

U.S. Department of Labor

Office of Inspector General—Office of Audit

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS



RECOVERY ACT: ENFORCEMENT OF FEDERAL EQUAL EMPLOYMENT OPPORTUNITY LAWS

This audit was performed by Ollie Green & Company, CPA's, under contract to the Office of Inspector General, and by acceptance, it becomes a report of the Office of Inspector General.

A handwritten signature in blue ink that reads "Elliott P. Lewis".

Assistant Inspector General for Audit

Date Issued:
Report Number:

March 31, 2011
18-11-007-04-410

**U.S. Department of Labor
Office of Inspector General
Office of Audit**

BRIEFLY...

Highlights of Report Number: 18-11-007-04-410, to the Director, Office of Federal Contract Compliance Programs.

WHY READ THE REPORT

Congress enacted the American Recovery and Reinvestment Act of 2009 (Recovery Act), to promote economic recovery and assist those impacted by the recession. Title VIII of the Recovery Act provided the Department of Labor (DOL) with \$80 million for Departmental Management funds specifically for enforcement of worker protection laws in the Act. As part of its operating plan for the Departmental Management funds the U.S. Department of Labor allocated \$7.2 million to the Office of Federal Contract Compliance Programs (OFCCP) for enforcement of Federal equal employment opportunity (EEO) requirements on Recovery Act contracts.

WHY OIG CONDUCTED THE AUDIT

The Office of Inspector General (OIG) conducted an audit to determine OFCCP's activities to enforce compliance with Federal laws and an executive order on equal employment opportunity by Federal contractors that received Recovery Act funds. Specifically, our audit objectives were to answer the following questions:

- (1)What compliance evaluations had been conducted by OFCCP of contractors with Recovery Act funding, and what were the results of those evaluations?
- (2)What pre-award reviews of supply and service contractors with Recovery Act funding has OFCCP conducted, and what were the results of those reviews?
- (3)What outreach activities had OFCCP conducted for companies seeking Recovery Act contracts, and what were the results of those outreach activities?
- (4)What has been the impact of OFCCP's increased workload due to the Recovery Act on the program's ability to meet its regularly scheduled enforcement, compliance, and outreach activities?

READ THE FULL REPORT

To view the report, including the scope, methodology, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2011/18-11-007-04-410.pdf>

March 2011

Recovery Act: Enforcement of Federal Equal Employment Opportunity Laws

WHAT OIG FOUND

The OIG found that OFCCP adequately conducted 649 Recovery Act compliance evaluations, 14 pre-award reviews, and 120 outreach activity events from Recovery Act inception (February 17, 2009) through October 31, 2010. This level of activity was consistent with OFCCP's Recovery Act program goals. Our audit also found that OFCCP's workload was not impacted by the Recovery Act workload.

WHAT OIG RECOMMENDED

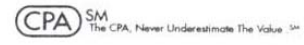
There were no findings and recommendations as a result of this audit.

The OFCCP agrees with the report results.

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Independent Auditor's Report

Ms. Patricia A. Shiu
Director Office of Federal Contract
Compliance Programs
U.S. Department of Labor
200 Constitution Avenue, NW
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The American Recovery and Reinvestment Act of 2009 (Recovery Act) was passed to preserve and create jobs, promote economic recovery, and assist those most impacted by the recession. Title VIII of the Recovery Act provided the Department of Labor with \$80 million for Departmental Management Funds specifically for enforcement of worker protection laws in the Act. As part of its operating plan for the Departmental Management funds, the Department of Labor allocated \$7.2 million to the Office of Federal Contract Compliance Programs (OFCCP) for enforcement of Federal Equal Employment Opportunity (EEO) requirements on Recovery Act contracts.

The OFCCP is responsible for ensuring the compliance of Federal contractors and subcontractors with Federal EEO laws and with one executive order on affirmative action. To assist employers in meeting these requirements, OFCCP provides compliance assistance programs intended to increase awareness of the importance of monitoring workplaces to prevent discriminatory practices and behavior.

In its initial operating plan submitted March 2009, the Department estimated that OFCCP's EEO enforcement workload would increase by an additional 3,350 contractors and 15,070 facilities and construction sites because of Recovery Act contracts. These figures represented an increase from "some 28,000 contractors in 137,000 facilities and construction sites."

Our audit objectives were to determine (1) what compliance evaluations had been conducted by OFCCP of contractors with Recovery Act funding, and what were the results of those evaluations; (2) what pre-award reviews of supply and service contractors with Recovery Act funding had OFCCP conducted, and what were the results of those reviews; (3) what outreach activities had OFCCP conducted for companies seeking Recovery Act contracts, and what were the results of those outreach activities; and (4) what was the impact as a result of the Recovery Act on the

OFCCP's ability to meet its regularly scheduled enforcement, compliance and outreach activities.

To conduct our audit, we tested compliance evaluations, pre-award reviews, and outreach activities that occurred from February 17, 2009, (Recovery Act inception) through September 30, 2010, against Recovery Act provisions. We collected information from structured interviews with OFCCP officials and from other sources at OFCCP in national, regional, and district offices.

RESULTS IN BRIEF

OFCCP conducted 649 ARRA compliance evaluations. Our audit found that 51 of 131 documented compliance evaluations selected in our sample resulted in the issuance of a Letter of Compliance. Another 67 resulted in the issuance of a Letter of Compliance with Conciliation Agreements for EEO violations. The remaining 13 were administratively closed.

We also found that OFCCP conducted 14 Recovery Act Pre-Award Reviews. Our audit found that Letters of Compliance had been issued to 12 contractors reviewed signifying compliance with EEO Laws and Executive Order 11246. One contractor was issued a Letter of Compliance with a Conciliation Agreement for EEO violations. The remaining compliance evaluation was administratively closed because the contractor did not have 50 employees. OFCCP provided sufficient evidentiary documentation to verify that 13 pre-award reviews were adequately conducted.

Our audit found that OFCCP conducted 120 outreach activities for contractors and other interested parties seeking Recovery Act contracts. OFCCP indicated in its Program Specific Recovery Act plan that 8,882 contractors and other interested parties attended its outreach activities. OFCCP provided sufficient documentation to verify that the 20 outreach activities selected in our sample were properly conducted.

Finally, our audit found that OFCCP's ability to meet its regularly scheduled enforcement, compliance, and outreach activities was not negatively impacted by the additional Recovery Act workload. The fiscal year 2010 ARRA workload of regular 4,377 compliance evaluations, pre-award reviews, and Functional Affirmative Action Plans (FAAP) remained virtually unchanged from the fiscal year 2008 pre-ARRA workload of 4,333. Our audit also found that OFCCP had received a budget increase that allowed it to hire additional staff to conduct evaluations and reviews. These funds were allocated to OFCCP in addition to the Recovery Act allocation.

We determined that OFCCP conducted Recovery Act compliance evaluations, pre-award reviews and outreach activities. At the same time they continued regularly scheduled enforcement, compliance, and outreach activities; therefore, the report does not include recommendations to DOL.

The Office of Federal Contract Compliance Programs (OFCCP) was generally pleased with the results of the audit entitled "Recovery Act: Enforcement of Federal Equal Employment Opportunity Laws." The audit also demonstrated that the agency exceeded its goals as described in the Plan and met all reasonable expectations of performance providing enforcement activities and compliance assistance for companies contracting with the Federal government via the Recovery Act. OFCCP's comments are included in their entirety in Appendix D.

There were no findings and recommendations as a result of this audit. The OIG has made technical changes to the report based on comments OFCCP provided in response to the draft report. We believe OFCCP enforcement of Federal EEO laws effectively complied with the Recovery Act activities funding requirements and funds were spent consistent with OFCCP's Recovery Act program goals.

RESULTS

Objective 1 — What compliance evaluations had been conducted by OFCCP of contractors with Recovery Act funding, and what were the results of those evaluations?

OFCCP conducted 649 Recovery Act compliance evaluations to increase contractors' awareness of their roles and responsibilities regarding EEO.

OFCCP conducted 649 compliance evaluations and exceeded the stated goal of 450. OFCCP achieved 144 percent (144%) of its program plan goals from Recovery Act inception to October 31, 2010. We obtained and reviewed 131 case files judgmentally selected to validate that OFCCP sufficiently documented the required scope of the compliance evaluation work.

Federal contractors in receipt of Recovery Act funds must be compliant with EEO laws and regulations and ensure fairness in employment activities. Through compliance evaluations and outreach activities, OFCCP increased contractors' awareness of their roles and responsibilities with its EEO laws and regulations. OFCCP conducted compliance evaluations of construction contractors, as well as supply and service contractors, who were in receipt of Recovery Act funding and grants. The majority of federal contractors were recipients of direct or federally-assisted funds for construction projects. Consequently, OFCCP placed a special emphasis on the construction industry.

From our sample of 131 compliance evaluations, we found that 51 resulted in the issuance of Letters of Compliance. Another 67 resulted in the issuance of Letters of Compliance with Conciliation Agreements for EEO violations, while the remaining 13 were administratively closed. OFCCP closed 11 of the 13 administratively because the

employer had less than 50 employees. OFCCP closed the remaining two for other reasons (see Table 1 below).

Table 1: Compliance Evaluations Selected In Sample and Results

Region & District Office	No. Selected In Sample	No. That Resulted In Letter of Compliance	No. That Resulted In Conciliation Agreement	No. That Resulted in Administrative Closing
Mid-Atlantic				
Baltimore	14	7	5	2
Richmond	15	4	10	1
Mid-West				
Chicago	60	19	32	9
Detroit	4	2	2	
Pacific				
San Francisco	13	11	2	
Phoenix	25	8	16	1
Total	131	51	67	13

Objective 2 — What pre-award reviews of supply and service contractors with Recovery Act funding had OFCCP conducted, and what were the results of those reviews?

OFCCP conducted 14 pre-award reviews, resulting in one Letter of Compliance with a Conciliation Agreement.

We obtained and reviewed the case files for the 14 Recovery Act pre-award reviews conducted by OFCCP to verify that the file sufficiently documented the required scope of the pre-award review work. OFCCP conducted the 14 pre-award reviews of new Recovery Act supply and service contractors with contracts of \$10 million or more and evaluated compensation practices of Recovery Act contractors.

OFCCP issued Letters of Compliance to 12 of the 14 contractors reviewed signifying compliance with EEO Laws and Executive Order 11246. OFCCP issued one contractor a Letter of Compliance with a Conciliation Agreement for EEO violations and one compliance evaluation was administratively closed because the contractor did not have

50 employees. OFCCP provided sufficient documentation to verify the adequacy of the pre-award reviews conducted.

Objective 3 — What outreach activities had OFCCP conducted for companies seeking Recovery Act contracts, and what were the results of those outreach activities?

OFCCP conducted 120 outreach activities to educate the public and interested parties about EEO requirements.

We judgmentally selected a sample of 20 Recovery Act outreach activities and validated they were conducted as required by Recovery Act provisions. Exhibit 1 provides the list of Recovery Act outreach activities selected in our sample and details the number of attendees, dates, and locations for the outreach activities. Our audit found that OFCCP provided sufficient documentation to verify that the 20 outreach activities randomly selected in our sample were adequately conducted. Documentation provided also substantiated that 1,671 contractors and other interested parties had attended and received training.

OFCCP indicated in its Program Specific Recovery Act Plan that it hosted 120 compliance events, reaching 8,882 contractors, to educate the public and interested parties about EEO requirements in federal contracts. OFCCP worked with General Services Administration and state contracting agencies to participate in pre-construction conferences with general or prime contractors. This effort included meeting with union representatives to communicate requirements that must be adhered to by general and prime contractors. General and prime contractors have the responsibility of communicating EEO requirements to subcontractors. OFCCP provided assistance in preparing these notifications.

Objective 4 — What was the impact as a result of the Recovery Act on the program's ability to meet its regularly scheduled enforcement, compliance, and outreach activities?

OFCCP's regularly scheduled workload was not impacted by the Recovery Act workload.

Table 2 below illustrates that OFCCP conducted 4,333 regularly scheduled evaluations and reviews from October 1, 2007, through September 30, 2008, (pre-Recovery Act period) and 4,377 regularly scheduled evaluations and reviews from October 1, 2009, through September 30, 2010, (Recovery Act era). We did not include a comparative analysis of the period October 1, 2008, through September 30, 2009, because we considered this a transition year for Recovery Act activity. As indicated in Table 2, OFCCP conducted 44 more regularly scheduled evaluations and reviews during the Recovery Act era than in the pre-Recovery Act period. OFCCP management indicated that OFCCP received a budget increase to hire additional staff to conduct evaluations

and reviews. These funds were allocated to OFCCP in addition to the Recovery Act funds. Based on the pre-Recovery Act/Recovery Act era comparative workload analysis, OFCCP's ability to meet its regularly scheduled enforcement, compliance, and outreach activities were not impacted as a result of the additional Recovery Act workload. Overall, regularly scheduled workload remained virtually unchanged.

Table2: Pre-Recovery Act and Recovery Act Era Workload

Workload Type¹	Pre-Recovery Act Volume (10/1/07 to 9/30/08)	Recovery Act Era Volume (10/1/09 to 9/30/10)	Workload Variance
Compliance Evaluations	4,125	4,166	41
Pre-Award Reviews	134	185	51
FAAP	74	26	(48)
Total	4,333	4,377	44

At the same time OFCCP continued regularly scheduled enforcement, compliance and outreach activities, we determined they conducted Recovery Act compliance evaluations, pre-award reviews and outreach activities. Therefore, the report does not include recommendations to DOL.

We appreciate the cooperation and courtesies that OFCCP personnel extended to the Ollie Green & Company, CPA's during this audit. Personnel who made major contributions to this report are listed in Appendix E.



Ollie Green, MBA, CPA
Managing Partner

¹ This workload is regularly scheduled (non-Recovery Act) Workload.

Exhibit

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Exhibit 1

Outreach Activities Selected In Sample

Outreach Activity Conducted By OFCCP	Number of Contractor/ Other Attendees	Date(s) Of Events	Location(s) Of Events
Hudson County Counsel's Office (EEO Staff)	3	10/20/09	Jersey City, NJ
ARRA-MEGA PROJECT–DBE-Pre-Bid Conference JV Barnrad/Judlau	100	10/23/10	Newark, NJ
Compliance Assistance at the Safety NETworking Information Event	170	11/17/09	New York, NY
ARRA Mega Mass Transit Tunnel Project Steering Committee Meeting	25	1/21/10	Newark, NJ
ARRA Construction Webinar	415	3/16/10	Washington, DC
ARRA Construction Webinar	10	3/30/10	Washington, DC
Mid-Atlantic Regional ARRA Forum for Construction Contractors, Supply & Service Contractors and Community Based Organizations from Pennsylvania, Delaware and Maryland area.	120	11/4/09	Wilmington, DE
ARRA Preconstruction Meeting	20	11/17/09	Virginia Beach, VA
Homeless Veterans Workshop	110	8/11/10	Richmond, Va.
Affirmative Action Plan development and Preparing for a Desk Audit for ARRA Contractors	5	8/12/10	Baltimore, MD
How Diversity Positively Impacts Business/Frank K. Ross Scholastic Achievement Award Ceremony and Networking Reception	150	8/4/00	Chicago, IL
Los Angeles District Office: Town Hall on the American Recovery and Reinvestment Act for Southern California Small Businesses	200	02/26/10	Los Angeles, CA
Los Angeles District Office: EEO (including ARRA) Public Forum	50	03/11/10	Los Angeles, CA
Los Angeles District Office: Century Training Organization	10	12/07/09	Los Angeles, CA
Greater San Francisco/Bay District Office: GSA Small Business	100	02/10/10	San Francisco, CA
Seattle District Office: ARRA Forum – Technical Assistance with Governor's Marketplace	118	10/08/09	Portland, OR
Engineering & Construction Mgmt (ECM)-Compliance Assistance	3	2/22/10	New Orleans, LA
C&C Technologies- Compliance Assistance	2	2/24/10	New Orleans, LA
AARA Federal Department of Transportation	20	12/1/09	Orlando, FL
Minact Incorporated	40	12/2/09	Jackson, MS
	1,671		

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Appendices

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Appendix A

Background

The Recovery Act was signed into law by the President on February 17, 2009, to preserve and create jobs, promote economic recovery, and assist those most impacted by the recession. As of August 19, 2010, Congress provided \$70.8 billion to DOL. See Table 3 below.

Table 3: Department of Labor Recovery Act Funding, as of August 19, 2010

Program	Amount ^a (millions)	Percent
Unemployment Insurance &	\$65,996	93.17
Training and Employment Services	3,950	5.58
State Unemployment Insurance and Employment Service Operations	400	0.56
Community Service Employment for Older Americans	120	0.17
National Emergency Grants for Health Insurance Coverage	40	0.06
Job Corps	250	0.35
Departmental Management	80	0.11
Total	\$70,836^b	100.00

^a – The amounts other than “Unemployment Insurance and National Emergency Grants for Health Insurance Coverage” were obtained from the Recovery Act dated February 17, 2009. The “Unemployment Insurance” amount was provided by the Office of the Assistant Secretary for Administration and Management, and includes amounts made available for Federal and State Extended Benefits, Extension of Emergency Unemployment Compensation, and Federal Additional Unemployment Compensation programs. The National Emergency Grants for Health Insurance Coverage amounts were adjusted in United States Public Law 111-226 (HR1586).

^b – The total amount does not include \$6 million provided to the OIG to provide oversight over the Department’s Recovery Act activities.

The Recovery Act provided the U.S. Department of Labor (Department/DOL) with funds to, among other things, increase employment and training opportunities. The stated purposes of the Recovery Act were to:

- Preserve and create jobs and promote economic recovery;
- Assist those most impacted by the recession;
- Provide investments needed to increase economic efficiency by spurring technological advances in science and health; and

- Invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The Recovery Act required agencies to implement an unprecedented level of transparency and accountability to ensure the public could see where and how their tax dollars were spent and recipients of these funds delivered programmatic results.

Title VIII of the Recovery Act provided the Department of Labor with \$80 million for Departmental Management funds specifically for enforcement of worker protection laws in the Act. As part of its operating plan for the Departmental Management funds, the U.S. Department of Labor allocated \$7.2 million to the Office of Federal Contract Compliance Programs (OFCCP) for enforcement of Federal equal employment opportunity (EEO) requirements on Recovery Act contracts. OFCCP's Recovery Act Plan described how it would spend the \$7.2 million it received under the Departmental Management appropriation. These activities included:

- Conducting compliance evaluations of construction contractors with Recovery Act funding;
- Conducting compliance evaluations of supply and service contractors with Federal contracts funded by the Recovery Act;
- Conducting a limited number of pre-award reviews of new and service contractors with contracts of \$10 million or more;
- Evaluating compensation practices of Recovery Act contractors;
- Scheduling outreach events for new contractors, current Federal contractors, Contracting Officers (at least 10 Federal Agencies) to educate them on EEO Requirements; and
- Recommending enforcement for contractors where discrimination is identified or access denied and conciliation efforts have failed.

As a result of the evaluations, OFCCP issued Letters of Compliance confirming that an evaluation was performed and that no evidence of discriminatory practices and behavior was found. In those instances where it was found, OFCCP enters into compilation Agreement with the contractors.

The OFCCP is responsible for ensuring Federal contractors' and subcontractors' compliance with Federal EEO laws and one executive order on affirmative action. These laws and the order prohibit Federal employers and contractors from discriminating on the basis of race, color, religion, gender, national origin, disability and protected veterans' status. They include Section 503 of the Rehabilitation Act of 1973, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, and Executive Order 11246. In addition to enforcing Federal EEO requirements, OFCCP provides compliance assistance programs to help employers monitor their workplaces to prevent discriminatory practices and behavior.

OFCCP administers its programs through a national office in Washington, D.C., and six (6) regional offices that cover 47 district offices. Compliance officers, investigators, and other field staff carry out compliance and enforcement actions.

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Appendix B

Objectives, Scope, Methodology, and Criteria

Objectives

Our audit objectives were to determine:

- (1) & What compliance evaluations had been conducted by OFCCP of contractors with Recovery Act funding, and what were the results of those evaluations;
- (2) & What pre-award reviews of supply and service contractors with Recovery Act funding had OFCCP conducted, and what were the results of those reviews;
- (3) & What outreach activities had OFCCP conducted for companies seeking Recovery Act contracts, and what were the results of those outreach activities; and
- (4) & What was the impact as a result of the Recovery Act on the OFCCP's ability to meet its regularly scheduled enforcement, compliance, and outreach activities.

Scope

Our performance audit period was from February 17, 2009, (the enactment of the Recovery Act) through October 31, 2010. We also reviewed non-ARRA evaluations from October 1, 2007, through, September 30, 2008. Our field verification work was conducted at the National Office in Washington D.C., the Mid-West Regional Office and five District Offices located within the following three Regions:

- Region – 3 – Mid-Atlantic – Baltimore and Richmond;
- Region – 5 – Mid-West – Chicago and Detroit;
- Region – 6 – Pacific – San Francisco and Phoenix.

The information in this report was developed by DOL-OIG independent of OFCCP. The DOL-OIG is legislatively independent and charged with performing independent audits of DOL. Ollie Green and Company under contract with the DOL-OIG collected information from structured interviews, OFCCP, OFCCP's web-site, and field work conducted at the national, regional, and district offices from January 31, 2011, through February 25, 2011. Our performance audit was not designed to and we did not perform financial audits of the amounts obligated or expended by OFCCP.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Methodology

Our methodology for this performance audit included the use of random sampling. Three separate universes were identified and used in developing the sampling plan. The first universe consisted of Recovery Act DOL compliance evaluations conducted by OFCCP from Recovery Act inception through October 31, 2010; the second universe consisted of Recovery Act DOL pre-award reviews of supply and service contractors conducted by OFCCP from Recovery Act inception through October 31, 2010; the third universe consisted of DOL outreach activities conducted from Recovery Act inception through October 31, 2010. The audit covered the period from Recovery Act inception (February 17, 2009) through October 31, 2010.

We performed a data reliability assessment to ensure we were receiving complete and accurate data sufficient to conduct our audit. To determine whether the data was reliable, we met with the Deputy Director of OFCCP at the National Office to discuss controls over the processing and reporting of fiscal and performance data. To gain a better understanding of OFCCP's processes and systems, we requested and received a description of systems and controls in place designed to ensure the integrity of data processed at national, regional, and district offices. We used checklists to assess the integrity of the information reviewed in each case file selected in our sample. If case file documentation was questionable or incomplete based on checklist requirements, we discussed concerns with Regional and/or District Directors and requested clarification and/or explanation. Based on this assessment, we concluded that the data received from OFCCP was sufficiently reliable for our audit purposes.

For Recovery Act compliance evaluations, we used random sampling to select the Regions and Districts where the audit verification work was to be conducted. Depending on the district, we either selected all evaluations, a representative mix of supply and service and construction contractor evaluations, or just large construction contractor evaluations. For Recovery Act pre-award reviews, we selected all 14 conducted by OFCCP during the audit period. For Recovery Act outreach activities, we judgmentally selected 20 of 120 events conducted by OFCCP during the audit period. Each sampling unit was tested for multiple characteristics to establish compliance with Recovery Act provisions. An explanation of the audit test results and relevance of the test to the audit's objectives is provided in the body of the audit report.

Our methodology also included assessing the impact of OFCCP's increased workload due to the Recovery Act on the program's ability to meet its regularly scheduled enforcement, compliance, and outreach activities. To conduct this part of our work we requested and received the pre-recovery Act period enforcement, compliance, and outreach activities workload and compared this data to the enforcement, compliance, and outreach activities workload for the period beginning February 17, 2009, through October 31, 2010. We then calculated the variance.

A performance audit includes gaining an understanding of internal controls considered significant to the audit objectives, testing controls, and testing compliance with

significant laws, regulations, and other requirements. For this engagement, we obtained an understanding of OFCCP's processes for evaluating the integrity and quality of its compliance evaluations, pre-award reviews, and outreach activities. The testing of internal controls over this process was not determined to be significant to our audit objectives.

Criteria

We used the following Criteria to accomplish our audit:

1. The American Recovery and Reinvestment Act of 2009 (P.L. 111-5);
2. Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009 - (M-09-10) dated February 18, 2009;
3. Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009- (M-09-15) dated April 3, 2009;
4. Section 503 of the Rehabilitation Act of 1973;
5. The Vietnam Era Veterans' Readjustment Assistance Act of 1974;
6. Executive Order 11246;
7. The Federal Acquisition Regulations (FAR);
8. Civil Rights Act of 1964 – Title VII – Equal Employment Opportunities;
9. OFCCP Ord. No. ADM-09-1/SEL

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Appendix C

Acronyms and Abbreviations

ARRA	American Recovery and Reinvestment Act of 2009
DOL	Department of Labor
EEO	Equal Employment Opportunity
FAAPS	Functional Affirmative Action Plans
OFCCP	Office of Federal Contract Compliance Programs
OG&C	Ollie Green & Company, CPA's
OIG	Office of Inspector General
Recovery Act	American Recovery and Reinvestment Act of 2009

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Appendix D

Office of Federal Contract Compliance Program Response to Draft Report

U.S. Department of Labor

Office of Federal Contract
Compliance Programs
200 Constitution Avenue, N.W.
Washington, D.C. 20210



MAR 25 2011

MEMORANDUM FOR ELIOTT P. LEWIS

Assistant Inspector General for Audit
Office of Inspector General

FROM:

PATRICIA A. SHIU 
Director
Office of Federal Contract Compliance Programs

SUBJECT:

Response to Draft Report No. 18-11-007-04-410
Recovery Act: Enforcement of Federal Equal
Employment Opportunity Laws

The Office of Federal Contract Compliance Programs (OFCCP) is generally pleased with the results of the audit entitled "Recovery Act: Enforcement of Federal Equal Employment Opportunity Laws." OFCCP's program activities were essential to providing protection against discrimination for workers who were employed by, or sought employment with, federal contractors receiving funding from the American Recovery and Reinvestment Act of 2009. While the Recovery Act was enacted to provide an economic stimulus, it was important for OFCCP to represent a consistent commitment on behalf of the Federal government to ensure equal opportunity and fairness in how the country's resources were deployed. The draft report verifies the performance of compliance evaluations, pre-award reviews and outreach as stipulated in OFCCP's Program Specific Recovery Act Plan. Your audit results also demonstrate that the agency exceeded its goals as described in the Plan and met all reasonable expectations of performance providing enforcement activities and compliance assistance for companies contracting with the Federal government via the Recovery Act.

As stated, we are generally pleased and agree with your findings. There are, however, several specific comments we offer in order to improve the report's communication. First, given the auditor's positive findings we think it would be appropriate to describe more clearly that OFCCP performed well and implemented the Recovery Act program successfully in the "Results In Brief" section. Lastly, it is important for reviewers of this report to know that OFCCP Recovery Act program activities have ceased as of September 30, 2010. In some instances, the report may be interpreted as though our Recovery Act program is still in effect.

We appreciate the professional manner in which the audit was conducted.

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Appendix E

Acknowledgements

Key contributors to this report were Ollie Green, MBA, CPA (Managing Partner) Mr. Jerome Cooper (OIG Task Monitor), Susan Savitch, MS, CPA (Audit Manager), Andrea Morris, CPA (Audit Manager), Sharon Adams, CIA, CPA (Audit Manager), Nermina Mustafic (Staff Accountant), Elaine Styles (Staff Accountant).

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