

## INTRODUCTION

Treasury is committed to a workforce environment that values diversity and fosters the talent and capabilities of all its employees. This annual report highlights many of Treasury's accomplishments during FY 2005 in reaching our goals of an inclusive work environment and in promoting the concepts of equal opportunity for all of our workforce. Although Treasury has made significant strides in diversity, there is still much work that needs to be done. Treasury will continue to work with all our stakeholders--employees, supervisors, managers and customers-- to attain a model workplace.

## THE OFFICE OF EQUAL OPPORTUNITY AND DIVERSITY (OEOD)

The Office of Equal Opportunity and Diversity (OEOD) provides leadership, direction and guidance in carrying out the Department of the Treasury's equal employment opportunity, diversity and civil rights responsibilities. OEOD administers the Department-wide equal employment opportunity (EEO) program by providing policy, oversight and technical guidance for Treasury's bureaus, including Departmental Offices, on affirmative employment, special emphasis, diversity, and EEO complaint processing.

OEOD oversees Treasury's external civil rights efforts to ensure non-discrimination in programs operated or funded by the Department of Treasury. The external civil rights program ensures individuals are not excluded from participation in, denied

the benefits of, or otherwise subjected to prohibited discrimination under programs or activities conducted by the Department.

OEOD also manages Treasury's EEO complaint processing functions and provides for the consideration and disposition of discrimination complaints from Treasury employees and applicants for employment. Oversight of the Treasury Complaint Center (TCC), the discrimination complaint processing arm of Treasury, is provided by OEOD. OEOD also has oversight of the Office of the Comptroller of the Currency's pilot EEO complaint process.

## WORKFORCE DIVERSITY

A diverse workforce is critical for any organization that seeks to improve and maintain a competitive advantage. Like our Nation, our workforce is also becoming more diverse. As a result, we must foster diversity in our workforce, manage it effectively and value what it has to offer. Managing diversity at the Department of the Treasury involves creating and maintaining a work environment that (1) attracts the widest pool of talent; (2) provides opportunities for employees to maximize their potential and contribute to the agency's mission; and (3) ensures employees are treated with respect and dignity.

Treasury has worked proactively to incorporate diversity management into its daily operations. We have worked to develop a comprehensive Department-wide diversity framework through the development of a corporate strategy. The Department's Diversity Strategy (implemented in March 2004) concentrates on four primary areas: recruitment, hiring, retention, and accountability. The Departmentwide

strategy offers comprehensive guidance on the Department's goals, objectives and outcomes regarding cross cutting issues linked to Treasury's Strategic Plan and Treasury's Human Capital Plan. It also provides employees with our business case for diversity and provides a roadmap of challenges and external factors that we need to consider as we work toward achieving Departmentwide diversity goals.

### **DIVERSITY COUNCIL**

At Treasury, diversity is much more than a numerical representation of certain groups. We recognize and value diversity knowing it enhances individual productivity, organizational effectiveness and competitiveness.

In order to promote diversity awareness at the highest levels, in the beginning of FY 2005, the Department created the Treasury Diversity Council with the purpose to advise the Secretary and the Deputy Secretary on diversity issues within Treasury and to develop initiatives the Department could undertake to improve our capacity to recruit and retain a high quality, diverse workforce, reflective of the diversity of our nation.

The Council meets quarterly and consists of stakeholders from all bureaus and focuses on addressing and improving upon issues of recruitment, on-boarding, hiring of people with disabilities and accountability. One of the Council's charges in FY 2005 was to identify and prioritize initiatives that could impact our diversity profile. For FY 2006, the Council will begin the work of identifying strategies to fulfill these priorities.

### **PRESIDENTAL MANAGEMENT AGENDA (PMA): GETTING TO GREEN**

Treasury continued to address and meet the challenges faced in the management of EEO across the Department. Several factors, including rapidly changing technology, an aging workforce, the increased competition for talent, and a redefined mission have presented Treasury with the opportunity to restructure and refocus its diversity strategic goals and objectives.

By demonstrating how its EEO professionals share best practices, seek management flexibilities, and encourage innovation in building a diverse workforce, Treasury achieved "Green" status in sustaining and achieving diversity in June 2005.

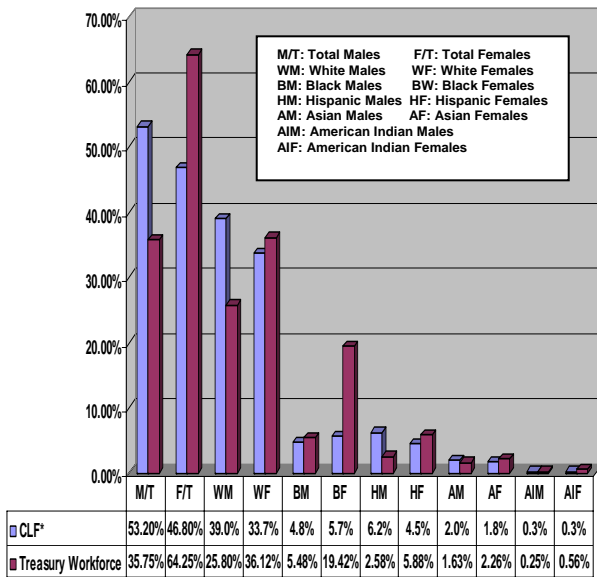
### **DEMOGRAPHICS**

In the aggregate, Treasury's employment levels of females have kept pace with the Civilian Labor Force (CLF)<sup>1</sup>. However, the Department employed White males, Hispanic males, Asian males, Native Hawaiian males and American Indian males at levels below the CLF. Treasury's overall representation of Hispanics (8.46%) is below the CLF by 2.3% and the representation of Whites (61.9%) is below the CLF by 10.8%.

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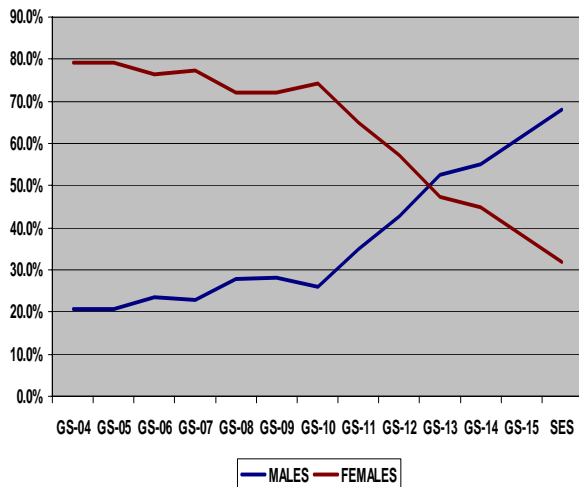
<sup>1</sup> Civilian Labor Force (CLF) is derived from the decennial census reflecting persons, 16 years of age or older who are employed or seeking employment, excluding those in the Armed Services. The CLF is based on the 2000 Census.

FY 2005 Workforce Demographic

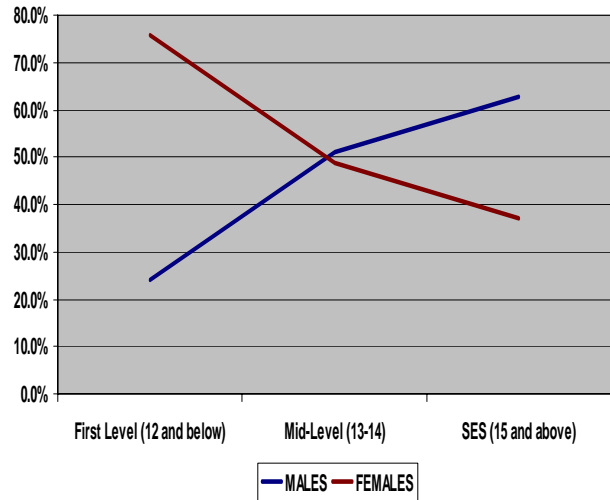


Despite making up 64.25% of Treasury's workforce, women are represented in GS – 15 and SES levels significantly below their overall representation rate. Women occupied 37% of GS 15 and SES positions, compared to men who occupied 63%. Women occupied 49% of GS 13 and GS 14 positions, compared to men who occupied 51%. Women occupied 76% of GS 12 and below positions, compared to men who occupied 24%.

Males vs. Females in the General Schedule

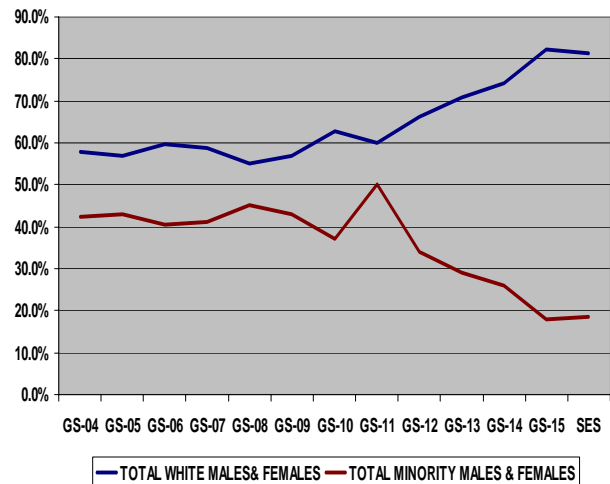


Males vs. Females Manager/Supervisor Positions



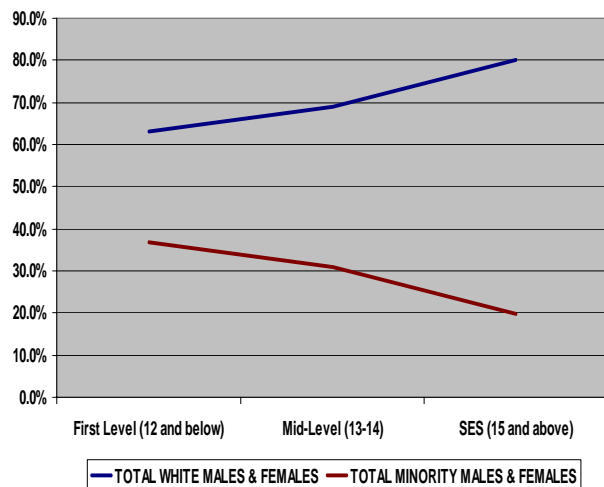
A similar disparity exists when examining the participation rate of minorities at the GS 13 through GS 15 and Senior Executive Service (SES) levels. Despite minorities representing 38.08% of Treasury's overall workforce, minorities occupied only 20% of GS 15 and SES positions, compared to Whites who occupied 80%. Minorities occupied 31% of GS 13 and GS 14 positions, compared to Whites who occupied 69%. Minorities occupied 37% of GS 12 and below positions, compared to Whites who occupied 63%.

Whites vs. Minorities in the General Schedule



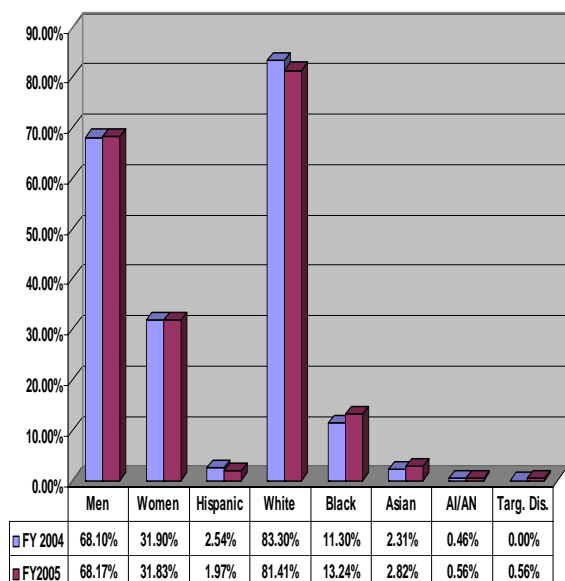
Comparisons of females to males and minorities to non-minorities in managerial positions show the same pattern.

**Whites vs. Minorities  
Manager/Supervisor Positions**



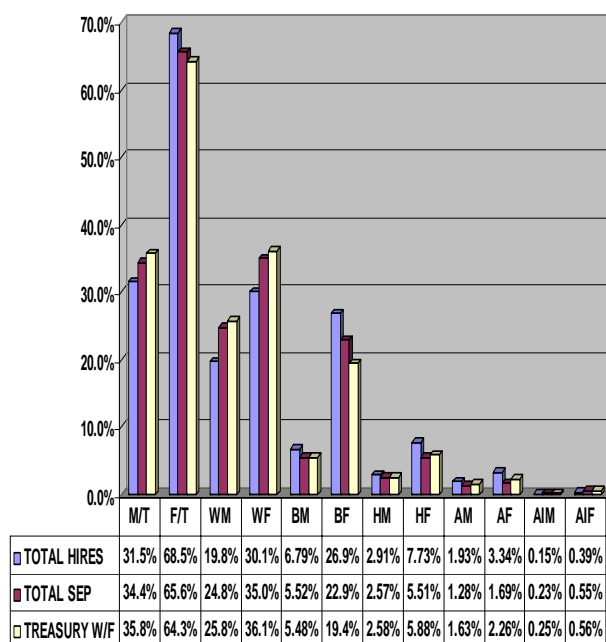
In the SES ranks, Treasury experienced losses in overall Hispanic and White representation. All other groups saw increases in their overall representation rates in the SES. Noteworthy is Treasury's hiring of two individuals with targeted disabilities into the SES in FY 2005.

**Treasury Senior Executive Service (SES)  
FY 2004 to FY 2005**



In the area of separations, White males, White females, American Indian/Alaskan Native females, and American Indian/Alaskan Native males left the workforce at a rate close to their overall representation rate but were hired at a rate less than their separation rate. If this trend continues, we can expect to see decreases in the representation rates for these groups in the future.

**New Hires vs. Separations**



In FY 2006, the Department will meet with each bureau EEO Office to review their employment profiles and identify areas where a potential problem in recruitment, promotion, or retention may exist. Bureaus will be responsible for developing plans to determine if employment barriers exist, and strategies to eliminate any barriers which are uncovered.

**SPECIAL EMPHASIS PROGRAMS**

Special Emphasis Programs (SEPs) provide a framework for

incorporating EEO principles of fairness and equal opportunity into the fabric of the Department, across the employment spectrum. Established throughout the Department, the three Federally mandated SEPs -- the Hispanic Employment Program, the Federal Women's Program, and the Persons with Disabilities Program -- reflect the Department's commitment to equal opportunity, dignity, and respect. At their discretion, individual bureaus have established other SEPs such as the African-American, Asian American/Pacific Islander, and the American Indian/Alaskan Native employment programs. Special Emphasis Program Managers and Coordinators serve as resource persons or advisors on the unique concerns of the particular constituent group.

In support of the Hispanic Employment Program, Treasury participated in the second annual Greater Washington Hispanic Youth Symposium (GWHYS) at Marymount University and at the University of Maryland-Baltimore in July 2005. The Symposiums provided an opportunity for high school students to gain insight on attending college, tips for financial success, finding role models, team building, networking, and exploring career opportunities. Treasury was actively involved in the development of each program's agenda and provided volunteers for each symposium. In addition, the U.S. Treasurer, Anna Escobedo Cabral, provided the keynote address at the opening ceremony of the Maryland Hispanic Youth Symposium. Both symposiums drew a total of 400 Hispanic students from the District, Maryland, and Virginia.

Treasury participated as an advisory committee member of the

League of United Latin American Citizens (LULAC) Federal Training Institute in June 2005 and partnered with the National Association of Hispanic Federal Executives (NAHFE) in their endeavors to provide mid-level Federal Hispanics with career and interpersonal development training with the ultimate goal of increasing Hispanic participation in senior grade levels.

In support of the Department's disability employment efforts, Treasury supported the placement of Workforce Recruitment Program (WRP) interns and implemented a partnership with the Operation Warfighter Program (OWF). Treasury also partnered with the Department of Defense Computer/Electronic Accommodations Program (CAP), which provides assistive technology accommodations at no cost to the Department. In FY 2005, CAP provided a savings of over \$29,000 to the Department.

Treasury partnered with the American Association of People with Disabilities (AAPD) and the Department of Labor in support of the sixth-annual National Disability Mentoring Day (DMD) in October 2005. DMD is a structured program that brings young people with disabilities together with caring individuals who offer career guidance, encouragement and opportunities to develop a lasting mentoring relationship. High school and college students were matched to a mentor at an agency of interest to the student. The student spends 1-2 hours at their mentor's worksite. The Departmental Offices hosted one DMD intern in FY 2005.

Operation Warfighter (OWF) provides Service members, who are undergoing treatment or rehabilitation at Walter Reed Army Medical Center, with a formal means of transitioning back into

the workforce. OWF is a voluntary program and candidates are medically cleared to participate. Service members are usually available to work from a few hours a week to almost full-time. Typical length of an assignment is 3-4 months. In 2005, a presentation on OWF was made at the Assistant Secretary for Management and Chief Financial Officer's Monthly Meeting, which generated strong interest in this program. Treasury will continue this partnership into FY 2006.

In addition to placing OWF candidates in Treasury, in FY 2006, Treasury will identify other avenues to improve the hiring of disabled veterans and promote Treasury as an employer of choice within the disabled veterans' community. Through the development of an action plan, Treasury will identify specific objectives to strive for to aid in increasing our hiring and recruitment of disabled veterans.

Supplementing our outreach efforts in the Hispanic and disabled communities, Treasury also provided support to the Asian American community. Treasury provided financial support to the Asian Pacific American (APA) Summit in May 2005. The APA Summit provides personal and career development training to Federal Asian American employees with the ultimate goal of increasing APA representation in the senior grades. The APA Summit is co-sponsored by the Department of Labor and the Office of Personnel Management.

Treasury also partnered with the White House Initiative for Asian American Pacific Islanders (WHIAAPI) and the International Leadership Foundation (ILF) to place two Asian American college students with the

Financial Management Service and the IRS Office of the Chief Counsel.

## **INTERNSHIP PROGRAMS**

Internship programs play a critical role in ensuring that a pipeline of talent can fill mission critical occupations being vacated by an aging workforce. Treasury has taken a lead in developing partnerships with existing external internship programs that attract highly qualified, educated and diverse students. These internship programs provide Treasury and its Bureaus an avenue to identify and expand its pool of potential candidates to fill mission critical occupation vacancies or to grow new talent in their workforce. As a way to develop the next generation of Treasury's workforce, Treasury has expanded its use of the Hispanic Serving Institutions National Internship Program, Washington Internship for Native Students, and the Workforce Recruitment Program.

### ***Hispanic Serving Institutions National Internship Program (HSINIP)***

On October 8, 2003, Secretary Snow signed a Memorandum of Understanding (MOU) with the Hispanic Association of Colleges and Universities (HACU) to increase employment opportunities for Hispanic students throughout the Department.

In March 2003, in collaboration with HACU, Treasury established the Hispanic Serving Institutions National Internship Program (HSINIP). The Program is designed to promote and expand the number of cooperative education and HACU internship opportunities. A Department-wide contract was put in place to facilitate the hiring of interns throughout Treasury.

Since the fall of 2004, Treasury has placed 76 HSINIP interns.

**FY 2004 – FY 2005  
HSINIP INTERN PLACEMENTS**

Bureau	Fall 2004	Spring 2005	Summer 2005	Fall 2005	Total
DO	2	3	13	5	23
FINCEN	-	-	2	-	2
FMS	3	2	17	9	31
IRS	-	-	7	4	11
OIG	-	2	2	-	4
TTB	-	-	3	-	3
TIGTA	-	-	1	-	1
MINT	-	1	-	-	1
<b>Totals</b>	<b>5</b>	<b>8</b>	<b>45</b>	<b>18</b>	<b>76</b>

In FY 2005, Treasury had several successful HSINIP placements which ultimately resulted in several interns, through special hiring authorities, being converted into our workforce:

- Office of the Inspector General converted one of their HSINIP spring interns to a career-conditional position as an investigator and another intern has remained onboard under a Student Career Experience Program appointment.
- The Terrorist Financial Intelligence Office and the CDFI Office each converted their HSINIP summer interns to Federal Career Intern Program appointments.
- The Alcohol and Tobacco Tax and Trade Bureau maintained a HSINIP summer intern under a Student Career Experience Program appointment and will continue to do so until the conclusion of the student's studies.
- Chief Information Office extended the internship of a HSINIP intern

in order to finalize projects within their division.

- International Affairs converted their intern to a Student Career Experience Program appointment.
- HRConnect extended the internship of their fall 2005 intern into the spring 2006 session, due to the high aptitude and skill that has been shown by the student with recent projects and assignments.

At the end of FY 2005, the Departmental Offices (DO) committed over \$300,000 to the HSINIP program for the placement of interns throughout FY 2006. For the summer of 2006, DO expects to host an estimated 18 interns from a variety of majors both at the baccalaureate and master's level.

***Washington Internship for Native Students (WINS)***

The Washington Internship for Native Students (WINS) grew out of a small summer program founded at American University in 1994. WINS provides an opportunity for Native American and Alaskan Native students to live in Washington, D.C., gain professional work experience through an internship, and earn academic credits. Participants intern at an agency for 36 hours each week and prepare a prescribed portfolio on the work experience and research for a total of 6 college credits.

The Department of the Treasury has been working with the WINS program through a number of bureaus including Financial Management Service and the Internal Revenue Service. At

the end of FY 2005, DO committed \$165,000 to the WINS Program for the placement of 14 interns throughout FY 2006. For the summer of 2006, DO expects to host an estimated 10 WINS interns from a variety of majors both at the baccalaureate and master's level.

### ***Public Service Internship Program for Students with Disabilities***

The Washington Center Internship Program (TWC) partnered with the Department of Labor to create the Public Service Internship Program for Students with Disabilities. Each fall and spring semester, students with disabilities are identified and placed in a database from which federal agencies review and select. These interns are free of charge to interested agencies. In FY 2005, Treasury placed four students in DO's Domestic Finance Office, the Office of the Comptroller of the Currency, and the Internal Revenue Service.

### ***Workforce Recruitment Program (WRP)***

The Workforce Recruitment Program for College Students with Disabilities (WRP) is a resource to connect public and private sector employers nationwide with highly motivated postsecondary students and recent graduates with disabilities who are eager to prove their abilities in the workforce.

Coordinated by the Department of Labor and the U.S. Department of Defense, the Workforce Recruitment Program sends trained recruiters to conduct personal interviews with interested students on college and university campuses annually. From these interviews, a database is compiled

containing information on more than 1,500 college students and recent graduates seeking temporary or permanent jobs. In FY 2005, Treasury hired a total of 13 WRP students, one in the Departmental Offices and 12 in the Internal Revenue Service.

### **ALTERNATIVE DISPUTE RESOLUTION**

Alternative Dispute Resolution (ADR) can help resolve interpersonal disputes between Treasury employees as well as program disputes involving people and organizations within Treasury. By helping parties identify their interest, communicate more effectively, and explore solutions, ADR often leads to durable outcomes to the satisfaction of both parties. ADR has helped Treasury enhance, build, and repair workplace relationships.

In FY 2005, 93.32% of EEO counseling contacts were offered ADR, of which 24.34% participated in ADR at the informal level.

#### **ADR Offered to Complainants (Informal) FY 2005**

<b>Total Counseling</b>	<b>1259</b>
<b>Total ADR Offered</b>	<b>1175</b>
<b>Total Accepted</b>	<b>286</b>
<b>Acceptance Rate</b>	<b>24.34%</b>
<b>Offer Rate</b>	<b>93.32%</b>

During FY 2005, 27.4% of complainants were offered ADR in the formal EEO complaint process. The acceptance rate by complainants who filed formal complaints was 12.5%.



**ADR Offered to Complainants  
(Formal) FY 2005**

<b>Formal Complaints</b>	<b>613</b>
<b>Total ADR Offered</b>	<b>168</b>
<b>Total Accepted</b>	<b>21</b>
<b>Acceptance Rate</b>	<b>12.5%</b>
<b>Offer Rate</b>	<b>27.4%</b>

In FY 2006, Treasury plans to increase its emphasis on improving the ADR program participation rate. Moreover, additional emphasis will be placed on the implementation of the Treasury Dispute Prevention Strategy, examining the root causes of complaints and taking steps to ensure a positive working environment for all employees.

### **SHARED NEUTRALS PROGRAM**

Through the Treasury Shared Neutrals (TSN) Program, Treasury maintains a nationwide cadre of certified and highly trained neutrals (also known as mediators). Their objective is to assist bureaus in resolving all types of workplace disputes at the earliest stages of the conflict and to provide a resolution through mediation, facilitation, and coaching. The Treasury Shared Neutrals (TSN) Program is administered by the Bureau Resolution Center (BRC) within the Bureau of Engraving and Printing. Mediators are accessible nationwide within Treasury and former Treasury organizations at limited cost. TSN mediators are employees from various organizations trained in the art of mediation, and who voluntarily serve in the capacity on a collateral-duty basis.

### **DISCRIMINATION COMPLAINTS**

In the area of discrimination complaints, OEOD is responsible for providing authoritative advice to

Departmental Officials, bureau EEO staff, and the Treasury Complaint Center. OEOD also develops complaint policies and procedures and produces high quality final agency decisions. In addition, we oversee the Department's appeal process, track all appeal decisions, and monitor compliance with Equal Employment Opportunity Commission (EEOC) decisions on appeal.

The Treasury Complaint Center, located in Dallas, TX, is responsible for the acceptance and the investigation of all individual complaints of discrimination. Discrimination complaints may be accepted on the basis of race, color, national origin, religion, sex, age, disability, or reprisal. The Department also has special procedures for handling complaints on the basis of sexual orientation, protected genetic information or parental status. The latter three bases were added in response to Presidential Executive Orders.

To continually improve upon our complaint processing functions, in FY 2005, Treasury began working with IRS and a vendor to integrate a new EEO complaint tracking system, I-Trak, which will provide Treasury with even greater tracking capabilities for the formal and informal complaint process. Roll out of the I-Trak system for new complaints is scheduled for April 2006. The Department will continue to operate its current system, WEBCTS, for complaints filed prior to the roll out. Migration of data to the new system is not expected until September 2006.

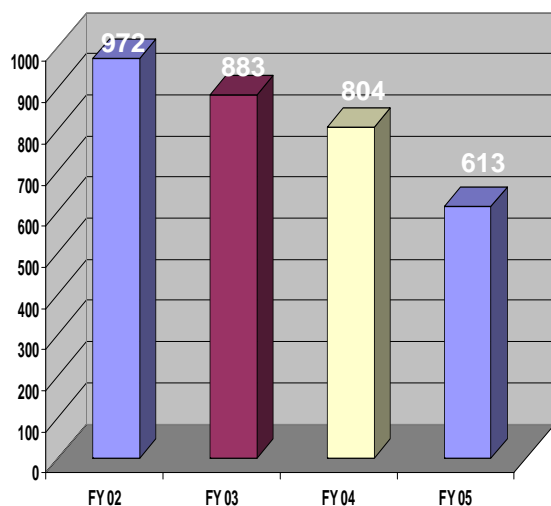
### **COMPLAINT ACTIVITY**

Treasury submitted a Form 462 Report to the Office of Equal

Employment Opportunity Commission (EEOC) in November 2005. The Report is an annual assessment of the agency's formal and informal complaints, as well as avenues used to resolve issues prior to and during the complaint process.

The number of EEO complaints filed by Treasury employees and applicants has continued to decrease. During FY 2005, Treasury saw a 24% decrease in complaints filed from FY 04 (804 complaints filed) to FY 05 (613 complaints filed). We attribute this to our emphasis on dispute prevention and early resolution of complaints.

**Number of Complaints Filed  
FY 2002 to FY 2005**



Treasury had 1,648 complaints pending at the close of FY 2005: 613 were filed in FY 2005; 19 complaints were remands from the EEOC; and 1,016 complaints had carried over from FY 2004. Treasury closed 40.35% of all complaints during FY 2005, a ratio which decreased slightly from the 44.53% closed during FY 2004.

Treasury issued 285 final agency decisions in cases where a hearing was

not requested. Of these decisions, 223 were decisions on the merits and 62 were dismissals. One merit decision involved a finding of discrimination. Sixty-seven percent of the decisions were issued within 60 days of receipt of the decision request, in an average of 30.65 days.

Treasury issued 146 final agency actions in cases with an administrative judge's decision (i.e., cases where a hearing was requested), one of which involved a finding of discrimination.

At the end of FY 05, agency personnel completed 342 investigations, of which 46 or 13.45% were completed within 180 days or less. There were 193 or 56.43% of investigations completed between 181-360 days. A total of 103 or 30.12% of investigations were completed in 361 or more days.

Of the 1,648 complaints pending, which included complaints at the acknowledgement, investigation, hearing or final agency decision stages, the majority of complaints, 54.01%, were pending at the investigation stage at an average of 269.99 days. Hearings remained pending an average of 939.23 days per case and accounted for 39.27% of all pending complaints. A total of 64 or 6.5% of complaints remained pending in the final agency decision/action phase at an average of 509.91 days per complaint.

## CIVIL RIGHTS

OEOD provides policy, oversight, and expert advice and guidance to Treasury bureaus in complying with civil rights responsibilities and requirements resulting from Treasury Federally conducted or assisted programs. Treasury's non-discrimination policy

provides that individuals shall not be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any program or activity conducted by the Department of the Treasury or under any program receiving federal financial assistance from Treasury.

Federal financial assistance includes, but is not limited to, grants and loans of Federal funds, grants or donations of Federal property, training, details of Federal personnel, and any agreement, arrangement, or other contract which has as one of its purposes the provision of assistance. A Federally conducted program or activity is, in simple terms, anything a Federal agency does.

OEOD processes complaints from individuals alleging discrimination in Treasury conducted or assisted programs or activities. Race, color, or national origin complaints alleging discrimination in programs or activities receiving Treasury financial assistance may be filed pursuant to Title VI of the Civil Rights Act of 1964. Complaints alleging age discrimination in Treasury assisted programs may be filed pursuant to the Age Discrimination Act of 1975. Complaints alleging sex discrimination in Treasury assisted educational programs may be filed pursuant to Title IX of the Education Amendments of 1972. Complaints alleging disability discrimination in programs or activities receiving financial assistance from, or conducted by the Department, may be filed pursuant to Section 504 of the Rehabilitation Act.

## **EDUCATION AND INFORMATION**

During FY 2005, OEOD concentrated its efforts on developing

policy guidance, providing training to our EEO professionals, and updating our website to ensure that bureaus are familiar with their roles and responsibilities to ensure compliance with the Civil Rights laws.

Our enhancements to our website include information on statutes, executive orders, the complaint process, and links to related sites to ensure that our customers and stakeholders are familiar with their roles and responsibilities with respect to all aspects of EEO and Civil Rights. The site also contains the procedures for filing a complaint, and sample educational materials, such as manuals, brochures, and pamphlets for use by bureaus in setting up their programs as well as our e-mail address for questions.

Treasury provided training on a variety of areas to ensure Treasury EEO professionals had the most up to date resources to perform their jobs. In FY 2005, OEOD conducted an EEO Counselor Refresher Course, EEO Investigation Training in coordination with the Treasury Complaint Center, mediation training for TSN mediators, and training to identify workplace barriers to equal opportunity. In addition, OEOD developed an on-line training tool informing employees of their rights under antidiscrimination, reprisal, and whistleblower laws. Treasury used this on-line tool to train over 103,000 Treasury employees during FY 2005.

## **CONCLUSION**

The Office of Equal Opportunity and Diversity's FY 2005 Annual Report outlines some of our successes in the area of equal opportunity programs and activities. It addresses the progress we

have made to create an inclusive workforce that is free from discrimination. While we are making progress, more still needs to be done. We will continue to engage and partner with Treasury executives, managers, supervisors and employees as we strive toward achieving a more diverse Treasury Department where all employees are encouraged to reach their potential and all customers have equal access to Treasury programs and services.

As we move forward into the next fiscal year, we will continue to focus on ways to ensure we have the broadest group of diverse, well qualified talent from which to recruit. We will also examine root causes of complaints, expand our complaint prevention outreach efforts and increase our ability to track and analyze complaint activity.