THE CENTER FOR CORPORATE EQUALITY CALLS FOR TRANSPARENCY IN OFCCP REPORTING

WASHINGTON D.C. – The Center for Corporate Equality (CCE) today released a comprehensive report analyzing enforcement results compiled by the U.S. Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) on their equal employment and affirmative action requirements.

The report, A REVIEW OF OFCCP ENFORCEMENT STATISTICS: A CALL FOR TRANSPARENCY IN OFCCP REPORTING, offers a detailed analysis of the agency’s fiscal year 2007 enforcement results that resulted in $51,680,950 in back pay and annualized salary and benefits for 22,251 American workers who had been subjected to unlawful employment discrimination.

Detailed findings outlined in CCE’s report include the types of systemic discrimination OFCCP resolved in FY 2007, the kinds of industries involved and the levels of employees and applicants impacted; how the financial remedies in settlement agreements were calculated; how long it took OFCCP to open compliance evaluations and resolve them through settlement; and any differences in enforcement strategy between the OFCCP’s six regional offices that audit federal contractor establishments.

“This comprehensive report provides a rare glimpse inside OFCCP’s enforcement operations,” said Patricia Schaeffer, executive director for the nonprofit employer association based in Washington DC. “It provides much needed transparency into how OFCCP enforces its equal employment and affirmative action mission,” she said. “We’re hopeful OFCCP will provide comparable in-depth data in their future enforcement reports,” she said.

Report co-author David Cohen, senior vice president, added “Our goal in analyzing this data was not to judge how OFCCP should conduct its enforcement operations, and this report contains no judgments. We simply wanted to analyze the conciliation agreements and consent decrees that made up OFCCP’s fiscal year 2007 enforcement results and report on what we found,” he said. “This report provides useful baseline data so enforcement trends can be tracked in future years.”

Eric Dunleavy Ph.D., senior consultant, said one of the key findings is “that systemic discrimination is an important OFCCP enforcement initiative.” “This data confirms what OFCCP has been telling us all along – that systemic discrimination is an important enforcement initiative, and it’s clear they have expended considerable resources into that area.”

Paul Wells, Employee Compensation at The Boeing Company, and chair of CCE’s Board of Directors, added, “I think the data in this comprehensive report will be extremely useful to federal contractors. It will help them identify where they need to make improvements and adjustments to further improve their EEO and affirmative action programs.”
CCE will present their findings at the 27th Annual Industry Liaison Group National Conference scheduled July 28, 2009-July 31, 2009 in Atlanta.

Specific findings include:

1. Nearly all of the settlements (95 percent) involved allegations of systemic discrimination in hiring. Only five percent of the settlements involved allegations of systemic compensation discrimination. None of the OFCCP settlements in fiscal year 2007 involved allegations related to systemic discrimination in promotions or terminations.

2. No “Glass Ceiling” compliance evaluation, which is an audit of a corporate headquarters that focuses on identifying barriers to women and minorities advancing to senior executive positions, resulted in financial remedies.

3. More than half of the settlements involved alleged systemic discrimination against applicants for lower level jobs in food service and manufacturing industries.

4. Certain lower level jobs, such as laborers and operative positions, were found in about three-quarters of settlements.

5. Only settlements involving allegations of systemic discrimination resulted in financial remedies for workers.

6. The average length of time between start of the compliance evaluation and the conciliation or consent decree was 2.5 years.

7. Women and minorities benefited in fairly equal numbers in these settlements.

8. There were no settlements related to compliance evaluations of a Functional Affirmative Action Plan, which is a plan based on functional or business units rather than a business location.

9. Enforcement strategies, such as the length of time to conciliation, how data were analyzed, how financial remedies were calculated, etc., varied between the six OFCCP Regional Offices that conducted the compliance evaluations.

The full report is available at www.cceq.org.

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The Center for Corporate Equality (www.cceq.org) is a national nonprofit employer association based in Washington, DC dedicated to creating workplaces free from bias and unlawful discrimination by harnessing the synergies between human resource functions and promoting affirmative action and equal employment regulatory compliance. CCE members are the senior corporate leaders representing the compliance, compensation, and staffing functions from some of the largest global corporations in the world.