U.S. Equal Employment Opportunity Commission

FY 2011

Performance and Accountability Report

United States
Equal Employment Opportunity Commission

FISCAL YEAR 2011
PERFORMANCE AND ACCOUNTABILITY REPORT

OUR VISION

A strong and prosperous nation secured through a fair and inclusive workplace

OUR MISSION

We promote equality of opportunity in the workplace and enforce federal laws prohibiting employment discrimination

Table of Contents

A Message from the Chair

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Performance and Accountability Report (PAR) for Fiscal Year (FY) 2011. This report contains the agency's assessment of its FY 2011 program and financial performance.

Created by the *Civil Rights Act of 1964*, the EEOC opened its doors in 1965, under the leadership of inaugural Chair Franklin D. Roosevelt, Jr. Over the past four and a half decades, the work of the EEOC has helped to open doors to a wider range of opportunities for people who once might have been discouraged from applying or denied access to jobs on the basis of their race, color, national origin, sex, religion, age, pregnancy, disability, genetic information, or in retaliation for exercising their rights to seek relief under the laws enforced by the EEOC. Today, the EEOC is the nation's leading enforcer of federal laws prohibiting employment discrimination, and in the past year resolved more than 100,000 employment discrimination charges through investigation, conciliation, mediation and litigation. Recognizing that prevention is a critical part of effective law enforcement, the EEOC also provided training and technical assistance, conducted outreach and educational programs, promulgated regulations and published guidance and other materials to facilitate voluntary compliance with, and increase public awareness of the requirements of the laws we enforce.

The Commission's original charge was to end employment discrimination on the basis of race, color, national origin, sex, and religion in private sector employment throughout the United States. Through the years, new federal laws were passed to extend the EEOC's enforcement authority to include discrimination on the basis of age, disability, and, most recently, family medical history or genetic information. The agency's jurisdiction was also expanded to enforce employment discrimination laws and promote equal employment opportunity in the federal sector, as well as the private sector.

Over the past decade, a growing number of job seekers and workers across the country have turned to the EEOC for assistance with discrimination complaints. In each of the past three fiscal years, the EEOC has received nearly 100,000 new discrimination charges: a record number of new charges (99,922) were filed in FY 2010, and that total will be surpassed in FY 2011. Nevertheless, between FY 2000 and FY 2008, staffing levels and funding dropped nearly 30 percent. Increased demand for services coupled with reduced staffing fueled dramatic growth in the number of unresolved discrimination charges.

Fortunately, in FY 2009, an infusion of urgently needed resources allowed the EEOC to begin to take steps to reverse this trend. Additional appropriations of $14.6 million in FY 2009 and $23.4 million in FY 2010 allowed the EEOC to begin to reverse the effects of years of underfunding. New investigators, attorneys, mediators, and other mission critical staff were hired across the country, training was enhanced and technology was updated. As detailed in the following Performance and Accountability Report, these strategic investments have yielded significant improvements in agency performance during FY 2011, and set the stage for a more efficient and effective EEOC in the 21st century.

For example, between FY 2009 and FY 2010, the private sector charge inventory grew less than 1 percent, and in FY 2011, for the first time in nearly a decade, the private sector charge inventory decreased by more than 8,000 charges. Notably, these results were achieved despite the record number of private sector discrimination charges filed in FY 2010 and FY 2011. Also, despite a significant increase in the number of appeals of final agency decisions filed, the EEOC resolved more than 4,500 federal sector appeals in FY 2011 and reduced the number of appeals pending more than 500 days by 30 percent.

As directed by the Government Performance and Results Act Modernization Act (GPRAMA) of 2010, the EEOC is currently developing a new Strategic Plan for implementation in FY 2012. However, in this final year of implementation of the agency's current strategic plan (http://www.eeoc.gov/eeoc/plan/strategic_plan_07to12_mod.cfm), the EEOC met or exceeded targets for five (out of nine) performance measures. As discussed more fully in the PAR, nearly all of the charging parties and respondents who participated in the agency's alternative dispute resolution program (96.9 percent) expressed confidence in the program; the EEOC successfully resolved 90 percent of the litigation it conducted in FY 2011; and the number of individuals benefitted from agency enforcement programs increased in FY 2011.

I am also pleased to report that, for the eighth consecutive year, the EEOC has received an unqualified opinion from independent auditors. Also, the agency effectively managed its internal controls environment during FY 2011. The agency's management and financial controls environment under the Federal Managers' Financial Integrity Act (FMFIA) was sound in FY 2011. Based on a review of agency-wide materials and the assurances of the agency's senior managers, the agency identified 10 financial non-conformances, including 5 that carried over from the previous fiscal year. The agency fully corrected all financial non-conformances in FY 2011. I am reasonably assured that the financial information and the data measuring EEOC's performance are complete and accurate.

From its creation in 1964, the EEOC has been guided by the principle of equal employment opportunity for all. As Chair of the EEOC, I am fully committed to continuing to work with Members of Congress, colleagues on the Commission, the leadership, staff, and stakeholders of the agency, and our enforcement partners at the federal, state and local level to ensure that we make meaningful progress towards fulfilling our mission of promoting equal opportunity in the workplace and enforcing federal laws prohibiting employment discrimination in the 21st century.

Jacqueline A. Berrien
Chair
U.S. Equal Employment Opportunity Commission
November 15, 2011

Management's Discussion and Analysis

INTRODUCTION

This *FY 2011 Performance and Accountability Report* (PAR) was prepared in accordance with the Reports Consolidation Act of 2000 and the Office of Management and Budget's (OMB) Circular A-136, Financial Reporting Requirements. It presents the results of the U.S. Equal Employment Opportunity Commission's programs and financial performance, along with its management challenges. This section of the PAR summarizes agency efforts in each of these areas. A more detailed discussion can be found in the following sections of the report:

- **Performance Results:** highlight the progress made in meeting the agency's performance measures, which are articulated in its modified Strategic Plan for FY 2007 through FY 2012.
- **The Inspector General's Statements:** present key management challenges identified by the Inspector General, the agency's progress and plans to address them, and a statement of compliance with the Federal Managers' Financial Integrity Act (FMFIA).
- **The Consolidated Financial Statements:** demonstrate the EEOC's efforts to be a good steward over the funds the agency receives to carry out its mission. Included in this section is an independent auditor's opinion on the agency's financial statements.

This report also satisfies the Commission's obligation to provide Congress with annual reports of the agency's significant accomplishments achieved during the fiscal year.

AGENCY OVERVIEW

The U.S. Equal Employment Opportunity Commission (EEOC or Commission) is the leading federal law enforcement agency dedicated to eradicating employment discrimination on the basis of race, color, national origin, sex, religion, pregnancy, age, disability, and family medical history or genetic information. The agency began its work more than 45 years ago and while there have been significant changes in society and the workplace, the public continues to rely on the EEOC to carry out its responsibility to bring justice and equal opportunity to the workplace.

The Commission receives, investigates, and resolves charges of employment discrimination filed against private sector employers, employment agencies, labor unions, and state and local governments. Where the Commission does not resolve these charges through conciliation or other informal methods, it may also file suit in court against private sector employers, employment agencies and labor unions (and against state and local governments in cases alleging age discrimination or equal pay violations). The EEOC also leads and coordinates equal employment opportunity efforts across the federal government, and conducts administrative hearings and issues appellate decisions on complaints of discrimination filed by federal employees and applicants for federal employment. Finally, the Commission engages in extensive communication and outreach, provides technical assistance, and promulgates regulations and written enforcement guidance to help employers and employees better understand their rights and responsibilities under the laws the EEOC enforces.

A more detailed explanation of the EEOC's structure and the laws it enforces can be found in Appendix A.

AGENCY RESULTS UNDER STRATEGIC PLAN PERFORMANCE MEASURES

The FY 2011 PAR is based on EEOC's current modified Strategic Plan for FY 2007 through FY 2012, which is located at: http://www.eeoc.gov/eeoc/plan/strategic_plan_07to12_mod.cfm. Following the enactment, on January 4, 2011, of the Government Performance and Results Act Modernization Act of 2010 (GPRAMA), the agency began a concerted effort to develop a new Strategic Plan for implementation in FY 2012. The results reported in this PAR, however, are linked to the performance measures contained in the agency's current modified Strategic Plan, which were in effect during FY 2011.

The current Strategic Plan provides one Strategic Objective: Justice, Opportunity and Inclusive Workplaces. The performance measures under this Strategic Objective include two long-term, six annual, and one efficiency measure. EEOC achieved or exceeded its targets for five measures and did not meet the targets for three other measures. The Commission intends to assess all of the agency's current measures during the overall strategic planning assessment for its new Strategic Plan.

EEOC FY 2011 Performance			
Measures	Targets Met or Exceeded	Targets Not Met	TBD Pending Strategic Planning Assessment
9	5	3	1

The agency's nine performance measures are directly related to its key front-line enforcement operations—processing private sector charges, litigating private sector cases, and conducting hearings and appeals of federal sector cases—in order to achieve its strategic objective of ensuring that employment opportunities are not based on impermissible factors and encouraging inclusive workplaces nationwide.

The first two of these measures seek to identify the degree to which the agency's enforcement programs enhance the workplace for other employees when it obtains relief for the people who originally claimed employment discrimination, as well as how efficient the Commission was in obtaining that broad relief. As noted in the table below and further described in the Performance Section of this report, the agency was extremely successful in achieving results for these two measures, when compared to the established targets. The Commission will reevaluate the utility of maintaining these performance measures and the associated targets established for FY 2012 in conjunction with its Strategic Plan development process.

		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Long-Term/Annual Measure 1 Percent increase of individuals benefited from enforcement programs	Target	Baseline Established	2.0%	10.0%	12.2%	15.6%
	Result		222.9%	234.3%	326.3%	230.3%
Efficiency Measure Percent increase of individuals benefited for each agency employee (in FTEs)	Target	Baseline Established	1.8%	2.2%	4.3%	7.4%
	Result		220.2%	229.1%	285.7%	184.5%

The following measures for which EEOC either met or exceeded its objectives also reflect key aspects of the agency's enforcement and litigation programs. They involve the agency's success in:

- Ensuring that the agency achieves a high level of quality in its investigations of private sector discrimination charges;
- Continuing to ensure that charging parties and respondents who choose to participate in the Commission's alternative dispute resolution (ADR) program are satisfied with the ADR process; and
- Maintaining a high level of success in the Commission's litigation program.

Completing a high percentage of its federal sector appellate cases within 180 days or less, remains a challenge for the agency, which fell short of its intended goals for this measure in FY 2011. Nevertheless, the EEOC is committed to reducing its appeals inventory moving toward the final goal in FY 2012. The results for these measures are summarized below and are more fully described in the Performance Section of this report.

Annual Performance Measures		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
2.3 Federal Sector Appellate Resolutions Measure	Target	60.0%	62.0%	64.0%	66.0%	68.0%
Percent of appellate resolutions completed within 180 days or less	Result	60.7%	63.3%	65.0%	66.2%	54.4%
2.4 Quality Measure	Target	88.0%	90.0%	90.0%	91.0%	92.0%
Percent of charge investigation files that meet quality criteria	Result	93.5%	97.0%	95.1%	96.0%	95.6%
2.5 ADR Measure	Target	90.0%	91.0%	92.0%	93.0%	94.0%
Percent of respondents and charging parties confident in ADR program	Result	95.8%	96.5%	96.0%	96.7%	96.9%
2.6 Litigation Measure Percent of litigation successfully resolved	Target	90% or higher	90% or higher	90% or higher	90% or higher	90% or higher
	Result	91.5%	91.2%	90.3%	90.2%	90.0%

EEOC's final two measures involve the resolution of private sector charges and federal sector hearings within 180 days or less. Because of a continued emphasis on reducing the large, pending inventory, along with increasing workloads, and the need for additional resources, the Commission did not meet its FY 2011 targets for these measures. However, it is anticipated that through its multi-year approach to reducing the pending inventory, the agency will make progress toward improving its performance and meeting these goals. These measures are being evaluated by the Commission as part of its strategic planning efforts.

The results for these measures are summarized below and are more fully described in the Performance Section of this report:

Annual Performance Measures		FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
2.1 Private Sector Charge Resolutions Measure	Target	72.0%	48.0%	48.0%	48.0%	51.0%
Percent of private sector charge resolutions completed within 180 days or less	Result	55.7%	48.5%	39.7%	38.3%	40.7%
2.2 Federal Sector Hearings Resolutions Measure	Target	50.0%	50.0%	50.0%	52.0%	53.0%
Percent of hearings resolutions completed within 180 days or less	Result	42.8%	38.6%	40.6%	37.4%	34.3%

RELATED PROGRAM RESULTS AND ACTIVITIES HIGHLIGHTS

Serving the Public More Efficiently

In FY 2011, the EEOC produced historic levels in its year-end results. Most notably, the pending inventory of private sector charges was reduced by more than 8,000 charges over the FY 2010 level, bringing the level to 78,136, which is the first reduction in inventory since FY 2002. These results were achieved despite having received a record number of receipts, 99,947 charges. A total of 112,499 charges were resolved—an increase over the 104,999 charges resolved in FY 2010.

In FY 2011, the EEOC secured more than $58 million in relief for parties who requested hearings in the federal sector. There were a total of 8,113 requests for hearings, more than the 7,707 received in FY 2010. Additionally, the Commission's hearings program resolved a total of 7,672 complaints.

During the last fiscal year, the EEOC received 5,176 appeals of final agency actions in the federal sector, 13.8% more than the 4,545 such appeals received in FY 2010. This represented the largest percentage increase in receipts in more than 15 years. In FY 2011, the EEOC applied a more balanced approach to the resolution of the newest and oldest appeals. The agency resolved 4,510 appeals, including 54.4 percent of them within 180 days of their receipt.

Enforcing the Law More Effectively

The Commission believes that securing changes in employment policies, practices, and procedures through enforcement programs has a positive impact beyond the immediate victims of discrimination to all individuals in the affected workplace. Through EEOC enforcement programs in both the private and federal sectors, 5.4 million individuals benefitted from workplace improvements. This is substantially above the annual target established in Long-Term/Annual Measure 1 for FY 2011.

The EEOC's private sector administrative enforcement activities secured more than $364.6 million in monetary benefits in FY 2011, the highest level of monetary relief ever obtained by the Commission through the administrative process. This is $45 million more than was recovered in FY 2010. Overall, the agency secured both monetary and non-monetary benefits for more than 19,570 people through administrative enforcement activities including mediation, settlements, conciliations and withdrawals with benefits.

Field legal units of the agency filed 261 merits lawsuits during FY 2011—and increase of 11 lawsuits over FY 2010. These included 177 individual suits, 61 multiple-victim suits (with fewer than 20 victims) and 23 systemic suits. Legal staff resolved 277 merits lawsuits—compared to 285 in FY 2010—for a total monetary recovery of $90.9 million. At the end of FY 2011, the EEOC had 443 cases on its active docket, of which 116 (26 percent) involved multiple aggrieved parties (but fewer than 20) and 63 (14 percent) involved challenges to systemic discrimination.

In FY 2011, EEOC field offices completed work on 235 systemic investigations resulting in 35 settlements or conciliation agreements, recovering $8.6 million. In addition, 96 systemic investigations were resolved with reasonable cause determinations. In FY 2011, the Commission filed 23 lawsuits—compared with 20 in FY 2010—with at least 20 known or expected class members. These were 9 percent of all merits filings, and are the largest volume of systemic suit filings since tracking started in FY 2006.

Leadership in Federal Civil Rights Enforcement

The work of the Commission is made more efficient with interagency coordination and to this end, the EEOC has established active and ongoing relationships with other agencies as well as the White House. Coordinating with partners allows shared resources, information and ideas, resulting in a greater impact on many different communities and issues. In FY 2011 these efforts included EEOC participation in the Asian American and Pacific Islander (AAPI) Task Force, the National HIV/AIDS Strategy, the National Reentry Council and the White House Equal Pay Task Force.

In FY 2011, the Commission published final regulations interpreting two new federal employment discrimination statutes. The EEOC issued its final rule implementing the *Genetic Information Nondiscrimination Act of 2008* (GINA) employment provisions on November 9, 2010, and a final rule implementing the *Americans with Disabilities Act Amendments Act of 2008* (ADAAA) on March 25, 2011.

Extending the EEOC's Reach

The agency's outreach programs reached nearly 540,000 persons in FY 2011—an increase over approximately 250,000 in FY 2010. The EEOC participated in 6,264 no-cost educational, training, and outreach events reaching almost 512,000 people. Additionally, in FY 2011, the Training Institute trained over 26,400 individuals at more than 480 events, including 320 field Customer Specific Training events with approximately 16,000 attendees.

These efforts targeted small businesses, and underserved geographic areas and communities, and emphasized new statutory responsibilities, issues related to migrant workers, human trafficking and youth in the workplace.

Improved Labor Management Relations

Pursuant to the President's Executive Order 13522: "Creating Labor-Management Forums to Improve Delivery of Government Services," the EEOC established a National Joint Labor Management Council (JLMC) in addition to Councils in each of its 15 Districts, the Washington Field Office, and Headquarters. The National JLMC established three metrics to measure goal-related activities associated with implementing the Executive Order: "Improve Mission and Service Delivery," "Employee Satisfaction and Engagement" and "Improved Labor-Management Relations."

The Office of Personnel Management recognized the EEOC as one of the Most Improved Agencies in creating better working environments for their employees according to the 2011 Federal Employee Viewpoint Survey. The Commission was recognized for greatest improvement in the Leadership and Knowledge Management Index.

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

EEOC's management controls and financial management systems were sound during FY 2011, with the exception of 10 findings of financial non-conformances. Five financial non-conformances were carried over from FY 2010, three more of which were carried over from FY 2009 and two more from FY 2008. The financial non-conformances were identified in several audit reports prepared by the Office of Inspector General: OIG Report No. OIG Report No. 2010-03-FIN, November 11, 2010; OIG Report No. 2009-05-FIN, January 12, 2010; OIG Report No. 2009-04-FIN, November 13, 2009; OIG Report No. 2008-06-FIN, December 11, 2008; OIG Report No. 2007-09-FIN, January 16, 2008; and OIG Report No. 2007-08-FIN, November 14, 2007.

In FY 2011, the agency corrected all of the 10 identified financial non-conformances. No new financial non-conformances were identified in FY 2011.

Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during FY 2011 its financial and management controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). Thirty percent of the identified non-conformances were resolved during the fiscal year, and it has plans in place to resolve the remaining financial non-conformances in FY 2012. The controls systems were effective; agency resources were used consistent with the agency's mission; the resources were used in compliance with laws and regulations; and, there was minimal potential for waste, fraud, and mismanagement of the resources.

FINANCIAL HIGHLIGHTS

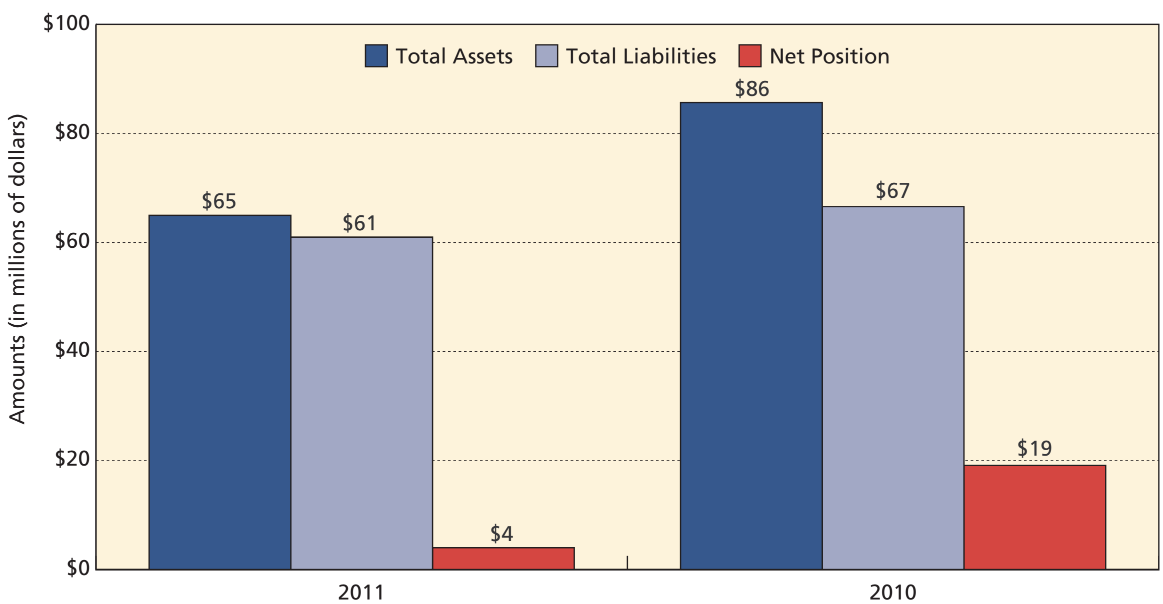
The Office of Management and Budget (OMB) Circular Number A-136 Revised dated October 27, 2011 was used as guidance for the preparation of the accompanying financial statements. EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statement of Changes in Net Position, and the Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

The Consolidated Balance Sheets present amounts that are owned or managed by EEOC (assets); amounts owed (liabilities); and the net position of the agency divided between the cumulative results of operations and unexpended appropriations.

EEOC's balance sheets show total assets of $65 million at the end of FY 2011. This is a decrease of $21 million, or approximately a 24 percent change from EEOC's total assets of $86 million for FY 2010. This change is due primarily to a decrease in EEOC's Fund Balance with Treasury of $20 million offset by a decrease in Total Liabilities of $6 million and a decrease in Net Position of $15 million.

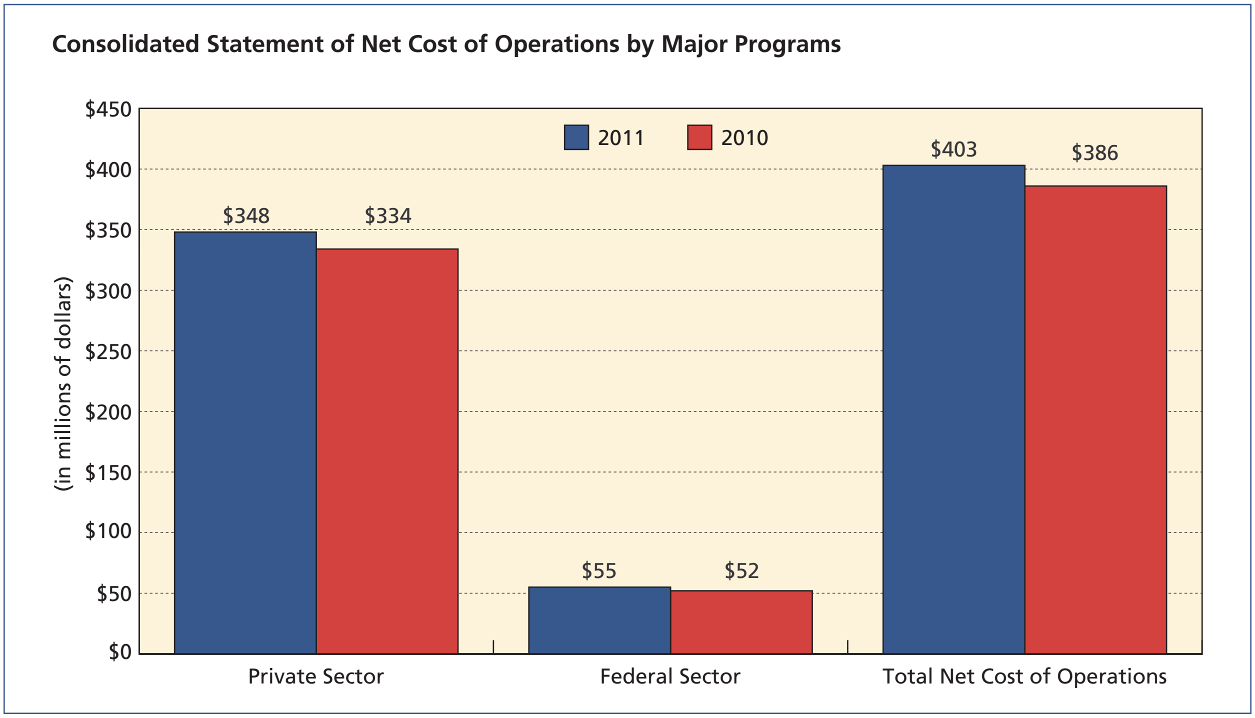
Equal Employment Opportunity Commission Balance Sheet



The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of FY 2011, EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position is $4 million, a decrease of $15 million, or 79 percent changed from the FY 2010 ending Net Position of $19 million. This decrease is due primarily to a decrease in EEOC's Unexpended Appropriations for Fiscal Year 2011 and an offsetting increase in its Appropriations used the same year.

Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by major programs less any revenue earned. Overall, in FY 2011, EEOC's Consolidated Statements of Net Cost increased by $17 million or 4 percent. The allocation of costs for FY 2011 shows that private sector resources used for enforcement and litigation increased $14 million, or 4 percent, while the Federal Sector Programs increased by $3 million or 6 percent.



Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for FY 2011 and FY 2010 from the cost of operations, appropriations received and used, net of rescissions, and the financing of some costs by other government agencies. The Consolidated Statement of Changes in Net Position decreased over last year by $15 million, or 79 percent. EEOC's total assets exceeded total liabilities (funded and unfunded) by approximate $4 million, or 6 percent.

Combined Statements of Budgetary Resources

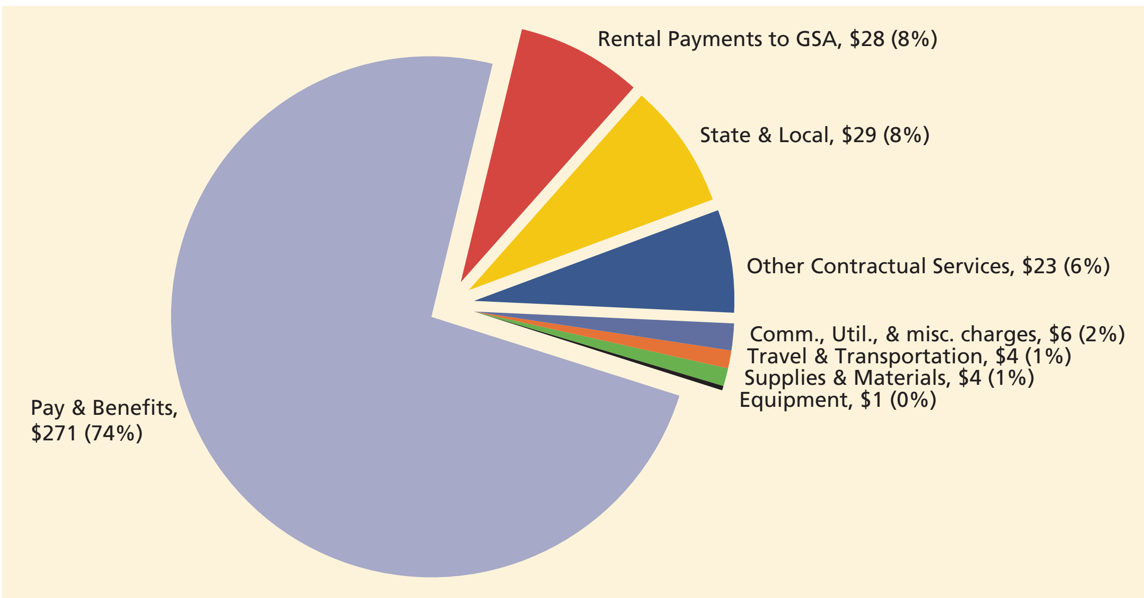
The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In FY 2011, EEOC received a $367.3 million appropriation, with a rescission of $735,000.

EEOC ended FY 2011 with no increase in total budgetary resources. Resources not available for new obligations at the end of the year totaled $12 million and $10 million in FY 2011 and FY 2010, respectively. The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

Use of Resources

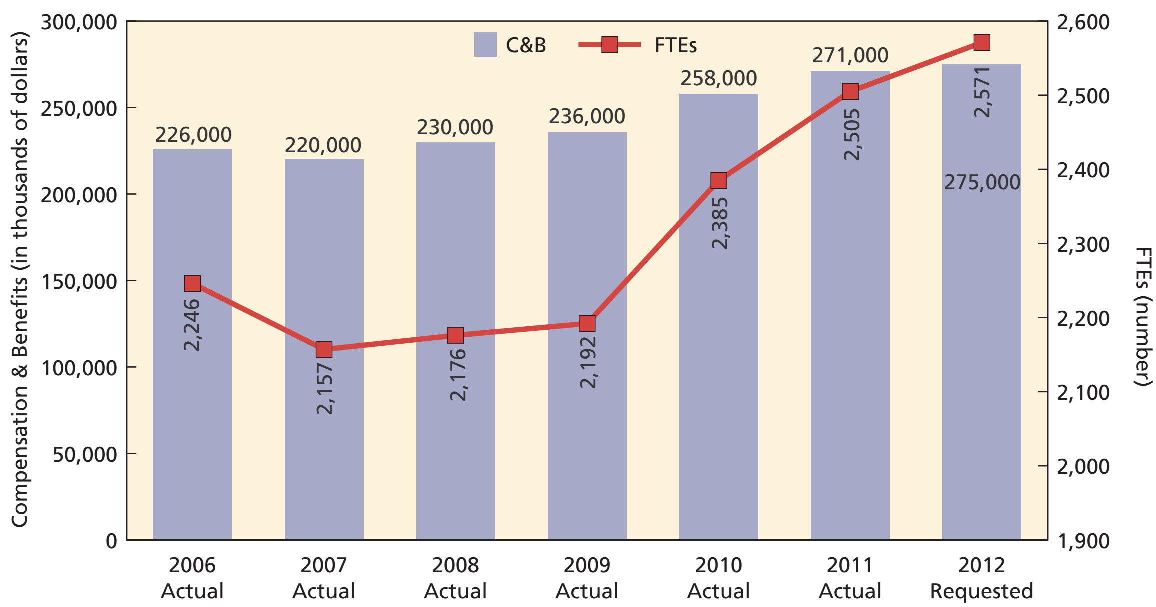
The pie chart displays EEOC's FY 2011 use of resources by major object class. The chart shows that Pay and Benefits, State & Local, Rent to GSA and Other Contractual Services consumed 96 percent of EEOC's resources, and other expenses (e.g., travel & transportation, equipment, supplies & materials, etc.) consumed less than 4 percent of EEOC's resources for FY 2011.

FY 2011 Obligations by Major Object Class (in millions)



The **dual axis** chart below depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended FY 2011 with 2,505 FTEs, a net increase of 120, or 5 percent, above FY 2010.

Compensation & Benefits (C&B) & FTEs for FY 2006 through 2012



Performance Results

RESULTS ACHIEVED IN FY 2011 UNDER STRATEGIC PLAN PERFORMANCE MEASURES

Overview of Strategic Plan and Performance Measures

This *Performance and Accountability Report* is based on the EEOC's current modified Strategic Plan for FY 2007 through FY 2012. The agency's current Strategic Plan was initially published on October 1, 2006. However, after extensive reviews of the performance structure and measures were conducted in FYs 2007 and 2008, interim modifications resulted in this version, which was approved by the Commission on July 28, 2008. A description of the specific modifications is available on the agency's website at www.eeoc.gov.

With the enactment of the Government Performance and Results Act Modernization Act of 2010 (GPRAMA) on January 4, 2011, the Commission embarked on the development of a new Strategic Plan to be effective in FY 2012. However, the results reported in this PAR are linked to the performance measures contained in the agency's current modified Strategic Plan, which were in effect during FY 2011.

In the current Plan, the agency adopted one Strategic Objective: Justice, Opportunity and Inclusive Workplaces. Nine performance measures are linked to this one Strategic Objective. The EEOC either achieved or exceeded its targets for five out of nine of its measures, but did not meet the targets for three other measures in FY 2011. One final measure has been pending completion of the Commission's strategic planning assessment. These performance measures, and the results achieved by EEOC in FY 2011, are analyzed in greater detail below.

EEOC FY 2011 Performance			
Measures	Targets Met or Exceeded	Targets Not Met	TBD Pending the EEOC's Strategic Planning Assessment
9	5	3	1

Strategic Objective:
JUSTICE, OPPORTUNITY AND INCLUSIVE WORKPLACES

Long Term/
Annual Performance Measure 1

Percent increase in the number of individuals benefiting from improvements to organizations' policies, practices and procedures because of the EEOC's enforcement programs.

Efficiency Measure

Percent increase in the number of individuals benefiting from EEOC's enforcement programs for each agency FTE.

Long Term/
Annual Performance Measure 2

Percent of the public confident in EEOC's enforcement of Federal equal employment laws

ANNUAL PERFORMANCE MEASURES

Annual Measure 2.1
Percent private sector charges resolved in 180 days

Annual Measure 2.2
Percent federal sector hearings resolved in 180 days

Annual Measure 2.3
Percent federal sector appeals resolved in 180 days

Annual Measure 2.4
Percent investigative files meeting quality criteria

Annual Measure 2.5
Percent parties confident in EEOC's mediation program

Annual Measure 2.6
Percent lawsuits successfully resolved

Collaborative FEPA Performance Measure Contributing to EEOC Goals

Results Achieved Under Specific Performance Measures

Long-Term/Annual Measure 1

By FY 2012, the number of individuals benefiting from improvements to organizations' policies, practices and procedures because of EEOC's enforcement programs increases by 20.2%.					
	FY 2007	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Target	Establish Baseline	2.0%	10.0%	12.2%	15.6%
Result	1,626,000 individuals	222.9%	234.3%	326.3%	230.3%
					Target Exceeded

Long-Term/Annual Measure 1 focuses on tracking the improvements in the workplace directly resulting from EEOC's enforcement programs. It was developed to focus on all enforcement services provided to the public that result in workplace benefits, and is based on the number of employees in the employer's workplace impacted by a benefit. Specifically, these results include benefits, changes in workplace policies, practices or procedures, from administrative resolutions (i.e., mediation), litigation resolutions, and federal sector hearings and appeals resolutions. The Commission believes that securing changes in employment policies, practices, and procedures through enforcement programs has a positive impact beyond the immediate victims of discrimination to all individuals in the affected workplace. As a result of these targeted efforts, the agency anticipates making continued increases over time in the number of individuals benefitting from enforcement activities.

The FY 2011 annual target for this measure was to increase the number of individuals benefiting from improvements to organizations' policies, practices, and procedures by 15.6 percent over the FY 2007 baseline. The result for FY 2011 was 230.3 percent above the baseline value, or 5.4 million individuals benefiting from workplace improvements obtained through all of EEOC's enforcement programs, substantially above the annual target established for FY 2011.

The Commission is reevaluating the utility of maintaining this performance measure and the associated targets established for FY 2012 in conjunction with its Strategic Plan development process.

Efficiency Measure

By FY 2012, the number of individuals benefiting from improvements to organizations' policies, practices and procedures because of EEOC's enforcement programs for each agency FTE increases by 11.7%.					
	FY 2007	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Target	Establish Baseline	1.8%	2.2%	4.3%	7.4%
Result	753.5 individuals per FTE	220.2%	229.1%	285.7%	184.5%
					Target Exceeded

Approximately 74 percent of the agency's budget is dedicated to compensation and benefits. Linking the external impact of EEOC's enforcement programs to the Full-Time Equivalent (FTE) number of positions is thus a measure of agency efficiency. The Commission also believes that the correlation to FTE levels is appropriate because it recognizes that the EEOC's employees contribute directly to positive change in the workplace and that staff levels are susceptible to change.

In FY 2011, the agency had 2,505 FTE positions. Over 5.4 million individuals benefited from EEOC's enforcement programs because of improvements to policies, practices, or procedures in their workplaces. Therefore, 2,144 individuals benefited for every FTE. This was a significant increase of 184.5 percent over the FY 2007 baseline, compared to the 7.4 percent increase targeted for FY 2011.

The Commission will reevaluate this performance measure and the associated targets for FY 2012 in conjunction with its Strategic Plan development process.

Long-Term Measure 2

By FY 2012, the public rates its confidence in EEOC's enforcement of federal equal employment laws at 65% or higher.		
	FY 2007	**By the End of FY 2010**
Target	Establish Baseline	63%
Result	61%	N/A*
		TBD*

* N/A Not available. The Commission is evaluating the data collection requirements associated with this measure as a part of its overall strategic planning assessment.

If the public is aware of EEOC's enforcement activities and believes that the agency has handled discrimination complaints effectively, members of the public will be more likely to rely on the Commission to investigate, mediate, litigate, adjudicate, and/or otherwise resolve allegations of discrimination. By extension, if the agency has a reputation for fair and responsible enforcement of the federal employment discrimination laws, then employers, attorneys, and other members of the public, will be more likely to defer to EEOC's assessment of discrimination complaints and commit to voluntary compliance through mediation, settlement, or conciliation.

To measure the public's confidence in EEOC's enforcement of federal equal employment opportunity laws, the agency engaged a private organization to conduct a survey in FY 2007 of a representative sample of individuals nationwide. The follow-up survey is pending the Commission's strategic planning assessment, which is currently underway.

As with Long-Term Measure 1 and the Efficiency Measure, the Commission will reevaluate the utility of maintaining Long-Term Measure 2 as part of its overall strategic planning review process.

EEOC has identified six Annual Measures under Long-Term Measure 2 that contribute to the public's confidence in the agency.

Annual Measures 2.1, 2.2, 2.3: Processing Charges, Hearings, and Appeals

Annual Measures 2.1, 2.2, and 2.3 focus on the time it takes for EEOC to resolve private sector charges, federal sector hearing requests, and federal sector appeals, respectively.

Annual Measure 2.1 At least 54% of private sector charges are resolved in 180 days or fewer by FY 2012.							
	FY 2005	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Target	70.0%	70.0%	72.0%	48.0%	48.0%	48.0%	51.0%
Result	65.9%	60.7%	55.7%	48.5%	39.7%	38.3%	40.7%
							Target Not Met

Under Annual Measure 2.1, EEOC is to resolve 54 percent of its private sector charges within 180 days by FY 2012. To move the agency toward that final goal, the target under Annual Measure 2.1 for FY 2011 requires the agency to resolve 51 percent of private sector charges within 180 days. In FY 2011, the Commission processed 40.7 percent of charges in

180 days or less, which was considerably short of the intended target. The EEOC's inability to meet this target was due to a large pending inventory, an increasing number of charge receipts, and a shortage of front-line staff. For the long-term, the agency believes that a multi-year approach—including technology and possible changes to internal procedures—to reducing the pending inventory will yield improved performance on resolving charges in 180 days or less. The agency will continue its efforts to achieve target levels for timely service and to improve the quality of investigations while handling the charge inventory. The EEOC's plans to address the pending inventory, concurrent with a reduction in the time it takes to process private sector charges, are described in greater detail in subsequent sections of this PAR.

Annual Measure 2.2
At least 54% of federal sector hearings are resolved in 180 days or fewer by FY 2012.

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Target	38.0%	50.0%	50.0%	50.0%	50.0%	52.0%	53.0%
Result	51.3%	43.6%	42.8%	38.6%	40.6%	37.4%	34.3%
							Target Not Met

Under Annual Measure 2.2, the EEOC is to resolve 54 percent of its federal sector hearings within 180 days by FY 2012. To reach this final goal, the target under Annual Measure 2.2 for FY 2011 requires the agency to resolve 53 percent of federal sector hearings within 180 days. In FY 2011, the Commission processed 34.3 percent of federal sector hearings in 180 days or less. Although the targets and final goal reflect the Commission's commitment to continue the timely handling of federal sector hearings, the agency's reported results remain significantly below the projected targets. Over time, the EEOC's efforts to meet this goal have become more difficult because of increasing workloads and a greater emphasis on enhancing the quality of hearings. The Commission's efforts are further impacted by the departure of a number of Administrative Judges (AJs) who accepted Administrative Law Judge positions at other agencies, which prompted the reassignment of their complaints, creating larger caseloads and further delays in complaint processing.

There are, however, a number of technological enhancements that have been piloted and/or launched by the Hearings Program to improve operational efficiency. For example, HotDocs, should streamline the decision-writing phase of the Hearings process for the long-term and produce gains in the processing time for complaints. Using all available resources, the Commission will reinforce its efforts to achieve the projected annual targets.

Annual Measure 2.3
At least 70% of federal sector appeals are resolved in 180 days or fewer by FY 2012.

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Target	50.0%	55.0%	60.0%	62.0%	64.0%	66.0%	68.0%
Result	52.0%	59.7%	60.7%	63.3%	65.0%	66.2%	54.4%
							Target Not Met

Under Annual Measure 2.3, EEOC is to resolve 70 percent of its federal sector appeals within 180 days or less by FY 2012. To reach the FY 2012 goal requires the agency to resolve 68 percent of federal sector appeals within 180 days in FY 2011. The EEOC fell considerably short of this target by resolving only 54.4 percent of federal sector appeals within 180 days or less. The Commission, as it moves toward the final goal of 70 percent in FY 2012, has renewed its efforts to reduce the appeals inventory while also focusing on the resolution of aged appeals.

Annual Measure 2.4: Quality of Private Sector Investigations

Annual Measure 2.4 At least 93% of investigative files meet established criteria for quality by FY 2012.							
	FY 2005	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Target	Establish FY 2005 baseline & targets for FY 2006–2009.	87.0%	88.0%	90.0%	90.0%	91.0%	92.0%
Result	Established Baseline (88.5%) & targets.	88.1%	93.5%	97.0%	95.1%	96.0%	95.6%
							Target Exceeded

Annual Measure 2.4 ensures that investigative files meet quality standards. A large proportion of sampled investigative files are reviewed to determine whether they meet two critical quality criteria: 1) the appropriate charge categorization and file documentation support the actions taken; and 2) the resolution of the charge is supported. This measure is intended to ensure that completing work comes at the expense of performing the work well. The annual targets for this measure have increased since the baseline was established in FY 2005 and the agency has exceeded these targets each year. In FY 2011, 95.6 percent of investigative files met the requisite quality standards, exceeding the target established for FY 2011 of 92 percent.

Annual Measure 2.5: Confidence in Private Sector Mediation Program

Annual Measure 2.5 At least 95% of respondents and charging parties report confidence in EEOC's private sector mediation/ADR program by FY 2012.							
	FY 2005	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Target	90.0%	90.0%	90.0%	91.0%	92.0%	93.0%	94.0%
Result	96.3%	96.8%	95.8%	96.5%	96.0%	96.7%	96.9%
							Target Exceeded

Annual Measure 2.5 focuses on EEOC's mediation/Alternative Dispute Resolution (ADR) program. The Commission recognizes that the public's confidence in its mediation program has a significant impact on the public's perception of the agency as a whole. Results for this measure were obtained by surveying participants in EEOC's mediation program and tabulating the responses relating to the confidence level they reported in using the program. Based on this methodology, the confidence level in this program is rated consistently high. The agency believes a high level of confidence helps to convince participants, particularly company representatives, of the value of ADR. In FY 2011, 96.9 percent of all participants reported that they would return to EEOC's mediation program in the future.

Annual Measure 2.6: Success in Litigation

Annual Measure 2.6 At least 90% of EEOC lawsuits are successfully resolved during the period ending in FY 2012.							
	FY 2005	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**
Target	90.0% or higher 6-year rolling average	90.0% or higher 6-year rolling average	90.0% or higher 3-year rolling average	90.0% or higher 3-year rolling average	90.0% or higher 3-year rolling average	90.0% or higher 3-year rolling average	90.0% or higher 3-year rolling average
Result	92.8%	92.7%	91.5%	91.2%	90.3%	90.2%	90.0%
							Target Met

Annual Measure 2.6 places a premium on maintaining a high level of successful resolutions in EEOC's litigation program. Successful resolutions include cases decided by favorable court order and those concluded through a consent decree or a settlement agreement in litigation. Achieving success on this measure ensures that the Commission has continued to exercise its prosecutorial discretion responsibly and has litigated cases skillfully. Based on the results of a three-year weighted average (FY 2009 to FY 2011) EEOC's litigation success rate is 90 percent.

RELATED PROGRAM RESULTS AND ACTIVITIES

Serving the Public More Efficiently

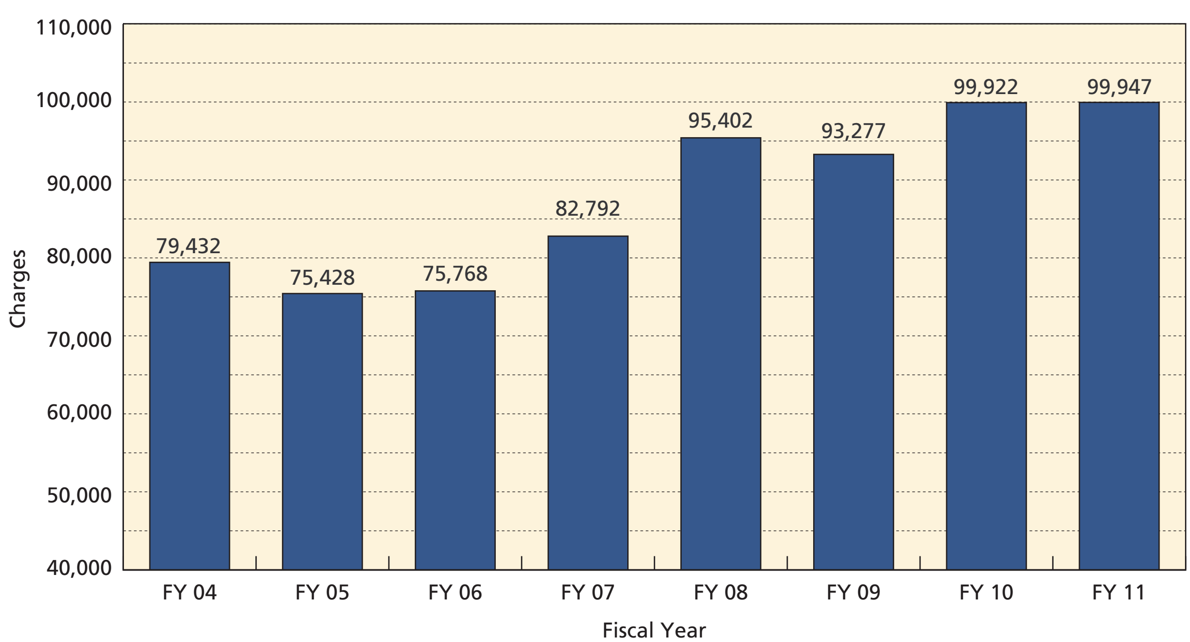
Significant Progress in Managing Charge Inventory

In FY 2011, the EEOC produced historic levels in its year-end results. Most notably, the pending inventory of private sector charges was reduced by more than 8,000 charges over the FY 2010 level, bringing the level to 78,136—the first reduction in inventory since FY 2002. These results were achieved despite having received a record number of receipts—nearly 100,000 charges. A total of 112,499 charges were resolved—an increase over the 104,999 charges resolved in FY 2010.

Over the past decade, the EEOC's inventory has risen significantly, with annual increases ranging from 12–38 percent between FY 2004 and FY 2009. While the inventory growth was significantly arrested in FY 2010, the attention to bringing down the agency's inventory was a major focus for FY 2011, bolstered by the increased productivity of the front-line staff due to hires in FY 2009 and FY 2010. It is notable that the achievement of the 8,202 reduction in the pending charge inventory, which is nearly a 10 percent reduction in inventory, occurred even with a hiring freeze that has been in place since January 2011. The continued emphasis on a comprehensive approach to charge management, coupled with additional staff added in FY 2009 and FY 2010, has yielded these significant results.

In addition, FY 2011 saw the launch of two other projects designed to leverage technology for enhancements to customer service. As part of the President's Open Government initiative, the agency is implementing a charge processing milestone project to provide parties with an on-line tool for determining the status of charges. Additionally, the agency, through an intake technology streamlining plan, is working to create a comprehensive web interface that will aid both investigators and prospective charging parties, as well as improve the process from the first public contact with the agency through the formalization of a charge. Finally, the EEOC updated the EEOC Assessment System (EAS), which provides the public with

EEOC Charge Receipts FY 2004 to FY 2011



an online tool to answer their questions and make an initial assessment on whether the EEOC is the appropriate agency to assist them in protecting their rights under the federal discrimination laws. The EAS is available on our website at https://egov.eeoc.gov/eas/.

Mediation Program is a Win for both Employees and Employers

The EEOC's mediation program has continued to be a very successful part of our enforcement operations. In FY 2011, the EEOC's private sector national mediation program secured the highest number of resolutions in the history of the program, with a total of 9,831 resolutions, 5 percent more than the 9,362 resolutions reported in FY 2010. The EEOC obtained more than $170 million in monetary benefits for complainants through mediation resolutions, which was also a record level and $29 million more than last year's record of $141 million.

Participants almost uniformly view the mediation program favorably, with 96.9 percent reporting confidence in the program this year. The agency continues to focus efforts on increasing the participation of employers. To that end, the agency encourages the employer community to enter into Universal Agreements to Mediate (UAMs). These agreements reflect employers' commitment to consider mediating charges. At the conclusion of FY 2011, the agency had secured a cumulative multi-year total of 1,998 UAMs, which is an 11.8 percent increase from FY 2010.

Effectively Adjudicating Federal Sector Hearings and Appeals

Unlike its responsibilities in the private sector, the Commission does not process complaints of discrimination for federal employees. In the federal sector, individuals file complaints with their own federal agencies and those agencies are required to conduct an appropriate investigation of the claims raised in the complaints. Complainants can then request a hearing before an EEOC administrative judge (AJ) or file an appeal with EEOC's Office of Federal Operations.

In FY 2011, the EEOC secured more than $58 million in relief for parties who requested hearings. There were a total of 8,113 requests for hearings, more than the 7,707 received in FY 2010. Additionally, the Commission's hearings program resolved a total of 7,672 complaints.

The Commission also adjudicates appeals of federal agency actions on discrimination complaints, and ensures agency compliance with decisions issued on those appeals. During FY 2011, the EEOC received 5,176 appeals of final agency actions in the federal sector, 13.8 percent more than the 4,545 such appeals received in FY 2010. This represented the largest percentage increase in receipts in more than 15 years. In FY 2011, the EEOC applied a more balanced approach to the resolution of the newest and oldest appeals. The agency resolved 4,510 appeals, including 54.36 percent of them within 180 days of their receipt. In addition, the Commission resolved 76.34 percent of appeals that were already, or would become 500 or more days old by the end of the fiscal year. This resulted in a 20.6 percent reduction in the age of the open inventory, and a 30.1 percent reduction in the number of 500+ day-old appeals still pending. The agency achieved these results by leveraging technology and successfully managing the appellate inventory.

During FY 2011, the EEOC continued its focus on expanding the use of technology to make the federal hearings and appeals process faster and more effective. This focus on technology includes the on-going development of a web-based filing and electronic file exchange system for hearings and appeals, and the expanded use of HotDocs technology for AJs.

The EEOC File Exchange (EFX) system is designed to allow federal agencies and federal complainants the ability to securely submit electronic reports of investigation, complaint files, and other documents to the EEOC in support of the federal hearings and appellate processes. The system is currently being piloted in 11 EEOC field office hearings units, the Office of Federal Operations, and several agencies including the US Postal Service, Department of Veteran's Affairs, Department of Homeland Security, Department of the Treasury, Department of the Navy, Department of the Air Force, and the Defense Logistics Agency. Upon conclusion of the pilot period, the system is slated to expand to all EEOC hearings units and become available to all federal agencies, complainants, and their representatives.

Enforcing the Law More Effectively

Historic Monetary Recovery through Administrative Enforcement

In FY 2011, the EEOC secured more than $364.6 million in monetary benefits through its private sector administrative enforcement activities, the highest level of monetary relief ever obtained by the Commission through the administrative process. This is $45 million more than was recovered in FY 2010. Overall, the agency secured both monetary and non-monetary benefits for more than 19,570 people through administrative enforcement activities – mediation, settlements, conciliations and withdrawals with benefits.

Challenging Discrimination in Federal Court

In FY 2011, the EEOC field legal units filed 261 merits lawsuits—an increase of 11 over FY 2010—including 177 individual suits, 61 multiple-victim suits (with fewer than 20 victims) and 23 systemic suits. ("Merits" lawsuits include direct suits and interventions alleging violations of the substantive provisions of the statutes enforced by the Commission and suits to enforce administrative settlements.) Of these new filings, 162 contained Title VII claims, 80 contained Americans with Disability Act (ADA) claims, 26 contained Age Discrimination in Employment Act (ADEA) claims, and 2 contained Equal Pay Act (EPA) claims. (The total number of merits lawsuits is less than the sum of the suits based on each individual statute as some suits are filed under multiple statutes.) The Commission also filed 39 subpoena enforcement and other actions.

Legal staff resolved 277 merits lawsuits—a decrease of 8 from FY 2010—for a total monetary recovery of $90.9 million. Of these resolutions, 215 contained Title VII claims, 42 contained ADA claims, 26 contained ADEA and two contained EPA claims. The Commission also resolved 36 subpoena enforcement and other actions during the fiscal year. In terms of dollars recovered in direct, indirect and intervention lawsuits by statute, EEOC recovered $54.3 million in Title VII resolutions, $8.4 million in ADEA resolutions, $27.1 million in ADA resolutions, and $1.1 million in resolutions involving more than one statute. At the end of FY 2011, the EEOC had 443 cases on its active docket, of which 116 (26 percent) involved multiple aggrieved parties (but fewer than 20) and 63 (14 percent) involved challenges to systemic discrimination.

Maximizing Impact Through Systemic Enforcement

As the nation's leading law enforcer of federal laws prohibiting employment discrimination the agency places a high priority on issues that impact large numbers of job seekers, and employees. The Commission therefore devoted resources to investigating and litigating cases of systemic discrimination as a top agency priority since these cases maximize efficiency and eradicate discriminatory policies and practices while obtaining relief for large numbers of individuals. More details about the Systemic Initiative can be found at http://www.eeoc.gov/eeoc/task_reports/systemic.cfm.

Systemic cases are highly complex. They require a large investment of resources, highly trained investigators and attorneys, and sophisticated expert analysis by statisticians, industrial psychologists, and labor market economists. The Commission has been devoting significant resources to strengthening its systemic-oriented skill set in EEOC staff. The agency has hired experts in the fields of statistics, industrial psychology and labor market economics who will partner with district offices to work on larger cases. The agency will continue to assess whether additional or different types of expertise would aid in building the systemic program.

The agency's focus on systemic discrimination begins with the identification of possible instances and the ensuing investigation. Oftentimes, systemic investigations resolve a number of individual charges that have been filed, and the resolution benefits the entire workplace so that individual charges do not need to be filed in the future.

At the end of FY 2011, the EEOC was working on 580 systemic investigations, involving more than 2,067 charges. This figure includes 47 Commission-initiated charges. In FY 2011, EEOC field offices completed work on 235 systemic investigations resulting in 35 settlements or conciliation agreements, recovering $9.6 million. In addition, cause findings were issued in 96 systemic investigations. Those that were not resolved in conciliation were referred to field legal divisions for consideration of litigation.

During the year, there was a particular focus on building systemic enforcement partnerships, both within the EEOC and with other federal agencies. A major success was the filing of a systemic lawsuit against Bass Pro Shops, the result of investigations by the Houston, Birmingham and Miami field offices. Another partnership focused on a pilot project of four EEOC district offices and the Department of Justice (DOJ) to establish effective interagency procedures needed for enforcement of Title VII in the public sector, where DOJ has statutory authority to litigate. The pilot resulted in DOJ visits to all four district offices, identification of numerous cases in investigation that are of interest to DOJ, and ongoing case development discussions between EEOC enforcement staff and DOJ legal staff. During a second project, EEOC shared systemic case information with the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) and subsequently met to discuss strategies and available information for further examination of specific employers.

When the agency makes a finding of systemic discrimination and efforts to secure voluntary compliance fail, it may choose to file suit to enforce the law. In FY 2011, the Commission filed 23 lawsuits with at least 20 known or expected class members. This comprises nine percent of all merits filings, and is the largest volume of systemic suit filings since tracking started in FY 2006. The Commission filed 20 such suits in FY 2010, 19 such suits in FY 2009, 17 in FY 2008, 14 in FY 2007 and 11 in FY 2006. Expressed differently, 63 cases on the active docket at the end of FY 2011 were systemic cases, accounting for 14 percent of all active merits suits. This is slightly higher than the volume of systemic cases in our active docket at the end of FY 2010. Based on the large volume of systemic charges currently in investigation, the quantity of systemic lawsuits and their representation on the total docket is expected to continue to steadily increase. This past year, the EEOC resolved 34 systemic cases, eight of which included at least 100 aggrieved individuals.

Below is a sampling of significant resolutions of systemic discrimination lawsuits in FY 2011:

EEOC v. Verizon Maryland, Inc., et al.—In this nationwide ADA suit, the EEOC alleged that Verizon unlawfully denied reasonable accommodations to hundreds of employees with disabilities, and disciplined or fired them pursuant to inflexible attendance policies that did not provide accommodation for disability-related absences. A three-year consent decree provided a $20 million fund to compensate approximately 800 victims, and represents the largest disability discrimination settlement in a single lawsuit in EEOC history. The decree also requires the company to revise its attendance plans and ADA policy to include reasonable accommodations for persons with disabilities.

EEOC v. Roadway Express, Inc.—In this series of cases filed in Illinois against a trucking firm, the EEOC alleged that the firm gave black employees at several Chicago-area facilities inferior work assignments and subjected them to harsher discipline and harassment based on their race, including multiple incidents of hangman's nooses and racist graffiti and cartoons. A consent decree provides $10 million to 259 victims and requires the development of new anti-harassment policies and specific recordkeeping and complaint reporting procedures. The decree also requires the firm to retain consultants to examine the company's discipline and work assignment procedures and recommend changes to prevent racial disparities.

EEOC v. International Profit Association—In a widespread sexual harassment case, the EEOC alleged that a telemarketing firm in Illinois systemically subjected female employees to sexual assaults and propositions, inappropriate touching, and crude sexual comments. The court agreed with the EEOC that the firm's conduct constituted a pattern or practice of discrimination, meaning that the harassment was so pervasive that it was the firm's standard operating procedure. A consent decree provides $8 million to 82 victims.

EEOC v. Scrub Inc.—In a major hiring discrimination case, the EEOC alleged that a janitorial services company at Chicago's O'Hare Airport refused to hire black applicants based on their race. A consent decree provides $3 million to

539 victims, mandates the hiring of certain claimants who still want jobs, and requires the firm to use its best efforts to reach certain hiring goals.

EEOC v. 3M Company—In this nationwide age discrimination lawsuit, the EEOC charged that 3M unlawfully laid off hundreds of employees over the age of 45 during a series of reductions in force. The EEOC also asserted that older employees were denied leadership training and laid off to make way for younger leaders. A three-year consent decree provides $3 million to approximately 290 former employees. In addition, 3M will implement a review process for termination decisions and training on how to prevent age bias. The company will also post openings for positions it had not advertised previously, to enable older employees to apply.

EEOC v. AKAL Security—In a nationwide pregnancy discrimination case filed in Kansas, the EEOC alleged that a security services firm engaged in a pattern or practice of forcing its pregnant employees, working as contract security guards on U.S. Army bases, to take leave and then discharging them because of pregnancy. A consent decree provides $1.6 million to 26 female security guards.

EEOC v. Denny's Inc.—In this nationwide ADA suit filed in Maryland, the Commission challenged the restaurant's maintenance of a maximum medical leave policy that automatically denied additional medical leave beyond a pre-determined limit. A consent decree provides $1.3 million to 34 victims and provides substantial programmatic relief, including changes to the medical leave policy, a corporate-level oversight and auditing process for leave decisions, and reporting to the EEOC.

To facilitate and enhance communication and collaboration on systemic efforts, EEOC provided systemic coordinators, lead investigators, and attorneys with a dedicated portal for shared access to national case information, systemic libraries, and systemic guidance documentation within our Document Management System. In addition, EEOC expanded usage of our CaseWorks system, which provides a central shared source of litigation support tools that facilitate the collection and review of electronic discovery and enable collaboration in the development of cases for litigation.

Finally, during FY 2011, the EEOC deployed a new component of its Integrated Mission System (IMS), the Litigation Appeals application, which tracks the agency's litigation in the appellate courts. With the addition of this application, EEOC can manage the Commission's entire enforcement activity from the initial inquiry through investigation, trial litigation, and now appellate litigation. This application records the significant events in the appellate courts and provides EEOC a more efficient way to manage litigation and monitor attorney workload and productivity.

Leadership in Federal Civil Rights Enforcement

Leveraging Inter-Agency Relationships for Strategic Enforcement

The work of the Commission is made more efficient with interagency coordination and it has established an active and ongoing relationship with other agencies as well as the White House. The efforts allow a greater impact on many communities and issues. In FY 2011 this included the Asian American and Pacific Islander (AAPI) community (www.whitehouse.gov/aapi), the National HIV/AIDS Strategy (www.whitehouse.gov/administration/eop/onap/nhas), the Federal Interagency Reentry Council (www.eeoc.gov/eeoc/interagency/reentry_council.cfm) and the National Equal Pay Enforcement Task Force.

For example, in conjunction with the National Equal Pay Enforcement Task Force, the EEOC played a leading role in developing an integrated, interagency civil rights agenda to address compensation discrimination in employment. The agency's work has centered on developing the infrastructure for effective interagency collaboration, conducting effective outreach and education to employers and employees, training Commission enforcement personnel, and engaging in robust enforcement efforts on compensation discrimination—all with an eye to maximizing impact through the sharing of resources, information and ideas.

On February 8, 2011, the EEOC hosted the first ever forum in which the EEOC, DOJ Civil Rights Division (DOJ), and OFCCP employees met simultaneously with the leaders of each of the three agencies. Since that time, the agencies have engaged in pilot projects, joint training and cross-training efforts, and joint outreach on equal pay. Through EEOC's extensive new compensation discrimination training program, the agency trained a total of 520 people, including 395 EEOC personnel, 85 OFCCP personnel, 28 Department of Labor Wage and Hour Division (WHD) personnel, and 12 personnel from state and local Fair Employment Practices Agency (FEPA) partners in FY 2011. The EEOC also partnered with the Department of Labor Women's Bureau, OFCCP, and WHD to conduct over two dozen outreach events about equal pay across the country, reaching over 2000 members of the public. The EEOC's Training Institute also trained approximately 950 people on equal pay laws, helping ensure that employers, managers, and human resource personnel know how to comply with our nation's equal pay laws.

The EEOC also worked closely with the Office of Personnel Management (OPM) to implement the Equal Pay Enforcement Task Force's recommendations to ensure that the federal government is a model employer. In August, EEOC and OPM released a joint memo to federal employees, Chief Human Capital Officers, and EEO Directors, pledging their commitment to enforcing the laws that require equal pay for equal work for federal employees. The agency also continues to work with the Government Accountability Office and OPM to better understand the reasons for the federal sector gender pay gap, and to develop strategies for eliminating that gap.

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

Issuing regulations to implement new statutes is at the heart of the Commission's role of leading enforcement of federal anti-discrimination laws. Regulations represent the Commission's official interpretation of the statutes it enforces. In FY 2011, the Commission published final regulations interpreting two new federal EEO statutes to inform individuals and employers of their legal rights and responsibilities, aid EEOC employees in conducting investigations and litigation, and serve as references for the courts when resolving novel legal issues. In FY 2011, the agency issued the following:

Regulations under the Genetic Information Nondiscrimination Act of 2008 (GINA). The EEOC began enforcing Title II of GINA on November 21, 2009. GINA requires the Commission to issue implementing regulations.

The Commission issued its final rule implementing GINA's employment provisions on November 9, 2010. In this rule, the Commission explains what constitutes "genetic information," how GINA prohibits using genetic information in employment decisions, and the limited circumstances in which employers may acquire this information. The rule also details employers' obligation to keep genetic information confidential and explains when claims should be raised under Title I of GINA (covering health insurers and enforced by other federal agencies), instead of under Title II (the employment title).

To help the public better understand the final rule, the Commission also issued two technical assistance documents, *Background Information for EEOC Final Rule on Title II of the Genetic Information Nondiscrimination Act of 2008* and *Questions and Answers for Small Businesses: EEOC Final Rule on Title II of the Genetic Information Nondiscrimination Act of 2008*. The documents provide practical information about the most important requirements of Title II of GINA and the EEOC's regulations and can be found on our website at http://www.eeoc.gov/laws/regulations/index.cfm.

To further help employers implement GINA, EEOC issued a Notice of Proposed Rule Making on June 2, 2011, stating that employers covered by GINA have the same recordkeeping obligations under this new law as they already have under Title VII and the ADA.

Regulations under the Americans with Disabilities Act Amendments Act of 2008 (ADAAA). Congress passed the Regulations under the Americans with Disabilities Act Amendments Act of 2008 (ADAAA). Congress passed the ADAAA in response to a series of Supreme Court decisions that interpreted the ADA's definition of "disability" very narrowly. With the ADAAA's passage, Congress also explicitly expressed its expectation that the EEOC would revise its regulations implementing Title I of the ADA in accordance with the ADAAA's much broader interpretation of "disability."

The Commission issued a final rule to implement the ADAAA on March 25, 2011. The final rule clarifies the broader meaning of "disability" that Congress adopted in the ADAAA. Like the statute, the final rule says that "major life activities" include "major bodily functions," such as those of the cardiovascular, endocrine and musculoskeletal systems. It also emphasizes that the term "substantially limits" should be construed broadly and without extensive analysis, allowing coverage for lesser limitations than previously permitted by the Supreme Court and the EEOC's 1991 ADA regulations. The rule says that impairments that are episodic or in remission, such as epilepsy or cancer, are disabilities if they would be substantially limiting when active. Moreover, the final rule says that the beneficial effects of mitigating measures like medication, a prosthetic limb, or a hearing aid must be disregarded when assessing whether the underlying impairment is substantially limiting. Finally, the rule incorporates and further explains the ADAAA's expanded definition of what it means to be "regarded as" an individual with a disability.

To help the public understand the final rule, the Commission issued a fact sheet and two technical assistance documents: *Fact Sheet on the EEOC's Final Regulations Implementing the ADAAA, Questions and Answers on the Final Rule Implementing the ADA Amendments Act of 2008*, and *Questions and Answers for Small Businesses: The Final Rule Implementing the ADA Amendments Act of 2008*. More information about the ADAAA can be found on our website at http://www.eeoc.gov/laws/regulations/index.cfm.

Providing Strong Leadership and Oversight for Federal Agencies

The EEOC provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. The Commission assures federal agency and department compliance with EEOC federal sector regulations, provides technical assistance to federal agencies concerning EEO complaint adjudication, monitors and evaluates federal agencies' affirmative employment programs, and develops and distributes federal sector educational materials and conducts training for stakeholders.

EEOC's Management Directive 715 (MD-715) identifies "Essential Elements" for structuring model EEO programs. Attaining a model EEO program provides an agency with the necessary foundation for achieving a discrimination-free work environment.

A discrimination-free work environment, characterized by an atmosphere of inclusion and free and open competition for employment opportunities, is the ultimate goal of MD-715 and the federal government. MD-715 provides a roadmap for creating effective EEO programs for all federal employees as required by Title VII and Section 501 of the Rehabilitation Act of 1973, which prohibits disability discrimination in the federal sector.

To assist agencies in reporting under MD-715, EEOC provides tools and assistance to agencies to help them analyze their work forces and uncover barriers to equal employment opportunities. Once barriers are identified by agencies, Commission staff collaborate with them to develop creative strategies to eliminate or reduce the impact of identified obstacles. Further, the EEOC works with agencies to promote workplace policies and practices that foster an inclusive work culture and prevent employment discrimination. This effort includes working with federal agencies to adopt and successfully implement the attributes of the EEOC's Model EEO Program.

In FY 2011, EEOC piloted the Federal Information Resource EEO System (FIRES) database through the OMB Max Portal. The FIRES database is a multi-year process of capturing and storing the data used by EEOC for analyzing the workforce composition of federal agencies and trends within the federal workforce. EEOC completed the first step of the FIRES database by developing a web-based system for collecting MD-715 submissions. Using a web-based data collection system will benefit EEOC by reducing costs, increasing data accuracy, and improving the analysis of data.

The six Essential Elements for maintaining model Title VII and Rehabilitation Act programs are: (1) demonstrated commitment from agency leadership; (2) integration of EEO into the agency's strategic mission; (3) management and program accountability; (4) proactive prevention of unlawful discrimination; (5) efficiency; and (6) responsiveness and legal compliance.

Federal agencies' annual submission of MD-715 reports serves as a key component by which EEOC ascertains agencies' progress in creating model EEO programs. Moreover, it provides a mechanism by which the Commission can provide meaningful feedback to agencies on either a single, or multiple-year comprehensive, trend analysis of their submissions.

In FY 2011, the Commission provided 15 three-year trend analysis letters to reporting agencies under MD-715. In addition, staff provided in-person technical assistance to another 118 federal agencies. In their role as consultants, EEOC staff provided guidance and recommendations related to the agencies' organizational structures, EEO policies, procedures, and practices, workforce policy, and inclusion.

Extending the Reach of the Agency

Agency Outreach Continues to Reach Diverse Audiences

The Commission's outreach, education and technical assistance efforts focused on increasing voluntary compliance with federal equal employment laws and on improving employee and employer awareness of rights and responsibilities under federal employment discrimination laws.

The agency's no-cost outreach programs reached 511,951 persons in FY 2011, a significant increase over approximately 250,000 in FY 2010. EEOC offices participated in 6,264 no-cost educational, training, and outreach events. Additionally, in FY 2010, the Training Institute trained over 26,400 individuals at more than 480 events, including 320 field Customer Specific Training events with 16,000 attendees.

Specific outreach events included 3,028 oral presentations, 388 training sessions and 508 stakeholder input meetings. These three major types of educational events reached over 229,000 people. Offices represented the Commission at 1,039 public events that reached 137,574 people. These events included information meetings with community organizations and professional associations. Informational materials were distributed to 91,453 people through participation in job fairs, ethnic and cultural festivals, expositions and conventions. Commission employees also made 583 media presentations, including newspaper, radio and TV interviews, talk shows, and press conferences that provided substantive equal employment opportunity (EEO) information to millions of stakeholders.

Small Business Outreach. The Commission worked collaboratively with the small business community to prevent employment discrimination and promote voluntary compliance. EEOC offices conducted 512 no-cost outreach events directed toward small businesses in FY 2011, reaching over 41,754 small business representatives. The most popular topics for small business audiences were an overview of the laws enforced by EEOC, charge processing procedures, sexual harassment, Title VII and the ADA.

ADAAA and GINA Outreach. Civil rights laws are dynamic and constantly evolving. With new legislation such as the ADA Amendments Act and GINA and the subsequent regulations issued by the Commission in FY 2011, the EEOC conducted outreach to provide comprehensive training to ensure that employers were kept abreast of the status of the laws in order to prevent unconscious violations. The ADAAA was the main topic at 107 no-cost events in FY 2011 reaching over 7,200 people; GINA was the main topic at 243 no-cost events that reached almost 16,000 people.

Outreach to Under Served Geographic Areas and Communities. To extend the reach of the agency, it is important that the Commission develop outreach and partnership opportunities outside of the usual areas. In FY 2011, the Commission conducted 1,542 events in areas beyond the usual reach of our office locations, reaching over 134,011 individuals. Offices traveled to states and communities where no EEOC office is located, partnering with local community organizations to conduct town hall meetings and training sessions beyond the normal hours of operation. The Commission also provided over 281 off-site intake and counseling services in neighborhoods where persons with limited English proficiency may be less likely to come to Commission offices. Targeted outreach during FY 2011 included:

- 218 events targeting migrant farm worker communities and their advocates, reaching 10,760 individuals to provide education and information about discrimination.
- 36 no-cost events conducted, as part of the recent focus on human trafficking issues, for communities impacted by human trafficking and other community-based organizations devoted to trafficking issues, reaching 1,137 people.
- 170 no-cost events reaching 8,506 people focused on the issue of the use of arrest and conviction records in employment, raising awareness about their impact on those who are on probation, paroled or on supervised release who desire to become productive citizens.
- 537 no-cost events targeting high school and college students and the employers who employ them, to educate new employees in the workplace, reaching 41,688 students and employer representatives.

Providing Employers and Employees with Education and Technical Assistance

The EEOC Training Institute is managed under a separate statutory authority that enables the Commission to offer in-depth and specialized programs on a fee basis, supplementing the free general informational and outreach activities that are an on-going aspect of the agency's mission. The Training Institute offers diverse, high quality, reasonably priced EEO expertise and training products to private sector employers, state and local government personnel, and employees of federal agencies. In FY 2011, the Institute trained over 26,400 individuals at more than 480 events, compared to 20,000 individuals at 450 events in FY 2010, generating about $4.4 million in revenue. This enabled the Fund to remain self-sustaining for another year, and allowed for the reimbursement of $2.6 million to the agency for indirect costs associated with the operations of the fund, including 100 percent of Training Institute staff and portions of field and headquarters staff performing dedicated activities for the Institute. The Institute offered the following products/service lines:

Technical Assistance Program Seminars (TAPS). The one- and two-day TAP Seminars offered by the Training Institute are responsive to employers' information and training needs and allow EEOC to educate employers and employees about how to identify, prevent and eliminate workplace discrimination. In FY 2011, 37 TAPS were conducted throughout the country with nearly 5,600 participants. Offices did well attracting customers; attendance averaged about 155 participants per event, which was an increase from the FY 2010 average of 147.

National Federal Sector Conference. An annual national federal sector conference, the Examining Conflicts in Employment Laws (EXCEL) Conference, has become a widely anticipated and highly acclaimed event for federal EEO managers, attorneys, union officials, and other EEO professionals. This year's conference marked the 14th anniversary of this event and attracted more than 600 attendees. The conference included five plenary sessions and fifty workshops, along with three separate training tracks each day covering Basic Mediation, Advanced Mediation and Hearings Preparation.

Customer Specific Training. The Customer Specific Training (CST) program trains employees, managers, supervisors and human resource professionals from large, mid-size and small employers on their EEO responsibilities and how to prevent and correct workplace discrimination. Standardized courses are available, or the Institute can design customized courses to be delivered at employers' worksites. In FY 2011, the Training Institute held 320 field CST events that reached approximately 16,000 attendees.

Webinars. In an effort to bridge the Institute's training offerings with technology developments, the Institute once again offered webinars as part of its product line. During FY 2011, the Institute presented six webinars covering Harassment, GINA, ADAAA regulations and Social Networking. These sessions reached over 1,100 sites.

Federal Courses and CSTs. In addition to the EXCEL conference, 42 courses covering skills training for federal investigators, mediators and counselors were presented and funded through the Revolving Fund. There were more than 1,000 attendees this year for the federal courses offered around the country and in Washington, DC. There were also about 62 federal CSTs conducted during FY 2011, reaching almost 1,700 attendees.

Improved Labor Management Relations

Pursuant to the President's Executive Order (EO) 13522: "Creating Labor-Management Forums to Improve Delivery of Government Services," the EEOC established a National Joint Labor Management Council (JLMC) in addition to District Joint Labor Management Councils in each of its 15 Districts, one in the Washington Field Office, and one in Headquarters. The National JLMC established metrics to measure goal-related activities associated with implementing the EO. Each metric included an established baseline by which to measure successes. These three principle metrics were "Improve Mission and Service Delivery," "Employee Satisfaction and Engagement" and "Improved Labor-Management Relation."

The agency recently reported mixed results for measures chosen to demonstrate the progress of the Labor-Management forums. For example, the baseline for the measure to demonstrate "improved mission and service and delivery" was established using the positive response rate to question number 11 in the FY 2010 OPM Employee Viewpoint Survey, "My talents are used well in the workplace." The baseline in FY 2010 was 55 percent and the FY 2011 result increase to 58 percent.

The EEOC's results addressing employee satisfaction and engagement in various programs through the Labor-Management Forums fared similarly. For example, 62 percent of employees appear to be more satisfied and engaged with the agency's telework program in FY 2011 compared with 60 percent in FY 2010. Also, at least 48 percent of the employees at EEOC telework compared to 20 percent government-wide. Labor relations have also improved as it relates to the filing number of unfair labor practices (ULP's) by the Union against the Agency. Specifically, in FY 2010, the union filed 47 ULP's against the Agency and in FY 2011 that number dropped to 16.

Improving Federal Employees' Viewpoint Survey Results

The Office of Personnel Management recognized EEOC via the 2011 Federal Employee Viewpoint Survey as one of the Most Improved Agencies in creating better working environments for their employees. EEOC was recognized for greatest improvement in the Leadership and Knowledge Management Index. This index indicates the extent to which employees hold their leadership in high regard, both overall and on specific facets of leadership. In addition, EEOC was recognized for greatest improvement in the Results-Oriented Performance Culture Index. The Results-Oriented Performance Culture Index indicates the extent to which employees believe their organizational culture promotes improvement in processes, products and services, and organizational outcomes.

Implementing Hiring and Hiring Reform

The agency anticipated using its automatic backfill process in FY 2011. Unfortunately, it was necessary to impose a hiring freeze effective January 3, 2011, due to budget constraints. As a result, only 93 employees were hired in FY 2011, nearly all in the first and second quarters. By comparison, 383 employees were hired in FY 2010.

Pursuant to initiatives from the Office of Personnel Management and the Office of Management and Budget, EEOC's Office of Human Resources worked with agency hiring managers and senior officials to develop a new hiring reform action plan designed to improve the agency's hiring process. The goal continues to be hiring new employees within 80 calendar days. However, during the second quarter of FY 2011 only 8 percent of hires met that goal, down from the 21 percent achieved in the first quarter of the fiscal year. Going forward, the improved tracking system will allow EEOC to quickly identify barriers, such as delays in announcing positions due to inaccurate or incomplete crediting plans; delays in interviewing and selecting, extensions of time to select from a certificate, and allow for adjustments to ensure continued work towards the goal.

PROGRAM EVALUATIONS

Program evaluation is an important component of an agency's effort to assure that a program is operating as intended and achieving results. A program evaluation is a thorough examination of program design or operational effectiveness that uses a rigorous methodology and statistical and analytical tools. It also uses expertise within and outside the program under review to enhance the analytical perspectives and to add credence to the evaluation and recommendations.

Evaluation of the Priority Charge Handling Procedures (PCHP) Report—Recommendations

In December 2010, during the first quarter of FY 2011, an independent contractor issued its "Evaluation of the Priority Charge Handling Procedures Report," evaluating EEOC's priority charge handling process (PCHP). The report contained four major findings and several recommendations to strengthen the priority charge handling process within EEOC, nation-wide. The report noted that: 1) current implementation of PCHP is not consistent with the original design of the process approved by the Commission in 1995, or in the subsequent 1997 joint Task Force's Report (i.e., the agency "has not uniformly embraced and fully implemented key components of the PCHP Policy;" 2) the data kept on PCHP does not lend itself to drawing either positive or adverse trends in the enforcement of discrimination laws; 3) implementing the charge management system (and PCHP) process more broadly and consistently will require a "focused and extensive commitment by management in headquarters and the field; and finally, 4) the EEOC could benefit from not only examining shared best practices within headquarters and the field offices, but should proactively initiate processes "to see how various offices implement them… and evaluate their usefulness on improving charge-processing results." The recommendations are currently under review.

The following schedule of program evaluations will be reviewed during the Commission's Strategic Plan review process.

Program Evaluation	Statement of Parameters of the Program Evaluation	Expected Initiation and Completion
Priority Charge Handling Procedures	Evaluate how well the Priority Charge Handling Procedures are working and ways to improve their implementation.	Complete 1st Quarter FY 2011
Outreach/Technical Assistance	Evaluate the effectiveness of fee and non-fee based outreach/technical assistance efforts; for example, agency Technical Assistance Program Seminars (TAPS), Youth@Work activities, speakers at meetings, forums, panels or other activities designated as outreach or technical assistance.	Pending the Commission's Strategic Plan review process
EEOC External Communications	Evaluate the impact and effectiveness of the EEOC's external communications efforts, including publicity, the agency's activities with the media, the external web site, and other public communications efforts.	Pending the Commission's Strategic Plan review process
Effect of EEOC's Federal Sector Evaluations and Assistance	Evaluate the results achieved from EEOC's evaluation and assistance activities with federal agencies that changed policies, practices or procedures.	Pending the Commission's Strategic Plan review process
Systemic Enforcement	Evaluate the effectiveness of the EEOC's systemic enforcement initiative.	Pending the Commission's Strategic Plan review process

VERIFICATION AND VALIDATION OF DATA

The Commission's private sector, federal sector, and litigation programs require accurate enforcement data, as well as reliable financial and human resources information, to assess EEOC operations and performance results and make good management decisions. The agency will continue efforts to ensure the accuracy of its program information and any analysis of the information.

The agency continually reviews the information it collects in various databases for accuracy by using software editing programs and program reviews of a sample of records during field office technical assistance visits. In addition, agency headquarters offices conduct analyses regularly to review the information collected in order to identify any anomalies that indicate erroneous entries requiring correction to collection procedures.

EEOC has implemented approaches to improve validity and reliability of the EEO-1—the form required of private employers with 100 or more employees. Recently, the agency expanded its mailing list based on the input from Dun and Bradstreet. The mailing list was carefully edited by EEOC staff to include only those people who were actually missed in the current list and met filing requirements. A security audit for the host facility was implemented to make certain that the data was secure and accessible. Greater use of the EEO-1 by field staff has resulted in an increased identification of non-filers that has enabled the agency to collect information more rapidly and accurately by eliminating the need to enter information multiple times before it can be reviewed and analyzed. For example, the agency implemented a secure, web-based system that enabled all federal agencies to electronically submit annual equal employment opportunity statistics (Form 462). This system continues to improve the quality and timeliness of the information EEOC receives.

Finally, the agency continues to improve the collection and validation of information for the Integrated Mission System (IMS), which consolidates the agency's mission data on charge intake, investigation, mediation, litigation, and outreach functions into a single shared information system. IMS includes many automated edit checks and rules to enhance data integrity.

Since several of the EEOC's performance measures require the use of data to assess our achievements, it is significant that the agency can now obtain those data much more quickly and with greater data accuracy.

The agency also implemented information quality guidelines and adopted internal procedures that strengthen the EEOC's ability to verify and validate the quality of data before it is released to the public. In addition, the agency's Office of Inspector General continues to review aspects of the status of the EEOC's data validity and verification procedures, information systems, and databases, and offers recommendations for improvements in its reports. The Commission uses the information and recommendations to continually improve the agency's systems and data.

Inspector General's Statement

SUMMARY OF SIGNIFICANT MANAGEMENT CHALLENGES

The Reports Consolidation Act of 2000 provides that the Inspector General of each federal agency is to describe what he or she considers to be the most serious management and performance challenges facing the agency and assess the agency's progress in addressing those challenges. In accordance with the Reports Consolidation Act of 2000, the Inspector General prepared his annual assessment of the significant management challenges facing EEOC. The three challenges contained in this report present EEOC with areas of potential weakness requiring heightened scrutiny by agency leadership.

BUDGET AND ITS IMPACT ON THE AGENCY'S MISSION

The Chair of the agency stated the following in her 2012 budget justification to OMB:

> "EEOC's progress toward rebuilding lost capacity has been hampered in fiscal year 2011 by the possibility of a year-long continuing resolution which would hold the agency's appropriation at fiscal year 2010 levels. Because the EEOC was recovering from years of declining resources the prospect of level funding would be particularly damaging to our efforts to hire and train mission critical staff. Should the EEOC be held to fiscal year 2010 levels in 2011, agency plans for new hiring, as well as backfilling vacancies, would be shelved with deleterious effects on our pending inventory and customer service."

The possibility of the agency being held to 2010 spending levels became a reality for the agency throughout FY 2011. The hiring freeze implemented during FY 2011 on backfills and new positions is projected to remain in place for FY 2012. The agency is faced with meeting all of its mission responsibilities in a budget climate that may require fundamental changes in its management culture to effectively meet major challenges including the reduction of private sector inventory, the strategic management of human capital, and the implementation of other strategies that will enable the agency to ultimately achieve its core mission prime directive.

STRATEGIC MANAGEMENT OF HUMAN CAPITAL

The agency has made significant progress in strategic management of human capital including senior management approving a draft Strategic Human Capital plan and the implementation of major components of the plan. The draft Strategic Human Capital plan appears to have all of the recommended elements for the strategic management of human capital provided by the U.S. Office of Personnel Management (OPM).

In a memorandum dated July 5, 2011, the Chief Operating Officer (COO) directed the EEOC's leadership to implement workforce planning. The COO stated that workforce planning was needed in order to ensure that the agency maximizes use of its Compensation and Benefits (C&B) budget to hire the best employees while ensuring that, "we have the right employee in the right job to achieve the EEOC's mission. To achieve this goal, we must begin workforce planning for FY 2012 as we enter into the last half of FY 2011 and work through the FY 2013 budget justification process."

Examples of EEOC's progress are the implementation of workforce planning, a key element of the strategic management of human capital, and the second launching of EEOC's mentoring program. During the last quarter of the fiscal year the agency launched the second offering of the EEOC Mentoring Program. The EEOC mentoring program partners a group of 40 established EEOC employees (mentors) who understand the agency and its culture with junior employees (mentees) to provide opportunities for mentees to learn more about the organization and develop and broaden core competencies and leadership skills to enhance their professional growth and development.

The driving factor for this immediate shift to strategic planning for human capital is the need to maximize our compensation and benefits budget and OMB's call for all agencies' to reduce their appropriation requests 5–10 percent below the agency's enacted FY 2011 level. The agency must take steps to finalize its strategic planning for human capital to ensure that it is fully staffed to continue to meet its mission of eradicating discrimination in the workplace.

EEOC's leadership succession plan is being updated with current data for immediate release. Once the agency's strategic plan is released, OHR managers must make aligning the Strategic Management of Human Capital plan and the succession plan a priority and work to ensure this implementation is finalized.

PRIVATE-SECTOR CHARGE INVENTORY

The EEOC has made progress but continues to face major challenges in adequately addressing the large backlog of private-sector discrimination charges. According to preliminary data, the charge inventory at the end of FY 2011 was decreased by 8,785 charges. Total receipts for 2011 were 99,947. Total resolutions were 112,499 and total pending at the end of FY 2011 was 86,921.

The Office of Field Programs (OFP) attributes its progress to its efforts to create performance goals that were more in line with the Chair's vision on how the reduction of inventory should be achieved. OFP also attributed their progress to two new major program initiatives. One initiative focused on identifying best practices that increase the effectiveness of the work completed by front line staff including investigators, supervisors, and managers. This initiative has been partially implemented for investigators resulting in the issuance of a handbook for use in managing their individual caseloads. Similarly, OFP indicates that a handbook is being developed to help field management manage the inventories in their offices.

The second OFP initiative is currently being reviewed by agency leadership. This initiative includes an operations plan to manage and reduce charge inventory. The plan includes elements of a results oriented approach to measuring the performance of the agency in charge processing. For instance, the plan proposes to implement mechanisms to achieve consistent productivity throughout the fiscal year.

OFP lost approximately seven percent of its investigators during 2009–2010. However, despite the increasing challenges presented by a declining budget, the lost of frontline staff, and expanding enforcement responsibilities, OFP's new program initiatives have shown a positive impact on the reduction of the charge inventory. Additional sustained progress in this area is conditioned upon approval of this plan.

CONCERNING AGENCY COMPLIANCE WITH FMFIA

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of
Inspector General

November 10, 2011

MEMORANDUM

TO : Jacqueline A. Berrien
Chair

FROM : Milton A. Mayo, Jr.
Inspector General

SUBJECT : FY 2011Agency Compliance with the Federal Managers' Financial Integrity Act
(OIG Report No. 2011-04-AIC)

The *Federal Managers' Financial Integrity Act* (FMFIA), *P.L. 97-255*, as well as the Office of Management and Budget's (OMB) Circular A-123, Management Accountability and Control, establish specific requirements for management controls. Each agency head must establish controls to reasonably ensure that: (1) obligations and costs are in compliance with applicable laws; (2) funds, property and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (3) revenues and expenditures applicable to agency operations are properly recorded and accounted for in order to permit the preparation of reliable financial and statistical reports, as well as to maintain accountability over the assets. FMFIA further requires each executive agency head, on the basis of an evaluation conducted in accordance with applicable guidelines, to prepare and submit a signed statement to the President disclosing that agency's system of internal accounting and administrative control fully comply with requirements established in FMFIA.

EEOC Order 195.001, Internal Control Systems requires the Office of Inspector General (OIG) to annually provide a written advisory to the Chair on whether the management control evaluation process complied with OMB guidelines. On November 8, 2011, the Office of Research, Information and Planning (ORIP) submitted EEOC's Fiscal Year 2011 FMFIA Assurance Statement to the Chair and to the OIG for review. The OIG reviewed: (1) assurance statements submitted by headquarters and district directors attesting that their systems of management accountability and control were effective and that resources under their control were used consistent with the agency's mission and complied with FMFIA; (2) all functional area summary tables, and functional area reports; and (3) ORIP's Fiscal year 2011 Federal Managers' Financial Integrity Act

Assurance Statement, and Assurance Statement Letter, and attachments. Based on our limited independent assessment of this year's process, OIG is pleased to advise you that the Agency's management control evaluation was conducted in accordance with OMB and FMFIA regulations.

Further, based on the results of audits, evaluations, and investigations conducted by OIG during Fiscal Year 2011, OIG concurs with ORIP's assertion that the Agency had no material weaknesses during this reporting cycle.

OIG concurs with ORIP's reporting of 10 instances of financial non-conformances. Of the 10 financial non-conformances, all were corrected in FY 2011.

Financial Statements

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

I am pleased to present the U.S. Equal Employment Opportunity Commission's financial statements for fiscal year 2011. Our financial statements are an integral component of our Performance and Accountability Report. The Accountability of Tax Dollars Act of 2002 extends to the agency a requirement to prepare and submit audited financial statements. The President's fiscal management priorities among other standards, requires us to obtain and sustain clean audit opinions on our financial statements. The Office of Management and Budget (OMB) issued an updated Circular A-136, Financial Reporting Requirements, on September 29, 2010, which further refined reporting requirements for the PAR submission.

Our fiscal year 2011 financial statements received an unqualified opinion through the work of the dedicated financial and administrative staff in the agency. This means our agency has received an unqualified opinion for eight consecutive years and represents our continuing successful efforts to improve the financial management of the agency. To support these efforts, we conducted a full and open competition for our Agency's financial management support services this past year. A private sector vendor won the competition proposing a federal Oracle R12 financial software solution. The scope of the contract includes hosting the software in a cloud environment, performing all operations and maintenance and supporting business transaction processing. The five and one half year contract calls for an implementation effective October 1, 2011 for fiscal year 2012 and includes four one-year option periods.

For fiscal year 2011, the agency received a $366.5 million budget. We completed the fiscal year within budget despite seven continuing resolutions. We had to freeze all planned hiring and office space acquisitions in January 2011 to avoid furloughs. The freeze continued throughout the fiscal year. The structure of the agency budget makes it nearly impossible to approve additional discretionary spending. Compensation and benefit costs now consume close to 74% of the budget. Office space rent costs require about 8% of our total budget. With 8% of the budget dedicated to the State and local program, only 10% of the budget is available for technology, programs, travel, and other general expenses.

As reported in the past, I have identified several critical issues for the agency to focus on to continue to improve its long-term financial health. An update on each item is provided below.

- **Execute a disciplined analysis of future workforce and infrastructure requirements.** The agency has had a difficult time slowing the growth of future costs of compensation and benefits for current employees, which are on now on a path to increase to 74% of the EEOC's budget. These costs include salary, health and life insurance, agency contributions for retirement plans, social security, Medicare, worker's compensation, unemployment insurance, reasonable accommodations, and transit subsidies. In fiscal year 2012 we must set aside over $8 million for career ladder promotions and within-grade-increases.

  The agency must re-focus on why our telework program has produced no savings in office rent costs over the past ten years. The agency can no longer afford the cost of a brick and mortar service delivery model at 53 locations. I recommend that the Commission implement a two pronged approach to reducing office rent costs by 20% over five years. First, the Commission needs to take full advantage of national telework options and downsize our office space requirements consistent with industry best practices. While a substantial portion of the workforce engages in telework, there has not been a focus on adjusting space needs accordingly. Second, the Commission must do a better job of infusing information technology tools into our daily work to support more efficient business processes which are less labor intensive.

Four years ago the agency contracted for an independent top-down study of the information technology infrastructure and staffing. The report called for substantial changes in the governance, organization, use of contracts, server and network operations, desktop management, and the skill mix of staff in order to more effectively spend the $25 million annual budget for the information technology function. Some progress has been made, but major events such as an extended electrical outage, an earthquake and major flooding, and lack of emergency preparedness have overshadowed the progress. These events clearly highlighted the need for substantial changes in strategic and tactical direction for our information technology program. The Information Technology Investment Review Board (ITIRB) working with the Office of Information Technology must take a much more active role to examine options and make technology investment decisions.

One major recommendation is for the agency to contract for an independent cost/benefit study in fiscal year 2012 to examine the critical single point of failure data center operating in the headquarters building. Special emphasis will be placed on comparing energy consumption, cost of labor, risk factors for the location in Washington, DC, service level expectations, disaster recovery options and the economies of scale that could be achieved through a competitive acquisition process. Co-location with a secure, commercial data and network service provider could lower the life-cycle cost of operations and provide significant improvements in configuration management.

- **Recognize and manage competing budget priorities.** Non-payroll costs continue to increase for homeland security, rent and office rehabilitations, and government-wide programs such as financial management services with a shared service provider. In order to avoid employee furloughs during the year, the agency froze hires, office space expansions/moves, and office space rehabilitations in January 2011 for the balance of the fiscal year. The agency also may need to take action in response to an Inspector General state and local program evaluation.
- **Formulate a long-term performance budget strategy.** The agency continues to look into improved information approaches for annual budget justifications and Congressional briefing because of the workload by activity and the backlog of casework. More attention is needed on how we communicate our fixed costs and various workload metrics. Substantial work is underway to update a Strategic Plan which expires in fiscal year 2012.

In fiscal year 2012, we will continue the focus on accountability, financial transparency, and results through improved budget planning, performance metrics and financial management.

Jeffrey A. Smith, CPA, CGFM
Chief Financial Officer
U.S. Equal Employment Opportunity Commission

November 15, 2011

INSPECTOR GENERAL'S AUDIT REPORT

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
Washington, D.C. 20507

Office of
Inspector General

November 14, 2011

MEMORANDUM

TO: Jacqueline Berrien
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2011Financial Statements (OIG Report No. 2011-02-FIN)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight and Company, P.A (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal year 2011. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards; Office of Management and Budget's Bulletin 07-04, *Audit Requirements for Federal Financial Statements,* and the Government Accountability Office/President's Council on Integrity and Efficiency's *Financial Audit Manual.*

HRK issued an unqualified opinion on EEOC's FY 2011 financial statements. In its Report on Internal Control, HRK noted no areas involving internal control and its operation that were considered to be material weaknesses. In its Report on Compliance with Applicable Laws and Regulations, HRK noted no instances of non compliance with laws and regulations applicable to the agency.

In connection with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls or on whether EEOC's financial management systems substantially complied with FFMIA; or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 11, 2011, and the conclusions expressed in the report. However, OIG's review disclosed no instances where HRK did not comply, in all material respects, with generally accepted government auditing standards.

If you have any questions or require additional information, please contact Senior Auditor Willie Eggleston on extension 4372. Thank you for your cooperation and assistance.

cc: Claudia Withers
Jeffrey A. Smith
Raj Mohan
Nicholas Inzeo
John Schmelzer
Mary McIver
Lisa Williams
Kimberly Hancher
Peggy Mastroianni
Brett Brenner
Todd Cox

INDEPENDENT AUDITORS' REPORT

HARPER, RAINS, KNIGHT & COMPANY
Certified Public Accountants
A Professional Association

Independent Auditors' Report

Inspector General
U.S. Equal Employment Opportunity Commission

We have audited the accompanying consolidated balance sheets of the U.S. Equal Employment Opportunity Commission (EEOC), as of September 30, 2011 and 2010, and the related consolidated statements of net cost and changes in net position, and combined statement of budgetary resources, for the years then ended. These financial statements are the responsibility of EEOC management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements,* as amended.

Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our audits of the EEOC for fiscal years 2011 and 2010, we found

- the financial statements are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles,
- no material weaknesses in internal control over financial reporting (including safeguarding of assets) and compliance with laws and regulations, and
- no reportable noncompliance with laws and regulations we tested.

The following sections discuss in more detail (1) these conclusions, (2) conclusions on Management's Discussion and Analysis and other supplementary information, and (3) auditors' and management's responsibilities.

Opinion on the Financial Statements
In our opinion, the financial statements including the accompanying notes present fairly, in all material respects, the financial position of EEOC as of September 30, 2011 and 2010, and its net cost of operations, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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Inspector General
U.S. Equal Employment Opportunity Commission - Continued

Consideration of Internal Control
In planning and performing our audits, we considered EEOC's internal control over financial reporting and compliance. We did this in order to determine our audit procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on internal control. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 07-04, as amended. We did not test all internal controls relevant to the operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982. Providing an opinion on internal control was not the objective of our audit. Accordingly, we do not express an opinion on EEOC's internal control over financial reporting and compliance or on management's assertion on internal control included in Managements' Discussion and Analysis. However, for the controls we tested, we found no material weaknesses in internal control over financial reporting (including safeguarding of assets) and compliance.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency in internal control, or a combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the design or operation of one or more internal controls will not allow management or employees, in the normal course of performing their duties, to promptly detect or prevent errors, fraud, or noncompliance in amounts that would be material to the financial statements. Our internal control work would not necessarily disclose all deficiencies in internal control that might be material weaknesses or other significant deficiencies.

We noted certain additional matters that we will report to management of EEOC in a separate letter.

Compliance with Applicable Laws and Regulations
The management of EEOC is responsible for complying with laws and regulations applicable to EEOC. As part of obtaining reasonable assurance about whether EEOC's financial statements are free of material misstatement, we performed tests of its compliance with selected provisions of laws and regulations including laws governing the use of budgetary authority and government-wide policies identified in OMB Bulletin No. 07-04, as amended, non-compliance with which could have a direct and material effect on the determination of consolidated and combined financial statements. Our tests disclosed no instances of noncompliance with laws and regulations which would be reportable under U.S. generally accepted government auditing standards or OMB audit guidance.

We limited our tests of compliance to the provisions of laws and regulations referred to in the preceding paragraph. Providing an opinion on compliance with those provisions was not an objective of our audit. Accordingly, we do not express such an opinion.

Inspector General
U.S. Equal Employment Opportunity Commission - Continued

Consistency of Other Information
Management's Discussion and Analysis (MD&A) is not a required part of the financial statements but is supplementary information required by the Federal Accounting Standards Advisory Board and OMB Circular A-136, *Financial Reporting Requirements*. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the MD&A. However, we did not audit the information and accordingly, we express no opinion on it.

Responsibilities
EEOC's management is responsible for (1) preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act are met, and (3) complying with applicable laws and regulations.

We are responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. We are also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit, (2) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and laws for which OMB audit guidance requires testing, and (3) performing limited procedures with respect to certain other information appearing in the Annual Financial Statement.

In order to fulfill these responsibilities, we

- examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- assessed the accounting principles used and significant estimates made by management;
- evaluated the overall presentation of the financial statements;
- obtained an understanding of the entity and its operations, including its internal control related to financial reporting (including safeguarding assets), and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- tested relevant internal controls over financial reporting, and compliance, and evaluated the design and operating effectiveness of internal control;
- considered the design of the process for evaluating and reporting on internal control and financial management systems under the Federal Managers' Financial Integrity Act; and
- tested compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB Bulletin No. 07-04, as amended.

We did not evaluate all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error or fraud, losses, or noncompliance may nevertheless occur and not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

Inspector General
U.S. Equal Employment Opportunity Commission - Continued

We did not test compliance with all laws and regulations applicable to EEOC. We limited our tests of compliance to selected provisions of laws and regulations that have a direct and material effect on the financial statements and those required by OMB audit guidance that we deemed applicable to the EEOC's financial statements for the fiscal year ended September 30, 2011. We caution that noncompliance may occur and not be detected by these tests and that such testing may not be sufficient for other purposes.

We performed our audit in accordance with auditing standards generally accepted in the United States of America and audit guidance in OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements,* as amended.

Our audits were conducted for the purpose of forming an opinion on the financial statements of EEOC taken as a whole. The other accompanying information included in this performance and accountability report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the management of the U.S. Equal Employment Opportunity Commission, the U.S. Office of Management and Budget, the U.S. Government Accountability Office, and the U.S. Congress and is not intended to be and should not be used by anyone other than these specified parties.

Harper, Rains, Knight & Company, P.A.

November 11, 2011

Inspector General
U.S. Equal Employment Opportunity Commission - Continued

Appendix A
Status of Management's Actions on Prior Year Recommendations

Recommendation	**Status as of 11-11-2011**
OHR should review and refine controls in place over time-and-attendance reporting to ensure that all employees report accurate and complete information to timekeepers. Additionally, OHR should implement a policy requiring return of timesheets with incorrect or incomplete information to employees for correction before certification of time-and-attendance information in EEOC's online timekeeping system.	Resolved
The CFO should work with the Director of RFD to ensure that documentation is maintained to support all transactions recorded in the general ledger.	Resolved

LIMITATIONS OF THE FINANCIAL STATEMENTS

EEOC has prepared its financial statements to report its financial position and results of operations, pursuant to the requirements of the Accountability of Tax Dollars Act of 2002, the Government Management Reform Act of 1994, and OMB Circular A-136, *Financial Reporting Requirements*.

While the EEOC statements have been prepared from its books and records in accordance with the formats prescribed by the Office of Management and Budget, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records.

These statements should be read with the understanding that they are for a component of the United States Government, a sovereign entity. Liabilities, not covered by budgetary resources, cannot be liquidated without the enactment of an appropriation by Congress and payment of all liabilities, other than for contracts, can be abrogated by the federal government.

Equal Employment Opportunity Commission

CONSOLIDATED BALANCE SHEETS

As of September 30, 2011 and 2010

(in dollars)

	FY 2011	FY 2010
ASSETS		
Intragovernmental:		
Fund balance with treasury (Note 2)	$ 56,239,598	$ 75,935,795
Accounts receivable (Note 3)	52,841	198,677
Advances	24,454	24,454
Total intragovernmental assets	56,316,893	76,158,926
Accounts receivable, net (Note 3)	380,840	161,213
General property and equipment, net (Note 4)	8,128,795	9,398,382
Advances and prepaid expenses	29,352	28,047
TOTAL ASSETS	64,855,880	85,746,568
LIABILITIES		
Intragovernmental		
Accounts payable (Note 6)	1,089,755	135,502
Employer payroll taxes	1,092,771	2,939,399
Worker's compensation liability (Note 7)	3,205,664	3,067,745
Amounts due to Treasury for non-entity assets (Note 5)	43,556	11,294
Total intragovernmental liabilities	5,431,746	6,153,940
Accounts payable	17,905,815	17,209,182
Accrued payroll	4,302,190	11,798,293
Accrued annual leave (Note 7)	19,339,327	19,129,396
Future worker's compensation liability (Note 7)	13,656,749	12,130,585
Capital lease liability	—	53,229
Amounts Collected for Restitution	14,823	5,647
Deferred revenue	70,605	166,385
TOTAL LIABILITIES	60,721,255	66,646,657
NET POSITION		
Unexpended appropriations	28,793,935	40,758,839
Cumulative results of operations—earmarked funds (Note 14)	3,333,431	3,225,285
Cumulative results of operations—other funds	(27,992,741)	(24,884,213)
Total net position	4,134,625	19,099,911
TOTAL LIABILITIES AND NET POSITION	**$ 64,855,880**	**$ 85,746,568**

The accompanying notes are an integral part of these statements.

Equal Employment Opportunity Commission

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2011 and 2010

(in dollars)

	FY 2011	FY 2010
JUSTICE, OPPORTUNITY, AND INCLUSIVE WORKPLACES		
Private Sector:		
Enforcement	$ 195,350,522	$ 188,434,637
Mediation	28,538,765	26,620,822
Litigation	79,605,289	72,348,736
Outreach	9,544,830	10,670,284
Training	2,171,914	2,350,087
State and Local	34,577,545	35,597,007
Total program costs—Private Sector	349,788,865	336,021,572
Revenue	(2,123,421)	(1,874,875)
Net cost—Private Sector	347,665,444	334,146,698
Federal Sector:		
Hearings	30,927,760	29,714,117
Appeals	16,322,697	15,562,283
Mediation	997,832	426,109
Oversight	6,421,506	5,740,544
Training	2,506,918	3,003,186
Total Program costs—Federal Sector	57,176,713	54,446,239
Revenue	(2,313,541)	(2,390,861)
Net cost—Federal Sector	54,863,172	52,055,378
Totals all programs		
Program costs	406,965,578	390,467,812
Revenue (Note 11)	(4,436,962)	(4,265,736)
Net Cost of Operations	**$ 402,528,616**	**$ 386,202,076**

The accompanying notes are an integral part of these statements.

Equal Employment Opportunity Commission

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2011 and 2010

(in dollars)

	FY 2011			FY 2010		
	Earmarked Funds (Note 14)	All Other Funds	Consolidated	Earmarked Funds (Note 14)	All Other Funds	Consolidated
CUMULATIVE RESULTS OF OPERATIONS						
Beginning Balances:	$ 3,225,285	$ (24,884,213)	$ (21,658,928)	$ 3,501,721	$ (20,418,558)	$ (16,916,837)
Budgetary Financing Sources:						
Unexpended appropriations—used	—	376,125,486	376,125,486	—	358,051,143	358,051,143
Other Financing Sources:						
Imputed financing sources (Note 15)	—	23,402,748	23,402,748	—	23,408,842	23,408,842
Total Financing Sources	—	399,528,234	399,528,234	—	381,459,985	381,459,985
Net Cost of Operations	108,146	(402,636,762)	(402,528,616)	(276,436)	(385,925,640)	(386,202,076)
Net Change	108,146	(3,108,528)	(3,000,382)	(276,436)	(4,465,655)	(4,742,091)
Cumulative Results of Operations	3,333,431	(27,992,741)	(24,659,310)	3,225,285	(24,884,213)	(21,658,928)
UNEXPENDED APPROPRIATIONS						
Beginning Balances:	$ —	$ 40,758,839	$ $40,758,839	$ —	$ 33,679,695	$ 33,679,695
Budgetary Financing Sources:						
Appropriations received (Note 12)	—	367,303,000	367,303,000	—	367,303,000	367,303,000
Recissions and canceled appropriations	—	(3,142,418)	(3,142,418)	—	(2,172,713)	(2,172,713)
Unexpended appropriations—used	—	(376,125,486)	(376,125,486)	—	(358,051,143)	(358,051,143)
Total Budgetary Financing Sources	—	(11,964,904)	(11,964,904)	—	7,079,144	7,079,144
Total Unexpended Appropriations	—	28,793,935	28,793,935	—	40,758,839	40,758,839
Net Position	**$ 3,333,431**	**$ 801,194**	**$ 4,134,625**	**$ 3,225,285**	**$ 15,874,626**	**$ 19,099,911**

The accompanying notes are an integral part of these statements.

Equal Employment Opportunity Commission

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Years Ending September 30, 2011 and 2010

(in dollars)

	FY 2011	FY 2010
Budgetary Resources		
Unobligated balance, brought forward, October 1:	$ 11,749,896	$ 10,955,899
Recoveries of prior year unpaid obligations	5,139,461	2,729,962
Budget authority:		
Appropriation (Note 12)	367,303,000	367,303,000
Spending authority from offsetting collections:		
Earned:		
Collected	4,518,631	4,311,567
Change in receivables from Federal sources	42,951	32,130
Change in unfilled customer orders:		
Advance received	(95,780)	73,424
Subtotal	371,768,802	371,720,121
Permanently not available	(3,142,418)	(2,172,713)
Total Budgetary Resources	$ $385,515,741	$ 383,233,269
Status of Budgetary Resources		
Obligations incurred		
Direct obligations (Note 13)	366,940,113	367,077,775
Reimbursable obligations	4,184,622	4,405,598
Subtotal	371,124,735	371,483,373
Unobligated balance		
Apportioned	2,107,523	1,545,207
Unobligated balance not available	12,283,483	10,204,689
Total Status of Budgetary Resources	$ $385,515,741	$ 383,233,269
Change in Obligated Balance:		
Obligated balance, net		
Unpaid obligations brought forward October 1	64,494,402	56,333,363
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(314,131)	(282,002)
Total unpaid obligated balance	64,180,271	56,051,361
Obligations incurred, net	371,124,735	371,483,373
Less: Gross outlays	(388,288,826)	(360,592,371)
Less: Recoveries of prior year unpaid obligations, net	(5,139,461)	(2,729,962)
Change in uncollected customer payments from Federal sources	(42,951)	(32,130)
Obligated balance, net, end of period		
Unpaid obligations	42,190,850	64,494,402
Less: Uncollected customer payments from Federal sources	(357,082)	(314,131)
Total, unpaid obligation balance, net, end of period	41,833,768	64,180,271
Net Outlays:		
Net Outlays:		
Gross outlays	388,288,826	360,592,371
Less: Offsetting collections	(4,422,851)	(4,384,991)
Net Outlays	**$ 383,865,975**	**$ 356,207,380**

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 and 2010

(In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Equal Employment Opportunity Commission (EEOC) was created by Title VII of the Civil Rights Act of 1964 (78 Stat. 253:42 U.S.C. 2000e et seq) as amended by the Equal Employment Opportunity Act of 1972 (Public Law 92261), and became operational on July 2, 1965. Title VII requires that the Commission be composed of five members, not more than three of whom shall be of the same political party. The members are appointed by the President of the United States of America, by and with the consent of the Senate, for a term of 5 years. The President designates one member to serve as Chairman and one member to serve as Vice Chairman. The General Counsel is also appointed by the President, by and with the advice and consent of the Senate for a term of 4 years.

In addition, based on the EEOC Education Technical Assistance and Training Revolving Fund Act of 1992 (P.L. 102-411), the EEOC is authorized to charge and receive fees to offset the costs of education, technical assistance and training.

The Commission is concerned with discrimination by public and private employers of 15 or more employees (excluding elected or appointed officials of state and local governments), public and private employment agencies, labor organizations with 15 or more members or agencies which refer persons for employment or which represent employees of employers covered by the Act, and joint labor-management apprenticeship programs of covered employers and labor organizations. The Commission carries out its mission through investigation, conciliation, litigation, coordination, regulation in the federal sector, and through education, policy research, and provision of technical assistance.

(b) Basis of Presentation

These financial statements have been prepared to report the consolidated financial position of the EEOC, consistent with the Chief Financial Officers' Act of 1990 and the Government Management Reform Act of 1994. This means that any intra-agency transactions have been eliminated. These financial statements have been prepared from the books and records of the EEOC in accordance with generally accepted accounting principles (GAAP) using guidance issued by the Federal Accounting Standards Advisory Board (FASAB), the Office of Management and Budget (OMB) and the EEOC's accounting policies, which are summarized in this note. These consolidated financial statements present proprietary information while other financial reports also prepared by the EEOC pursuant to OMB directives are used to monitor and control the EEOC's use of federal budgetary resources.

(c) Basis of Accounting

The Commission's integrated Financial Management System uses CGI's Momentum, which is a highly flexible financial accounting, funds control, management accounting, and financial reporting system designed specifically for federal agencies. Momentum complies with the Financial Systems Integration Office's core requirements for federal financial systems.

Financial transactions are recorded in the financial system, using both an accrual and a budgetary basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal requirements and mandated controls over the use of federal funds. It generally differs from the accrual basis of accounting in that obligations are recognized when new orders are placed, contracts awarded, and services received that will require payments during the same or future periods. Any EEOC intra-entity transactions have been eliminated in the consolidated financial statements.

(d) Revenues, User Fees and Financing Sources

The EEOC receives the majority of the funding needed to support its programs through congressional appropriations. Financing sources are received in direct and indirect annual and no-year appropriations that may be used, within statutory limits for operating and capital expenditures. Appropriations used are recognized as an accrual-based financing source when expenses are incurred or assets are purchased.

The EEOC also has a permanent, indefinite appropriation. These additional funds are obtained through fees charged to offset costs for education, training and technical assistance provided through the revolving fund. The fund is used to pay the cost (including administrative and personnel expenses) of providing education, technical assistance, and training by the Commission. Revenue is recognized as earned when the services have been rendered.

An imputed financing source is recognized to offset costs incurred by the EEOC and funded by another federal source, in the period in which the cost was incurred. The types of costs offset by imputed financing are: (1) employees' pension benefits; (2) health insurance, life insurance and other post-retirement benefits for employees; and (3) losses in litigation proceedings. Funding from other federal agencies is recorded as an imputed financing source.

(e) Assets and Liabilities

Assets and liabilities presented on the EEOC's balance sheets include both entity and non-entity balances. Entity assets are assets that the EEOC has authority to use in its operations. Non-entity assets are held and managed by the EEOC, but are not available for use in operations. The EEOC's non-entity assets represent receivables that, when collected will be transferred to the United States Treasury.

Intra-governmental assets and liabilities arise from transactions between the Commission and other federal entities. All other assets and liabilities result from activity with non-federal entities.

Liabilities covered by budgetary or other resources are those liabilities of the EEOC for which Congress has appropriated funds, or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding.

(f) Fund Balance with the U.S. Treasury

Fund Balances with Treasury are cash balances remaining as of the fiscal year-end from which the EEOC is authorized to make expenditures and pay liabilities resulting from operational activity, except as restricted by law. The balance consists primarily of appropriations. The EEOC records and tracks appropriated funds in its general funds. Also included in Fund Balance with Treasury are fees collected for services which are recorded and accounted for in the EEOC's revolving fund.

(g) Accounts Receivable

Accounts receivable consists of amounts owed to the EEOC by other federal agencies and from the public.

Intra-governmental accounts receivable represents amounts due from other federal agencies. The receivables are stated net of an allowance for estimated uncollectible amounts. The method used for estimating the allowance is based on analysis of aging of receivables and historical data.

Accounts receivable from non-federal agencies are stated net of an allowance for estimated uncollectible amounts. The allowance is determined by considering the debtor's current ability to pay, their payment record, and willingness to pay and an analysis of aged receivable activity. The allowance for accounts receivable is computed as follows: Accounts receivable between 365 days and 720 days old are computed at 50% and those older than 720 days are calculated at 100%.

(h) Property, Plant and Equipment

Property, plant and equipment consist of equipment, leasehold improvements and capitalized software. There are no restrictions on the use or convertibility of property, plant and equipment.

For property, plant and equipment, the EEOC capitalizes equipment (including capital leases), with a useful life of more than 2 years and an acquisition cost of $100,000 or more. Leasehold improvements and capitalized software are capitalized with a useful life of 2 years or more and an acquisition cost of at least $200,000.

Expenditures for normal repairs and maintenance for capitalized equipment and capitalized leases are charged to expense as incurred unless the expenditure is equal to or greater than $100,000 and the improvement increases the asset's useful life by more than 2 years. For Leasehold improvements and capitalized software the amount must be greater than $200,000 or the improvements increases the asset life by more than 2 years.

Depreciation or amortization of equipment is computed using the straight-line method over the assets' useful lives ranging from 5 to 15 years. Copiers are depreciated using a 5-year life. Computer hardware is depreciated over 10 to 12 years. Capitalized software is amortized over a useful life of 2 years. Amortization of capitalized software begins on the date it is put in service, if purchased, or when the module or component has been successfully tested if developed internally. Leasehold improvements are amortized over the remaining life of the lease.

The EEOC leases the majority of its office space from the General Services Administration. The lease costs approximate commercial lease rates for similar properties.

(i) Advances and Prepaid Expenses

Amounts advanced to EEOC employees for travel are recorded as an advance until the travel is completed and the employee accounts for travel expenses.

Expenses paid in advance of receiving services are recorded as a prepaid expense until the services are received.

(j) Accrued Annual, Sick and Other Leave and Compensatory Time

Annual leave, compensatory time and other leave time, along with related payroll costs, are accrued when earned, reduced when taken, and adjusted for changes in compensation rates. Sick leave is not accrued when earned, but rather expensed when taken.

(k) Retirement Benefits

EEOC employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984 could elect to either join FERS and Social Security or remain in CSRS.

For employees under FERS, the EEOC contributes an amount equal to 1% of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional 4% of pay. FERS and CSRS employees can contribute $16,500 of their gross earnings to the plan, for the calendar years 2011 and 2010. However, CSRS employees receive no matching agency contribution. There is also an additional $5,500 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2011 and 2010.

The EEOC recognizes the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by SFFAS No. 5, *Accounting for Liabilities of the Federal Government.* Full costs include pension and ORB contributions paid out of EEOC appropriations and costs financed by the U.S. Office of Personnel Management (OPM). The amount financed by OPM is recognized as an imputed financing source. Reporting amounts such as plan assets, accumulated plan benefits, or unfunded liabilities, if any, is the responsibility of OPM.

Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits Program (FEHBP) and the Federal Employees Group Life Insurance Program (FEGLI) are reported by OPM rather than EEOC.

(l) Workers' Compensation

A liability is recorded for estimated future payments to be made for workers' compensation pursuant to the Federal Employees' Compensation Act (FECA). The FECA program is administered by the U.S. Department of Labor, (DOL) which initially pays valid claims and subsequently seeks reimbursement from federal agencies employing the claimants. Reimbursements to the DOL on payments made occur approximately 2 years subsequent to the actual disbursement. Budgetary resources for this intra-governmental liability are made available to the EEOC as part of its annual appropriation from Congress in the year that reimbursement to the DOL takes place. A liability is recorded for actual un-reimbursed costs paid by DOL to recipients under FECA.

Additionally, an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases is recorded. The EEOC employs an actuary to compute this estimate using a method that utilizes historical benefit payment patterns related to a specific period to predict the ultimate payments related to the current period. The estimated liability is not covered by budgetary resources and will require future funding. This estimate is recorded as a future liability.

(m) Contingent Liabilities

Contingencies are recorded when losses are probable, and the cost is measurable. When an estimate of contingent losses includes a range of possible costs, the most likely cost is reported, but where no cost is more likely than any other, the lowest possible cost in the range is reported.

(n) Amounts Collected for Restitution

The courts directed an individual to pay amounts to the EEOC as restitution to several claimants named in a court case. These monies will be paid to claimants as directed by the courts.

(o) Cost Allocations to Programs

Costs associated with the EEOC's various programs consist of direct costs consumed by the program, including personnel costs, and a reasonable allocation of indirect costs. The indirect cost allocations are based on actual hours devoted to each program from information provided by EEOC employees.

(p) Unexpended Appropriations

Unexpended appropriations represent the amount of EEOC's unexpended appropriated spending authority as of the fiscal year-end that is unliquidated or is unobligated and has not lapsed, been rescinded or withdrawn.

(q) Income Taxes

As an agency of the federal government, EEOC is exempt from all income taxes imposed by any governing body, whether it is a federal, state, commonwealth, local, or foreign government.

(r) Use of Estimates

Management has made certain estimates and assumptions in reporting assets and liabilities and in the footnote disclosures. Actual results could differ from these estimates. Significant estimates underlying the accompanying financial statements include the allowance for doubtful accounts receivable, contingent liabilities and future workers' compensation costs.

(2) Fund Balance with Treasury

Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the EEOC to draw down funds from Treasury for expenses and liabilities. Fund Balance with Treasury by fund type as of September 30, 2011 and 2010 consists of the following:

		FY 2011		FY 2010
Fund Type				
Revolving funds	$	3,206,507	$	3,194,351
Appropriated funds		53,018,267		72,735,817
Other fund types		14,824		5,627
Totals	**$**	**56,239,598**	**$**	**75,935,795**

The status of the fund balance is classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in the current year of operations. The unavailable amounts are those appropriated in prior fiscal years, which are not available to fund new obligations. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

The Fund Balance with Treasury includes items for which budgetary resources are not recorded, such as deposit funds and miscellaneous receipts. These funds are shown in the table below as a Non-budgetary Fund Balance with Treasury.

The undelivered orders at the end of the period consist of $17,854,128 and $32,464,528 for FY 2011 and FY 2010, respectively.

For fiscal years ended September 30, 2011 and 2010, funds in closed accounts of $2,407,813 and $2,172,713 were returned to Treasury.

Status of Fund Balance with Treasury as of September 30, 2011 and 2010 consists of the following:

	FY 2011	FY 2010
Status of Funds		
Unobligated balance:		
Available	$ 2,107,523	$ 1,545,207
Unavailable	12,283,483	10,204,689
Obligated balance not yet disbursed	41,833,768	64,180,271
Non-budgetary Fund Balance with Treasury	14,824	5,628
Totals	**$ 56,239,598**	**$ 75,935,795**

(3) Accounts Receivable, Net

Intra-governmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services. While all receivables from federal agencies are considered collectible, an allowance for doubtful accounts is sometimes used to recognize the occasional billing dispute. In FY 2011 and FY 2010, this was not deemed necessary.

Accounts receivable due to EEOC from the public arise from enforcement or prevention and training services provided to public and private entities or state and local agencies. An analysis of accounts receivable is performed to determine collectibility and an appropriate allowance for uncollectible receivables is recorded. The allowance for accounts receivable is computed as follows: Accounts receivable between 365 days and 720 days old are computed at 50% and those older than 720 days years are calculated at 100%. Accounts receivable as of September 30, 2011 and 2010 are as follows:

	FY 2011	FY 2010
Intra-governmental:		
Accounts receivable (see detail below)	$ 52,841	$ 198,677
Allowance for uncollectible receivables	—	—
Totals	**$ 52,841**	**$ 198,677**

	FY 2011	FY 2010
With the public:		
Accounts receivable	$ 533,942	$ 298,798
Allowance for uncollectible receivables	(153,102)	(137,585)
Totals	**$ 380,840**	**$ 161,213**

Amounts due from various federal agencies are for accounts receivable as of September 30, 2011 and 2010. These are related to registered participants' training fees due to the revolving fund and appropriated interagency agreements as shown in the table below:

	FY 2011	FY 2010
Agency		
Department of Agriculture	$ 12,001	$ 8,060
Department of Housing and Urban Development	9,960	—
Independent Agencies	8,093	—
Department of Labor	7,470	950
Department of Homeland Security	5,415	17,928
Environmental Protection Agency	2,845	9,495
Defense Agencies	2,345	48,286
Department of State	2,095	2,000
Department of Treasury	1,444	1,725
Department of Justice	698	2,550
Department of Energy	300	18,558
Social Security Administration	175	25,710
International Trade Commission	—	19,200
Department of the Interior	—	15,692
National Aeronautics and Space Administration	—	7,775
Department of Education	—	7,425
Department of Health and Human Services	—	4,249
The Judiciary	—	3,500
General Services Administration	—	2,550
Architect of the Capital	—	1,725
Office of Personnel Management	—	350
Department of Transportation	—	349
Office of Special Counsel	—	300
National Science Foundation	—	300
Totals	**$ 52,841**	**$ 198,677**

(4) Property, Plant and Equipment, Net

Property, plant and equipment consist of that property which is used in operations and consumed over time. The following tables summarize cost and accumulated depreciation of property, plant and equipment.

As of September 30, 2011		Cost		Accumulated Depreciation		Net Book Value
Equipment	$	908,432	$	(837,744)	$	70,688
Capital leases		193,910		(193,910)		—
Internal use software		4,134,204		(4,134,204)		—
Leasehold improvements		11,772,261		(3,714,154)		8,058,107
Totals	**$**	**17,008,807**	**$**	**(8,880,012)**	**$**	**8,128,795**

As of September 30, 2010		Cost		Accumulated Depreciation		Net Book Value
Equipment	$	911,642	$	(813,662)	$	97,980
Capital leases		193,910		(155,681)		38,229
Internal use software		4,134,204		(4,084,786)		49,418
Leasehold improvements		11,772,261		(2,559,506)		9,212,755
Totals	**$**	**17,012,017**	**$**	**(7,613,635)**	**$**	**9,398,382**

Depreciation expense for the periods ended September 30, 2011 and 2010 is:

	FY 2011		FY 2010
$	**1,269,588**	**$**	**1,321,405**

(5) Non-Entity Assets

The EEOC has $2,709 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2011 and $11,314 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2010. Cash collections of $101,481 were returned to Treasury as of September 30, 2011 and $80,815 were returned to Treasury as of September 30, 2010 as instructed by Treasury.

(6) Liabilities Owed to Other Federal Agencies

As of September 30, 2011 and 2010, the following amounts were owed to other federal agencies:

		FY 2011		FY 2010
Agency				
General Services Administration	$	958,639	$	56,638
Department of Interior		112,554		69,554
National Archives and Records		12,405		9,000
Department of Homeland Security		6,000		—
Department of Health and Human Services		157		310
Totals	**$**	**1,089,755**	**$**	**135,502**

(7) Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts.

Liabilities not covered by budgetary resources as of September 30, 2011 and 2010 are shown in the following table:

		FY 2011		FY 2010
Intra-governmental:				
Accrued worker's compensation	$	3,205,664	$	3,067,745
Total intra-governmental		3,205,664		3,067,745
Accrued annual leave		19,339,327		19,129,396
Worker's compensation due in the future		13,656,749		12,130,585
Capital lease liability		—		53,229
Total liabilities not covered by budgetary resources		36,201,740		34,380,955
Total liabilities covered by budgetary resources		24,519,515		32,265,702
Total liabilities	**$**	**60,721,255**	**$**	**66,646,657**

The EEOC employs an actuary to determine the future workers' compensation liability.

(8) Liabilities Analysis

Current and non-current liabilities as of September 30, 2011 are shown in the following table:

	Current	Non-Current	Totals
Covered by budgetary resources:			
Intra-governmental:			
Accounts payable	$ 1,089,755	$ —	$ 1,089,755
Payroll taxes	1,092,771	—	1,092,771
Due to Treasury	—	—	—
Other	43,556	—	43,556
Total Intra-governmental	2,226,082	—	2,226,082
Accounts payable	17,905,815	—	17,905,815
Accrued payroll	4,302,190	—	4,302,190
Amounts collected for restitution	14,823	—	14,823
Unearned revenue	70,605	—	70,605
Liabilities covered by budgetary resources	24,519,515	—	24,519,515
Liabilities not covered by budgetary resources:			
Intra-governmental:			
Worker's compensation	1,454,164	1,751,500	3,205,664
Total Intra-governmental	1,454,164	1,751,500	3,205,664
Accrued annual leave	19,339,327	—	19,339,327
Actuarial worker's compensation		13,656,749	13,656,749
Capital lease liability	—	—	—
Liabilities not covered by budgetary resources	20,793,491	15,408,249	36,201,740
Total liabilities	**$ 45,313,006**	**$ 15,408,249**	**$ 60,721,255**

Current and non-current liabilities as of September 30, 2010 are shown in the following table:

	Current	Non-Current	Totals
Covered by budgetary resources:			
Intra-governmental:			
Accounts payable	$ 135,502	$ —	$ 135,502
Payroll taxes	2,939,399	—	2,939,399
Due to Treasury	11,294	—	11,294
Other	—	—	—
Total Intra-governmental	3,086,195	—	3,086,195
Accounts payable	17,209,182	—	17,209,182
Accrued payroll	11,798,293	—	11,798,293
Amounts collected for restitution	5,647	—	5,647
Unearned revenue	166,385	—	166,385
Liabilities covered by budgetary resources	32,265,702	—	32,265,702
Liabilities not covered by budgetary resources:			
Intra-governmental:			
Worker's compensation	1,254,127	1,813,618	3,067,745
Total Intra-governmental	1,254,127	1,813,618	3,067,745
Accrued annual leave	19,129,396	—	19,129,396
Actuarial worker's compensation		12,130,585	12,130,585
Capital lease liability	53,229	—	53,229
Liabilities not covered by budgetary resources	20,436,752	13,944,203	34,380,955
Total liabilities	**$ 52,702,454**	**$ 13,944,203**	**$ 66,646,657**

(9) Contingent Liabilities

EEOC is a party to various administrative proceedings, legal actions and claims that may eventually result in the payment of substantial monetary claims to third parties, or in the reallocation of material budgetary resources. Any financially unfavorable administrative or court decision could be funded from either the various claims to judgment funds maintained by the Treasury or paid by the EEOC. In FY 2011 and FY 2010 $0 was recorded for contingent liabilities, which are the amounts considered probable and measurable by EEOC's management and legal counsel. In addition, for FY 2011, there is one claim for which it is reasonably possible that damages will be paid. This pending claim is for overtime to which employees claim they were entitled. The estimated amount of this claim is between three million six hundred thousand ($3,600,000) and seven million ($7,000,000). The chance of this claim succeeding is less than probable, but more than remote. An arbitrator has determined that the EEOC has some liability in this matter but the amount has not yet been determined or unknown as of the date of the financial statements. In the opinion of EEOC's management, the ultimate resolution of this pending litigation will not have a material effect on the EEOC's financial statements.

(10) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA), for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases during FYs 2011 and 2010 are $27,591,597 and $26,761,804, respectively. The EEOC has estimated its future minimum liability on GSA operating leases by adding inflationary adjustments to the FY 2011 lease rental expense. Future estimated minimum lease payments, for 5 fiscal years under GSA as of September 30, 2011 are:

Fiscal Year	Estimated Payments
2012	$ 28,860,290
2013	29,812,404
2014	30,354,990
2015	30,901,380
2016	31,457,604
Total	**$ 151,386,668**

(11) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and to some State and Local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The Commission also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the Commission as of September 30, 2011 and 2010 was as follows:

	FY 2011	FY 2010
Reimbursable revenue	$ 72,000	$ 72,000
Fees from services	4,364,962	4,193,736
Total Revenue	**$ 4,436,962**	**$ 4,265,736**

(12) Appropriations Received

Warrants received by the Commission as of September 30, 2011 and 2010 are:

FY 2011	FY 2010
$ 367,303,000	**$ 367,303,000**

Rescissions for the warrants received by the EEOC for fiscal years 2011 and 2010 are:

FY 2011	FY 2010
$ 734,606	**$ 0**

(13) Apportionment Categories of Obligations Incurred: Direct vs. Reimbursable Obligations

Direct and Reimbursable obligations as of September 30, 2011 and 2010 are:

Obligations	**FY 2011**	**FY 2010**
Direct A	$ 337,544,454	$ 337,357,195
Direct B	29,395,659	29,720,580
Subtotal Direct Obligations	366,940,113	367,077,775
Reimbursable—Direct A	4,184,622	4,405,598
Total Obligations	**$ 371,124,735**	**$ 371,483,373**

(14) Earmarked Funds (Permanent Indefinite Appropriations)

The Commission has permanent, indefinite appropriations from fees earned from services provided to the public and to other federal agencies. These fees are charged to offset costs for education, training and technical assistance provided through the revolving fund. This fund is an earmarked fund and is accounted for separately from the other funds of the Commission. The fund is used to pay the cost (including administrative and personnel expenses) of providing education, technical assistance and training by the Commission. Revenue is recognized as earned when the services have been rendered by the EEOC.

Balance Sheet as of September 30, 2011 and 2010		2011		2010
ASSETS				
Fund balance with Treasury	$	3,206,507	$	3,194,351
Accounts receivable (net of allowance)		309,920		250,216
Advances and prepaid expenses		46,569		34,822
TOTAL ASSETS	$	3,562,996	$	3,479,389
LIABILITIES				
Accounts payable		158,960		87,719
Deferred revenue		70,605		166,385
TOTAL LIABILITIES	$	229,565	$	254,104
NET POSITION				
Cumulative results of operations		3,333,431		3,225,285
TOTAL LIABILITIES AND NET POSITION	$	3,562,996	$	3,479,389

Statement of Net Cost for the Period Ended September 30, 2011 and 2010		2011		2010
Program Costs		4,256,816		4,470,171
Revenue		(4,364,962)		(4,193,736)
Net Cost (Revenue)	**$**	**(108,146)**	**$**	**276,435**

(15) Imputed Financing

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. The U.S. Treasury's Judgment Fund paid certain judgments on behalf of the EEOC. Expenses of the EEOC paid or to be paid by other federal agencies at September 30, 2011 and 2010 consisted of:

		FY 2011		FY 2010
Judgment Fund				
Office of Personnel Management:	$	442,268	$	—
Pension expenses		10,280,115		11,516,849
Federal employees health benefits (FEHB)		12,644,646		11,857,772
Federal employees group life insurance (FEGLI)		35,719		34,221
Total Imputed Financing	**$**	**23,402,748**	**$**	**23,408,842**

(16) Intragovernmental Costs and Exchange Revenue:

		FY 2011		FY 2010
Costs				
Office of Personnel Management	$	61,817,560	$	58,277,450
General Services Administration		35,653,034		32,005,834
Social Security Administration		12,583,268		11,822,271
Federal Retirement Thrift Investment Board		6,810,147		6,184,892
Department of the Interior		4,184,564		3,705,328
Department of Homeland Security		2,872,525		2,669,509
Department of Labor		1,562,866		1,597,932
Department of Transportation		1,549,626		1,263,758
Department of Health and Human Services		303,849		427,997
Other agencies		152,798		77,283
Department of Commerce		142,750		100,750
Environmental Protection Agency		121,579		24,854
National Archives and Records Administration		81,416		70,910
Library of Congress		72,856		58,687
Department of Education		53,000		90
Government Printing Office		26,561		62,122
Department of the Treasury		—		39,796
Intragovernmental Costs		127,988,399		118,389,463
Public costs		278,977,179		272,078,349
Total Program costs	**$**	**406,965,578**	**$**	**390,467,812**

	FY 2011	FY 2010
Revenue		
Defense Agencies	$ 530,911	$ 576,127
Department of Homeland Security	379,527	141,207
Other Agencies	196,039	383,966
Department of Health and Human Services	110,084	21,402
Department of the Interior	85,624	26,609
Department of the Treasury	75,682	75,357
Department of Energy	70,027	48,199
Department of Veterans Affairs	69,914	79,796
Department of Agriculture	57,349	61,252
Department of Justice	57,310	75,931
Social Security Administration	55,850	61,100
Department of Labor	54,291	81,716
Environmental Protection Agency	47,802	12,659
Department of Transportation	39,426	50,863
Office of Personnel Management	36,184	28,810
Department of Commerce	30,470	42,480
Department of State	25,124	12,262
General Services Administration	20,949	16,222
United States Postal Service	17,474	25,501
Department of Education	10,367	17,059
Department of Housing and Urban Development	10,230	10,010
General Accounting Office	7,956	—
National Labor Relations Board	7,309	10,296
Government Printing Office	6,369	—
Tennessee Valley Authority	5,714	13,759
Intragovernmental earned revenue	2,007,982	1,872,583
Public earned revenue	2,428,980	2,393,153
Total Program earned revenue (Note 11)	**4,436,962**	**4,265,736**
Net Cost of Operations	**$ 402,528,616**	**$ 386,202,076**

(17) Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government

The EEOC's budget is allocated to Justice, Opportunity, and Inclusive Workplaces.

Information from the President's Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2010 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2011, since the President's Budget for this period has not been issued by Congress.

Dollars in millions	President's Budget FY 2010 actual as of 9/30/10	Statement of Budgetary Resources FY 2010 as of 9/30/10	Estimated FY 2011	Estimated FY 2012
Budgetary resources	$ 367	$ 383	$ 367	$ 386
Total new obligations	367	371	367	386
Total outlays	356	356	374	384

The differences between the President's 2010 budget and the Combined Statement of Budgetary Resources for 2010 are shown below:

Dollars in millions		Budgetary Resources	Obligations	Outlays (g)
As reported on the Combined Statement of Budgetary Resources for FY 2010		$ 383	$ 371	$ 356
Revolving fund collections not reported in the budget	(a)	(4)		4
Obligations in the revolving fund and no-year fund not included in the President's budget	(b)		(4)	(4)
Carry-forwards and recoveries in the revolving fund and no-year fund not included in the President's Budget	(c)	(3)		
Carry-forwards and recoveries in expired funds	(d)	(11)		
Obligations in expired funds	(e)			
Canceled appropriations	(f)	2		
Rounding differences	(g)			
As reported in the President's Budget for FY 2010		**$ 367**	**$ 367**	**$ 356**

(a) The EEOC's revolving fund provides training and charges fees to offset the cost. The collections are reported on the Combined Statement of Budgetary Resources as a part of total budgetary resources, but are not reported in the President's Budget.

(b) The obligations incurred by the revolving fund and no year fund are not a part of the President's Budget but are included in total obligations incurred in the Combined Statement of Budgetary Resources.

(c) Revolving funds and no-year funds have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Combined Statement of Budgetary Resources, but are not included in the President's Budget.

(d) Expired funds have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Combined Statement of Budgetary Resources until they are canceled, but are not included in the President's Budget.

(e) New obligations in expired funds are shown as a part of obligations incurred on the Combined Statement of Budgetary Resources, but are not included in the President's Budget.

(f) Canceled appropriations are not shown in the President's Budget, but are reported as a reduction to resources in the Combined Statement of Budgetary Resources.

(g) Difference due to rounding by millions.

(18) Reconciliation of Net Cost of Operations to Budget

Equal Employment Opportunity Commission
Reconciliation of Net Cost of Operations (Proprietary) to Budget
For the Month Ended September 30, 2011 and 2010

	FY 2011	FY 2010
Resources Used to Finance Activities		
Current Year Gross Obligations	$ 371,124,735	$ 371,483,373
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Earned		
Collected	(4,518,631)	(4,311,567)
Change in Receivable from Federal Sources	(42,951)	(32,130)
Recoveries of Prior Year Unpaid Obligations	(5,139,461)	(2,729,962)
Other Financing Resources		
Imputed Financing Sources	23,402,748	23,408,842
Total Resources Used to Finance Activity	$ 384,826,440	$ 387,818,556
Resources Used to Finance Items Not Part of the Net Cost of Operations		
Budgetary Obligations and Resources not in the Net Cost of Operations		
Change in Unfilled Customer Orders	(95,780)	73,424
Change in Undelivered Orders	14,610,401	(6,065,069)
Current Year Capitalized Purchases	(53,229)	(44,738)
Deferred Revenue	(70,605)	(166,385)
Components of the Net Cost of Operations which do not Generate or Use Resources in the Reporting Period Revenues without Current Year Budgetary Effect		
Other Financing Sources Not in the Budget	(23,402,748)	(23,408,842)
Costs without Current Year Budgetary Effect		
Depreciation and Amortization	1,269,588	1,321,405
Disposition of Assets	—	1,389
Future Funded Expenses	347,851	1,494,878
Imputed costs	23,402,748	23,408,842
Bad Debt Expense	(63,427)	(99,691)
Other Expenses Not Requiring Budgetary Resources	1,757,377	1,868,307
Net Cost of Operations	**$ 402,528,616**	**$ 386,202,076**

Appendices

APPENDIX A: ORGANIZATION AND JURISDICTION

The U.S. Equal Employment Opportunity Commission is a bipartisan Commission comprised of five presidentially-appointed members, including the Chair, Vice Chair, and three Commissioners. The Chair is responsible for the administration and implementation of policy and the financial management and organizational development of the Commission. The Commissioners participate equally in the development and approval of Commission policies, issue charges of discrimination where appropriate, and authorize the filing of some lawsuits. In addition to the Commissioners, the President appoints a General Counsel to support the Commission and provide direction, coordination, and supervision to the EEOC's litigation program. A brief description of major program areas is provided on the following pages.

When the Commission first opened its doors in 1965, it was charged with enforcing the employment provisions of the landmark Civil Rights Act of 1964. The EEOC's jurisdiction over employment discrimination issues has since grown and now includes the following areas:

- **Title VII of the Civil Rights Act of 1964,** which prohibits employment discrimination on the basis of race, color, religion, sex, and national origin.
- **Pregnancy Discrimination Act,** which amended Title VII to clarify that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes sex discrimination and requires employers to treat pregnancy and pregnancy-related medical conditions as any other medical disability with respect to terms and conditions of employment, including health benefits.
- **Equal Pay Act of 1963 (included in the Fair Labor Standards Act),** which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work in the same establishment.
- **Age Discrimination in Employment Act of 1967,** which protects workers 40 and older from discrimination in hiring, discharge, pay, promotions, fringe benefits, and other aspects of employment. ADEA also prohibits the termination of pension contributions and accruals on account of age and governs early retirement incentive plans and other aspects of benefits planning and integration for older workers.
- **Title I and Title V of the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendments Act of 2008,** which prohibits discrimination by private sector respondents and state and local governments against qualified individuals on the basis of disability.
- **Rehabilitation Act of 1973,** which prohibits discrimination on the basis of disability in the federal government.
- **Title II of the Genetic Information Nondiscrimination Act,** which prohibits employment discrimination on the basis of an applicant's or employee's genetic information, generally prohibits acquisition of genetic information from applicants and employees, and requires covered entities to keep such information confidential.
- **Lilly Ledbetter Fair Pay Act of 2009,** which overturned adverse Supreme Court precedent and restored the EEOC's long-held position on the timeliness of pay discrimination claims.

The **Office of Field Programs**, the **Office of General Counsel**, and **53 field offices**, insure that the EEOC effectively enforces the statutory, regulatory, policy, and program responsibilities of the Commission through a variety of resolution methods tailored to each charge. Staff is responsible for achieving a wide range of objectives, which focus on the quality, timeliness, and appropriateness of individual, class, and systemic charges and for securing relief for victims of discrimination in accordance with Commission policies. Staff also counsel individuals about their rights under the laws enforced by the EEOC and conduct outreach and technical assistance programs. The **Office of General Counsel** conducts litigation in federal district courts and in the federal courts of appeals.

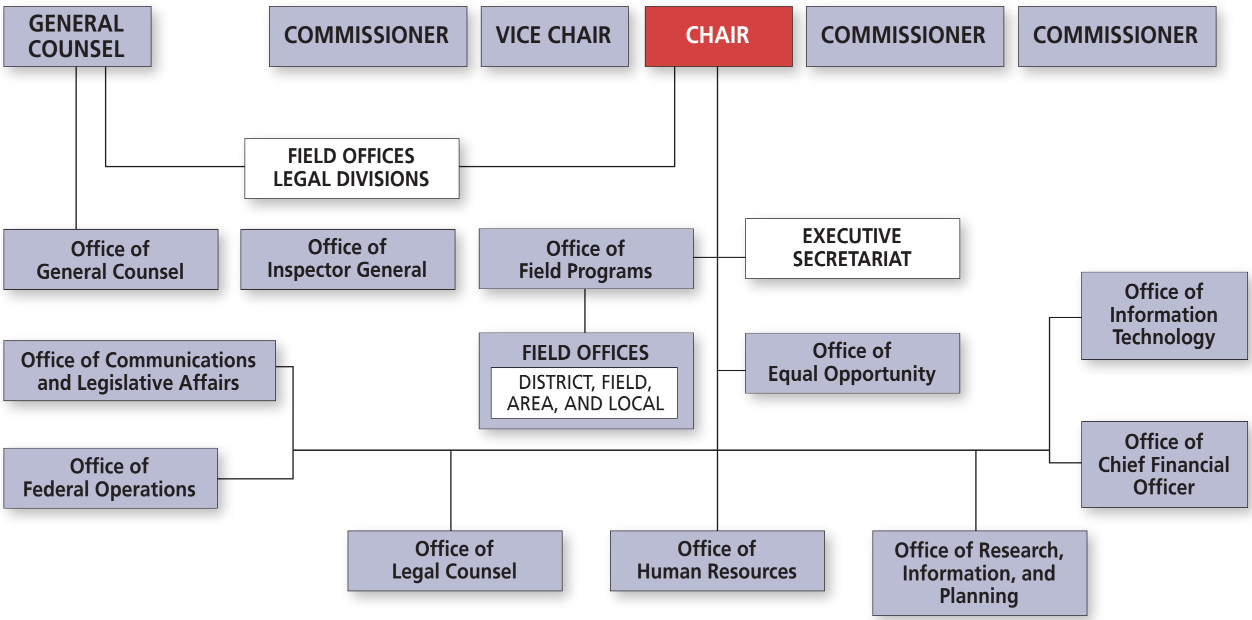
Additionally, through the **Office of Field Program's State and Local Program**, the EEOC maintains work sharing agreements and a contract services program with 94 state and local **Fair Employment Practices Agencies (FEPAs)** for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. The EEOC partners with more than 60 **Tribal Employment Rights Offices (TEROs)** to promote equal employment opportunity on or near Indian reservations.

The **Office of Legal Counsel** develops policy guidance, provides technical assistance to employers and employees, and coordinates with other agencies and stakeholders regarding the statutes and regulations enforced by the Commission. The Office of Legal Counsel also includes an external litigation and advice division and a Freedom of Information Act unit.

Through its **Office of Federal Operations**, the EEOC provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. This office assures federal agency and department compliance with EEOC regulations, provides technical assistance to federal agencies concerning EEO complaint adjudication, monitors and evaluates federal agencies' affirmative employment programs, develops and distributes federal sector educational materials and conducts training for stakeholders, provides guidance and assistance to EEOC administrative judges who conduct hearings on EEO complaints, and adjudicates appeals from administrative decisions made by federal agencies on EEO complaints.

The EEOC receives a congressional appropriation to fund the necessary expenses of enforcing civil rights legislation, as well as performing the prevention, outreach, and coordination of activities within the private and public sectors. In addition, the EEOC maintains a Training Institute for technical assistance programs. These programs provide fee-based education and training relating to the laws administered by the Commission.

EEOC Organization



APPENDIX B: BIOGRAPHIES OF THE CHAIR, COMMISSIONERS AND GENERAL COUNSEL

Jacqueline A. Berrien, Chair

Jacqueline A. Berrien was sworn in as Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on April 7, 2010. President Barack Obama nominated Berrien on July 16, 2009, to a term ending July 1, 2014. In announcing her nomination, the President said that Berrien "has spent her entire career fighting to give voice to underrepresented communities and protect our most basic rights." President Obama signed a recess appointment for her on March 27, 2010. She received a recess appointment to the position on March, 27, 2010, and was confirmed by the Senate for her full term on December 22, 2010.

Chair Berrien comes to the EEOC from the NAACP Legal Defense and Educational Fund (LDF), where she served as Associate Director-Counsel for five and a half years. In that position, she reported directly to the organization's President and Director-Counsel and assisted with the direction and implementation of LDF's national legal advocacy and scholarship programs.

Chair Berrien is a graduate of Harvard Law School, where she served as a General Editor of the Harvard Civil Rights-Civil Liberties Law Review. She received her Bachelor of Arts degree with High Honors in Government from Oberlin College and also completed a major in English. In her junior year at Oberlin she received the Harry S. Truman Scholarship in recognition of her leadership potential and commitment to a career in public service. She is a native of Washington, D.C. and has lived in Brooklyn, NY, with her husband, Peter M. Williams since 1987.

For more information about Chair Berrien, please see: www.eeoc.gov/eeoc/berrien.cfm.

Stuart J. Ishimaru, Commissioner

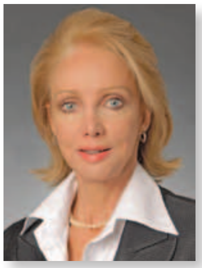
Stuart J. Ishimaru has been a member of the U.S. Equal Employment Opportunity Commission since 2003, nominated by President George W. Bush upon the recommendation of Senate Democratic Leader Tom Daschle. He currently is serving a second term that expires July 1, 2012. He was designated by President Obama as Acting Chairman of the Commission on January 20, 2009 and served in that capacity until April 7, 2010.

Mr. Ishimaru previously served as Deputy Assistant Attorney General in the Civil Rights Division of the U.S. Department of Justice between 1999 and 2001, where he served as a principal advisor to the Assistant Attorney General for Civil Rights, advising on management, policy, and political issues involving the Civil Rights Division. He supervised the Division's attorneys in high-profile litigation, including employment discrimination cases, fair housing and fair lending cases, criminal police misconduct, hate crime and slavery prosecutions, and enforcement of the Americans with Disabilities Act. From 1994–1999, Mr. Ishimaru served as Counsel to the Assistant Attorney General for Civil Rights and provided advice on a broad range of issues.

Mr. Ishimaru, a native of San Jose, California, received his A.B. in Political Science and in Economics from the University of California, Berkeley, and his law degree from the George Washington University. He is married to Agnieszka Fryszman, an attorney, and they have two sons, Matthew and Benjamin.

For more information about Commissioner Ishimaru, please see: www.eeoc.gov/eeoc/ishimaru.cfm.

Constance S. Barker, Commissioner



Constance Smith Barker has been a member of the Commission since 2008. She was nominated by President George W. Bush on March 31, 2008, and unanimously confirmed by the Senate on June 27, 2008 to serve the remainder of a five-year term expiring on July 1, 2011. On May 19, 2011, Ms. Barker was nominated by President Barack Obama to serve a second term to expire on July 1, 2016. The nomination to the second term was unanimously confirmed by the United States Senate on September 26, 2011.

Prior to her appointment to the Commission, Ms. Barker was a shareholder for 13 years at the law firm of Capell & Howard, P.C. in Montgomery, Alabama. As a member of the firm's Labor and Employment Section, she provided advice and counsel to businesses and defended businesses sued for employment discrimination. She also provided training on state and federal employment discrimination laws. Her public sector experience includes serving for four years as a prosecutor in the 11th Judicial Circuit and later in the 13th Judicial Circuit of Alabama. As an Assistant District Attorney she tried numerous jury and bench trials. Ms. Barker also served for 11 years as General Counsel to the Mobile County Public School System, a large city and county school system. Ms. Barker also served as a part-time municipal judge for two municipalities in Mobile, Alabama and was actively involved in Mobile's juvenile justice system.

A native of Florence, Alabama, Ms. Barker was awarded a juris doctor from the University of Alabama School of Law in 1977. She received a bachelor's degree from Notre Dame University in 1973, where she was in the first class of women to graduate from that previously all-male institution. While at Notre Dame, she also studied for a year in Angers, France at l'Université Catholique de l'Ouest.

For more information about Commissioner Barker, please see: www.eeoc.gov/eeoc/barker.cfm.

Chai R. Feldblum, Commissioner

Chai R. Feldblum was nominated to serve as a Commissioner of the EEOC by President Barack Obama on September 15, 2009 for a term ending on July 1, 2013. On March 27, 2010, she was given a recess appointment to the post, and was sworn in on April 7, 2010. She was confirmed by the Senate for her term on December 22, 2010.

Prior to her appointment to the EEOC, Ms. Feldblum was a Professor of Law at the Georgetown University Law Center where she had taught since 1991. At Georgetown, she founded the Law Center's Federal Legislation and Administrative Clinic, a program designed to train students to become legislative lawyers. As Co-Director of Workplace Flexibility 2010, Ms. Feldblum has worked to advance flexible workplaces in a manner that works for employees and employers. Commissioner Feldblum also previously served as Legislative Counsel to the AIDS Project of the American Civil Liberties Union. In this role, she developed legislation, analyzed policy on various AIDS-related issues, and played a leading role in drafting the ground-breaking Americans with Disabilities Act of 1990. Later, as a law professor, she was equally instrumental helping in the passage of the ADA Amendments Act of 2008.

Ms. Feldblum has also worked on advancing lesbian, gay, bisexual and transgender rights and has been a leading expert on the Employment Nondiscrimination Act. She clerked for Judge Frank Coffin of the First Circuit Court of Appeals and for Supreme Court Justice Harry A. Blackmun after receiving her J.D. from Harvard Law School. She received her B.A. degree from Barnard College.

For more information about Commissioner Feldblum, please see: www.eeoc.gov/eeoc/feldblum.cfm.

Victoria A. Lipnic, Commissioner

Victoria A. Lipnic was nominated to serve as a Commissioner of the EEOC by President Barack Obama on November 3, 2009. She was nominated for a term ending on July 1, 2010, and has been confirmed by the Senate for a second term ending on July 1, 2015.

Immediately before coming to the EEOC, Ms. Lipnic was of counsel to the law firm of Seyfarth Shaw LLP in its Washington, DC, office. She brings to the EEOC a breadth of experience working with federal labor and employment laws, most recently as the U.S. Assistant Secretary of Labor for Employment Standards, a position she held from 2002 until 2009. In that position, Ms. Lipnic oversaw the Wage and Hour Division, the Office of Federal Contract Compliance Programs, the Office of Workers' Compensation Programs, and the Office of Labor Management Standards. Under her tenure, the Wage and Hour Division revised regulations regarding overtime under the Fair Labor Standards Act, reissued regulations under the Family and Medical Leave Act, and the Office of Federal Contract Compliance Programs issued new guidance and regulations for evaluating compensation discrimination.

A native of Carrolltown, Penn., where her late father was a teacher and long-serving mayor, Ms. Lipnic earned a B.A. degree in Political Science and History from Allegheny College and a J.D. degree from George Mason University School of Law.

For more information about Commissioner Lipnic, please see: www.eeoc.gov/eeoc/lipnic.cfm.

P. David Lopez, General Counsel

P. David Lopez was sworn in on April 8, 2010, as General Counsel of the U.S. Equal Employment Opportunity Commission (EEOC). He was nominated by President Obama on Oct. 22, 2009, and given a recess appointment on March 27, 2010, and confirmed by the Senate on December 22, 2010.

Mr. Lopez is the first field staff attorney to be appointed as General Counsel, having served in the Commission for 15 years in the field and at headquarters. Prior to his appointment, Mr. Lopez was a Supervisory Trial Attorney at the Commission's Phoenix District Office, where he oversaw the litigation of a team of trial attorneys. When Mr. Lopez initially joined the Commission 1996, he served as Special Assistant to then-Chairman Gilbert F. Casellas in Washington, D.C. In this capacity, he advised Chairman Casellas on policy and litigation matters and helped develop the agency's strategic plan for development of pattern or practice cases.

Immediately prior to joining the Commission, Mr. Lopez was a Senior Trial Attorney with the Civil Rights Division, Employment Litigation Division, of the U.S. Department of Justice in Washington, D.C. between 1991 and 1994. In this capacity, he litigated employment discrimination cases against state and local governments in numerous jurisdictions throughout the United States on behalf of the Department of Justice.

Mr. Lopez graduated from Harvard Law School in 1988 and graduated magna cum laude from Arizona State University in 1985, with a B.S. in Political Science. He has been married 19 years to Maria Leyva. They have three children, Javier David, Julian Diego and Luis Andres.

For more information about General Counsel Lopez, please see: www.eeoc.gov/eeoc/lopez.cfm.

APPENDIX C: GLOSSARY OF ACRONYMS

ADA	Americans with Disabilities Act of 1990
ADAAA	Americans with Disabilities Act Amendments Act of 2008
ADEA	Age Discrimination in Employment Act of 1967
ADR	Alternative Dispute Resolution
AJ	Administrative Judge
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
DMS	Document Management System
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
EPA	Equal Pay Act of 1963
EXCEL	Examining Conflicts in Employment Laws
FEPA	Fair Employment Practice Agency
FLSA	Fair Labor Standards Act
FMFIA	Federal Managers Financial Integrity Act
FOIA	Freedom of Information Act
FTE	Full-Time Equivalent
GINA	Genetic Information Nondiscrimination Act of 2008
GSA	General Services Administration
IIG	Intake Information Group
IFMS	Integrated Financial Management System
IMS	Integrated Mission System
LEAD	Leadership for the Employment of Americans with Disabilities
OFO	Office of Federal Operations
OFP	Office of Field Programs
OGC	Office of General Counsel
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PMA	President's Management Agenda
PCHP	Priority Charge Handling Procedures
TAPS	Technical Assistance Program Seminar
TERO	Tribal Employment Rights Offices
UAM	Universal Agreement to Mediate

APPENDIX D: INTERNET LINKS

EEOC: http://www.eeoc.gov/

EEOC FY 2011 Performance and Accountability Report: http://www.eeoc.gov/eeoc/plan/2011par.cfm

Prior Performance and Accountability Reports: http://www.eeoc.gov/eeoc/plan/archives/annualreports/index.html

EEOC Strategic Plan: http://www.eeoc.gov/eeoc/plan/strategic_plan_07to12_mod.cfm

EEOC FY 2012 Performance Budget: http://www.eeoc.gov/eeoc/plan/2012budget.cfm

Prior EEOC Performance Budgets: http://www.eeoc.gov/eeoc/plan/archives/budgets/index.cfm

EEOC Commission Meetings: http://www.eeoc.gov/eeoc/meetings/index.cfm

EEOC Annual Report on the Federal Workforce: http://www.eeoc.gov/federal/reports/fsp2008/index.html

Youth@Work Initiative: http://www.eeoc.gov/eeoc/initiatives/youth/index.cfm

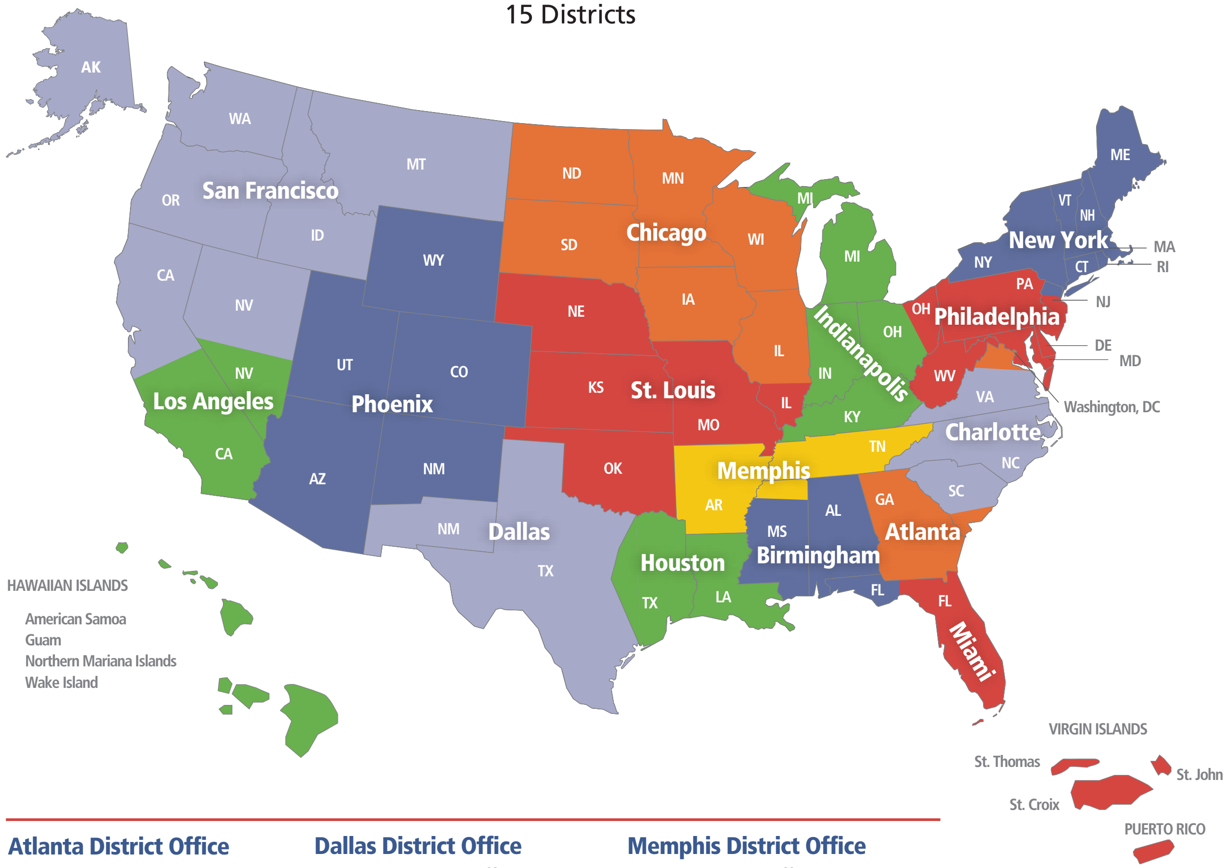
LEAD Initiative: http://www.eeoc.gov/eeoc/initiatives/lead/index.cfm

EEOC Newsroom: http://www.eeoc.gov/eeoc/newsroom/index.cfm

APPENDIX E: EEOC FIELD OFFICES

Equal Employment Opportunity Commission

15 Districts



Atlanta District Office
Savannah Local Office

Birmingham District Office
Jackson Area Office
Mobile Local Office

Charlotte District Office
Raleigh Area Office
Greensboro Local Office
Greenville Local Office
Norfolk Local Office
Richmond Local Office

Chicago District Office
Milwaukee Area Office
Minneapolis Area Office

Dallas District Office
San Antonio Field Office
El Paso Area Office

Houston District Office
New Orleans Field Office

Indianapolis District Office
Detroit Field Office
Cincinnati Area Office
Louisville Area Office

Los Angeles District Office
Fresno Local Office
Honolulu Local Office
Las Vegas Local Office
San Diego Local Office

Memphis District Office
Little Rock Area Office
Nashville Area Office

Miami District Office
Tampa Field Office
San Juan Local Office

New York District Office
Boston Area Office
Newark Area Office
Buffalo Local Office

Philadelphia District Office
Baltimore Field Office
Cleveland Field Office
Pittsburgh Area Office

Phoenix District Office
Albuquerque Area Office
Denver Field Office

San Francisco District Office
Seattle Field Office
Oakland Local Office
San Jose Local Office

St. Louis District Office
Kansas City Area Office
Oklahoma City Area Office

Washington Field Office

Acknowledgments

The EEOC's FY 2011 Performance and Accountability Report is a collaborative endeavor on the part of many EEOC employees and contractors. We would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

WE WELCOME YOUR COMMENTS

Thank you for your interest in the EEOC's FY 2011 Performance and Accountability Report. We welcome your comments on how we can make this report more informative for our readers. Please send your comments to:

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