



CAMBRIDGE CONSUMERS' COUNCIL

831 Massachusetts Ave. Cambridge, MA 02139

Tel. (617) 499-6150

City Of Cambridge

Paul J. Schlaver
Executive Director

TO: Robert W. Healy, City Manager

FROM: Paul Schlaver, Executive Director *Paul Schlaver*

DATE: May 1, 1989

RE: Holiday Spa Report as per Council Order #10, March 27, 1989,
Interim Report

This past Friday I received (via Air Express) a copy of the 32 page Consent Order entered against Holiday Health Spa the in U.S. District Court in Washington, DC on April 27th. The Order was signed by the United States Attorney General's Office and U.S. Health, Inc., the corporate entity which owns Holiday Health; this settlement agreement ends the federal investigation and lawsuit filed February 10th by the Civil Rights Division of the U.S. Justice Department. The federal lawsuit contained allegations that, nationwide, Holiday Health was engaging in racially discriminatory practices in its offering of memberships.

The Massachusetts Attorney General's Office has not yet had enough time to review this federal Consent Order to determine if its provisions are such as to require or preclude additional legal action here in Massachusetts.

The federal Consent Order provides for significant changes in the advertising, sales and management practices of U.S. Health, Inc., aka Holiday Spa, in its 46 present or soon-to-be-opened health club locations located nationwide, from Cambridge to Atlanta. It also provides for relief to possible victims of the alleged racial discrimination that started this probe.

Highlights of the Consent Order include:

- Advertising must contain specific notice of a non-discriminatory policy;
- Relief will be given to individual victims of this policy and the company must publicly promote this offer;

Robert W. Healy

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- Signs must be posted in all Spa locations containing a non-discrimination statement;
- All present and future spa employees must receive specific instructions about their duties under Title II of the 1964 Civil Rights Act, the Equal Credit Opportunity Act and this Consent Order;
- The Justice Department will be given immediate access to the company's records to help identify possible persons who might be entitled to relief;
- The submission of detailed records, the advertising requirements, employee training and monitoring by the U.S. Justice Department is to continue for a period of four years.

Even though there is no admission or denial of any of the many allegations raised by this Civil Rights lawsuit, the willingness of the U.S. Health, Inc. officials to reach this extensive settlement quickly is significant. The investigation of the Cambridge Consumers Council can be given partial credit for such a quick settlement, as we provided a blank application form to the Justice Department (obtained during our probe), with the evidence that the word "BASIC" on the form was actually a racial/ethnic code to identify Blacks, Asians, Spanish, Indians, and Caucasians.

Due to the investigative support provided the Justice Department by the Cambridge Consumers' Council, the Massachusetts Attorney General's office and other Boston area resources, the federal Consent Order fully covers all present and future Massachusetts Spa locations.

I have discussed this federal Consent Order with the Chair of the Cambridge Human Rights Commission. Also, I will provide a full copy of this Consent Order to anyone requesting it.

I will submit a final report on this issue of civil rights violations once the Massachusetts Attorney General's Office decides whether or not this federal Consent Order is sufficient to protect the rights of Bay State residents or whether additional action is necessary here in the state courts.

Attachment: Blank Holiday Health application form
 The Boston Herald/The Boston Globe clippings

NAME		FIRST	MIDDLE INITIAL	SEX ☐ F ☐ M	AGE	CO-MAKER'S NAME		RELATION TO YOU			
ADDRESS - NUMBER & STREET		CITY	STATE	ZIP CODE	APT. NO.	HOW LONG	OWN ☐ RENT ☐ W/PARENTS ☐	TELEPHONE (INCL. AREA CODE)			
PREVIOUS ADDRESS (IF LESS THAN 3 YRS. AT PRESENT ADDRESS)		NUMBER & STREET	CITY	STATE	HOW LONG	DEPENDENTS		AGES			
FIRM NAME OR EMPLOYER		NATURE OF BUSINESS		POSITION		YEARS WITH FIRM		Annual Wages (check one)			
ADDRESS - NUMBER & STREET		CITY	STATE	ZIP CODE	TELEPHONE	EXT.		☐ 2 UNDER \$10,000 ☐ 4 \$10,000-\$14,999 ☐ 6 \$15,000-\$24,999 ☐ 7 \$25,000-\$50,000 ☐ 8 OVER \$50,000			
PREVIOUS FIRM OR EMPLOYER (IF LESS THAN 3 YRS. AT PRESENT FIRM OR EMPLOYER)		CITY		STATE		YEARS WITH FIRM					
MARITAL STATUS (IF APPLYING FOR SINGLE MEMBERSHIP, DO NOT SUPPLY THIS INFORMATION)					MARRIED		SEPARATED		UNMARRIED		
CO-MAKER'S FIRM OR EMPLOYER		ADDRESS		CITY		STATE		POSITION		YEARS WITH FIRM	
Additional Income (Alimony, Child Support, or Separate Maintenance Need Not Be Revealed If You Do Not Wish To Have It Considered As A Basis For Repaying This Obligation)											
AMOUNT \$		MONTH		QUARTER		WEEK		ANNUAL		SOURCE	
NAME OF NEAREST RELATIVE NOT LIVING WITH YOU		ADDRESS - NUMBER & STREET		CITY		STATE					
NAME OF PERSONAL FRIEND		ADDRESS - NUMBER & STREET		CITY		STATE					
RESIGN DATA		DATE OF ORIGINAL MEMBERSHIP		SPA JOINED		DATE AND TYPE OF MEMBERSHIP		DATE OF RESIGN AND TYPE			
O.K.	N.C.	T.D.	CANL.	MEMBERSHIP NO.		P.S. VERIFICATION - VERIFIED BY		BASIC			
DRIVER'S LICENSE NO.		SOCIAL SECURITY NO.		DATE OF BIRTH		HEIGHT				WEIGHT	
SPA		SALESPERSON		SOURCE							
COST OF MEMBERSHIP		DOWN PAYMENT		PAYMENT SCHEDULE		1ST PAY. DUE DATE		RENEWAL FEE		1ST RENEWAL DUE DATE	
				X		/ /				/ /	
BANK		BRANCH ADDRESS		CITY		STATE		☐ SAVINGS ☐ CHECKING ☐ LOAN		ACCT. NO.	
BANK		BRANCH ADDRESS		CITY		STATE		☐ SAVINGS ☐ CHECKING ☐ LOAN		ACCT. NO.	
CREDIT REFERENCES (LIST MAJOR CREDIT CARDS, LOCATIONS, AND ACCOUNT NUMBERS)											
1.					3.						
2.					4.						
AUTOMOBILE		FINANCED - NAME OF FIRM		ADDRESS		☐ PAID ☐ BALANCE DUE		NAME TITLED			
YEAR		MAKE									

FOR OFFICE USE ONLY

SPA _____ DATE _____ LINE _____

SHEET No. _____ DEAL TYPE (N C X)

MEMB. TYPE _____ SOURCE CODE _____

MEMB. AFFECTED _____ MEMB. COST _____

FULL OR PARTIAL 1 2 3 4 SIGNATURE CODE _____

RESPON. CONTRACT _____ MEMB. MOS. _____

RENEWAL DATE _____

RESIGN CLOSEOUT ACCT. No. _____

RESIGN CLOSEOUT AMOUNT _____

Everything that I have stated in this application is correct to the best of my knowledge. I understand that you will retain this application whether or not it is approved. You are authorized to check my credit and employment history and to answer questions about your credit experience with me.

Signature _____

CONTRACT STATUS ☒ ONE

NEW	CONSOLIDATION	ADD-ON	REWRITE OR DESIGN

Boston Globe
4/28/89

US NEWS BRIEFS

Sessions may bypass 2 aides for FBI post

WASHINGTON — In a major shakeup at FBI headquarters, FBI Director William S. Sessions plans to pass over 2 senior FBI executives to fill the agency's long-vacant No. 2 post and to tighten management because of growing dissatisfaction by Attorney General Dick Thornburgh, government sources said yesterday. Sessions intends to elevate to the powerful associate director's post Floyd I. Clarke, an official who had been promoted only two months ago to the top management level. (Los Angeles Times)

Health clubs agree not to discriminate

WASHINGTON — US Health Inc. accepted a consent order yesterday to settle allegations it discouraged blacks from joining the 40 Holiday Spa health clubs it operates in five East Coast metropolitan areas. In a settlement approved by a federal judge, the Towson, Md.-based company agreed to show black people in advertising and to include a statement that it does not discriminate against minorities. (AP)

4 The Boston Herald, Friday, April 28, 1989

Holiday Spa settles discrimination suit

WASHINGTON — A federal judge yesterday approved a court settlement barring the Holiday Spa Health Club chain, subject of a major federal civil-rights suit, from discriminating against blacks seeking membership in its clubs in Boston and four other cities.

U.S. District Judge John Pratt of the District of Columbia signed the consent decree just 11 weeks after the Justice Department's Civil Rights Division sued U.S. Health Inc.

The Feb. 10 suit charged that the firm's 40 clubs engaged in a systematic pattern of discouraging blacks from becoming members.

"This case was resolved quickly because there was absolutely no reason, no excuse and no defense in how these defendants were conducting business decades after these anti-discrimination laws went into effect," said James Turner, the department's acting civil rights chief.

Under the settlement, U.S. Health neither admitted nor denied any of the sweeping allegations against it. But the court order requires the Holiday chain to hire a civil rights director and to offer an equal membership opportunity to all blacks who were victims of racial bias.

—UPI



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139
TEL. 498-9011

EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

May 8, 1989

To the Honorable, the City Council:

In response to Awaiting Report No. 29 regarding racial discrimination charges filed against Holiday Health Spa, I submit the attached report from the Director of the Consumer Commission who has been following this case.

Very truly yours,

Robert W. Healy
City Manager

Agenda Item No. 4 S-341

Re: response to Awaiting Report Item 29 on
racial discrimination charges filed against the
Holiday Health Spa.

In City Council,

May 8, 1989

5-8-89

Placed on file.