

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION**

GRACEHAVEN, INC.,

Plaintiff,

v.

**MONTGOMERY COUNTY
DEPARTMENT OF JOB AND
FAMILY SERVICES; MICHELLE
NIEDERMIER**, in her official
capacity as the Director of the
Montgomery County Department of
Job and Family Services; **BRYNN
McGRATH**, in her official capacity as
the Associate Director of the
Montgomery County Department of
Job and Family Services; and **JUDY
DODGE, DEBORAH LIEBERMAN,**
and **CAROLYN RICE**, in their official
capacities as the Montgomery County
Board of Commissioners,

Defendants.

Case No.

VERIFIED COMPLAINT

INTRODUCTION

1. This civil-rights action challenges the constitutionality of Defendants' exclusion of a religious organization from a public program and benefit that it is otherwise qualified for—Title IV-E funding for foster care services—solely because of the organization's religious character and exercise.

2. Founded in 2008, Gracehaven, Inc. is a Christian ministry that serves and cares for youth survivors of sex trafficking across the state of Ohio.

3. Gracehaven's sex trafficking prevention and rehabilitation work is done through various programs and services, including through the operation of its three state-licensed therapeutic group homes.

4. Gracehaven's group homes are specialized facilities that provide trauma-informed treatment exclusively to youth female sex trafficking survivors, many of whom struggle with serious emotional or behavioral disturbances.

5. Most girls are placed in Gracehaven's group homes through the foster care system, which is administered at the local, county-level.

6. Since 2017, Montgomery County and its Department of Job and Family Services contracted with Gracehaven to make these placements—what are called substitute care services.

7. The relationship was a success and several girls in Montgomery County foster care have lived and received treatment at Gracehaven. All have been survivors of sex trafficking or sexual abuse or trauma.

8. Under those substitute care contracts, Montgomery County would reimburse Gracehaven for its care with Title IV-E foster care maintenance payment funds passed down from the federal government to the state of Ohio, and then to the County. The County ultimately decides how to administer those funds.

9. The substitute care contracts ran in two-year increments, and every cycle Montgomery County and Gracehaven would enter a new, two-year agreement.

10. But all that changed this past go-around.

11. During contract negotiations this year, Gracehaven discovered a contract provision that incorporated Executive Order 11246—federal law that prohibits employment discrimination based on religion, among other characteristics. *See* 41 C.F.R. § 60-1.4(a)(1); Exec. Order No. 11246, Equal Employment Opportunity, 30 FR 12319.

12. Because Gracehaven is a Christian ministry that requires all employees to share and live out its religious beliefs, it told Montgomery County that it was not waiving or surrendering its right to employ only those who share its faith by signing the contract, and that it would sign the contract “as is.”

13. The County responded that it would no longer “move forward with the renewal” of the contract with Gracehaven because of the ministry’s religiously based employment practices.

14. According to Defendants, to participate in Montgomery County’s foster care system and to receive Title IV-E funding—a public program and benefit Gracehaven is otherwise qualified for—the ministry must stop preferring coreligionists as employees.

15. But Defendants’ position conflicts with federal law, which expressly allows religious organizations to prefer members of their own faith as employees.

16. Defendants have thus penalized Gracehaven by denying it a public benefit—and the ability to minister to and care for girls in the foster care system—solely because of the ministry’s religious exercise of hiring only coreligionists.

17. “By conditioning the availability of benefits in that manner,” Defendants “penalize[] the free exercise of religion.” *Carson v. Makin*, 596 U.S. 767, 780 (2022) (cleaned up).

18. The United States Supreme Court has clearly established—indeed, has held three times in the past seven years—that the government “violates the Free Exercise Clause when it excludes religious observers from otherwise available public benefits.” *Id.* at 778; *see also Trinity Lutheran Church of Columbia, Inc. v. Comer*, 582 U.S. 449 (2017); *Espinoza v. Montana Dep’t of Revenue*, 591 U.S. 464 (2020).

19. This is true “[r]egardless of how the benefit and restriction are described.” *Carson*, 596 U.S. at 789.

20. Nor can Defendants do indirectly what the First Amendment prohibits them from doing directly. The Supreme Court has also clearly established that the government cannot interfere with a religious organization's autonomy and selection of its ministers. *See Hosanna-Tabor Evangelical Lutheran Church & Sch. v. E.E.O.C.*, 565 U.S. 171 (2012); *Our Lady of Guadalupe Sch. v. Morrissey-Berru*, 591 U.S. 732 (2020). So Defendants cannot force Gracehaven to surrender this right in order to participate in a public program and receive public funding.

21. Gracehaven is currently suffering ongoing irreparable harm because of Defendants' religious discrimination and exclusion of the ministry from a public program and benefit.

22. Not only is Gracehaven being punished by the government for preferring coreligionists, but Defendants are actively impeding the ministry's very mission to care for youth female sex trafficking survivors.

23. In fact, since July 2024, lower-level Montgomery County employees (apparently unaware of Defendants' actions) have tried to refer 14 different girls to Gracehaven for group home placements. But Gracehaven cannot accept those referrals because Defendants refuse to contract with Gracehaven for substitute care services.

24. If the government can exclude Gracehaven from the foster care system, the ministry cannot accomplish its religious calling to serve and offer hope to "the least of these" (*Matthew 25:40*).

25. The federal and Ohio Constitutions forbid the County from forcing Gracehaven to choose between hiring those who share its faith and caring for youth survivors of sex trafficking.

26. Defendants' refusal to work and contract with Gracehaven because of its religious character and exercise is "odious to our Constitution" and violates clearly established Supreme Court precedent. *Trinity Lutheran*, 582 U.S. at 467.

27. Gracehaven needs declaratory and injunctive relief to end the ongoing and prospective constitutional injury, and is entitled to damages for Defendants' past constitutional violation.

JURISDICTION AND VENUE

28. This case raises federal questions under the United States Constitution and the Civil Rights Act of 1871, 42 U.S.C. § 1983.

29. This Court has jurisdiction under 28 U.S.C. §§ 1331 and 1343. This Court also has supplemental jurisdiction over the related state law claim under 28 U.S.C. § 1367.

30. This Court can grant the requested declaratory and injunctive relief under 28 U.S.C. §§ 2201 and 2202 and Fed. R. Civ. P. 57 and 65.

31. This Court can award the requested damages under 28 U.S.C. § 1343.

32. This Court can award costs and attorneys' fees under 42 U.S.C. § 1988(b).

33. Venue is proper under 28 U.S.C. § 1391(b)(1) and (2).

PARTIES

34. Plaintiff Gracehaven, Inc. is a 501(c)(3) nonprofit, Christian ministry that exists to serve and care for youth survivors of sex trafficking and abuse.

35. Gracehaven is headquartered in Columbus, Ohio, yet it provides services across the state of Ohio.

36. Gracehaven is organized exclusively for religious, charitable, educational, and scientific purposes.

37. Defendant Montgomery County Department of Job and Family Services is a local county agency controlled by the Montgomery County Board of Commissioners. Ohio Rev. Code § 329.01 *et seq.*

38. Defendant Montgomery County Department of Job and Family Services is responsible for the administration of Ohio's foster care system at the county level for Montgomery County, including the responsibility for obtaining substitute care for foster children and administering funds provided under Title IV-E of the Social Security Act. *See id.* § 5153.16.

39. Defendant Montgomery County Department of Job and Family Services will be referred to as the "County Department" unless the context indicates otherwise.

40. Defendant Michelle Niedermier is the Director of the Montgomery County Department of Job and Family Services.

41. Under the control and direction of the Montgomery County Board of Commissioners, Defendant Niedermier directs and supervises all activities of the County Department. *Id.* § 329.02.

42. Defendant Niedermier has final decision making and policymaking authority for the County Department.

43. Defendant Niedermier was involved in the decision to refuse to contract with Gracehaven.

44. Defendant Niedermier is sued in her official capacity.

45. Defendant Brynn McGrath is the Associate Director of the Montgomery County Department of Job and Family Services.

46. Upon information and belief, Defendant Niedermier has delegated final decision making and policymaking authority to Defendant McGrath for certain subject matters.

47. Defendant McGrath was involved in the decision to refuse to contract with Gracehaven.

48. Defendant McGrath is sued in her official capacity.

49. Defendants Judy Dodge, Deborah Lieberman, and Carolyn Rice are the elected commissioners for Montgomery County.

50. Collectively, Defendants Dodge, Lieberman, and Rice make up the Montgomery County Board of Commissioners. They are sued in their official capacities as the Montgomery County Board of Commissioners.

51. The Montgomery County Board of Commissioners governs and exercises power for the county government of Montgomery County.

52. The Montgomery County Board of Commissioners exercises final decision making and policymaking authority for Montgomery County, including the decision to sign and enter into Title IV-E substitute care services contracts with private providers.

53. The Montgomery County Board of Commissioners has ultimate authority to direct and control Defendants Niedermier, McGrath, and Montgomery County Department of Job and Family Services.

54. Montgomery County may be sued through its Board of County Commissioners. *Id.* § 305.12; *Est. of Fleenor v. Ottawa Cnty.*, 208 N.E.3d 783, 786 (Ohio 2022); *Lovelo v. Clermont Cnty. Sheriff's Off.*, No. 1:23-CV-114, 2023 WL 8828008, at *2 (S.D. Ohio Dec. 21, 2023).

55. Throughout this Complaint, Defendants are collectively referred to as “the County” or “Montgomery County” unless the context indicates otherwise.

FACTUAL ALLEGATIONS

A. Gracehaven

1. Gracehaven's Christian Foundation

56. Gracehaven is a nonprofit Christian ministry affiliated with Central Ohio Youth for Christ.¹

57. Central Ohio Youth for Christ uses various ministries and programs to reach and connect with young people across Ohio. Central Ohio Youth for Christ's overarching goal is to bring youth and young adults into a life-long relationship with Jesus Christ.

58. As its name signifies, Gracehaven was founded in 2008 to be a haven of safety and comfort for youth who have survived child sex trafficking and abuse.

59. Like all Central Ohio Youth for Christ ministries, Gracehaven's Christian faith is integral and essential to its mission.

60. Gracehaven's religious beliefs drive and guide everything it does.

61. For example, its key values state that it is "compelled by the love of Christ to serve people who are suffering from the effects of exploitation and [to] motivate others to do the same." Gracehaven Policy Manual Excerpts at 1, a true and correct copy of which is attached as **Exhibit 1**.

62. And Gracehaven's mission statement is to "serve[] youth and families through a team of Christian workers and like-minded partners by providing sex trafficking prevention services and by empowering youth rescued from sex-trafficking to thrive with dignity in a renewed life." Ex. 1 at 1.

63. Indeed, it is precisely because the Bible instructs Christ-followers to help "orphans and widows" (*Isaiah* 1:17; *James* 1:27) and "the least of these"

¹ See <https://coyfc.org/>.

(*Matthew 25:37–40*) that Gracehaven cares for youth girls in foster care who have gone through unimaginable grief and pain.

64. Gracehaven’s religious beliefs and its mission to care for survivors of trafficking and abuse are thus inseparable. The former is the very reason Gracehaven does the latter.

65. As Gracehaven puts it in its guiding principles: “Faith and our dependence on prayer and God’s Word are fundamental to us; without them, this ministry would not exist.” Ex. 1 at 2.

66. And through all that it does, Gracehaven seeks to share the love of Christ and to invite others into a relationship with Him.

67. The ministry serves all minors who are survivors of (or at risk for) sex trafficking and abuse regardless of their backgrounds and beliefs.

2. Gracehaven’s Religious Calling to Care for Survivors of Sex Trafficking and Abuse

68. Gracehaven furthers its Christian calling through various programs and services.

69. For instance, the ministry provides comprehensive case management for trafficking and abuse survivors and their families.

70. Case management involves forming relationships with, and coordinating support for, survivors or at-risk young girls by connecting them with clinicians, community-based organizations, and family supports. Among other things, it can include scheduling medical appointments, ensuring the girls attend school, taking the girls to appointments and extracurricular events, and submitting progress reports to the relevant government agencies.

71. Gracehaven also does community outreach and training. This includes informing schools, churches, and community groups about sex trafficking, raising

awareness about the issue, and educating others on how to protect vulnerable young people.

72. Most relevant here, Gracehaven is certified by the Ohio Department of Job and Family Services to operate three residential group homes. *See* Ohio Rev. Code § 5103.03; Ohio Admin. Code § 5101:2-5-03.

73. Each group home can accommodate up to four girls ranging in age from 12 to 18 years old.

74. Gracehaven is also certified as a “Qualified Residential Treatment Program” (“QRTP”), meaning it offers more than just a place to live.

75. As a Qualified Residential Treatment Program, Gracehaven provides an approved trauma-informed treatment model that is specifically designed to address the developmental and clinical needs of the girls in its care. *See* Ohio Admin. Code § 5101:2-9-42.

76. For years, Gracehaven’s group homes were the only licensed residential group homes in the state reserved exclusively for adolescent female survivors of sex trafficking and abuse. Gracehaven is now one of two such specialized group homes in the State.

77. These survivors have typically experienced horrible physical and emotional abuse, and have no concept of a “normal” teenager’s life. And often their abusers are people they know “at home”—such as a relative, a friend of a parent, or someone in the community.

78. When these girls have no safe place to go, Gracehaven fills the gap by offering a temporary shelter where they can heal, be at peace, and learn to integrate back into society.

79. Gracehaven’s residential group home team offers 24/7 comprehensive care, including trauma counseling, wraparound case management services,

specialized education services, independent living skills instruction, and prevention education.

80. Girls usually live at Gracehaven for six to eight months. But Gracehaven continues caring for those girls even after they move on from the residential group home for a minimum of six months through its case management services.

81. Depending on the child's needs, those services may continue far longer.

82. Each group home is staffed around the clock by a team of youth direct care specialists.

83. And the group homes offer spacious, comfortable, and tranquil living arrangements—as shown in this video on Gracehaven's website:

<https://gracehaven.me/safe-house/>.

84. In its 2022-2023 fiscal year, Gracehaven accommodated and cared for 11 different girls.

85. Gracehaven anticipates treating and caring for at least 15 more over the next year and expects to treat and care for dozens more over the next several years.

86. With sufficient funding, staffing, and resources, Gracehaven would expand its group home services by opening additional homes to care for more sex trafficking and abuse survivors.

3. Gracehaven's Employees

87. Gracehaven currently has over 35 employees and dozens of volunteers.

88. Gracehaven depends on its board members, employees, and volunteers to further its Christian mission and purposes.

89. Gracehaven's board members, employees, and volunteers are the ministry's hands, feet, and mouthpiece.

90. Gracehaven's important work depends on the relationships that its employees and volunteers build with the young girls who have survived trafficking and abuse.

91. Gracehaven believes that such relationships are the best way to communicate and model the love of God to these survivors.

92. And Gracehaven believes that complete healing comes from the renewed hope and joy that can be found in a relationship with Jesus Christ.

93. So Gracehaven requires all board members, employees, and volunteers to be coreligionists: those who share (inwardly) and live out (outwardly) its Christian beliefs and practices.

94. All board members, employees, and volunteers must sign and affirm Central Ohio Youth for Christ's/Gracehaven's Leadership Standards and Statement of Faith. *See* Leadership Standards and Statement of Faith, a true and accurate copy of which is attached as **Exhibit 2**.

95. The Leadership Standards provide that "every employee, volunteer, [and] board member, plays an essential and irreplicable role in the accomplishment of [Gracehaven's] Christian mission." And they describe the core areas of the Christian faith that every employee, board member, and volunteer must commit to follow in their "belief, teaching, conduct, and posture." Ex. 2 at 1, 6.

96. Gracehaven's Statement of Faith reflects the beliefs of historical Christianity:

- (1) We believe the Bible to be the inspired, infallible, authoritative Word of God.
- (2) We believe that there is only one God, eternally existent in three persons: Father, Son, and Holy Spirit.
- (3) We believe in the deity of our Lord Jesus Christ, in His virgin birth, in His sinless life, in His vicarious and atoning death through His shed blood, in

His bodily resurrection, in His ascension to the right hand of the Father, and in His personal return in power and glory.

- (4) We believe that, for the salvation of the lost and sinful man, regeneration by the Holy Spirit is absolutely essential.
- (5) We believe in the present ministry of the Holy Spirit by whose indwelling the Christian is enabled to live a godly life.
- (6) We believe in the resurrection of the body of the saved and the lost – they that are saved unto the resurrection of life, and they that are lost unto the resurrection of damnation.
- (7) We believe in the spiritual unity of believers in Christ.

Ex. 2 at 7–8.

97. And all board members, employees, and volunteers commit to be actively involved in a local Christian church.

98. Consistent with these expectations, Gracehaven’s various job descriptions reflect spiritual responsibilities.

99. For example, the Gracehaven Program Director job description provides:

Because COYFC, its affiliates and subsidiaries are a part of the same faith-based organization and share a faith mission and set of values, we require all employees to consistently apply and live according to the religious mission and theological beliefs. Each staff member, regardless of role, is asked to:

- Articulate and uphold COYFC/Gracehaven religious beliefs and practices at work and outside of work. Each employee serves to represent the religious message and mission of COYFC/Gracehaven (as outlined in the Statement of Faith and Mission) to the broader community.
- Be ready and willing to lead and contribute to distinctly Christian activities.
- Participate in and lead regular times of prayer, devotion and Bible teaching as a regular aspect of your role within YFC[/Gracehaven]

- Seek God's guidance and wisdom, through prayer and meditation, for the organization as a whole as well as for specific ministry initiatives
- Regularly pray for and share spiritual content with existing and prospective donors to COYFC/Gracehaven
- Regularly encourage and teach existing and prospective volunteer leaders through the Holy Bible.

Various Gracehaven Job Descriptions at 3, a true and correct copy of which is attached as **Exhibit 3**.

100. And all other job descriptions likewise list similar spiritual duties. *See, e.g.,* Ex. 3 at 7 (Supervising Case Manager); 11–12 (Community-Based Case Manager); 14 (Youth Direct Care Specialist); 18 (Director of Residential Services); and 21 (Nurse).

101. All board members, employees, and volunteers are expected to spiritually support and encourage Gracehaven clients and families, pray for them, offer to pray with them and to teach them about the Bible, and exemplify what it means to live a God-centered life.

102. Another reason Gracehaven requires every employee to share its religious beliefs is because every single employee is essential to forming Gracehaven's faith community inwardly (toward other employees), which therefore contributes to the success of the ministry outwardly (toward the community).

103. By requiring all board members, employees, and volunteers to share and live out its religious beliefs, Gracehaven maintains an internal community of likeminded individuals who can compellingly articulate and share its Christian beliefs with the girls it serves—and to the world.

104. Keeping an internal community of coreligionists also facilitates discipleship among board members, employees, and volunteers, making Gracehaven a place of Christian fellowship and community.

105. Board members, employees, and volunteers all have inward-facing responsibilities to support each other in their Christian journeys by providing biblical guidance and encouragement, praying for one another, and holding each other accountable.

106. This spiritually supportive environment helps employees overcome and avoid sinful habits, behaviors, and temptations. As the Bible says, “Iron sharpens iron, and one man sharpens another.” (*Proverbs 27:17*).

107. Among other things, employing coreligionists facilitates the Bible’s commands that Christians: (a) are to “be united in the same mind and the same judgment,” (*I Corinthians 1:10*); (b) should “exhort one another every day” so that they will not “be hardened by the deceitfulness of sin,” (*Hebrews 3:13*); and (c) should “[b]ear one another’s burdens” to “fulfill the law of Christ,” (*Galatians 6:2*).

108. This supportive and encouraging Christian environment is one reason employees want to work there and why many volunteers choose to donate their time, energy, and resources to the ministry.

B. Ohio’s Federally Funded Foster Care System

109. Minor sex trafficking is, unfortunately, extremely prevalent in Ohio.

110. According to the Human Trafficking Hotline, Ohio had the fifth highest number of human trafficking cases in 2023.²

111. Many youth survivors of sex trafficking and abuse end up in foster care.

112. There are thousands of children in Ohio’s foster care system.

113. Ohio’s foster care system is administered at the county level. *H.C. v. Governor of Ohio*, No. 1:20-CV-00944, 2021 WL 3207904, at *4 (S.D. Ohio July 29,

² <https://humantraffickinghotline.org/en/statistics>.

2021), *aff'd sub nom. T.M., Next Friend of H.C. v. DeWine*, 49 F.4th 1082 (6th Cir. 2022).

114. At the county level, local public children services agencies are responsible for the care and placement of foster children in their custody. *See* Ohio Rev. Code § 5153.16.

115. The County Department is the public children services agency that administers the foster care system at the county level for Montgomery County.

116. The County Department is the legal custodian of many foster children and must find suitable living arrangements for those children.

117. The County Department will place foster children in certified substitute care settings, like foster homes, private or public group homes, children residential centers, and Qualified Residential Treatment Programs. *See* Ohio Admin. Code Chapter 5101:2-42.

118. Sometimes children in the County Department's custody need specialized care or treatment because of past trauma or abuse and their ongoing developmental needs.

119. Qualified Residential Treatment Programs—like Gracehaven—provide a much-needed substitute care option for youth who need specialized, rehabilitative care.

120. The foster care system is funded in part by federal funds under Title IV-E of the Social Security Act, 42 U.S.C. § 670 *et seq.*

121. Ohio has a current state plan that is approved by HHS that allows the State to receive Title IV-E funding. *See T.M., Next Friend of H.C.*, 49 F.4th at 1085–86; *see also* 42 U.S.C. § 671(a).

122. HHS provides federal funding to the state of Ohio, in part, through Title IV-E's foster care maintenance payments program ("Title IV-E funds"). *See* 42 U.S.C. § 672.

123. The State in turn subgrants Title IV-E funds to local public children services agencies, thereby making them “Title IV-E agencies.”

124. The County Department is a Title IV-E agency.

125. Title IV-E agencies—including the County Department—are ultimately “responsible for the administration of the [Title IV-E foster care maintenance] program.” Ohio Admin Code. 5101:2-47-01(C).

126. As a Title IV-E agency, the County Department must “[e]nsure the proper administration of funds, allocated or reimbursed”; “[d]etermine eligibility for [foster care maintenance] services”; and “[f]acilitate service planning and provision of services under the [foster care maintenance] program,” among other responsibilities. *Id.*

127. So while the State “supervises the foster care maintenance payments, Ohio’s individual counties are tasked with actually issuing foster care maintenance payments to eligible foster family homes in compliance with Title IV-E.” *H.C. v. Governor*, 2021 WL 3207904, at *5.

128. The County Department contracts with substitute care providers—like Gracehaven—for foster care placements.

129. When the County Department is contracted with a substitute care provider, it will “send” or “place” foster children with the provider. The provider will then house and care for the children and the County Department will reimburse the provider with Title IV-E funds at an agreed-upon per diem rate.

130. Gracehaven satisfies all criteria under Title IV-E and Ohio statutes and regulations to be eligible for Title IV-E funds.

131. Gracehaven is approved by the state of Ohio to seek per diem reimbursement for foster care services through Title IV-E.

132. In fact, Gracehaven is currently contracted with—and receives Title IV-E funds from—various other local Title IV-E agencies, including the Allen

County Department of Job and Family Services, the Stark County Department of Job and Family Services, the Portage County Department of Job and Family Services, the Cuyahoga County Department of Job and Family Services, and the Montgomery County Juvenile Court.

C. Montgomery County Refuses to Contract with Gracehaven Due to Gracehaven's Coreligionist Hiring

133. From 2017 to April 2024, the County Department contracted with Gracehaven for substitute care services and reimbursed Gracehaven with Title IV-E funds.

134. Over those seven years, the County Department placed several youth girls at Gracehaven.

135. Aside from Cuyahoga County, Gracehaven received most of its placements from Montgomery County during that span.

136. The most recent executed contract between the County Department and Gracehaven ran from April 1, 2022, to March 31, 2024.

137. As explained below, this year the County refused to continue working with Gracehaven because Gracehaven employs only coreligionists.

1. The New Contract and Its Equal Employment Provision

138. In early 2024, as was done in the past, the County Department and Gracehaven began negotiations for a new contract for substitute care services that would begin on April 1, 2024. *See* Spring 2024 Gracehaven/County Emails at 8–18, a true and correct copy of which is attached as **Exhibit 4**.³

³ The emails included in Exhibit 4 are in listed in reverse chronological order (most recent first).

139. The County Department sent Gracehaven the new substitute care services contract for 2024-2025. *See* 2024-25 Contract for Substitute Care Services, a true and correct copy of which is attached as **Exhibit 5** (“New Contract”).

140. The New Contract contained an employment non-discrimination provision by incorporating federal law:

The Provider shall comply with Executive Order 11246, entitled Equal Employment Opportunity, as amended by Executive Order 11375, and as supplemented in Department of Labor regulation 41 CFR part 60.

See Ex. 5 at 15, art. XI § J (“Equal Employment Provision”).⁴

141. Executive Order 11246 was signed by President Johnson in 1965.

142. As amended and supplemented, Executive Order 11246 prohibits federal contractors and subcontractors from “discriminat[ing] against any employee or applicant for employment because of ... religion” among other protected characteristics. 41 C.F.R. § 60-1.4(a)(1); *see also* Exec. Order No. 11246, Equal Employment Opportunity, 30 FR 12319.

143. The regulations that implement Executive Order 11246 exempt religious organizations “with respect to the employment of individuals of a particular religion.” 41 C.F.R. § 60-1.5(5).

144. But Montgomery County refuses to recognize and apply this religious employer exemption to Gracehaven, as further explained below, *infra* ¶¶ 157–70.

145. And Montgomery County refuses to recognize that Executive Order 11246 doesn’t even apply to Gracehaven by its own terms because it applies to

⁴ This same provision also appeared in the 2022-2024 Title IV-E contract with Montgomery County. Gracehaven inadvertently signed that contract without raising its coreligionist hiring concerns to the County. This was mere oversight—at that time, a former Gracehaven employee handled all of Gracehaven’s contracts and did not discover the provision.

“contractors and subcontractors who perform under [federal] [g]overnment contracts,” 41 C.F.R. § 60-1.1, and Gracehaven is not a contractor or subcontractor of the federal government by virtue of receiving Title IV-E funds.

146. As a nonprofit religious organization, Gracehaven has the legally protected right to prefer hiring only those who share and live out its religious beliefs and practices. *See* U.S. Const. amend. I; *see also* 42 U.S.C. § 2000e-1(a) (religious exemption from Title VII); Ohio Rev. Code § 4112.02(O) (religious exemption from Ohio’s employment nondiscrimination law).

147. Indeed, even though unnecessary, but to further support its right to employ only coreligionists, Gracehaven sought and received a Certificate of Bona Fide Occupational Qualification from the Ohio Civil Rights Commission, granting Gracehaven the right to require “staff member positions [to] be ... religion specific” and to employ only those “who subscribe to Christian faith/belief.” Gracehaven BFOQ Certificate, a true and correct copy of which is attached as **Exhibit 6**.

2. Gracehaven’s Non-Discrimination Clarification

148. Because the Equal Employment Provision prohibits religious discrimination, 41 C.F.R. § 60-1.4, Gracehaven wanted to ensure that signing the New Contract would not hamper its ability to hire only coreligionists.

149. So Gracehaven intended to clarify to the County Department that it was not waiving its rights to hire according to its faith by signing the New Contract.

150. Gracehaven sent the County Department a “Non-Discrimination Clarification” that explained Gracehaven has a “legal right” to “screen staff based on religious beliefs” and therefore it does not “unlawfully discriminate in hiring.” *See* Gracehaven Non-Discrimination Clarification, a true and correct copy of which is attached as **Exhibit 7**.

151. The Non-Discrimination Clarification added that Gracehaven “wish[es] to ensure that community partners with whom [it] execute[s] contracts or grant agreements are fully aware” of its “intention to continue” hiring coreligionists, and that it would sign the New Contract with an understanding that its employment practices were legally protected. Ex. 7.

152. The Non-Discrimination Clarification also stated that Gracehaven is not a “sub-contractor of the Federal Government” and so Executive Order 11246 did not apply to it. Ex. 7.

153. Gracehaven has encountered the Equal Employment Provision in substitute care contracts with other local Title IV-E agencies.

154. In those situations, Gracehaven has proposed its Non-Discrimination Clarification as an addendum to those contracts.

155. For instance, in October 2024, the Montgomery County Juvenile Court—a separate Title IV-E agency in the same county—entered into a substitute care contract with Gracehaven and willingly included Gracehaven’s Non-Discrimination Clarification as an addendum.

156. Montgomery County is the only Title IV-E agency that has rejected the Non-Discrimination Clarification as an addendum.

3. Montgomery County Rejects Gracehaven Twice

157. The County Department refused to accept Gracehaven’s Non-Discrimination Clarification. *See* Ex. 4 at 5, 9–10.

158. After the County Department’s first refusal, Gracehaven’s Executive Director, Scott Arnold, emailed the County Department to explain the purpose of the Non-Discrimination Clarification and to inform the County that Gracehaven *intended to sign* the New Contract “as is” but was not waiving its constitutional rights by doing so:

As you know, and as our non-discrimination addendum states, Gracehaven is a non-profit religious organization and, as such, we make employment decisions based on our sincerely held religious beliefs. Executive Order 11246's equal employment opportunity clause would limit our ability to do so. Our addendum merely clarifies that we retain the constitutional right to screen our staff based on religious beliefs.

With that said, we will sign the contract as is with the understanding that Gracehaven retains its constitutional right to hire according to its religious beliefs.

If Montgomery County Department of Job & Family Services believes otherwise, please let us know by the end of the day. Otherwise, we can sign this for you by tomorrow.

See Ex. 4 at 7 (email from Monday, March 25th).

159. Two days later, the County Department told Gracehaven that it would not contract with Gracehaven because of the ministry's religiously based employment practices:

After review of the non-discrimination clarification document that we received from Gracehaven and Mr. Arnold's email from Monday, March 25th, it has been decided that Montgomery County [Department of Job and Family] Services will not move forward with the renewal of the substitute care contract with Gracehaven.

See Ex. 4 at 5 (email from Wednesday, March 27th).

160. The County Department then voided the New Contract on DocuSign.

See Ex. 4 at 3.

161. In August 2024, Gracehaven revisited the Title IV-E substitute care contract issue with the County Department.

162. Gracehaven hoped that the County would conclude that it could not legally refuse to contract with Gracehaven because of Gracehaven's religiously based hiring practices and that the County wanted to correct its prior revocation of the New Contract.

163. Gracehaven's optimism was short-lived.

164. The County Department again refused to contract with Gracehaven, once more citing Gracehaven's "active policy" of hiring coreligionists as the reason:

Does Gracehaven have the same non-discrimination policy as we received earlier this year? I have attached the document that was previously sent to us. If this is still an active policy then, unfortunately, we will not be able to move forward with a contract for substitute care services.

August 2024 Gracehaven/County Emails at 8 (email from Monday, August 12th), a true and correct copy of which its attached as **Exhibit 8**.⁵

165. Director Scott Arnold then sent the County Department a copy of Gracehaven's BFOQ Certificate (Ex. 6), explained that the BFOQ "reinforces our right to hire consistent with our faith based beliefs," and asked that the BFOQ Certificate be sent to "the decision makers in [the] county as [they] reconsider our contract impasse." Ex. 8 at 5-6.

166. The county employee replied that the decision was "with our director now." Ex. 8 at 4-5.

167. After three weeks and multiple follow-ups from Gracehaven, Defendant McGrath confirmed that the County would not contract with Gracehaven. Ex. 8 at 1-4.

168. The County rejected Gracehaven even though the Equal Employment Provision (a) does not apply to Gracehaven in the first place, and (b) exempts Gracehaven "with respect to the employment of individuals of a particular religion." 41 C.F.R. § 60-1.5(5).

⁵ The emails included in Exhibit 8 are in listed in reverse chronological order (most recent first).

169. The County thus applies the Equal Employment Provision to Gracehaven and refuses to recognize and apply its religious employer exemption.

170. Gracehaven satisfied—and still satisfies—all other terms and conditions under the New Contract and under state and federal law to provide Title IV-E funded substitute care services.

D. The County’s Unconstitutional Policy, Custom, and Actions Have Damaged and are Irreparably Harming Gracehaven

171. Montgomery County could have—and should have—accommodated Gracehaven by recognizing either that the Equal Employment Provision doesn’t apply or that it allows Gracehaven to hire people who share and live out its religion, and by agreeing to accept Gracehaven’s willingness to sign the contract “as is.”⁶

172. The County exercises individualized discretion in deciding whether to amend the terms of its contracts for substitute care services, and if so, which amendments are permitted and which are not.

173. The County makes individualized assessments about who to contract with for substitute care services.

174. The County continues to contract with other providers for substitute care services.

175. Days after the County refused to contract with Gracehaven in March, the County approved at least 30 agreements with other providers for substitute care services. *See* Montgomery County Board of Commissioners April 2, 2024 Regular Session Meeting Minutes at 5–11, a true and correct copy of which is attached as **Exhibit 9**.

⁶ In addition, the County could have accepted Gracehaven’s proposed addendum—as many other Title IV-E agencies have done—because the New Contract permits amendments to the agreement. *See* Ex. 5 at 16, art. XV (“Agreement ... may be amended only with a written Addendum signed by both parties”).

176. The only reason Montgomery County refuses to enter into the New Contract with Gracehaven is because the ministry exercises its religion by employing only coreligionists.

177. The County has adopted an unconstitutional policy or custom to not enter into Title IV-E substitute care contracts with religious organizations like Gracehaven that employ only coreligionists. *See Monell v. Dep't of Soc. Servs. of City of New York*, 436 U.S. 658 (1978).

178. And the County's unconstitutional decision to not contract with Gracehaven was deliberately made by, or ratified by, County officials with final decision-making authority—including Defendants Niedermier, McGrath, and the Board of Commissioners. *See Pembaur v. City of Cincinnati*, 475 U.S. 469 (1986).

179. The County's refusal to enter into the New Contract with Gracehaven is unconstitutional.

180. Montgomery County's unconstitutional policy, custom, and actions have damaged Gracehaven.

181. For example, prior to Montgomery County's unconstitutional policy, custom, and actions, Gracehaven received many of its group home placements from Montgomery County.

182. Gracehaven currently has open rooms available in its group homes.

183. Since July 2024, lower-level Montgomery County employees have tried to refer at least 14 substitute care placements to Gracehaven, but Gracehaven cannot accept those placements because Montgomery County decision-making officials have refused to contract and work with Gracehaven.

184. But for Montgomery County's refusal to contract with Gracehaven, the ministry could have accepted those referrals, filled all of its open rooms, and received Title IV-E funds.

185. If Gracehaven could fill its open rooms with those attempted referrals, Gracehaven could advance its religious purposes by serving, caring for, and ministering to those girls.

186. And if Gracehaven was able to fill its open rooms with those attempted referrals, it would have received \$375.00 per day in funding for each placement.

187. Plus, if Gracehaven had a contract with Montgomery County in place, it would staff its third group home, thus opening four more rooms for placements.⁷

188. As a direct result of Montgomery County's refusal to contract with Gracehaven, the ministry has lost many opportunities to further its religious calling by helping youth survivors of sex trafficking through its group home and recovery services.

189. If Montgomery County had entered into the New Contract with Gracehaven, the ministry could have housed and cared for some of the 14 referrals that lower-level County employees made to Gracehaven.

190. As a direct result of Montgomery County's refusal to contract with Gracehaven, the ministry has lost thousands of dollars in funding that it otherwise would have received.

191. As a direct result of Montgomery County's refusal to contract with Gracehaven, the ministry's operational budget is less than it otherwise would be if it had entered into the New Contract with the County.

192. As a direct result of Montgomery County's actions, Gracehaven employees have had to spend additional time and energy on fundraising and diverting resources. And Gracehaven employees have also had to spend additional

⁷ Gracehaven has three state-licensed group homes, but only two are currently being used because it has not received enough placements to necessitate staffing its third home.

time and energy looking elsewhere across the state to find substitute care placements for its group homes.

193. As a direct result of Montgomery County's actions, Gracehaven has suffered reputational harm, as other public agencies and private organizations have now questioned whether they should work with and support Gracehaven.

194. What's more, the County's unconstitutional policy, custom, and actions are irreparably harming Gracehaven with each passing day.

195. For instance, Gracehaven's entire purpose is to help and care for youth girls who have survived sex trafficking and abuse.

196. To advance this purpose, Gracehaven must work with local government agencies who have custody of these girls.

197. But Montgomery County is refusing to contract with, place girls at, and provide Title IV-E funds to Gracehaven because it disagrees with Gracehaven's constitutionally protected employment practices.

198. So the County's refusal not only penalizes Gracehaven because of its religious exercise and beliefs, but it also actively impeding Gracehaven's very ability to further its ministry by reaching and caring for at-risk girls in Montgomery County.

199. As a direct result of the County's policy, conduct, and actions, Gracehaven is currently helping less youth survivors of sex trafficking than it is capable of.

200. If Gracehaven cannot contract with local public children services agencies like the County Department, its therapeutic group homes will close and Ohio's youth sex trafficking survivors will suffer.

201. Montgomery County has thus put Gracehaven to an impossible and unconstitutional choice. Gracehaven can choose to either: (a) continue its religious exercise but forego contracting with Montgomery County, thereby denying it the

ability to serve girls in foster care and impeding its ministry; or (b) forego its religious exercise in order to contract with Montgomery County.

202. Montgomery County is irreparably harming Gracehaven by forcing the ministry to choose between its religious character and exercise or receiving otherwise available public benefits (Title IV-E funds) to further its ministry.

203. Gracehaven should not have to choose between its religious exercise and its ability to help young girls in need.

204. Gracehaven will continue to face this choice going forward unless Montgomery County's unconstitutional policy, custom, and actions are enjoined.

205. Gracehaven would seek future participation in Montgomery County's foster care system and would contract with the County for substitute care services in future years (in addition to immediately this year) if the County's unconstitutional policy, custom, and actions are enjoined.

206. Every day that Montgomery County excludes Gracehaven from receiving an otherwise available public benefit because of its religious character and exercise is another day its constitutional rights are being violated.

207. This daily deprivation of Gracehaven's constitutional rights "unquestionably constitutes irreparable injury." *OPAWL - Bldg. AAPI Feminist Leadership v. Yost*, 118 F.4th 770, 785 (6th Cir. 2024) (cleaned up).

208. Gracehaven has no adequate remedy at law for the ongoing and prospective violations of its constitutional rights and thus will continue to suffer irreparable harm without an injunction.

209. While Gracehaven is entitled to monetary damages for the past, completed constitutional violations, those damages cannot remedy the ongoing and prospective constitutional violations.

210. Nor can monetary damages remedy the lost ministry opportunities caused by the County's unconstitutional policy, custom, and actions.

CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF Violation of the Free Exercise Clause

211. Gracehaven incorporates by reference paragraphs 1–210.

212. Gracehaven exercises its religious beliefs in various ways, including by employing only coreligionists—those who share and live out the ministry’s religious beliefs and faith.

213. The County substantially burdens Gracehaven’s religious exercise by requiring the ministry to forfeit its religiously based hiring policy as a condition to participate in the County-administered foster care system and to receive County-administered Title IV-E funding.

214. The Free Exercise Clause of the First Amendment protects against “indirect coercion or penalties on the free exercise of religion, not just outright prohibitions.” *Lyng v. Nw. Indian Cemetery Protective Ass’n*, 485 U.S. 439, 450 (1988).

215. So the County cannot disqualify otherwise eligible religious organizations from receiving available government benefits “solely because of their religious character,” *Trinity Lutheran*, 582 U.S. at 462, or “on the basis of their religious exercise,” *Carson*, 596 U.S. at 789.

216. The County offers a public program and benefit: the ability to participate in the County-administered foster care system and the receipt of County-administered Title IV-E funding.

217. Gracehaven is an eligible and qualified substitute care provider in the state of Ohio.

218. Gracehaven is eligible to receive Title IV-E funding.

219. Indeed, Gracehaven participates in Ohio’s federally funded foster care system by contracting with—and receiving Title IV-E funding from—various other local agencies.

220. But the County excludes Gracehaven from receiving this public benefit precisely because of Gracehaven’s religious character and exercise.

221. “Regardless of how the benefit and restriction are described,” the County “identif[ies] and exclude[s]” Gracehaven, an “otherwise eligible” provider, “on the basis of [its] religious exercise.” *Carson*, 596 U.S. at 789.

222. The County thus requires Gracehaven to forfeit its right to hire employees who share and live out its religious beliefs as a condition to participating in and receiving the County’s public benefit.

223. The County’s policy, custom, and actions are not neutral or generally applicable.

224. The County’s policy, custom, and actions are not neutral or generally applicable because they target and exclude Gracehaven solely because of Gracehaven’s religious character, beliefs, and exercise.

225. The County’s policy, custom, and actions are not neutral or generally applicable because they exhibit hostility towards Gracehaven’s religious character, beliefs, and exercise.

226. The County’s policy, custom, and actions are not neutral or generally applicable because the County retains discretion to amend contract agreements for substitute care services and thus can create exceptions to the contract’s provisions. This constitutes “a system of individual exemptions.” *Fulton v. City of Philadelphia*, 593 U.S. 522, 535 (2021).

227. The County’s policy, custom, and actions are not neutral or generally applicable because the County treats comparable secular providers more favorably than Gracehaven. *See Tandon v. Newsom*, 593 U.S. 61 (2021).

228. If the County justifies excluding Gracehaven by relying on the Equal Employment Provision, that Provision is also not neutral or generally applicable because it exempts various contracts and entities, 41 C.F.R. § 60-1.5, including contracts with religious organizations, *id.* § 60-1.5(a)(5), but the County refuses to apply the religious employer exemption.

229. The Equal Employment Provision is also not neutral or generally applicable because it contains a system of individualized exemptions. *Id.* § 60-1.5(b).

230. The County’s policy, custom, and actions thus trigger strict scrutiny.

231. The County’s policy, custom, and actions—and the Equal Employment Provision to the extent the County relies on it—do not serve a compelling interest and are not narrowly tailored to achieve any purported compelling interest, and therefore violate the Free Exercise Clause of the First Amendment.

SECOND CLAIM FOR RELIEF
Violation of the Religion Clauses: Church Autonomy and the Ministerial Exception

232. Gracehaven incorporates by reference paragraphs 1–210.

233. The Religion Clauses of the First Amendment protect the right of religious institutions “to decide for themselves, free from state interference, matters of church government as well as those of faith and doctrine.” *Kedroff v. St. Nicholas Cathedral of Russian Orthodox Church in N. Am.*, 344 U.S. 94, 116 (1952).

234. This right to church autonomy safeguards Gracehaven’s decisions about which employees and volunteers are best suited to further its religious mission and purpose.

235. The ministerial exception is one component of this autonomy and forbids the County from interfering with Gracehaven’s employment decisions about its “ministerial employees.” *See, e.g., Our Lady*, 591 U.S. 732; *Hosanna-Tabor*, 565 U.S. at 171.

236. The County cannot penalize or burden Gracehaven’s decisions about its ministerial employees (no matter the reason) by withholding otherwise available public benefits from the ministry due to these decisions.

237. Many of Gracehaven’s employees qualify as “ministerial” employees under Supreme Court precedent because they must care for youth girls from a Christian perspective and teach others—through word and deed—about Jesus Christ. In other words, they are responsible for “transmitting the [Christian] faith to the next generation.” *Our Lady*, 591 U.S. at 751 (cleaned up).

238. To the extent that any of Gracehaven’s employees do not qualify as “ministerial” employees, the right to church autonomy still protects the ministry’s ability to prefer coreligionists for those positions because that preference is rooted in the ministry’s religious beliefs and practices. *See, e.g., Bryce v. Episcopal Church in the Diocese of Colo.*, 289 F.3d 648, 660 (10th Cir. 2002) (religious institution has right to make “personnel decision[s] based on religious doctrine” even when the decision does not involve a ministerial employee).

239. The County’s policy, conduct, and actions mandate that Gracehaven surrender its right to church autonomy protected by both Religion Clauses to contract with the County and to receive a public benefit.

240. The County’s policy, conduct, and actions are therefore per se unconstitutional.

THIRD CLAIM FOR RELIEF

Violation of the Free Speech Clause: Expressive Association

241. Gracehaven incorporates by reference paragraphs 1–210.

242. The First Amendment protects the right of people “to associate with others in pursuit of ... educational [and] religious ... ends.” *Boy Scouts of Am. v. Dale*, 530 U.S. 640, 647 (2000) (cleaned up).

243. When an association expresses a collective message, the First Amendment prohibits the government from forcing the association to admit those who disagree with its message, seek to change that message, or express a contrary view.

244. Gracehaven is an expressive association because it employs and associates with only likeminded believers to fulfill its religious purposes and to express its religious beliefs to everyone it encounters.

245. The County's policy, custom, and actions force Gracehaven to surrender its right to associate with only likeminded believers who share its faith to contract with the County and to receive a public benefit.

246. This unconstitutionally forces the ministry to expressively associate with people who do not hold the same religious views and who, therefore, cannot express the same message.

247. The County's policy, custom, and actions trigger strict scrutiny.

248. The County's policy, custom, and actions do not serve a compelling interest and are not narrowly tailored to achieve any purported compelling interest, and therefore violate Gracehaven's expressive association rights under the First Amendment.

FOURTH CLAIM FOR RELIEF
Violation of Article I § 7 of the Ohio Constitution:
Religious Freedom Clause

249. Gracehaven incorporates by reference paragraphs 1–210.

250. This Court has supplemental jurisdiction over this claim under 28 U.S.C. § 1367.

251. Article I § 7 of the Ohio Constitution provides broader protection for the free exercise of religion than does the Free Exercise Clause of the First

Amendment. *Humphrey v. Lane*, 728 N.E.2d 1039, 1045 (Ohio 2000); see Ohio Const. art. I § 7.

252. Under Ohio’s Religious Freedom Clause, it does not matter if the government action is neutral and generally applicable. *Humphrey*, 728 N.E.2d at 1045.

253. Rather, under Ohio’s Religious Freedom Clause, government action that “has a coercive affect against” religious practice “must serve a compelling state interest and must be the least restrictive means of furthering that interest.” *Id.*

254. Gracehaven exercises its religious beliefs in various ways, including by employing only coreligionists—those who share and live out the ministry’s religious beliefs and faith.

255. The County substantially burdens and has a coercive effect against Gracehaven’s religious exercise by requiring the ministry to surrender its religious exercise of hiring only coreligionists as a condition to participate in the County-administered foster care system and to receive County-administered Title IV-E funding.

256. The County’s policy, custom, and actions do not serve a compelling governmental interest and are not the least restrictive means of furthering any purported compelling interest.

257. The County’s policy, conduct, and actions therefore violate the Religious Freedom Clause of the Ohio Constitution.

PRAYER FOR RELIEF

Wherefore, Gracehaven requests that the Court:

- (A) Declare that the County's refusal to enter into the New Contract with Gracehaven violated the First Amendment and/or the Ohio Constitution.
- (B) Declare that the County's policy, custom, and action of refusing to contract with Gracehaven because of the ministry's religious exercise of employing only coreligionists violates the First Amendment and/or the Ohio Constitution.
- (C) Enter preliminary and permanent injunctive relief:
 - (i) Ordering the County to enter into the New Contract with Gracehaven;
 - (ii) Enjoining the County from refusing to enter into the New Contract or any other agreements (current or future) with Gracehaven because the ministry employs only coreligionists; and
 - (iii) Enjoining the County from denying or withholding public funds—including Title IV-E funds—from Gracehaven because the ministry employs only coreligionists.
- (D) Award compensatory and nominal damages for the past and ongoing constitutional violations.
- (E) Award Gracehaven reasonable costs and attorneys' fees.
- (F) Award any other relief this Court deems equitable, just, and proper.

Dated: December 9, 2024

s/ Jacob E. Reed

Jacob E. Reed
OH Bar No. 99020
Trial Attorney
ALLIANCE DEFENDING FREEDOM
44180 Riverside Parkway
Lansdowne, VA 20176
Telephone: (571) 707-4655
jreed@ADFLegal.org

Ryan J. Tucker*
AZ Bar No. 034382
Jeremiah J. Galus*
AZ Bar No. 030469
ALLIANCE DEFENDING FREEDOM
15100 N. 90th Street
Scottsdale, AZ 85260
Telephone: (480) 444-0020
rtucker@ADFLegal.org
jgalus@ADFLegal.org

David A. Cortman*
GA Bar. No. 188810
ALLIANCE DEFENDING FREEDOM
1000 Hurricane Shoals Road, NE
Suite D-1100
Lawrenceville, GA 30043
Telephone: (770) 339-0774
dcortman@ADFLegal.org

Attorneys for Plaintiff

* *Pro hac vice admission filed herewith*

VERIFICATION OF COMPLAINT

I, Scott Arnold, a citizen of the United States and a resident of Ohio, declare under penalty of perjury under 28 U.S.C. § 1746 that the foregoing Verified Complaint and the factual allegations contained therein are true and correct to the best of my knowledge.

Executed on December 9th, 2024, in Columbus, Ohio.



Scott Arnold
Executive Director, Gracehaven