the employees of a corporate entity as the employees of a related entity under extraordinary circumstances." *Murray v. Miner,* 74 F.3d 402, 404 (2d Cir.1996) (citing *Frank v. U.S. West, Inc.,* 3 F.3d 1357, 1362 (10th Cir.1993)). However, separate entities may be "considered a single employer if they are part of a single integrated enterprise." *Lihli Fashions Corp. v. N.L.R.B.,* 80 F.3d 743, 747 (2d Cir.1996) (citation and quotation marks omitted). Under this single employer doctrine, also referred to as the integrated enterprise doctrine, two ostensibly separate entities are treated as a single integrated enterprise. *See Laurin v. Pokoik,* No. 02 Civ.1938, 2004 WL 513999, at * 4 (S.D.N.Y. March 15, 2004). Although this doctrine originally arose in the collective bargaining context, *see Murray,* 74 F.3d at 404 & n. 1, it has since been applied to Title VII cases. *See Cook v. Arrowsmith Shelburne, Inc.,* 69 F.3d 1235, 1240 (2d Cir.1995) (applying the doctrine in a Title VII case to determine whether a corporate parent and subsidiary were an integrated enterprise).

***3** The determination of single employer status is a question of fact. *Lihli,* 80 F.3d at 747. To determine whether two entities are so interrelated that they constitute an integrated enterprise, courts will consider whether there is any evidence of (1) interrelation of operations, (2) centralized control of labor relations, (3) common management, and (4) common ownership or financial control. *Cook,* 69 F.3d at 1240. "Although no one factor is determinative and, indeed, all four factors are not required, control of labor relations is the central concern." *Murray,* 74 F.3d at 404 (internal citations omitted); *see also Cook,* 69 F.3d at 1241 (focusing its inquiry on the second factor—centralized control of labor relations); *Parker v. Columbia Pictures Indus.,* 204 F.3d 326, 341 (2d Cir.2000) ("a crucial element of the inquiry focuses on whether the two enterprises exhibit centralized control of labor relations"); *Lusk v. Foxmeyer Health Corp.,* 129 F.3d 773, 777 (5th Cir.1997) ("This analysis ultimately focuses on the question whether the parent corporation was a final decision-maker in connection with the employment matters underlying the litigation.") (citations omitted).

Briefly considering the four factors set forth above, with particular focus on the second factor—centralized control over labor relations—the EEOC has failed to demonstrate that the defendants constitute an integrated enterprise.

First, the EEOC has not shown an interrelation of operations between the Diocese and Grace Church that would "justify the belief on the part of an aggrieved employee that the affiliated corporation is jointly responsible for the acts of the immediate employer." *Herman v. Blockbuster Entm't Group,* 18 F.Supp.2d 304, 308 (S.D.N.Y.1998) (quoting *Armbruster v. Quinn,* 711 F.2d 1332, 1337 (6th Cir.1983)). As the EEOC correctly notes, Grace Church is a member of the Diocese, which means that the Diocese has ecclesiastical jurisdiction over Grace Church and the church has agreed to comply with the Diocese's Canons and share in paying the association's operational costs. EEOC Summ J. Mem. at 5–6, 8. In addition, the EEOC also notes that Grace Church must prepare reports of its activities and finances for the Diocese, and the Rector for Grace Church works with the Diocese to make sure this is done. *Id.* at 6. However, these assertions offer little weight to this inquiry, *see Woodell v. United Way of Dutchess County,* 357 F.Supp.2d 761, 768 (S.D.N.Y.2005) (declining to lend any weight to the fact that the United Way of Duchess County was a member of the United Way of America, paid membership dues, and had to comply with certain membership guidelines.); *Webb v. American Red Cross,* 652 F.Supp. 917, 920 (D.Neb.1986) ("The requirement that the [American Red Cross] Chapter send reports of activities and finances to the American National Red Cross ... is not sufficient to establish any real interrelationship between the [two] operations ...."), and they certainly do not show the Diocese had "overall control over the operations" of Grace Church, EEOC Summ. J. Mem. at 5. Similarly, the fact that the church's property was "held in trust for the Church [the Protestant Episcopal Church in the United States of America] and [the] Diocese," Constitution and Canons at 27, is also not pertinent to the issue of interrelation of operations. *See, e.g., Webb,* 652 F.Supp. at 920 ("[O]wnership of the building and property by the American National Red Cross does not show that [it] was involved in the 'actual functioning' of the [American Red Cross] Chapter."). More persuasive, rather, is the fact that the defendants did not share office space or other facilities, and maintained separate human resources departments, payroll systems, bank accounts, and accounting records. *See Lusk,* 129 F.3d at 778 (identifying several factors that suggest the interrelation of operations including (1) sharing employees, human resource departments, payroll and other services, (2) sharing office space and equipment, and (3) commingling of bank accounts and other finances); *Herman,* 18 F.Supp.2d at 309–10 (noting the two entities did not share common office space, maintained separate bank accounts, payroll accounts, and accounting records, and prepared their own financial statements and budgets); *cf. Regan v. In the Heat of the Nite, Inc.,* No. 93 Civ. 862, 1995 WL 413249, at *3 (S.D.N.Y. July 12, 1995) (finding significance in the fact that the two entities shared employees and kept all employee records, payroll records and bank deposits together).

***4** The EEOC has also failed to demonstrate that the Diocese had control over the labor relations at Grace Church. To establish centralized control over labor relations, the EEOC does not have to show the Diocese had total control or ultimate authority over Grace Church's employment decisions. *Cook,* 69 F.3d at 1241. Rather, control may be established "by a showing that there is an amount of participation that is sufficient and necessary to the total employment process." *Id.* (quoting *Armbruster,* 711 F.2d at 1338. In its argument on this issue, the EEOC relies a great deal on language found in the Canons. Specifically, the EEOC cites Section I, Canon 3 of Title VII, which informs churches seeking to join the Diocese that they must promise to "obey and conform with the doctrine, discipline, and worship of the National Constitution, the National Canons, and these Canons," Constitution and Canons at 36, and Section II, Canon 4 of Title IX, which mandates that "all employees of [the] Diocese or of parishes, missions, chapels or other Diocesan Units" must attend training on sexual harassment in the workplace. *Id.* at 62. Although it may be true that the Canons "constitute policies to which all its Parishes are subject," EEOC Summ. J. Mem. at 8, they are not evidence that the Diocese controlled the labor relations of Grace Church. The Canons are not a set of rules created by the Diocese to dictate or control the employment policies or decisions made by member churches. Rather, they are a set of policies that the members of the voluntary association created to govern themselves in their efforts to maintain and practice "sound doctrine and true religion." Constitution and Canons at 1. Indeed, although a member's failure to adhere to all of the Canons could result in its being declared extinct by the other members of the association, see Constitution and Canons at 36–37, a church's decision to "obey and conform with" these canons is purely voluntary, and generally the failure to obey the Canons only results in the possible forfeiture of the right to vote in the association. *See, e.g., id.* at 26, 27.

The EEOC also relies on evidence that the Diocese maintained a set of policies and procedures for preventing and responding to allegations of sexual misconduct by ministers. The EEOC argues that these policies, along

with the provision in the Canons dealing with sexual harassment training,[1] indicate the Diocese had total control over the area of sexual harassment by ministers and therefore, "the terms of Spencer's employment were ultimately controlled by the Diocese." *See* EEOC Summ. J. Mem. at 8. However, as discussed above, the Canons are not evidence of the Diocese's control over Grace Church's labor relations. Moreover, although perhaps relevant to this issue, that the Diocese played a role in developing and maintaining a sexual harassment policy for ministers within the Diocese does not mean the Diocese controlled employment matters at Grace Church, let alone the terms of Spencer's employment. *See Woodell,* 357 F.Supp.2d at 769 (noting a parent entity offering "general policy statements or guidelines on employment matters" to a subsidiary or related entity is not sufficient evidence of centralized control); *cf. Cook,* 69 F.3d at 1241 (citing the fact that applications for employment went to the parent entity and the subsidiary "cleared all major employment decisions with [the parent]" as evidence the parent controlled the labor relations); *Parker v. Columbia Pictures Indus.,* 204 F.3 d 326, 341 (2d Cir.2000) ("A crucial element of the inquiry focuses on whether the two enterprises exhibit centralized control of labor relations including tasks such as handling job applications, approving personnel status reports, and exercising veto power over major employment decisions."). Indeed, the reason the Diocese formulated the sexual harassment policies was because it wanted "to maintain the integrity of the ministerial relationship." *Polices and Procedures for Preventing and Responding to Allegations of Sexual Harassment or Abuse in the Ministerial Relationship Within the Diocese of Long Island* at 1, attached to EEOC Summ. J. Mem. as Ex. 7. Moreover, the underlying purpose of the sexual harassment policies was not to control labor relations, but to "provide the Diocese of Long Island with a way to gather the information necessary to make recommendations that will facilitate a just and compassionate outcome to incidents of sexual harassment or abuse in the ministerial relationship." *Id.*

[1] Interestingly, the provision in the Canons cited by the EEOC distinguishes between employees of the Diocese and employees of member churches. *See* Constitution and Canons at 62 ("[A]ll employees of this Diocese *or* of parishes, missions, chapels or other Diocesan units ....") (emphasis added). Also noteworthy is the fact that it contains nearly identical language to that found in a generic draft insurance policy covering sexual misconduct issued by The Church Insurance Company, an independent organization that is not controlled by the Diocese. *Compare* Constitution and Canons at 62 *with* New Warranty for Sexual Misconduct at 366, attached to EEOC Summ. J. Mem. as Ex. 8.

***5** Perhaps the EEOC's best argument in support of its claim that the Diocese controlled the Church's labor relations is that the Diocese controlled many of the terms of Interim Rector Powell's employment, including issuing him a license to officiate, defining his responsibilities, setting his salary, and processing his life and medical insurance applications. *See* EEOC Summ. J. Mem. at 9. However, the fact that the Diocese was responsible for issuing Powell a license to officiate does not signify that it had control over the employment process.[2] For one thing, being duly licensed to officiate in the Diocese is not the same as being employed by the Diocese. On the contrary, *all* clergymen intent on practicing in the Diocese were required to have a license to officiate. In this regard, the Diocese's control over the licencing of clergy is analogous to the National Association of Securities Dealers' ("NASD") control over the licensing of securities professionals seeking to work in the securities industry. No one would argue that the NASD has centralized control of the labor relations of the firms in the securities industry. Similarly, that the Diocese issued and renewed Powell's license does not signify it had control over the labor relations of the member churches.

[2] The authority to grant such a license is actually bestowed upon the Bishop of the Diocese by the Canons of the Protestant Episcopal Church in the United States of America a/k/a The Episcopal Church.

Nor for that matter, does the fact that the Diocese directed a third party to conduct a background check on Powell, set the minimum salary to be paid to Rectors in the Diocese, and processed their insurance forms, mean Grace Church did not "make[ ] its own decisions as to the hiring, discipline, and termination of its employees." *Laurin,* 2004 WL 513999, at *6. First, the record shows that the Diocese only set the *minimum* salary for Rectors, and that Grace Church's Vestry determined the actual amount Powell would be paid (provided it was not lower than the minimum) and determined whether Powell would get a raise. *See* Draft Letter of Agreement Between the Wardens and Vestry of Grace Church Whitestone, New York and the Reverend John Charles Powell ("Draft Employment Agreement") at 414, attached to EEOC Summ. J. Mem. as Ex. 22. Second, with regard to the

background check and the processing of insurance forms, "[t]hat an entity does tasks for another does not automatically make the two part of an integrated enterprise." *Laurin,* 2004 WL 513999, at *5. Moreover, although the Diocese may have directed a background check be conducted on Powell, the record shows that Grace Church paid for the service. *See* Check from Grace Church to the Diocese attached to EEOC Summ. J. Mem. as Ex. 18. Third, and perhaps most instructive and relevant to this issue, on the insurance enrollment form that was allegedly processed by the Diocese, Powell listed Grace Church, not the Diocese, as his "employer." *See* Church Life Insurance Corporation/The Medical Trust Enrollment Form attached to EEOC Summ. J. Mem. as Ex. 20.

Despite the EEOC's contention that the Diocese had the final say in the decision to hire Powell and had ultimate authority over him, *see* EEOC Summ. J. Mem. at 9, it is evident the Diocese's influence over Grace Church's employment relations was rather limited. In fact, the record shows that the Wardens and Vestry managed Grace Church and its business affairs. *See* Draft Employment Agreement at 412 (The Vestry is responsible for "[a]ll ministries other than those reserved to ordained leadership (such as the administration of sacraments) ...."). Indeed, the draft employment agreement between the Reverend John Charles Powell and Grace Church clearly states that the Vestry is the "legal agent for the parish ... in its relationship with the Interim Rector. The Vestry will see that the Interim Rector is properly supported, personally, and organizationally as well as in the Vestry's financial obligations to the Interim Rector." *Id.* at 412–13. The fact of the matter is, although the Diocese's Bishop had to approve the employment agreement, it is clear the agreement was between Powell and "The Wardens and Vestry" of Grace Church, it was the Vestry that made the decision to hire Powell, and Grace Church was responsible for paying Powell. *Id.* at 411–12, 414–16.

***6** Moreover, the EEOC has not set forth any facts that show the Diocese's alleged participation in Powell's "total employment process" extended to any of Grace Church's other employees. *Cook,* 69 F.3d at 1241. Indeed, even assuming the EEOC has shown that the Diocese had the final say in the decision to hire Powell, there is nothing that indicates it had the same control over Spencer. *See id.* at 1240 (When analyzing evidence of centralized control of labor relations, a court must focus on the parent entity's actual involvement in the circumstances that gave rise to the litigation, and determine exactly "[w]hat entity made the final decisions regarding employment matters *related to the person claiming discrimination."* quoting *Trevino v. Celanese Corp.,* 701 F.2d 397, 404 (5th Cir.1983)) (emphasis added). The EEOC has not set forth any facts that show Spencer "was directed to perform duties by the Diocese, that she attended training offered by the Diocese, that she participated in the Diocese group health insurance; and that the Diocese controlled aspects of her compensation, hours, and job duties." *Krasner v. Episcopal Diocese of Long Island et al.,* 431 F.Supp.2d 320, 325 (E.D.N.Y.2006); *see also Laurin,* 2004 WL 513999, at *6 (citing several factors as indicators of centralized control of labor relations including control over hiring and firing of employees and other major employment decisions, control of the employment application process, and the shifting of employees back and forth between the entities). Moreover, the record shows that Grace Church, not the Diocese, made the decision to terminate Spencer from her position as parish secretary. *See* Memorandum from Robert Fardella to the Rt. Rev. Orris G. Walker, Jr. (Nov. 6, 2003) attached to EEOC Summ. J. Mem. as Ex. 10; *cf. Cook,* 69 F.3d at 1241 (noting that the plaintiff was fired at the direction of an employee of the parent company); *EEOC v. Everdry Mktg. & Mgmt. Inc.,* No. 01–CV–6329, 2005 WL 231056, at *5 (W.D.N.Y. Jan. 31, 2005) (citing evidence of the fact that employees of one entity hired and fired employees at the other entity as proof of centralized control of labor relations).

The EEOC has also failed to introduce sufficient evidence that shows the Diocese and Grace Church shared a common management structure. In reviewing this factor, "the existence of interlocking officers and directors is particularly relevant." *Webb,* 652 F.Supp. at 920. Here, there is no dispute that Grace Church and the Diocese have separate management committees. However, the EEOC argues that, because the Bishop must approve the decision to hire the Rector, the Diocese manages Grace Church. There are three main problems with this argument. One, there is the lack of evidence indicating this approval is anything but a mere formality. Two, and perhaps most important, the EEOC did not demonstrate that this approval resulted in control of Grace Church management. *See Herman,* 18 F.Supp.2d at 312 ("The fact that two of Blockbuster's upper management served similar roles at Discovery Zone does not establish that Blockbuster exercised control over the operations and employment practices at Discovery Zone."); *cf. Lihli,* 80 F.3d at 747 (noting that the same individual served as president for both companies, split time between the companies' offices, and "exercise[d] ultimate business

and artistic control over both entities."). Three, the EEOC failed to show how this approval meant "the Diocese also managed Spencer and others working at Grace Church." EEOC Summ. J. Mem. at 10. On the contrary, as discussed above, the record shows that the Wardens and Vestry of Grace Church managed the day-to-day operations and they were responsible for both the hiring of Powell and firing of Spencer.

***7** The fourth and final factor to consider in the integrated enterprise analysis is whether the entities shared common ownership or financial control. However, this factor is accorded less weight than the others, *see Laurin,* 2004 WL 513999, at * 8, and is not really applicable in this case because neither Grace Church or the Diocese are owned in the traditional sense—Grace Church is a domestic religious corporation and the Diocese is a voluntary association. *See, e.g., Woodell,* 357 F.Supp.2d at 769 ("The UWA [United Way of America] and its member organizations are nonprofit, charitable organizations and not owned in the traditional commercial sense."). In any event, this factor does not weigh in the EEOC's favor considering Grace Church was a voting member of the Diocese and the Diocese depended on Grace Church and other members of the association to pay its budget. *See* Constitution and Canons at 28.

In light of the foregoing factors, applying the relevant principles of law to the facts of this case, viewed in the light most favorable to the non-moving party, the EEOC has not shown that the Diocese and Grace Church constituted an integrated enterprise and its motion for partial summary judgment is denied. I also grant the motion of the Diocese to dismiss the complaint for failure to state a claim, because the complaint fails to allege that the Diocese employed either Spencer or the Rector, nor does it allege any facts from which such a relationship may be inferred. However, on the condition that the EEOC is able to back up the allegations based on something more than the evidence that it provided in support of its partial motion for summary judgment, I grant it leave to amend the complaint to cure this deficiency.

If the complaint is so amended, it would otherwise be sufficient to state a claim against the Diocese under Title VII. *See* Fed. R. Civ. Pro. 8(a)(2) (requiring only that a pleading contain "a short and plain statement of the claim showing that the pleader is entitled to relief"); *Bell Atlantic Corp. v. Twombly,* 550 U.S. 544, 127 S.Ct. 1955, 1964, 167 L.Ed.2d 929 (2007) ("Factual allegations [in the complaint] must be enough to raise a right to relief above the speculative level, on the assumption that all the allegations in the complaint are true (even if doubtful in fact)."); *see also Swierkiewicz v. Sorema N.A.,* 534 U.S. 506, 512, 122 S.Ct. 992, 152 L.Ed.2d 1 (2002) (recognizing the "simplified notice pleading standard" reflected in Federal Rule of Civil Procedure 8(a)(2) is met if it gives respondent a fair notice of the basis for the plaintiff's claims); *Ricciuti v. N.Y.C. Transit Auth.,* 941 F.2d 119, 123 (2d Cir.1991) (pleading standards are "designed to permit the defendant to have a fair understanding of what the plaintiff is complaining about and to know whether there is a legal basis for recovery"). The complaint alleges Mildred Spencer was sexually harassed by her supervisor and fired from her j ob when she rebuffed his sexual harassment, in violation of Title VII. *See* Compl. ¶ 9(a). The complaint also alleges that the defendants created and maintained a sexually hostile work environment for female employees and the defendants' Rector at Grace Church subjected female employees to sexual harassment. *See id.* at ¶ 9(c). The complaint provides the time frame when the alleged harassment occurred and details specific incidents of harassment. Moreover, the complaint provides an extensive list of the type of relief it seeks, including requesting both compensatory and punitive damages. *See* Compl. ¶¶ A–H.

***8** Nevertheless, the Diocese argues that the complaint fails to provide the grounds for which the EEOC may seek punitive damages. Under 42 U.S.C. § 1981a, a complaining party may recover punitive damages "if the complaining party demonstrates that the respondent engaged in a discriminatory practice or discriminatory practices with malice or with reckless indifference to the federally protected rights of an aggrieved individual." 42 U.S.C. § 1981a(b)(1). Here, the EEOC alleges that the defendants failed to prevent or remedy the hostile work environment and acted with malice or with reckless indifference. *See* Compl. ¶¶ 9(d), 12. The EEOC need not prove its allegations at this stage, it merely must provide a short and plain statement of its claims and the relief it seeks, which it has done. Thus, the Commission has provided sufficient notice of the grounds for which it is seeking punitive damages.

The Diocese also argues that the EEOC improperly filed a class action complaint and is required to join plaintiffs under Rule 19. This argument is without merit. *See Gen. Tel. Co. of the N.W., Inc. v. EEOC,* 446 U.S. 318, 323, 100 S.Ct. 1698, 64 L.Ed.2d 319 (1980) ("We agree with the Court of Appeals that Rule 23 [of the Federal Rules of Civil Procedure] is not applicable to an enforcement

action brought by the EEOC in its own name and pursuant to its authority under § 706 to prevent unlawful employment practices."). The Supreme Court has recognized that Rule 23 of the Federal Rules of Civil Procedure "was not designed to apply to EEOC actions brought in its own name for the enforcement of federal law." *Id.* at 330. The reason for this is Title VII specifically authorizes the EEOC to bring an action against an employer in order to stop unlawful employment practices and to secure appropriate relief. *See id.* at 324. In fact, Congress amended Title VII in 1972 to expand the EEOC's enforcement powers and in doing so "sought to implement the public interest as well as to bring about more effective enforcement of private rights." *Id.* at 325–26. Therefore, "[w]hen the EEOC acts, albeit at the behest of and for the benefit of specific individuals, it acts also to vindicate the public interest in preventing employment discrimination." *Gen Tel. Co.,* 446 U.S. at 326. Requiring the EEOC to meet Rule 23 standards before instituting an action on behalf of a class of employees not only would be contrary to Congress's intent, but it also would "foreclose enforcement actions not satisfying prevailing Rule 23 standards but seemingly authorized by § 706(f)(1)." *Id.* at 330. Indeed, the EEOC is entitled to use its investigative function to seek proof at the discovery stage of other possible victims of harassment, along with other relevant information. *See EEOC v. St. Louis–San Francisco Ry. Co.,* 743 F.2d 739, 744 (10th Cir.1984). Moreover, although the EEOC is seeking relief on behalf of a certain group of claimants, this is not a true class action. Rather, the EEOC is asserting a claim of continuing sexual discrimination in violation of Title VII, 42 U.S.C. § 2000e–2(a)(1), as authorized by section 706(f)(1) of Title VII, 42 U.S.C. § 2000e–5(f)(1).

CONCLUSION

***9** The EEOC has failed to demonstrate that Grace Church and the Episcopal Diocese constitute an integrated enterprise for Title VII liability purposes, therefore, its motion for partial summary judgment is denied. Because the complaint does not allege that the Diocese was an employer of Mildred Spencer or the Interim Rector of Grace Church, or include any facts from which such a relationship may be inferred, it fails to state a valid cause of action against the Diocese. Consequently, the Episcopal Diocese's motion to dismiss is granted with leave to the EEOC to amend its complaint to cure this deficiency, subject to the condition stated above.

SO ORDERED.