



INTRODUCTION

This annual report covers the period of October 1, 2007 through September 30, 2008, and outlines the Department of the Treasury's equal employment opportunity (EEO) program activities. The report highlights Treasury's accomplishments during Fiscal Year (FY) 2008 in reaching our goals of an inclusive work environment and in promoting the concepts of equal opportunity for all of our employees and customers, and identifies areas for improvement.

Treasury is committed to a work environment that values diversity and fosters the talent and capabilities of all its employees. Although Treasury has made significant strides in diversity, there is still much work that needs to be done. The Office of Civil Rights and Diversity will continue to work with all our stakeholders -- employees, supervisors, managers and customers -- to attain a model workplace.

The Office of Civil Rights and Diversity

The Office of Civil Rights and Diversity (OCRD) provides leadership, direction and guidance in carrying out

the Department of the Treasury's equal employment opportunity, diversity and civil rights responsibilities.¹ OCRD administers the Department-wide equal employment opportunity and diversity (EEOD) program by providing policy, oversight and technical guidance for Treasury's bureaus, including the Departmental Offices, on affirmative employment, special emphasis program areas, diversity, and EEO complaint processing.

OCRD oversees Treasury's external civil rights efforts to ensure non-discrimination in programs operated or funded by the Department of the 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.

OCRD oversees the Treasury's EEO complaint processing functions, including the Treasury Complaint Center, the discrimination complaint processing arm of Treasury. OCRD issues final agency actions on discrimination complaints filed by Treasury employees and applicants for employment. OCRD also oversees the Office of the Comptroller of the Currency's pilot EEO complaint process, which, during FY 2008, was extended through September 30, 2009.

Work Force Diversity

In order to achieve our strategic mission as the steward of America's economic and financial systems,

¹ An organizational chart for OCRD is included as Appendix A.

Treasury must attract, develop and retain the best people from every background and community in our great nation. Treasury's success in utilizing the full potential of available talent depends on fostering diversity in our work force, managing it effectively and valuing what each of our employees 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 all employees to maximize their potential and contribute to the agency's mission; and (3) ensures all employees are treated with respect and dignity.

Treasury works proactively to incorporate diversity management into daily operations. In FY 2008, the Human Capital Advisory Council (HCAC) developed a Human Capital Strategic Plan to provide a vision for Treasury over the next five years. This Strategic Plan incorporates diversity management and helps the Department align with Management Directive 715 (MD-715), the policy guidance issued by the U.S. Equal Employment Opportunity Commission (EEOC) that federal agencies follow in establishing and maintaining effective programs of equal employment opportunity.

The Deputy Assistant Secretary for Human Resources and Chief Human Capital Officer met regularly with the HCAC, which is comprised of bureau EEO and Human Resources (HR) officers, to develop Treasury's Human Capital Operating Plan for FY 2008 and initiatives in support of the plan. The Plan focused on four areas:

(1) **Attracting Talent:** Ensure that Treasury is recruiting a high quality and diverse work force by enhancing the

Treasury brand and outreach efforts and by streamlining hiring business processes.

(2) **Developing Talent:** Develop Treasury's work force to meet current and future organizational needs by identifying and developing emerging leaders, closing skills gaps, and building bench strength at all levels.

(3) **Retaining Talent:** Enhance Treasury's ability to retain our skilled and dedicated employees by identifying and addressing impediments to retention and creating career opportunities.

(4) **Transforming the Human Capital Occupation:**

Transforming the role of the Human Capital professional to a more consultative, strategic partner and less process oriented role.



During FY 2008, the HCAC identified joint bureau recruiting and outreach activities to brand Treasury as an Employer of Choice. The activities included developing a comprehensive marketing and outreach strategy, identifying methods to simplify the application process, making Treasury's career webpage more user friendly, and implementing an exit interview survey that is being piloted by two of Treasury's bureaus (Departmental Offices and Financial Management Service).

In March 2008, OCRD took a lead role in presenting a Recruiters' Symposium in support of Goal 1 of the

Human Capital Operating Plan. Hosted by the HCAC, the Recruiters' Symposium brought together bureau representatives and recruiting experts to share best practices in recruitment and to begin discussions on how to leverage Treasury as a whole and increase its marketability as an employer of choice. The Recruiters' Symposium included panels that explored best practices in recruitment within Treasury, in other federal agencies and in the private sector.

Initiatives Treasury will pursue in FY 2009 as part of its Human Capital Operating Plan are:

(1) Improve the application process through model announcement templates and develop a marketing strategy and sponsor joint bureau recruiting and outreach activities to brand Treasury as an Employer of Choice. One example of a joint recruitment effort was the hosting of a Treasury disABILITY Summit and Career Fair which was held in October 2008.



(2) Deploy the Treasury Virtual Career Service Center² and develop a tool to identify and measure skill gaps and pilot the tool to selected mission-critical occupations Treasury-wide.

² The Virtual Career Service Center (VCSC) is a centralized website designed to announce short-term assignment (detail) opportunities within Treasury. The VCSC provides Treasury employees opportunities to gain knowledge of different working environments throughout the Department, cultivate cross-bureau networking, facilitate knowledge and information sharing and enhance professional growth.

(3) Develop a prototype and pilot in selected bureau(s) a Treasury employee entrance on duty system.

(4) Develop / implement a work force analysis model that accounts for succession planning for Human Capital (HR, EEO and Training) professionals; identify measures to close leadership skill gaps, and develop action plans focusing on leadership and accountability based on the Federal Human Capital Survey results and other appropriate bureau-specific data.

DEMOGRAPHICS

This Annual Report focuses on the changes in Treasury’s work force demographics over the 5-year period of FY 2004 to FY 2008. As is the case for many federal agencies, but particularly for an agency the size of Treasury, it is impractical to expect any demographic data to change by more than a percent in a single fiscal year. Indeed, such data typically varies only by tenths of a percent from one year to the next.

During FY 2003, several former Treasury components were placed within the Department of Homeland Security and the Department of Justice.³ Thus, data from FY 2004 – FY 2008 is the first opportunity to present a meaningful 5-year trend analysis of Treasury’s work force.

Participation Rates in the Permanent Work Force

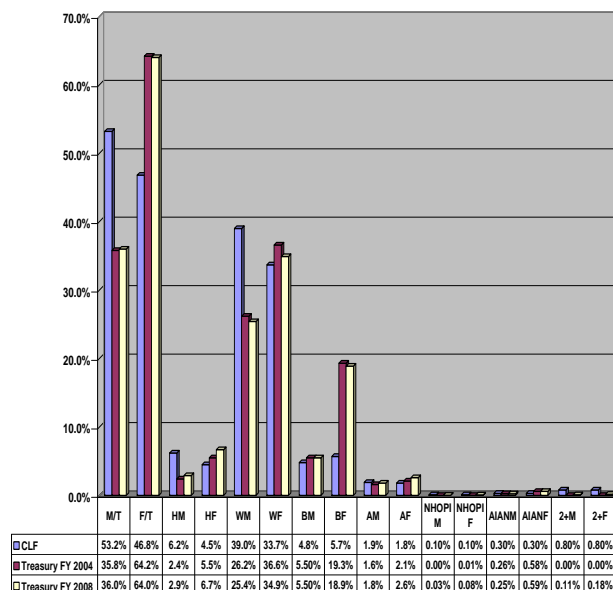
As of the close of FY 2008, Treasury had 112,902 permanent employees. When examining work force demographics, comparisons are made to the 2000 Civilian Labor Force (CLF)⁴ availability rates.

³ These Treasury components included the U.S. Secret Service, U.S. Customs Service, and Federal Law Enforcement Training Center, which were incorporated into the new Department of Homeland Security, as well as the Bureau of Alcohol, Tobacco and Firearms, which was transferred to the Department of Justice.

⁴ Civilian Labor Force (CLF) data is derived from the decennial census reflecting persons 16 years of age or older who are employed or are seeking employment, excluding those in the Armed Services. Currently, CLF data is based on the 2000 Census and is not adjusted for citizenship.

The graph below depicts the participation rates in Treasury’s permanent work force for FY 2004 and FY 2008 as compared to the CLF.⁵

**Permanent Work Force Demographics
CLF Comparison
FY 2004 and FY 2008**

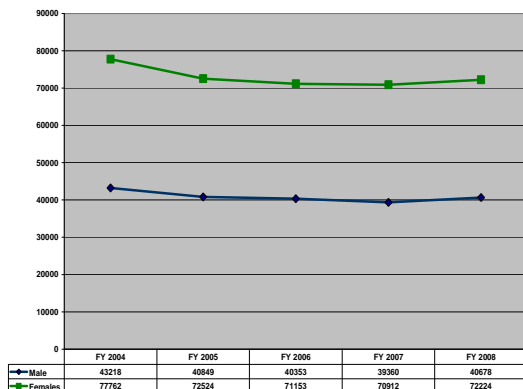


As can be seen, there has been little change in Treasury’s participation rates for men and women. Participation rates for women and non-Whites as a whole continue to exceed their CLF availability rates. Women made up 64.2% of the work force in FY 2004 and 64% in FY 2008, and continue to exceed the CLF availability rate of 46.8%.

The participation rate for men in Treasury’s permanent work force increased from 35.8% in FY 2004 to 36% in FY 2008, an increase of only 0.2%. This 36% participation rate for men remains below the CLF availability rate of 53.2%.

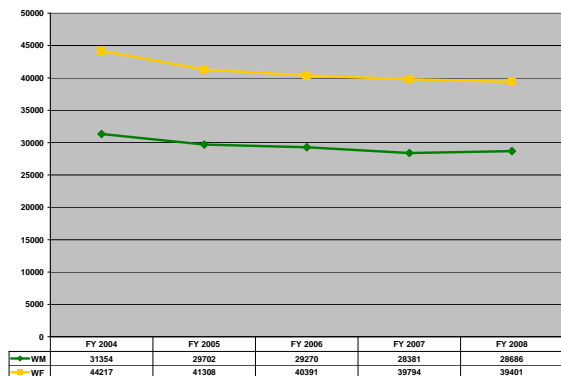
⁵ Full sized copies of all graphs and charts are included in Appendix B.

**Participation Rates by Sex
FY 2004 - FY 2008**



In FY 2004, Treasury’s permanent work force was 62.8% White and 37.2% non-White. In FY 2008, Whites were 60.3% of the work force and non-Whites were 39.7%. Thus, Whites continue to remain below the CLF availability rate of 72.7%.⁶

**Participation Rates for Whites
FY 2004 - FY 2008**

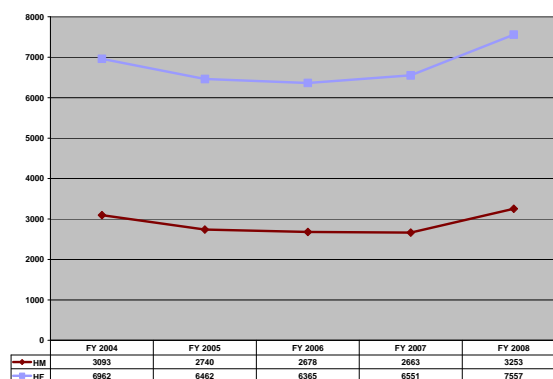


Treasury has begun to experience success in attracting Hispanic employees. From FY 2004 to FY 2008, Hispanic representation increased from 7.9 % to 9.6%. In particular, Hispanic women continue to be well-represented at a rate of 6.7% in

FY 2008, which is significantly above the CLF availability rate of 4.5% for Hispanic women.

Hispanic men continue to have a lower than expected participation rate in the permanent work force, and their participation rate actually declined from FY 2004 through FY 2007. However, in FY 2008, Hispanic men increased to 2.9% from 2.4% in FY 2007, an increase of 590 individuals. Hispanic men remain below their CLF availability rate of 6.2%.

**Participation Rates for Hispanics
FY 2004 - FY 2008**

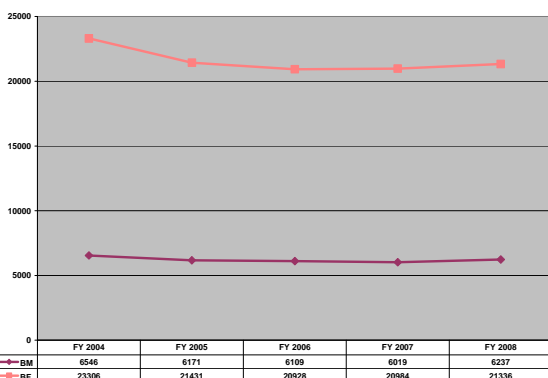


Even though Treasury noted a slight decrease in the participation rates for Blacks from FY 2004 to FY 2007, Blacks, particularly Black women, clearly continue to be attracted to employment opportunities within the Department.

In FY 2008, Black men represent 5.5% of Treasury’s work force, exceeding their CLF availability rate of 4.8%. Black women represent 18.9% of Treasury’s work force, which is over three times greater than their CLF availability rate of 5.7%.

⁶ While women and non-Whites are well represented in the total, permanent Treasury work force, a closer look will reveal that these groups are concentrated in the lower grades and in non-supervisory positions.

Participation Rates for Blacks
FY 2004 - FY 2008

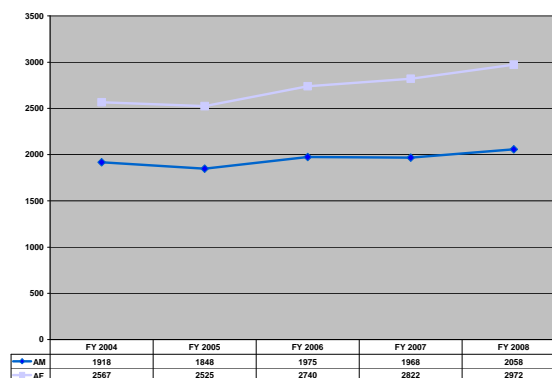


Treasury had a decrease in the participation rates for both Asian men and women from FY 2004 to FY 2005. This decrease may have been the result of implementing guidance in EEOC’s EEO Management Directive 715 (MD-715) to track Native Hawaiian or Other Pacific Islanders separately from Asians. Treasury began implementing this guidance in FY 2004. In addition, the Department, through our automated personnel system, HR Connect, resurveyed the work force in FY 2005 and FY 2006, allowing employees the opportunity to change the Race/National Origin categories selected in previous years.

From FY 2005 through FY 2008, Treasury had an increased participation rate for both Asian men and women. Currently, Asians represent 4.4% of Treasury’s permanent work force, above their CLF participation rate of 3.6%. As with other groups, Asian women are attracted to Treasury, representing 2.6% of the work force, a rate significantly higher than their CLF availability rate of 1.8%. Asian men represent 1.8% of the permanent work force, which is slightly below the CLF availability rate of 1.9%. However, with the continued trend of increased representation rates, Treasury’s participation rate for Asian

men could be at or above their availability rate in FY 2010.

Participation Rates for Asians
FY 2004 - FY 2008



As previously noted, Treasury began tracking Native Hawaiian or Other Pacific Islanders in FY 2004, and resurveyed the workforce in FY 2005 and FY 2006. Since resurveying, Treasury has had a significant increase in the participation rates for both Native Hawaiian or Other Pacific Islander men and women. While the data shows a decrease in FY 2006, the participation rates for Native Hawaiian or Other Pacific Islander men and women again increased in both FY 2007 and FY 2008.

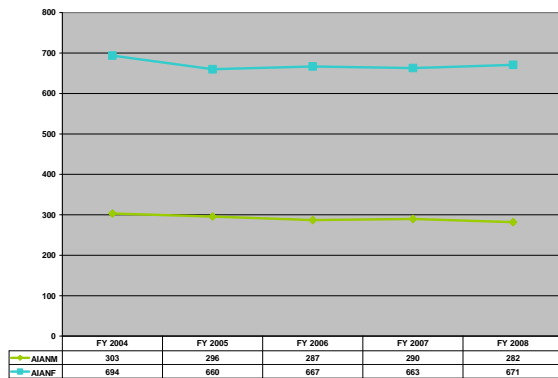
Currently, Native Hawaiian or Other Pacific Islander men represent 0.03% and Native Hawaiian or Other Pacific Islander women represent 0.08% of the permanent work force, and both are below the CLF respective availability rates of 0.1% each. However, with the continued trend of increased representation, Treasury’s participation rate for Native Hawaiian or Other Pacific Islander men could reach their CLF availability rate over the next four to six years and Native Hawaiian or Other Pacific Islander women could reach their CLF availability rate over the next three to five years.

**Participation Rates for Native Hawaiian or Other Pacific Islanders
FY 2004 - FY 2008**



From FY 2004 to FY 2008, Treasury's participation rates for American Indian/Alaska Natives remained relatively steady. American Indian/Alaska Native men represent 0.25% of the permanent work force, slightly below their CLF availability rate of 0.30%, and American Indian/Alaska Native women represent 0.59% of the permanent work force, which is above their CLF availability rate of 0.3%.

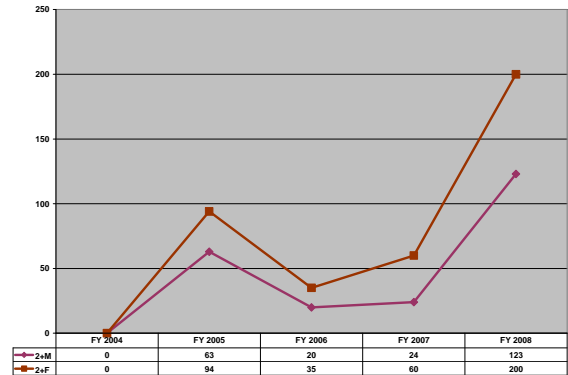
**Participation Rates for American Indian/Alaska Natives
FY 2004 - FY 2008**



As directed by guidance in EEOC's MD-715, Treasury began tracking Two or More Races in FY 2004. Thus, the resurvey of our work force in FY 2005 and FY 2006, also allowed employees the opportunity to identify themselves under more than one race designation.

Currently, Two or More Race men represent 0.11% of the permanent work force (below their CLF availability rate of 0.8%) and Two or More Race women represent 0.18% (below their CLF availability rate of 0.8%). However, since resurveying, there has been a significant increase in their participation rates.⁷ With the continued trend of increased participation rates, Treasury anticipates that Two or More Race men and women will be at or above their availability rate over the next five to six years.

**Participation Rates for Two or More Race
FY 2004 - FY 2008**



Participation Rates in Major Occupations

We have also examined the participation rates of the EEO groups in Treasury's major occupations. Major occupations are agency occupations that are mission-critical, heavily populated relative to other occupations and provide pathways to higher graded and/or managerial positions. The benchmark for comparison is the

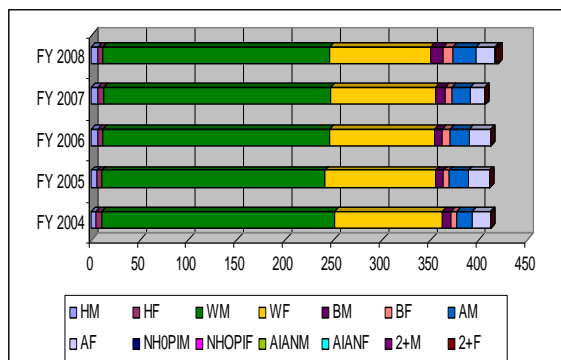
⁷ The decreased participation rate for Two or More Races from FY 2005 to FY 2006 is due to an error. In FY 2006, Hispanic employees who also designated their race were erroneously placed in the Two or More Race category. This error was corrected in FY 2006.

Relevant Civilian Labor Force (“RCLF”), i.e., the CLF for the occupation in question. For example, the RCLF for Economists is based on the demographic census data for persons who reported being employed as an Economist. More detailed information on trends in major occupations is included in Appendix B.

Economist

The Economist (110) occupational series remained fairly constant for all groups with the exception of American Indian/Alaska Native men and Two or More Race men and women. Men, with the exception of Asian men, continue to be represented at rates slightly below the RCLF.

**Participation Rates for Economists
FY 2004 – FY 2008**

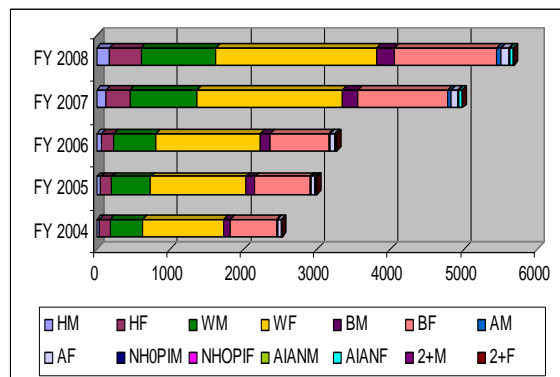


Financial System Analyst

The number of employees in the Financial System Analyst (501) occupational series has shown consistent growth. Hispanic, Black, Native Hawaiian or Other Pacific Islander and American Indian/Alaska Native women are represented at rates above their RCLF availability rate. Men, with the exception of Black men,

are consistently represented at rates below their RCLF.⁸

**Participation Rates for Financial System Analysts
FY 2004 – FY 2008**

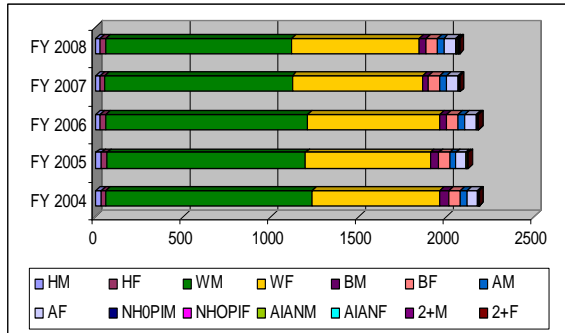


General Attorney

The General Attorney (905) occupational series has shown consistent decreases for men. Men, with the exception of Asian, Native Hawaiian or Other Pacific Islander, and American Indian/Alaska Native men, continue to be represented at a rate below the RCLF. Women in all EEO groups are represented at rates above the RCLF.

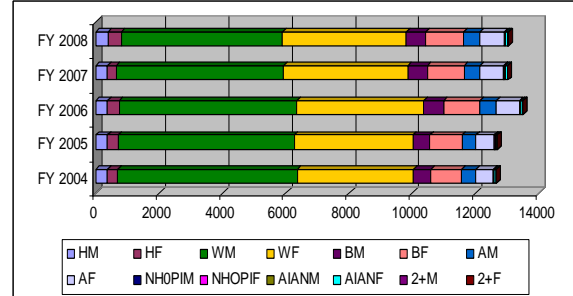
⁸ The growth in the 501 series may be due to a combination of new hires and the inclusion of the Office of Thrift Supervision (OTS) in Treasury’s overall statistics. OTS began using Treasury’s automated personnel system, HR Connect, in August 2008. Currently, OTS’ historical data is not available for previous years. We anticipate the data will be available later in FY 2009.

**Participation Rates for General Attorneys
FY 2004 – FY 2008**



women, Black women and Two or More Races remain below the available RCLF.

**Participation Rates for Revenue Agents
FY 2004 – FY 2008**



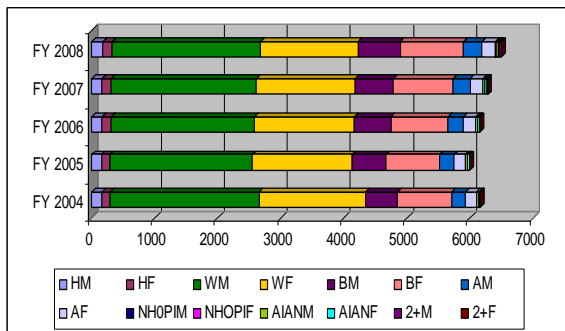
Information Technology Specialist

Trends within the IT Specialist (2210) occupational series show an increased participation for all groups except White men and women and American Indian/Alaska Native men, who have decreased participation rates. All groups, with the exception of Hispanics, White women, American Indian/Alaska Native women, and Two or More Race women are represented at rates above the RCLF.

Tax Examiners

While the number of Tax Examiners has fallen from over 17,000 in FY 2004 to 13,522 in FY 2008, the Tax Examiner (0592) occupational series has more employees than any other major occupation in Treasury.

**Participation Rates for IT Specialists
FY 2004 – FY 2008**

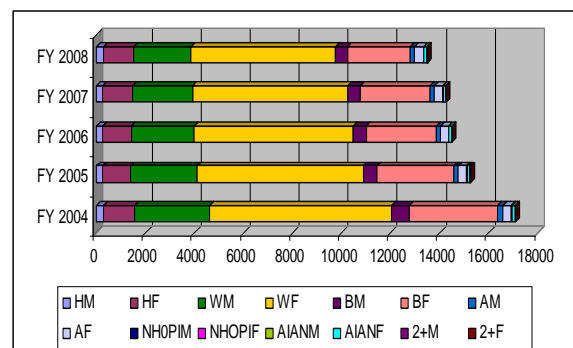


Women in all EEO groups but the Two or More Race group participate in this occupational series at rates above their RCLF rates. Hispanic, White, Black, Asian and Two or More Race men continue to be represented at rates below their RCLF rates. Native Hawaiian or Other Pacific Islander and American Indian/Alaska Native men are represented at rates above their RCLF rates.

Revenue Agent

The Revenue Agent (512) occupational series remained fairly consistent for all groups, although Asian women had a significantly increased participation rate (from 4.3% in FY 2004 to 5.9% in FY 2008) and Hispanic men and White men had a decrease in participation rates. Hispanics, White

**Participation Rates for Tax Examiners
FY 2004 – FY 2008**



Participation Rates by Grade and Managerial Status

While women at 64.9% and non-Whites at 39.5% are well represented in Treasury’s permanent General Schedule (GS) work force, a closer look reveals that these groups are concentrated in the lower grades. Only 23.7% of Treasury’s permanent employees in the GS, Career SES and related grades hold positions at or above the GS-13 level, with 76.3% holding lower graded positions.⁹

Of the over 84,000 positions at or below the GS-12 level, women held 70.8% and men held 29.2%. Of the over 26,000 positions at or above the GS-13 level, women held 46.1% and men held 53.9%.

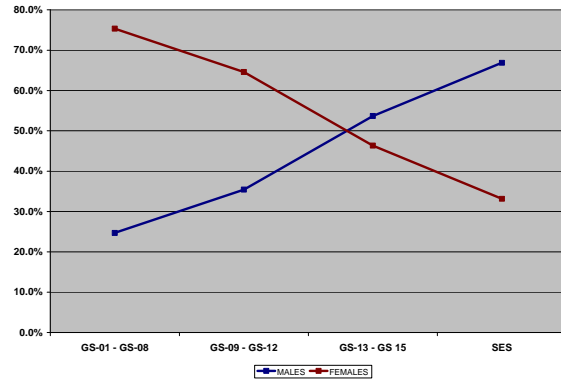
Of Treasury’s 71,877 women holding permanent positions in GS, Career Senior Executive Service (SES) and equivalent grades, only 12,107 women (16.8% of all women) hold positions at or above the GS-13 level, while 36.5% of all men employed by Treasury hold positions at or above the GS-13 level.

Consequently, women continue to be represented in the upper GS grades and in the SES ranks at levels well below their work force representation rate. During FY 2008, women held 75.3% of permanent positions at or below the GS-8 level, compared to men who hold 24.7% of these positions. Women hold 64.6% of positions at the GS-9 to GS-12 levels,

⁹ For clarity, the discussion focuses on the over 94% of the Treasury work force in permanent GS, Career SES or equivalent positions, and does not include those holding temporary or Wage Grade positions.

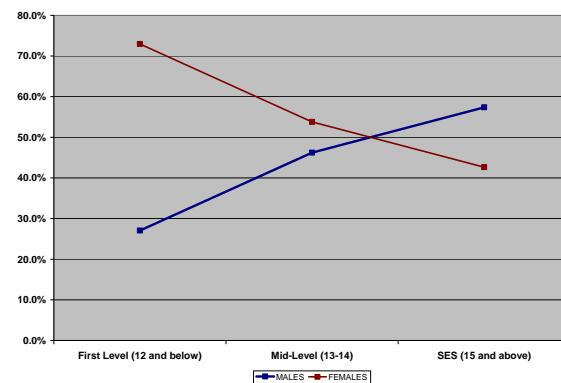
compared to men who hold 35.4% of positions at those levels. Women held 46.3% of positions at the GS-13 to GS-15 levels and 33.1% of SES positions, compared to men who held 53.7% of positions at the GS-13 to GS-15 levels and 66.9% of SES positions.

**Men and Women in the GS, Career SES and Related Grades
FY 2008**



As shown below, the representation rates for men and women who are classified as managers or supervisors show a similar pattern as they ascend the GS and Career SES ranks.

**Men and Women Classified as Managers and Supervisors
FY 2008**

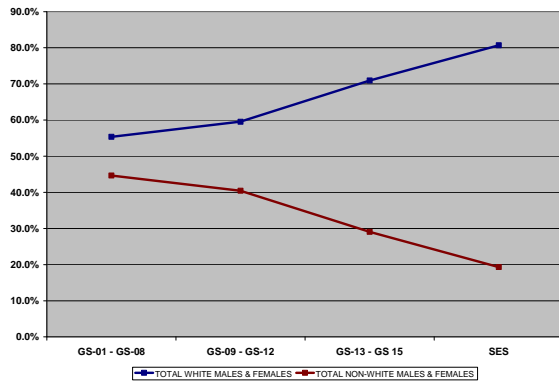


When examining the participation rate of non-Whites, we see similar trend lines. Although non-Whites represent 39.5% of Treasury’s permanent work force in the GS, SES and related grades, they hold 44.6% of permanent

positions at or below the GS-8 level, compared to Whites who hold 55.4% of these positions. Non-Whites hold 40.5% of positions at the GS-9 to GS-12 levels, compared to Whites who hold 59.5% of positions at these levels.

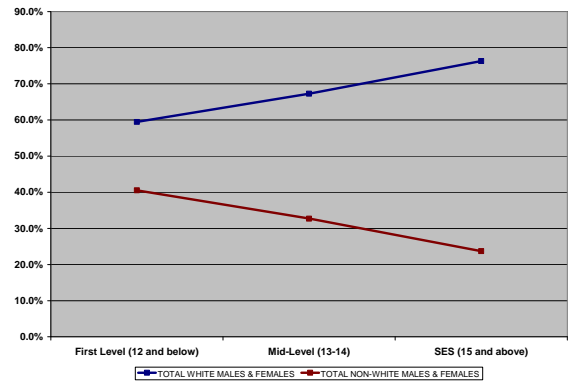
Non-Whites hold 29.1 % of positions at the GS-13 to GS-15 levels, compared to Whites who hold 70.9% of these positions. Non-Whites held 19.3% of SES positions, compared to Whites who held 80.7%.

Whites and Non-Whites in the GS, Career SES and Related Grades FY 2008



As shown in the next chart, the representation rates for Whites and non-Whites who are classified as managers and supervisors show an analogous pattern as they ascend the GS and SES ranks.

Whites and Non-Whites Classified as Managers and Supervisors FY 2008



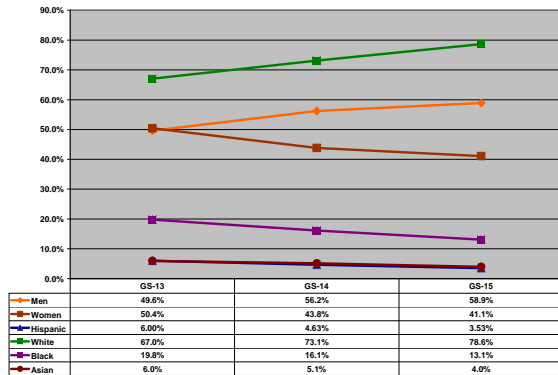
Turning to specific groups of employees, with respect to men, the Department's overall permanent employment rates for Hispanic men, White men, Asian men, Native Hawaiian and Other Pacific Islander men, American Indian / Alaska Native men and Two or More Race men are below the CLF for these groups. In FY 2008, only Black men are employed by Treasury in permanent positions at a rate that exceeds the CLF (5.5% of employees, and 4.8% of the CLF).

Treasury's overall representation of White men and women (60.3%) is below the CLF by 12.4% and the representation of Hispanic men and women (9.6%) is below the CLF by 0.8%.

As shown in the next chart, the participation rates for all groups other than men and Whites decrease as they move from GS-13 to GS-14 to GS-15.¹⁰

¹⁰ For clarity, this chart does not include the 0.94% of employees at these grade levels who are Native Hawaiian or Other Pacific Islander, American Indian/Alaska Native, or Two or More Races.

**Treasury-Wide
GS-13 through GS-15/Equivalent
FY 2008**



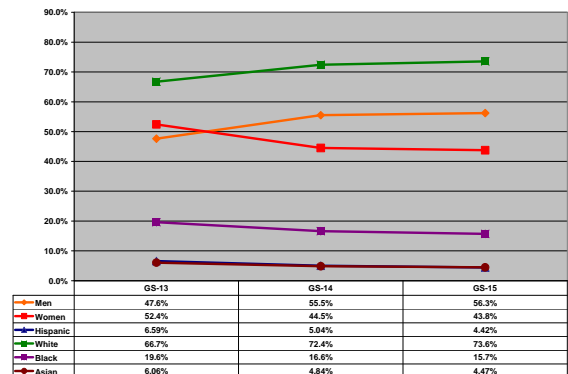
Because the Internal Revenue Service represents nearly 85% of the total permanent Treasury work force, we also compared the participation rates for the EEO groups in IRS and in All Other Bureaus (BEP, BPD, DO, FinCEN, FMS, IRS-CC, Mint, OCC, OIG, OTS, TIGTA and TTB).¹¹

As is seen below, the IRS has higher participation rates for women and non-Whites at the GS-15 level than Treasury as a whole or All Other Bureaus combined. (Consequently, the IRS has lower participation rates for men and Whites.) At the GS-14 level, the IRS again has higher participation rates for women and for all non-White EEO groups other than Asians than Treasury as a whole or All Other Bureaus combined.

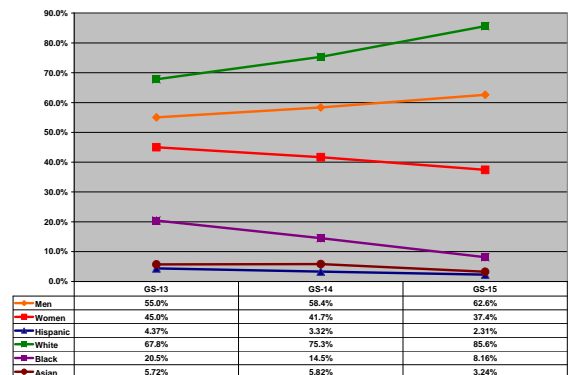
Participation rates for Blacks decrease as they move from the GS-13 to GS-14 to GS-15 levels within all of Treasury, the IRS and All Other Bureaus. However, of particular note is that the rate of the decrease is far sharper for All Other Bureaus than

for the IRS. In All Other Bureaus, the participation rate for Blacks at the GS-15 level (8.16%) is less than half of their participation rate at the GS-13 level (20.5%). At IRS, the participation rate for Blacks at the GS-15 level is 15.7%, compared to a participation rate of 19.6% at the GS-13 level. Because the IRS represents such a large segment of the Treasury-wide work force, the Treasury-wide participation rates for Blacks decrease from 19.8% at the GS-13 level to 13.1% at the GS-15 level.

**Internal Revenue Service
GS-13 through GS-15/Equivalent
FY 2008**



**All Other Bureaus
GS-13 through GS-15/Equivalent
FY 2008**

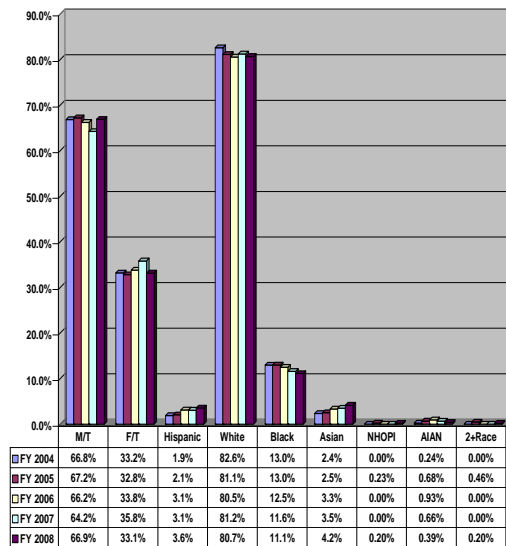


¹¹ These charts also do not include employees at these grade levels who are Native Hawaiian or Other Pacific Islander, American Indian/Alaska Native, or Two or More Races.

In the SES ranks, when comparing FY 2004 participation rates to FY 2008 participation rates, the participation rates for overall men and women remained essentially

unchanged, with women holding 33.2% of all career SES positions in FY 2004 and 33.1% in FY 2008. The participation rate for Hispanics nearly doubled, from 1.9% in FY 2004 to 3.6% in FY 2008, and the participation rate for Asians rose from 2.4% in FY 2004 to 4.2% in FY 2008. Treasury had slight increases in the participation rates for Native Hawaiian or Other Pacific Islanders, American Indian / Alaska Natives and Two or More Races. The participation rate for Blacks in SES career positions decreased from 13% in FY 2004 to 11.1% in FY 2008.

Treasury Career Senior Executive Service Participation Rates FY 2004 to FY 2008



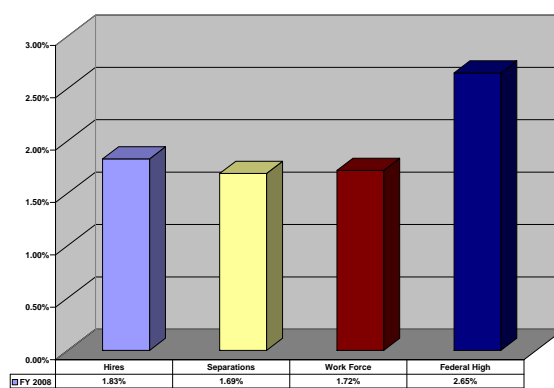
EMPLOYEES WITH TARGETED DISABILITIES

Treasury had the highest participation rate of employees with targeted disabilities¹² of all the cabinet-level agencies in at least the past three fiscal years (FY 2005 - FY 2007).¹³ In both FY 2007 and FY 2008, Treasury’s participation rate for permanent employees with targeted disabilities was 1.72%. While this rate is below the Federal High (2.65%), FY 2008 is the first time since at least FY 2003 that Treasury has not had a decrease in its participation rate for permanent employees with targeted disabilities.

The employment of individuals with disabilities within the Department continues to be a focus of the Human Capital Advisory Council (HCAC). To ensure accountability, in FY 2007, the HCAC required Treasury’s thirteen bureaus to establish five year numerical hiring goals for individuals with targeted disabilities, with the ultimate goal of helping Treasury meet the Equal Employment Opportunity Commission’s goal for the Federal work force to reach a participation rate of 2% by 2010.

Perhaps as a result of the hiring goals, in FY 2008, more permanent employees with targeted disabilities were hired than separated from Treasury. (However, because the total size of Treasury’s permanent work force increased in FY 2008, the participation rate of employees with targeted disabilities remained the same as in FY 2007.)

Hires, Separations, Work Force and Federal High FY 2008



Hires	Separations	Work Force
183	177	2,029

During FY 2008, three bureaus met or exceeded their hiring goals for people with targeted disabilities (Internal Revenue Service, U.S. Mint and the Office of the Inspector General).¹⁴

To assist the bureaus in meeting their goals for FY 2009, in October 2008, Treasury held a Career Fair for people with disabilities at the Marriott at Metro Center in Washington, D.C. Each

¹² Disability data is gathered from the U.S. Office of Personnel Management’s Standard Form (SF) 256, which allows federal employees to self-identify as having any of a variety of impairments. “Targeted disabilities” are those impairments included on the SF-256 that the EEOC has instructed federal agencies to focus on, generally because these impairments are obvious during the hiring stage and present evident needs for reasonable accommodation. The targeted disabilities are: deafness, blindness, paralysis, missing extremities, convulsive disorders, distortion of limbs or spine, mental illness and mental retardation.

¹³ Government-wide data for FY 2008 is not yet available.

¹⁴ FMS did not meet its established goal to hire six employees with targeted disabilities; however, it did increase its participation rate by seven employees with targeted disabilities (one through hiring and six through resurveying its workforce).

bureau was encouraged to identify open positions and to participate in the Career Fair by actively recruiting, conducting on-the-spot interviews and, if possible, utilizing the Schedule A hiring authority to make tentative employment offers.

The Career Fair was preceded by a disABILITY Summit for Treasury managers and HR and EEO representatives. Participants in the Summit learned about best practices in the Federal Government, available resources for effective outreach and the use of Schedule A hiring authorities. Participants received a Disability Hiring Toolkit for Managers, an Interview Guide for Managers and a How To Guide for Schedule A and several veterans' appointing authorities.

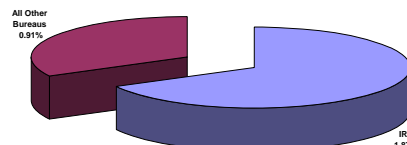
Over 600 candidates registered to attend the Career Fair and the results of this hiring effort will be reported in FY 2009.

Other initiatives undertaken by the Department during FY 2008 include participating in the Hiring Heroes / Operation Warfighter (OWF) Career Fair at Walter Reed Army Medical Center on June 20, 2008. Through a partnership with OWF, the Department shared information about temporary assignment/internship opportunities available at Treasury. The Department also participated in the Washington, DC Expo 2008 career fair hosted by **CAREERS and the disabled** magazine, as well as in the Hire Disability Solutions and the World Congress and Expo on Disabilities career fair.

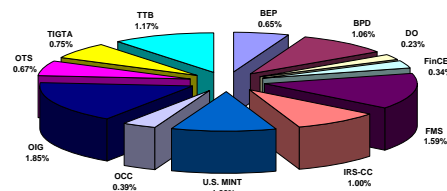
The following charts show the representation rates for Treasury's

employees with targeted disabilities in the IRS¹⁵ and in all other bureaus, and for each bureau other than IRS.

**Employees with Targeted Disabilities
IRS and All Other Bureaus
FY 2008**



**Employees with Targeted Disabilities
All Other Bureaus
FY 2008**



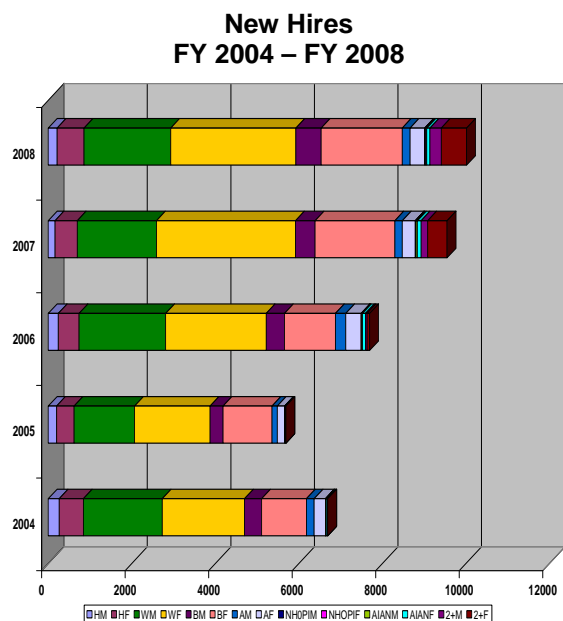
¹⁵ In FY 2007, the U.S. Equal Opportunity Commission honored Treasury by presenting it with the Freedom to Compete award in recognition of the Internal Revenue Service's (IRS) partnership with Lions World for the Blind. As of the date of that award, this partnership had resulted in the IRS having hired 673 persons with significant visual impairments as well as another 126 visually impaired computer program specialists recommended by Lions World.

WHAT THE FUTURE MAY HOLD

An analysis of hire and separation rates may provide additional insight into the composition of Treasury's future work force.

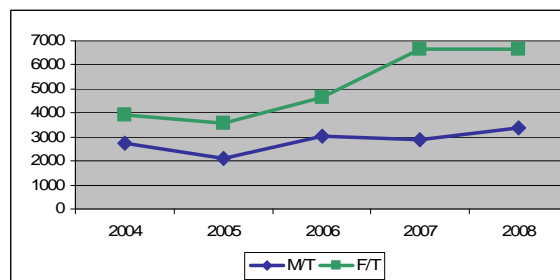
New Hires

The following chart depicts Treasury's new hires of permanent employees for the past five years by EEO group.



Women are participating in Treasury's permanent work force at a rate (64%) significantly above the CLF availability rate (46.8%), while men are participating at a rate (36%) significantly below the CLF availability rate (53.2%). In FY 2008, women represented 66.3% of new hires into Treasury's permanent work force. A review of the hire rates for both groups over the last five years shows that the proportion of men to women is unlikely to change in the future if these hiring trends continue.

**New Hires by Sex
FY 2004 - FY 2008**

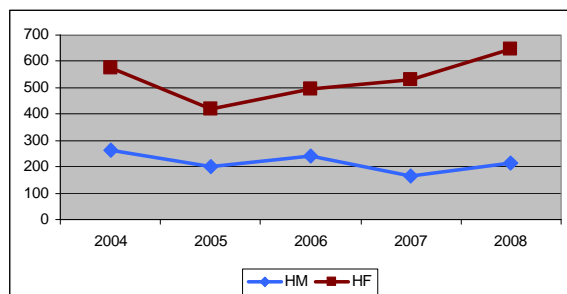


Treasury ranked in the top five agencies for employment of Hispanics in executive level agencies, according to the U.S. Office of Personnel Management's FY 2007 Federal Equal Opportunity Recruitment Program Report.¹⁶

Treasury's overall permanent work force representation rate for Hispanics increased from 7.9% in FY 2004 to 9.6% in FY 2008. The number of Hispanic women who were hired has increased every year since FY 2005, reaching 646 in FY 2008, when Hispanic women represented 6.5% of all new hires, above their CLF availability rate of 4.5%. The number of Hispanic men who were hired has fluctuated from year-to-year (between a high of 262 in FY 2004 to a low of 163 in FY 2008). However, Hispanic men are hired at a rate below their CLF availability rate of 6.2%, and represented only 2.1% of all new hires in FY 2008. As Hispanic women continue to be more attracted to Treasury employment opportunities than Hispanic men, Treasury's participation rate for Hispanics is expected to increase, but Hispanic men are likely to remain below the CLF availability rate.

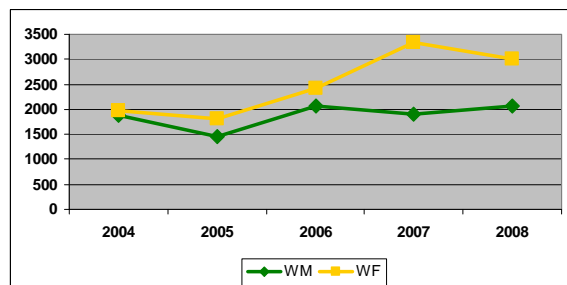
¹⁶ The FY 2008 report is not yet available.

**New Hires of Hispanics by Sex
FY 2004 – FY 2008**



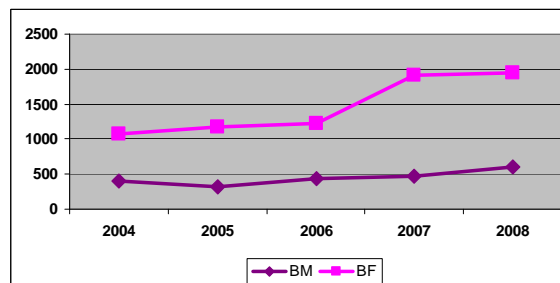
As was previously noted, Whites represent 60.3% of Treasury’s permanent work force in FY 2008, below their CLF availability rate of 72.7%. White women participate at a rate (34.9%) above their CLF availability rate (33.7%) while White men participate at a rate (25.4%) below their CLF availability rate (39%). During FY 2008, both White men and White women were hired at a rate below their CLF availability rate (White men: 20.7% of all permanent new hires, White women: 29.9%).

**New Hires of Whites by Sex
FY 2004 – FY 2008**



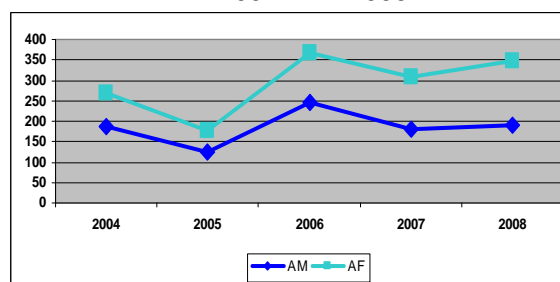
Treasury continues to attract Black employees, and is increasingly attractive to Black women. As previously noted, in FY 2008, Blacks comprise 24.4% of Treasury’s permanent work force, a participation rate that exceeds their CLF availability rate (10.5%), and Black women participate in Treasury’s work force at a rate that is over three times greater than their CLF availability rate of 5.7%. In FY 2008, 25.4% of all new Treasury hires were Black.

**New Hires of Blacks by Sex
FY 2004 – FY 2008**



Currently, Asians represent 4.4% of Treasury’s permanent work force, above their CLF participation rate of 3.7%. As with other groups, Asian women are increasingly attracted to Treasury, representing 3.5% of new hires in FY 2008, a higher rate than their current work force participation rate of 2.6%, and a rate twice as high as their CLF rate of 1.8%. In FY 2008, Asian men represent 1.8% of the permanent work force, but were hired at their CLF availability rate of 1.9%. With a continued trend of increased hiring rates, Treasury’s participation rate for Asian men could be at or above their CLF availability rate in FY 2010.

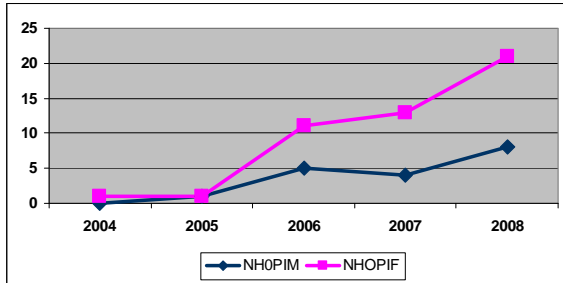
**New Hires of Asians by Sex
FY 2004 – FY 2008**



Currently, Native Hawaiian / Other Pacific Islander men represent 0.03% and Native Hawaiian / Other Pacific Islander women represent 0.08% of the permanent work force, and both are below the CLF availability rates of 0.1% each. In FY 2008, 0.29% of Treasury new hires were Native Hawaiian / Other Pacific Islander, a rate

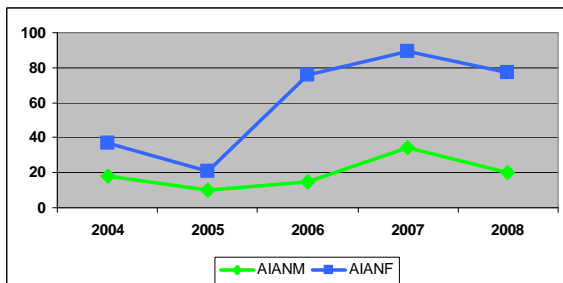
nearly three times as much as their CLF. If this trend continues, Treasury's participation rate for Native Hawaiian / Other Pacific Islander could reach their CLF availability rate over the next three to six years.

**New Hires of Native Hawaiians/Other Pacific Islander by Sex
FY 2004 – FY 2008**



While Treasury's participation rates for American Indian / Alaska Natives have remained relatively steady over the past five years, Treasury is becoming increasingly attractive to American Indian / Alaska Native women, who represented 0.77% of permanent new hires in FY 2008 (men: 0.2%). If this trend continues, American Indian / Alaska Native women in Treasury's work force will exceed their current participation rate of 0.59% of the permanent work force and further surpass their CLF availability rate of 0.3%.

**New Hires of American Indian/Alaska Natives by Sex
FY 2004 – FY 2008**



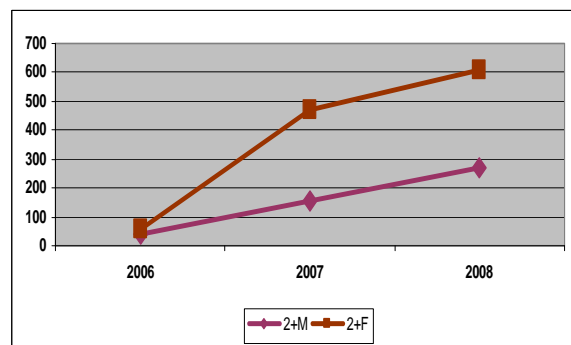
In FY 2008, 8.8% of new permanent Treasury hires identified as Two or More Races. This rate far

exceeds their current Treasury participation rate of 0.29% and their CLF availability rate of 1.6%.

While a continued trend of this magnitude in hiring rates would result in Two or More Race men and women being at or above their availability rate over the next five to six years, it is likely that the CLF availability rate for Two or More Races will be much higher when the 2010 Census results are available.

When age is factored in, for every age group, the younger the group, the more likely members are to identify as Two or More Races. For example, nearly twice as many persons between the ages of 20-24 identify as Two or More Races than do persons between the ages of 40-44.¹⁷ For that reason, it is possible that the number of employees who identify as Two or More Races can serve as an indicator of the number of Millennials in the work force.

**New Hires of Two or More Race by Sex
FY 2004 – 2008**



¹⁷ See US Census Bureau, at: <http://www.census.gov/population/www/projections/files/nation/summary/np2008-t19.xls>

Hiring in the Upper GS Levels and Career SES Positions

The following chart compares the rates of hires for EEO groups into GS-13, GS-14 and GS-15 positions compared to the EEO group's total onboard representation rates for these grade levels as a whole.

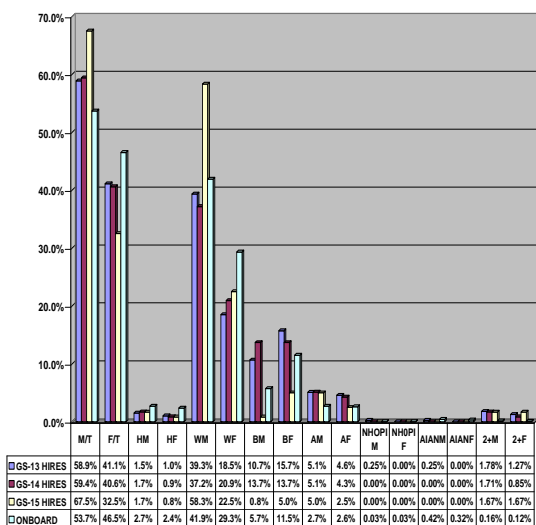
These upper GS levels are often referred to as "feeder groups" since they provide advancement opportunities not only to the next grade level but to career SES positions. When an EEO group has a low participation rate in a feeder group, there is a strong likelihood that the group will be absent from or have a low participation rate in the next higher level. See General Accountability Office Report No.GAO-03-34, *Senior Executive Service: Agency Efforts Needed to Improve Diversity as the Senior Corps Turns Over* (January 2003).

The hire rates for total men, Asians, and Two or More Races into each of the "feeder group" grade levels (GS-13, GS-14 and GS-15 positions) are greater than their total work force participation rates at these levels.

Black men, with an onboard participation rate of 5.7% in GS-13 through GS-15 positions were hired into GS-13 and GS-14 positions at higher rates (10.7% of GS-13 hires and 13.7% of GS-14 hires), but represented only 0.8% of hires at the GS-15 level. Black women, with an overall onboard participation rate of 11.5%, constituted 15.7% of all hires at the GS-13 level and 13.7% of hires at the GS-14 level, but only 5% of hires at the GS-15 level.

Hispanics are hired at a rate below their total onboard work force participation rates at these levels. In FY 2008, the hire rate for Hispanic men at the GS-13 (1.5%), GS-14 (1.7%) and GS-15 (1.7%) levels was below their total onboard participation rate of 2.7% in the GS-13 through GS-15 levels. In FY 2008, Hispanic woman were also hired into position at the GS-13 through GS-15 levels at rates below their total onboard participation rate of 2.4% at these levels. In FY 2008, the hire rate for Hispanic women was 1% at the GS-13 level, 0.9% at the GS-14 level and 0.8% at the GS-15 level.¹⁸

Treasury FY 2008 SES Feeder Group Hires (GS-13 through GS-15/Equivalent)



¹⁸ The Work Force data as of September 27, 2008 does not reflect the hiring of any Hispanic women into these feeder groups. Upon further inquiry, it was discovered that 7 women who were identified during the hiring process as members of other EEO groups, were identified as Hispanic in later pay periods. Because this occurred after the cut-off date for the data used to populate the FY 2008 MD-715 report, they are not reflected in the FY 2008 data contained in that report.

During FY 2008, the onboard participation rate for White men in GS-13 through GS-15 positions was 41.9%. White men represented 39.3% of GS-13 hires, 37.2% of GS-14 hires and 58.3% of GS-15 hires.

Asian men, with an onboard rate of 2.7%, were hired at the GS-13 through GS-15 levels at higher rates (5.1% of GS-13 and GS-14 positions and 5.0% of GS-15 positions).

The hiring rates for Two or More Race men and women into GS-13, GS-14 and GS-15 positions greatly exceeded their onboard rates. This is consistent with the trend line noted earlier for persons of Two or More Races.

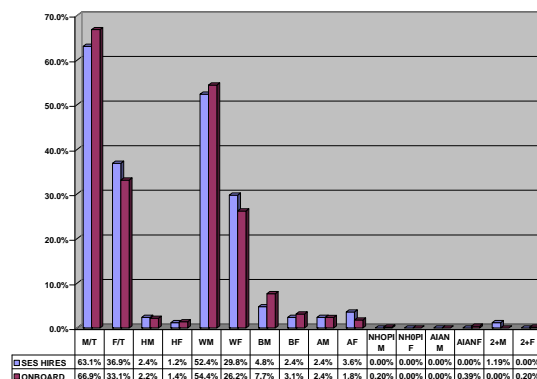
Women in all other EEO groups were rarely hired into these positions at rates that even matched their current onboard rates. Other than Two or More Race women, only hires of Black and Asian women at the GS-13 and GS-14 levels matched or exceed their onboard representation rates at those levels. Women as a whole have an onboard participation rate of 46.5% for positions at the GS-13 through GS-15 levels, but represented 41.1% of hires at the GS-13 level, and 40.6% and 32.5% of hires at the GS-14 and GS-15 levels, respectively.

Should these trends continue, the number of women and non-Whites in the available candidate pool for career SES positions is likely to decrease.

The following chart depicts FY 2008 hires for Career SES and equivalent positions compared to the onboard representation rates in such positions. (The term "hire" includes both persons who were not employed by

Treasury prior to placement in a career SES or equivalent position with Treasury and Treasury employees who were converted into a career SES or equivalent position.)

Treasury FY 2008 SES/Equivalent Career Hires



Despite the declining trend lines for women in GS-13 through GS-15 positions, women as a whole were hired into Career SES / equivalent positions at a rate (36.9%) above their onboard rate of 33.1%, while men as a whole were hired at a rate (63.1%) below their onboard rate of 66.9%.

In FY 2008, Hispanics were hired into Career SES or equivalent positions at rates similar to their onboard representation rates. Hispanic men, with an onboard representation of 2.2%, comprised 2.4% of new hires and Hispanic women, with an onboard representation rate of 1.4%, comprised 1.2% of new hires. If this trend continues, the participation rates for Hispanics in the SES will remain unchanged.

White men were hired at a rate (52.4%) slightly below their onboard rate of 41.9%, while White women were hired at a rate (29.8%) above their onboard rate of 26.2%.

Black men (4.8% of new hires) and Black women (2.4% of new hires) were hired at rates well below their onboard representation rates (7.7% and 3.1% respectively).

Asian men had an onboard participation rate of 2.4% and a new hire rate of 2.4%, while Asian women had an onboard participation rate of 1.8% and a new hire rate of 3.6%.

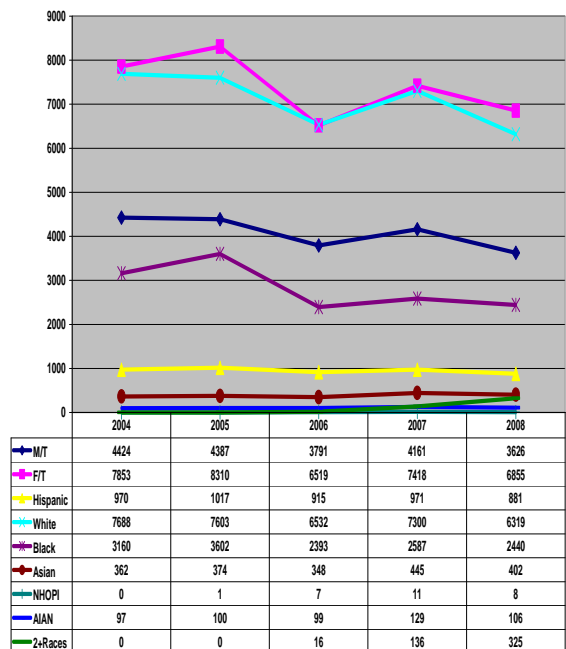
One man was identified as being Two or More Races during the hiring process. Because he later changed his EEO group identification, no current employees at the SES or equivalent level are identified as a Two or More Race male. Two or More Race women have an onboard participation rate of 0.2%; none were hired into career SES or equivalent positions during FY 2008.

Separations

A review of separations by EEO group reveals that separations have been declining since FY 2005, with the exception of Asians (374 separations in FY 2005 and 402 in FY 2008) and American Indian / Alaska Natives (100 separations in FY 2005 and 106 in FY 2008).¹⁹

¹⁹ The increase in separations of Native Hawaiians / Other Pacific Islanders (one separation in FY 2005 and eight in FY 2008) is likely due to the resurvey of the work force, as is the increase in separations of Two or More Races (none in FY 2005 and 325 in FY 2008).

**Separation Rates by Sex and by Ethnicity and Race
FY 2004 - 2008**



A review of Treasury’s separations by type reveals that the most common reason for an employee’s separation was resignation (43.8%), followed by retirement (35.7%). While detailed data on the reasons employees are resigning are not available at this time, Treasury developed an Exit Survey Tool in FY 2008 and began piloting the tool in two bureaus, the Departmental Offices and Financial Management Service. (A copy of the latest analysis of results from the field tests is included in Appendix C.)

In FY 2009, we plan to finalize the Exit Survey and deploy it for use in all bureaus. A Treasury-wide exit survey tool will provide insight to Treasury’s bureaus as to why employees are choosing to separate from Treasury’s work force and seek employment in other federal agencies or the private sector. The results will also be analyzed to determine whether there are any impediments to the retention of any particular EEO group.

In FY 2008, the Department will meet with each bureau EEO Office to review their employment profiles and identify potential problem areas in recruitment, promotion, or retention. Bureaus must develop plans to determine if barriers to the employment of any group 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 / Alaska Native employment programs.

Special Emphasis Program Managers and Coordinators serve as resource persons or advisors on the unique concerns of the particular constituent group and support the Internship Programs and other partnerships discussed infra.

Our Special Emphasis Programs also provide an opportunity to inform and train all employees through sponsorship of a variety of events and speakers designed to educate the work force about diversity and understanding differences. The FY 2008 programs were:

Month	Event	Date	Speaker/Activity
October	National Disability Employment Awareness <i>"Workers with Disabilities: Talent for a Winning Team"</i>	10/25/07	Juliette Rizzo, Ms. Wheelchair America 2005
November	American Indian/Alaska Native <i>"Guiding Our Destiny With Heritage and Traditions"</i>	11/15/07	Black Bear Singers
January	Black History <i>"Carter G. Woodson and the Origins of Multiculturalism"</i>	2/5/08	Performance by the renowned Morgan State University Choir
March	Women's History <i>"Women's Art: Women's Vision"</i>	3/12/08	Michelle Singletary, nationally syndicated columnist for the Washington Post
April	Inter-Agency Days of Remembrance Program	5/7/08	Remembering Kristallnacht 1938
May	Asian American/Pacific Islander Heritage <i>"Leadership, Diversity, Harmony – Gateway to Success"</i>	5/15/08	Jane Hyun, Author of "Breaking the Bamboo Ceiling"
August	Women's Equality Day <i>"Celebrating Women's Right to Vote"</i>	8/12/08	Naomi Earp, Chair of the Equal Employment Opportunity Commission
September	Hispanic Heritage <i>"Getting Involved: Our Families, Our Community, Our Nation"</i>	9/15/08	John Quinones, Primetime Live co-anchor and 20/20 correspondent

INTERNSHIP PROGRAMS AND OTHER PARTNERSHIPS

Internship programs and other strategic partnership initiatives play a critical role in developing a pipeline of talent to fill mission critical occupations being vacated by an aging work force.

To support Treasury's human capital strategic goal to recruit and hire a highly skilled and diverse workforce, Treasury continued its partnership with the Hispanic College Fund. In FY 2008, Treasury was one of the sponsors of the Hispanic College Fund's Greater Washington Youth Symposium at Trinity University in Washington, DC. Through our participation, Treasury is able to reach Hispanic high school students who are about to enter college and make career field choices. By reaching out to these students now, the Department is able to position itself as an employer of choice, with exciting careers and internship opportunities for students who will be entering college and/or the workforce over the next 3-5 years. In addition to providing financial support, Treasury also served on the Symposium's planning committee and provided workshop panel members, mentors, and volunteers during the seminar.

In addition, the Department was a sponsor of the First Annual Federal Hispanic Career Advancement Summit held on October 1, 2008. The Department was an active planning partner of this inter-agency conference, which over 600 Federal employees attended. Anna Escobedo Cabral, United States Treasurer, was the keynote speaker at the conference. The Director of the Treasury Executive Institute conducted three workshops, and an IRS executive served as an

executive coach. Treasury also provided volunteers to assist with on-site conference operations.

The Department also was a sponsor of the FY 2008 Annual Asian American Pacific Islander (APA) Career Advancement Summit held on May 15, 2008. The Department was an active planning partner of this inter-agency conference which was attended by over 1,000 Federal employees (over 100 were Treasury employees). The Summit provided management insights and career development training targeted at helping Asian Pacific Americans develop the skills needed for senior executive and management positions in the Federal government. As well as providing financial support, Treasury provided one executive coach and 15 volunteers to assist with on-site conference operations.

Treasury has taken the lead in establishing/maintaining partnerships with existing external internship programs that attract highly qualified, educated and diverse students. These internship programs provide Treasury and its bureaus with an avenue to identify and expand its pool of potential candidates to fill mission critical occupation vacancies or to grow new talent in their work force. Internship programs include the Hispanic Association of Colleges and Universities (HACU), Washington Internship Program for Native Students (WINS), Workforce Recruitment Program (WRP) and Thurgood Marshall College Fund (TMCF).

To enhance the intern experience, in FY 2008, all of Treasury's summer interns were provided brown bag sessions with senior leaders, tours of Treasury facilities, networking

opportunities, and professional development seminars.

Hispanic Serving Institutions National Internship Program (HSINIP)

As a way to develop a pipeline of Hispanic employees, Treasury has maintained its partnership with HACU's Hispanic Serving Institutions National Internship Program (HNIP). Viewed as a cornerstone of diversity recruitment, the HNIP aims to increase employment opportunities for Hispanic students throughout the Federal government.

During FY 2008, Treasury placed 57 HACU interns. The interns were sponsored by the Departmental Offices, Financial Management Services, Treasury Inspector General for Tax Administration, the Internal Revenue Service, Financial Crimes Enforcement Network and the Office of Thrift Supervision.

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 Alaska Native students to live in Washington, D.C., gain professional work experience through an internship, and earn academic credit. 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.

In FY 2008, the Department's bureaus sponsored eleven interns through the WINS program.

Thurgood Marshall College Fund (TMCF)

The Thurgood Marshall College Fund (TMCF) offers an efficient and effective process for recruiting the best and brightest candidates, with a focus on matching government agencies with well prepared young professionals, from undergraduate to graduate level candidates attending 47 Historically Black Colleges and Universities (HBCU).

TMCF is a valuable partner in connecting Treasury and other federal agencies with motivated and skilled students at TMCF member institutions who are eager to contribute talents to the nation's success.

In FY 2008, the Department's bureaus sponsored three interns through the TMCF.

Operation Warfighter (OWF)

In support of the Department's disability employment efforts, Treasury participated in two career fairs hosted by Operation Warfighter (OWF) at the Walter Reed Army Medical Center.

OWF provides Military Service members who are undergoing treatment or rehabilitation at Walter Reed Army Medical Center with a formal means of transitioning back into the work force. OWF is a voluntary program and candidates are medically cleared to participate. Service members are available to work from a few hours a week to almost full-time. Typical length of an assignment is 3-4 months. Treasury plans to continue this partnership into FY 2009.

In FY 2009, Treasury has goals to place OWF candidates, to identify other avenues to improve the hiring of disabled veterans, and to 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 aid in increasing our hiring and recruitment of disabled veterans.

\$19,114 in accommodations to 53 Treasury employees.

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 work force.

Coordinated by the Department of Labor and the Department of Defense, the Workforce Recruitment Program sends trained recruiters to conduct personal interviews with interested students on college and university campuses annually. Treasury provided five recruiters from the IRS and the Financial Crimes Enforcement Network (FinCEN). From these interviews, a database was compiled containing information on more than 1,500 college students and recent graduates seeking temporary or permanent jobs. In FY 2008, Treasury hired a total of eight WRP students.

Additionally, during FY 2008, the Department of Defense Computer/Electronic Accommodations Program (CAP), which provides assistive technology accommodations at no cost to the Department, provided over

ALTERNATIVE DISPUTE RESOLUTION (ADR)

Although conflict is normal in any organization, unabated conflict becomes harmful and may create a dysfunctional organization. Conflict that results in formal

disputes is costly and disruptive to the work force.

Conflict detracts from optimum work

environments, causes employees to focus on the conflict rather than the mission, and can be a prime motivator for talented employees to leave the Treasury work force. Productivity often suffers as a result of workplace conflict and unresolved issues. While not always measurable, these costs are significant.



To educate employees on various tools to deal with conflicts in the workplace, the Treasury's Dispute Prevention Working Group (DPWG) created Dispute Prevention Week. Dispute Prevention Week is a time dedicated to valuing communication, alternative dispute resolution, and techniques which focus on helping managers and employees around disputes. This year, Dispute Prevention Week was held from September 15-19, 2008. During Dispute Prevention Week, bureau EEO and Alternative Dispute Resolution offices sponsored a variety of activities designed to increase communications between managers and employees and provide them with tools to better deal with conflict in the organization. These tools included "tips" for managers, a symposium on Domestic Violence, and displays of educational material promoting various

alternative dispute resolution techniques.

As part of this effort, the Treasury Executive Institute and the Office of the Comptroller of the Currency sponsored a two-day training seminar titled, "Crucial Conversations," which examined how to improve the dialogue between managers and employees.

In FY 2008, 97% of EEO counseling contacts were offered ADR, and 46% of those offered ADR participated in ADR at the informal level. Had management not declined, 56% of EEO contacts offered ADR may have participated in the ADR process.²⁰

ADR Offered to Complainants (Informal) FY 2008

Total Counseling	821*
Total ADR Offered	814
Total Accepted	371
Acceptance Rate	46%
Offer Rate	99%

* There were a total of 839 contacts during FY 2008, but 18 were not eligible to participate in ADR.

During FY 2008, 74% of complainants were offered ADR in the formal EEO complaint process. The acceptance rate by complainants who filed formal complaints was 13%. Had management not declined, 31% of EEO contacts offered ADR may have participated in the ADR process.

²⁰ This ADR data for FY 2008 differs slightly from the data in the 462 report filed with the EEOC because of updates to the tracking system after submission of the 462 report.

**ADR Offered to Complainants
(Formal) FY 2008**

Formal Complaints	496*
Total ADR Offered	365
Total Accepted	48
Acceptance Rate	13%
Offer Rate	74%

* There were a total of 514 closures during FY 2008, but 18 were not eligible to participate in ADR.

In FY 2009, Treasury plans to improve the ADR program participation rate by increasing awareness through effective marketing efforts. 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 TSN Program is administered by the Bureau Resolution Center 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 who voluntarily serve on a collateral-duty basis.

DISCRIMINATION COMPLAINTS

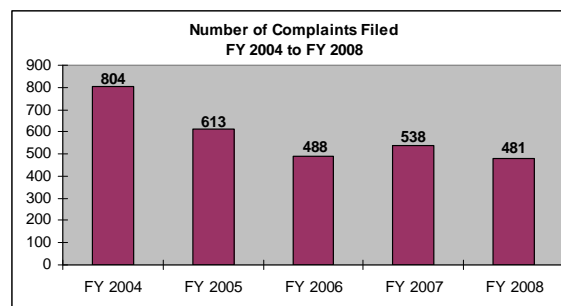
In the area of discrimination complaints, OCRD is responsible for providing authoritative advice to Departmental Officials, bureau EEO staff, and the Treasury Complaint Center. OCRD also develops complaint policies and procedures and produces high quality final agency decisions. In addition, OCRD oversees the Department's appeal process, tracks all appeal decisions, and monitors compliance with decisions issued by the Equal Employment Opportunity Commission (EEOC).

The Treasury Complaint Center, located in Dallas, TX, is responsible for the acceptance and the investigation of all individual complaints of discrimination²¹. 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.

Complaint Activity

Treasury timely submitted the Equal Employment Opportunity Commission 462 Report in October 2008. The Report is an annual assessment of the agency's formal and informal complaints, and of avenues used to resolve issues prior to and during the complaint process.

During FY 2008, the number of EEO complaints filed by Treasury employees and applicants decreased by 10.6% from the number filed in FY 2007.



* Due to a change in reporting requirements, "mixed case" complaints are only included in the FY 2007 and FY 2008 data.

At the close FY 2007, Treasury had 690 complaints pending that were carried over to FY 2008. During FY 2008, 481 complaints were filed and Treasury closed 515 complaints.

In FY 2008, the Department timely completed 94.2% of EEO counselings, an increase from 92.3% in FY 2007.

Treasury issued 211 final agency decisions in cases where a hearing was not requested. Of these decisions, 148 were merit decisions and 63 were procedural dismissals. One merit decision found discrimination, compared to five in FY 2007.

Overall, Treasury processed 148 merit decisions within an average of 62.5 processing days, which is only 2.5 days beyond EEOC's required processing time frame of 60 days. Sixty-seven percent were timely issued within 60 days of receipt of the decision request.

Treasury issued 101 final agency actions in cases with an administrative judge's decision (i.e., cases where a hearing was requested); six involved a

²¹ OCC currently accepts and investigates its own complaints under a pilot program.

finding of discrimination, three of which were appealed to EEOC.

At the end of FY 2008, agency personnel completed 407 investigations, of which 142 (35%) were completed within 180 days or less. There were 196 (48%) investigations completed between 181-360 days. A total of 69 (17%) investigations were completed in 361 or more days. Because time frames are extended under certain situations, overall 56.3% of all investigations were timely completed, an increase from 54.4% in FY 2007.

At the end of FY 2008, Treasury had 660 complaints pending (including complaints that were remanded by the EEOC for further processing). Pending complaints can be at the acknowledgement, investigation, hearing or final agency decision stages.

In FY 2008, 36% of pending complaints were at the investigation stage for an average of 134 days. Forty-four percent of all pending complaints were awaiting a hearing before an EEOC Administrative Judge, for an average of 580 days per complaint. A total of 82 (12%) of the complaints remained pending in the final agency decision/action phase for an average of 427 total processing days. This is a reduction of 52 days per complaint from FY 2007.

**Top Three Bases and Issues of Formal
Complaints
Filed during FY 2008**

Bases	Issues
Reprisal	Harassment (Non-Sexual)
Age	Promotion/Non-Selection
Race (Black)	Evaluation/Appraisal

EXTERNAL CIVIL RIGHTS

OCRCD provides policy, oversight, 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 nondiscrimination policy provides that individuals have equal opportunity to participate in, and receive benefits from, all programs or activities funded by the Department.

Federal financial assistance includes, but is not limited to, grants and loans of federal funds, 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.

OCRCD 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 of 1973. Complaints alleging denial of accessibility to electronic and information technology in use by the Department may be filed pursuant to Section 508 of the Rehabilitation Act of 1973, as amended.

In FY 2008, Treasury received eight complaints of discrimination pertaining to external civil rights, compared to two complaints during FY 2007. Of the eight allegations filed in FY 2008, six were administratively closed, one was closed for lack of jurisdiction, and one was returned for investigation.

This year the OCRCD External Civil Rights Program Manager continued to focus on ensuring that Treasury regulations and policies were in place and that all bureaus were aware of their responsibilities in this area. The Civil Rights Program Manager arranged for the U.S. Access Board to train all bureau officials having responsibility for providing accessible facilities in the accessibility standards applicable under the Architectural Barriers Act and Section 504. Additionally, the Program Manager arranged for the U.S. Access Board to provide a Section 508 Overview training session to all bureau EEO Officers.

The Civil Rights Program Manager also continued the efforts to assist all bureaus in completing their self-evaluations as required by Treasury's Section 504 implementing regulation found at 31 C.F.R. Part 17.

PROGRAM ACTIVITIES**Compliance**

On June 10, 2008, OCRD published and transmitted the Department's Policy on *Addressing Allegations of Discriminatory Harassment*. This policy establishes procedures and guidance for ensuring that the Departmental Offices is taking all necessary steps to prevent all forms of discriminatory harassment, including sexual harassment, in the workplace, and to correct harassing conduct that may occur before it becomes severe or pervasive.

On June 11, 2008, the Department issued Human Resources Issuance Manual (HRIM) Notice, *Disciplinary Action for Employees Who Violate Antidiscrimination and Whistleblower Protection Laws*. This HRIM Notice ensures that all Treasury bureaus establish a policy addressing disciplinary action for those found to have violated Antidiscrimination and Whistleblower Protection laws.

In FY 2008, OCRD began a bureau audit program to review bureau affirmative employment programs, pre-complaint counseling, ADR program usage, and other areas pertinent to establishing and maintaining a Model EEO Program as set forth in the US Equal Employment Opportunity Commission's (EEOC) Management Directive 715. An audit was conducted in FY 2008 of the Alcohol and Tobacco Tax and Trade Bureau, and the audit report will be issued in FY 2009. During FY 2009, OCRD will participate in the EEOC's audit of the Bureau of Public Debt and will be conducting an audit of the U.S. Mint.

Education and Information

Treasury Headquarters conducts bimonthly HCAC Meetings with its bureau EEO Officers and HR Officers to share ideas, practices and policies. This further assists the Department in developing and enhancing the collaborative relationship between EEO and HR professionals and in creating and maintaining a model EEO program as prescribed in Management Directive 715.

As previously noted, in June 2008, OCRD published and disseminated the Department's policies on *Addressing Allegations of Discriminatory Harassment* and on *Disciplinary Action for Employees Who Violate Antidiscrimination and Whistleblower Protection Laws*.

Throughout FY 2008, OCRD continued to provide guidance and assistance to the bureaus on the reporting requirements under MD 715. During FY 2008, a data tool was placed onto Sequel Server, giving bureaus easier access to work force data, and OCRD partnered with our HR automated system data provider, HR Connect, to conduct two training sessions on the new data tool. This training provided OCRD staff with the opportunity to conduct training on MD-715 Report preparation and work force data analyses for current as well as newly appointed bureau personnel. OCRD will continue to work with HR Connect to augment and refine work force data throughout FY 2009.

In FY 2008, OCRD members participated in the working group

responsible for the development and deployment of a Treasury-wide web-based exit survey, and OCRD staff analyzed the results from the pilot program.

OCRD developed three tools on Treasury's SharePoint Team Services web sites to assist bureaus in completing program requirements in the areas of Recruitment, Mediation, and Special Emphasis Program Management. The SharePoint Team Services websites provide a place on the web where members can communicate, share documents, and work together on projects. Each site also allows users to participate in discussions, view and/or add documents, post announcements, and conduct surveys.

CONCLUSION

The Office of Civil Rights and Diversity's FY 2008 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 work force 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, employees and outside organizations / associations as we continue to ensure that all Treasury employees are encouraged to reach their potential and all customers have equal access to Treasury's 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 study the reason why ADR is declined by employees and managers and expand our complaint prevention outreach efforts.

Attachments

Appendix A: Organizational Chart for Office of Civil Rights and Diversity

Appendix B: Full-sized Graphs and Charts

Appendix C: Exit Survey Analysis