50TH ANNIVERSARY U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

1965 2015

FISCAL YEAR 2015

PERFORMANCE AND ACCOUNTABILITY REPORT

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

U.S. EQUAL EMPLOYMENT
OPPORTUNITY COMMISSION

FISCAL YEAR 2015

PERFORMANCE AND ACCOUNTABILITY REPORT

OUR VISION

JUSTICE AND EQUALITY IN THE WORKPLACE

OUR MISSION

STOP AND REMEDY UNLAWFUL EMPLOYMENT DISCRIMINATION

TABLE OF CONTENTS

A Message from the Chair 7

Management's Discussion and Analysis 9

Introduction 9
Agency Overview 9
Agency Results under Strategic Plan Performance Measures 10
Related Program Results and Activities Highlights 11
Enforcing the Law More Effectively 11
Leadership in Federal Civil Rights Enforcement 11
Prevention through Outreach and Education 12
Investing in Our Workforce and Systems to Improve Service to the Public 12
Management Assurances 13
Financial Highlights 13

Performance Results 16

Results Achieved in FY 2015 under Strategic Plan Performance Measures 16
Overview of the Strategic Plan and Performance Measures 16
Results Achieved under Specific Performance Measures 19
Strategic Objective I: Combat Employment Discrimination Through Strategic Law Enforcement. 19
Strategic Objective II: Prevent Employment Discrimination Through Education and Outreach. 24
Strategic Objective III: Deliver Excellent and Consistent Service through a Skilled and Diverse Workforce and Effective Systems.. 27
Related Program Results and Activities 31
Serving the Public More Efficiently 31
Enforcing the Law More Effectively 34
Systemic Investigations 36
Systemic Litigation 36
Leadership in Federal Civil Rights Enforcement 38
Prevention through Outreach and Education 41
Agency Outreach Continues to Reach Diverse Audiences 41
Providing Employers and Employees with Education and Technical Assistance 43
Investing in Workforce and Systems to Improve Service to the Public 43
Employees' Viewpoint Survey Results 43
Implementing Hiring Reform 44
Program Evaluations 44
Verification and Validation of Data 45
Interim Adjustments to the Strategic Plan 46
Established Final Goals for Predetermined Performance Measures 46
Established Extended Performance Targets for Fiscal Years 2017-2018 47

TABLE OF CONTENTS

Inspector General's Statement 51

Management Challenges for FY 2015 51

Strategic Performance Management 51

Management of the Private-Sector Charge Inventory 52

Data Security: Multifactor Authentication for Network and System Access 52

Inspector General's Audit Report 54

Financial Statements 56

Message from the Chief Financial Officer 56

Letter from the Inspector General 57

Independent Auditor's Report 59

Equal Employment Opportunity Commission Consolidated Balance Sheets 68

Equal Employment Opportunity Commission Consolidated Statements of Net Cost 70

Equal Employment Opportunity Commission Consolidated Statements of Changes in Net Position 71

Equal Employment Opportunity Commission Combined Statements of Budgetary Resources 73

Notes to the Consolidated Financial Statements 74

Appendices 94

Appendix A: Organization and Jurisdiction 94

Appendix A: EEOC Organizational Chart 95

Appendix B: Additional Iinformation on EEOC 96

Appendix C: Biographies of the Chair, Commissioners and General Counsel 101

Jenny Yang, Chair 101

Constance S. Barker, Commissioner 101

Chai R. Feldblum, Commissioner 102

Victoria A. Lipnic, Commissioner 102

P. David Lopez, General Counsel 103

Appendix D: Glossary of Acronyms 104

Appendix E: Internet Links 105

Appendix F: EEOC Field Offices 106

Acknowledgments 107

We Welcome Your Comments 107

CHAIR'S MESSAGE

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Performance and Accountability Report (PAR) for fiscal year 2015. EEOC is dedicated to effective enforcement of the nation's equal employment opportunity laws. The PAR highlights the agency's major achievements and progress toward advancing our mission to stop and remedy unlawful employment discrimination.

In this 50th anniversary year of the Commission, we have had a chance to reflect on the progress we have made as an agency and as a nation, as well as the challenges we have ahead. This is a pivotal moment to renew our national commitment to combating discrimination. There is a growing awareness—across racial and ethnic lines—that we must do more as a country to address issues of equality.

At EEOC, we view this as a critical time to lead the country in identifying persistent barriers to opportunity as well as constructive solutions to address our most stubborn and difficult workplace challenges. Indeed, EEOC's role remains as vital today as it was 50 years ago: To eradicate discrimination in the workplace and promote opportunity for all through enforcement, voluntary resolutions, public education, and outreach.

As we look ahead to the challenges that remain, it is essential that, as a nation, we continue to invest the resources necessary to fulfill our steadfast commitment to equal employment opportunity. In fiscal year 2015, EEOC continued to implement its Strategic Plan for Fiscal Years 2012–2016, which the Office of Management and Budget (OMB) authorized the Commission to extend through fiscal year 2018, and the related Strategic Enforcement Plan (SEP). Significant agency accomplishments in fiscal year 2015 include:

- ***Benefits for Victims of Discrimination***. EEOC secured more than $525 million for victims of discrimination in the workplace. This includes:
    - >> **$356.6 million in relief for those who work in the private sector**—secured through the agency's mediation, conciliation, and other administrative enforcement efforts. EEOC achieved record success in its conciliation of private sector charges, with 44 percent of conciliations successfully resolved and 64 percent of systemic investigations resulting in voluntary resolutions.
    - >> **$65.3 million in relief for charging parties**—obtained through litigation. EEOC also obtained substantial targeted equitable relief in both its administrative enforcement and its litigation to remedy violations of equal employment opportunity laws. The agency put new practices in place to prevent future discriminatory conduct in the workplace.
    - >> **$105.7 million in relief for federal employees and applicants through our federal sector process.**
- ***Challenging Systemic Discrimination.*** Systemic cases address patterns or practices of discrimination or policies that have a broad impact on a region, industry, or a group of employees or job applicants. In fiscal year 2015, EEOC field offices resolved 268 systemic investigations during the administrative process. In doing so, the agency obtained more than $33.5 million in remedies. In litigation, EEOC resolved 26 systemic cases, six of which included at least 50 victims of discrimination and 13 that included at least 20 victims.
- ***Extensive Outreach and Public Education Activities.*** In fiscal year 2015, the agency's outreach programs reached more than 330,000 people through more than 3,700 no-cost educational, training, and outreach events. The EEOC Training Institute educated 12,000 individuals at more than 140 events.

In fiscal year 2015, for the 12th consecutive year, the Commission received an unmodified opinion from independent auditors.

The agency effectively managed its internal controls environment during fiscal year 2015. I have concluded that the agency's management controls environment under the Federal Managers' Financial Integrity Act (FMFIA) was sound in fiscal year 2015. Nevertheless, based on a review of agency-wide materials and the assurances of the agency's senior managers, the agency identified nine financial non-conformances in fiscal year 2015. Corrective action plans have been implemented to resolve all of these findings in fiscal year 2016. I am reasonably assured that the financial information and data measuring EEOC's performance contained in this report are complete and accurate.

In addition, EEOC evaluated the effectiveness of the internal controls over financial reporting in accordance with OMB Circular A-123, "Management's Responsibilities for Internal Control," and a material weakness over the controls for financial reporting was identified by an independent financial audit. As a result, I can provide a qualified statement of assurance that the internal controls over financial reporting were operating effectively, with the exception of one material weakness found in the design or operation of EEOC's internal controls over financial reporting, as noted in the Inspector General's Audit Report included in the PAR.

Over the past year, EEOC has focused on rebuilding its workforce after a three-year hiring freeze ended in mid-fiscal year 2014. We invested more than $2 million in employee training and development with the goal of better serving workers and employers affected by workplace discrimination. More than 1,000 EEOC staff members in mission critical occupations received specialized training on subjects such as investigations, litigation, systemic enforcement, and ethics.

While EEOC hired a significant number of front-line staff in fiscal year 2015, many veteran employees retired. Those retirements, along with other attrition, resulted in a net increase of 123 employees. Over the past year, the agency brought on more than 100 new investigators, and the lingering effects of prior year budget constraints resulted in only a slight increase in the pending number of charges.

As our new staff completes training and becomes fully productive, they, along with anticipated new hires in fiscal year 2016, will position the agency to investigate charges more effectively and more promptly. Investments in technology—budget permitting—will further improve the quality of our intake and investigatory processes.

EEOC closed fiscal year 2015 by putting in place three crucial blueprints that will shape the agency's work for years to come.

- To educate the public about trends and challenges in achieving equal employment opportunity, we outlined a Research and Data Plan that will enable us to use data to enhance our enforcement work.
- We established Quality Enforcement Practices, which set guidelines for improving the timeliness and ensuring the quality of agency investigations and conciliations.
- We instituted an agency-wide Communications and Outreach Plan to enhance the clarity, consistency, and coordination of EEOC's vital communications and outreach efforts.

As we celebrate our 50th anniversary year, the employees of EEOC remain committed to meeting the needs, addressing the challenges, and seizing upon the opportunities of the 21st century workforce. EEOC employees continue to give extra effort to get their jobs done and to find ways to do their jobs better. As Chair of the Commission, it is an honor and a privilege to work with my fellow Commissioners, the General Counsel, and our more than 2,300 agency colleagues, as well as with the Administration, Congress, our federal, state, and local government enforcement partners, and the many employers, workers, advocates, and other agency stakeholders affected by our efforts—all working to fulfill EEOC's mission.

Jenny R. Yang

Jenny R. Yang
Chair
November 16, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This Fiscal Year 2015 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 U.S. Equal Employment Opportunity Commission's ("EEOC, "Commission," or "the agency") program results and financial performance and identifies management challenges. Agency efforts in each of these areas are summarized below. A more detailed discussion can be found in the following sections of the report:**

- **Performance Results:** This section highlights the progress made in meeting the agency's performance measures, which are articulated in EEOC's Strategic Plan for Fiscal Years 2012 through 2016 that OMB has authorized the Commission to extend through fiscal year 2018.[1]
- **The Inspector General's Statements:** This section presents 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:** This section demonstrates efforts to be good stewards over the funds the agency receives to carry out its mission. Included is an independent auditor's opinion on the agency's financial statements.

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

AGENCY OVERVIEW

Fiscal year 2015 marked the 50th anniversary of the Commission. Title VII of the Civil Rights Act of 1964 (Title VII) created EEOC to enforce protections against employment discrimination on the basis of race, color, national origin, religion, and sex. We opened our doors on July 2, 1965, a year to the day after the Civil Rights Act was signed.

In the 50 years since EEOC opened for business, the agency's responsibilities and workload have expanded exponentially. Today, we receive nearly 10 times as many charges a year as we did in 1965. In addition, Congress vested EEOC with responsibility to enforce the Equal Pay Act of 1963 (EPA), the Age Discrimination in Employment Act of 1967 (ADEA), Section 501 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), and Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA). In addition, in 1972, Congress further expanded our responsibilities by including the federal government within the protections afforded under Title VII and providing the agency with independent litigation authority against private employers under Title VII.

Today, EEOC is the leading federal law enforcement agency dedicated to eradicating employment discrimination. EEOC receives, investigates, and resolves charges of employment discrimination filed against private sector employers, employment agencies, labor unions, and state and local governments. Where the agency does not resolve these charges through conciliation or other informal methods, it may 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).

EEOC also leads and coordinates equal employment opportunity efforts across the federal government, and conducts

[1] To fully realize the benefits of implementing EEOC's newly adopted strategic plan, approved by the Commission in February 2012, in November 2013, the agency requested a waiver from the Office of Management and Budget (OMB) to permit the agency to forego the development of an entirely new strategic plan that would have begun in 2014. On December 10, 2013, OMB granted a deferral from the requirement to formulate a new strategic plan. Moreover, on January 22, 2014, EEOC and OMB agreed that the agency would provide an interim modification, authorized under Circular A–11 section 230.17 that would: 1) permit an extension of the agency's current plan; 2) fill the two-year gap after our Plan expires in fiscal year 2016; and 3) "position [EEOC] to join the rest of the Federal Government in releasing an updated strategic plan in February 2018" (i.e., the beginning of the next government-wide strategic plan cycle).

administrative hearings and issues appellate decisions on complaints of discrimination filed by federal employees and applicants for federal employment. Finally, the agency 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 EEOC enforces.

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

AGENCY RESULTS UNDER THE STRATEGIC PLAN PERFORMANCE MEASURES

The Government Performance and Results Modernization Act, enacted on January 4, 2011, requires federal agencies to prepare a Strategic Plan every four fiscal years, beginning in 2012. (5 U.S.C. 306, as amended). The Commission approved a Strategic Plan for Fiscal Years 2012–2016 ("Strategic Plan," "Plan") on February 22, 2012 (as modified on February 2, 2015)[2], which is located at: http://www.eeoc.gov/eeoc/plan/strategic_plan_12to16.cfm.

EEOC's Strategic Plan established a national framework to achieve the agency's mission to "stop and remedy unlawful employment discrimination," in support of the Commission's vision of "justice and equality in the workplace." To that end, EEOC has committed to pursuing the following three strategic objectives and goals:

- **Strategic Objective I.** Combat employment discrimination through strategic law enforcement. The correlated goals are: 1) to have a broad impact on reducing employment discrimination at the national and local levels; and 2) to remedy discriminatory practices and secure meaningful relief for victims of discrimination.

- **Strategic Objective II.** Prevent employment discrimination through education and outreach. The correlated goals are to have: 1) members of the public understand and know how to exercise their right to employment free of discrimination; and 2) employers, unions, and employment agencies (covered entities) better address and resolve equal employment opportunity (EEO) issues, thereby creating more inclusive workplaces.

- **Strategic Objective III.** Deliver excellent and consistent service through a skilled and diverse workforce and effective systems. The correlated goals are to have interactions with the public that are timely, of high quality, and informative.

The Plan also identified strategies for achieving each outcome goal and identified 14 performance measures for gauging EEOC's progress as it approaches fiscal year 2016. The agency's progress in meeting these measures is displayed below and discussed in detail in the Performance Results section of this report.

[2] February 2, 2015, is the date EEOC's FY 2016 Congressional Budget Justification was issued. The modification was reported as an addendum to EEOC's FY 2016 Budget as per the Government Performance and Results Modernization Act of 2010 and Circular A–11 (2013), OMB guidance for Strategic Planning. The interim modification was authorized by OMB on December 10, 2013, pursuant to OMB Circular A–11, Section 230.17.

EEOC FY 2015 Performance				
Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2015
14	8	6	0	0

[1] **Targets Partially Met:** A rating assigned to target results where (1) at least half of the activities targeted for completion were completed, or (2) EEOC was unable to assess the results because full year data was not yet available.

RELATED PROGRAM RESULTS AND ACTIVITIES HIGHLIGHTS

SERVING THE PUBLIC MORE EFFICIENTLY

This past fiscal year, EEOC strengthened its ability to enforce the federal equal employment laws efficiently and effectively. EEOC's Strategic Plan and Strategic Enforcement Plan provide the framework and direction for a robust and coordinated national enforcement program. This framework prioritizes integrated enforcement and outreach efforts in areas with the greatest need and potential for strategic impact. To achieve this broader impact, EEOC continued to focus its law enforcement efforts on matters that have significant benefits for workers and employers, and which improve more workplace practices.

EEOC managed its charge workload in fiscal year 2015 strategically. These efforts resulted in a six percent increase in charge resolutions, even as workers filed more charges of discrimination compared to fiscal year 2014. EEOC resolved 92,641 charges and received 89,385 charges alleging discrimination in employment in fiscal year 2015. Front-line staff hired late in fiscal year 2014 contributed to these gains in resolutions as new staff reached full productivity this year.

EEOC's administrative enforcement program resolutions produced a surge in monetary benefits to $356.6 million, which is $60 million over the fiscal year 2014 level. These positive results demonstrate the high productivity of the EEOC workforce. The pending workload of 76,408 charges at the end of fiscal year 2015, while reflecting a slight increase of 750 charges over fiscal year 2014, also represents a definite trending down in months of inventory from 13 in the first quarter of 2015 to 10.9 at the end of the fourth quarter.

Enforcing the Law More Effectively

This past fiscal year, EEOC field legal units filed 142 merits lawsuits including 100 individual suits, and 42 suits involving discriminatory policies or multiple victims, of which, 16 were systemic suits. EEOC's legal staff resolved 155 merits lawsuits in the federal district courts for a total monetary recovery of $65.3 million. At the end of fiscal year 2015, EEOC had 218 cases on its active district court docket, of which 48 (22 percent) involved challenges to systemic discrimination and 40 (18.3 percent) were multiple victim cases.

In fiscal year 2015, EEOC field offices resolved 268 systemic investigations and obtained over $33.5 million in remedies as a result. In addition, 109 systemic investigations resulted in reasonable cause findings.

In the federal sector, EEOC resolved 6,360 complaints and secured more than $94.9 million in relief for federal employees and applicants who requested hearings in fiscal year 2015. The number of requests for hearings on federal sector complaints decreased to 7,752 in fiscal year 2015 compared to 8,086 in fiscal year 2014.

During the past fiscal year, EEOC received 3,649 appeals of final agency actions in the federal sector, an 8.8 percent decrease from the 4,003 such appeals received in fiscal year 2014. The agency resolved 3,850 appeals of agency decisions on federal sector complaints; including 42.4 percent of them within 180 days of their receipt. In fiscal year 2015, EEOC focused its appellate resources on resolving the oldest appeals, while at the same time attempting to resolve appeals of procedural dismissals in fewer than 180 days.

Leadership in Federal Civil Rights Enforcement

EEOC has strengthened collaborations with enforcement partners in federal, state, and local government as well as with employer, employee, and academic communities to maximize the impact of collective knowledge and resources. Throughout fiscal year 2015 EEOC has expanded collaborative efforts to address issues such as harassment and contributed to the work of intergovernmental efforts such as the National Equal

Pay Enforcement Task Force, the Cabinet-level Reentry Council, the White House Initiative on Asian Americans and Pacific Islanders, the Presidential Inter-agency Task Force to Monitor and Combat Trafficking, the President's HIV/AIDS Strategy, and the Interagency Working Group for the Consistent Enforcement of Federal Labor, Employment and Immigration Laws, among other collaborations, including EEOC's efforts to support the 21st Century Policing Taskforce.

Issuing regulations and guidance is at the heart of EEOC's role of leading the enforcement of federal employment anti-discrimination laws. Regulations and guidance inform individuals and employers of their legal rights and responsibilities, aid EEOC employees in conducting their work, and serve as references for the courts when resolving novel legal issues.

In fiscal year 2015, the agency issued two regulatory actions: an Advance Notice of Proposed Rulemaking (ANPRM) for the Federal Sector Equal Employment Opportunity Process, to pose questions to the public about changes needed to improve EEOC's federal sector procedures at Part 1614 (See http://www.eeoc.gov/laws/regulations/index.cfm, and at the Federal Register, https://www.federalregister.gov/articles/2015/02/06/2015-02330/federal-sector-equal-employment-opportunity); and a Notice of Proposed Rulemaking (NPRM) to Amend the Regulations and Interpretive Guidance Implementing Title I of the Americans with Disabilities Act (ADA) as They Relate to Employer Wellness Programs, to request comments on the proposal to amend the portion of the ADA regulations and interpretive guidance concerning disability-related inquiries and medical examinations of employees as they relate to employer wellness programs. (See http://www.eeoc.gov/laws/regulations/index.cfm and from the Federal Register at https://www.federalregister.gov/articles/2015/04/20/2015-08827/amendments-to-regulations-under-the-americans-with-disabilities-act.)

During fiscal year 2015, the agency also issued an update of its 2014 Enforcement Guidance on Pregnancy Discrimination and Related Issues, to address the Supreme Court's decision in Young v. United Parcel Serv., Inc., 575 U.S. ---, 135 S. Ct. 1338 (2015) (located at http://www.eeoc.gov/laws/guidance/pregnancy_guidance.cfm), as well as two related technical assistance documents about pregnancy discrimination: Questions and Answers about the EEOC's Enforcement Guidance on Pregnancy Discrimination and Related Issues, (see http://www.eeoc.gov/laws/guidance/pregnancy_qa.cfm; and the Fact Sheet for Small Businesses: Pregnancy Discrimination, (See http://www.eeoc.gov/eeoc/publications/pregnancy_factsheet.cfm).

Prevention through Outreach and Education

The agency's no-cost outreach programs reached 336,855 persons in fiscal year 2015. EEOC offices participated in over 3,700 no-cost educational, training, and outreach events. Additionally, in fiscal year 2015, the Training Institute, which is managed under a separate statutory authority that enables the agency to offer in-depth and specialized programs on a fee basis supplementing the free general informational and outreach activities, trained 12,000 individuals at more than 140 events, which included 28 Technical Assistance Program Seminars that were attended by over 5,000 participants.

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

Investing in Our Workforce and Systems to Improve Service to the Public

In fiscal year 2015, EEOC continued to work on improving labor and employee relations. These efforts included regular meetings between the Office of the Chair and Union leadership on conditions of employment affecting bargaining unit employees.

EEOC participates in the Office of Personnel Management's (OPM) Federal Employee Viewpoint Survey (FEVS) each year. The FEVS shows that EEOC employees continue to like the kind of work they do, believe their work is important, are willing to give extra effort to get a job done, and are looking for ways to do their jobs better. EEOC participated during the first wave of the 2015 FEVS administration from April 27, 2015 to June 5, 2015. EEOC's response rate for the 2015 FEVS was 60.9 percent, the agency's highest since fiscal year 2011 and 5.8 percentage points over the agency's 2014 response rate. In addition, EEOC's response rate is 11.2 percentage points higher than the government-wide response rate of 49.7 percent. EEOC attributes the increase in the agency's response rate to a robust communications strategy and an intense focus on the top four areas employees expressed as concerns, according to the fiscal year 2014 FEVS results.

MANAGEMENT ASSURANCES

Federal Managers' Financial Integrity Act (FMFIA)

EEOC's internal controls and financial management systems were sound during fiscal year 2015, with the exception of nine findings of financial non-conformances. These financial non-conformances were identified in audit reports prepared by the Office of Inspector General (OIG): OIG Report No. 2014–02–FIN, January 13, 2015, and OIG Report No. 2014–01–FIN, November 17, 2014. During fiscal year 2015, the agency implemented corrective action plans to resolve all of these uncorrected financial, non-conformances.

Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during fiscal year 2015, its financial and internal controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). The agency has developed corrective action plans for all of the financial non-conformances reported in fiscal year 2015. The controls systems were effective; agency resources were used consistent with the agency's mission; the resources were used in compliance with applicable laws and regulations; and, there was minimal potential for waste, fraud, and mismanagement of the resources.

EEOC's management is responsible for establishing and maintaining effective internal controls over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. EEOC conducted its assessment of the effectiveness of the agency's internal control over financial reporting in accordance with OMB Circular A–123, Management's Responsibility for Internal Control. Based on the results of this evaluation, EEOC can provide qualified assurance that the internal controls over financial reporting as of September 30, 2015 were operating effectively, with the exception of one material weakness that was found in the design or operation of the agency's internal controls over financial reporting.

Jenny R. Yang
Chair
November 16, 2015

Legal Compliance

EEOC maintained effective controls and compliance with the Anti-Deficiency Act, the Debt Collection Act of 1996, the Prompt Payment Act, Federal Information Security Modernization Act of 2014, Pay and Allowance System for Civilian Employees, and the Government Charge Card Abuse Prevention Act of 2012.

Limitations of the Financial Statements

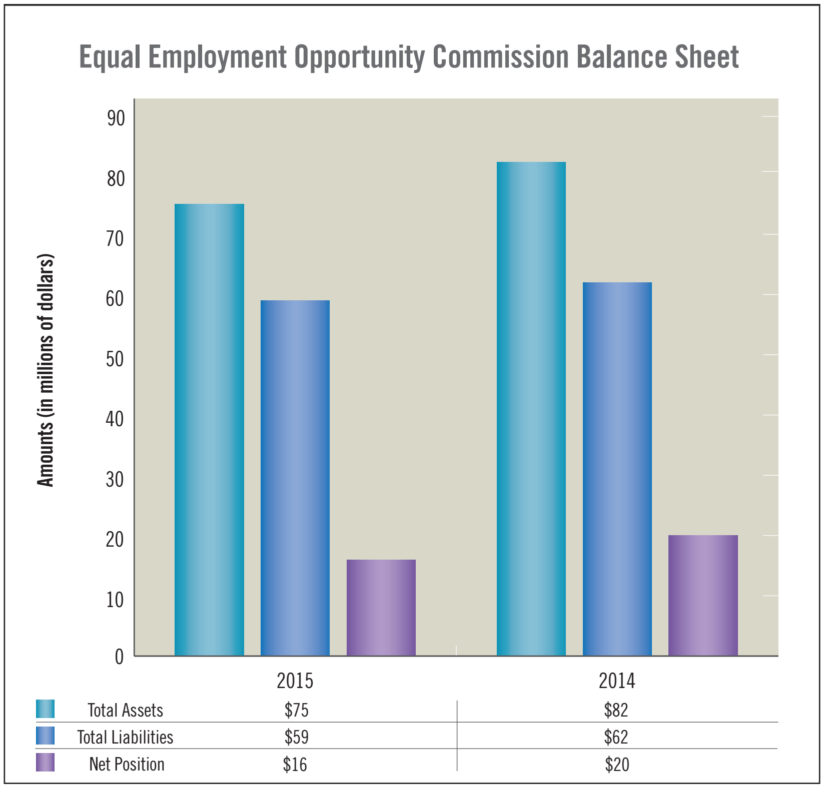
The principal financial statements have been prepared to report the financial position and results of operations of the entity, pursuant to the requirements of 31 U.S.C. 3515 (b). While the statements have been prepared from the books and records of the entity in accordance with U.S. GAAP for Federal entities and the formats prescribed by OMB, 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. The statements should be read with the realization that they are for a component of the U.S. Government, a sovereign entity.

Financial Highlights

The Office of Management and Budget (OMB) Circular Number A-136 Revised dated August 4, 2015 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 Statements of Changes in Net Position, and the Combined Statements of Budgetary Resources.

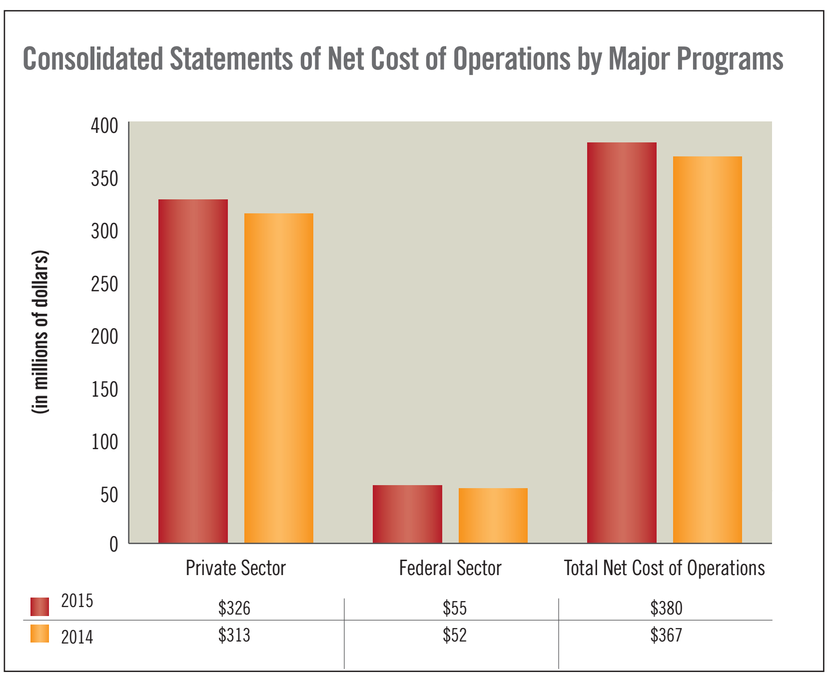
Consolidated Balance Sheets

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 $75 million at the end of fiscal year 2015 and $82 million for fiscal year 2014. The change in assets resulted in a decrease of fund balance with Treasury for fiscal year 2015.

The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of fiscal year 2015, EEOC's Net Position on its Balance Sheets and the Statements of Changes in Net Position is $16 million, a decrease of $4 million, or 20 percent changed from the fiscal year 2014 ending with a net decrease to Net Position of $4 million. This decrease is due primarily to a decrease in EEOC's Unexpended Appropriations for fiscal year 2015.



Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in fiscal year 2015, EEOC's Consolidated Statements of Net Cost of Operations increased by $13 million or 4 percent. The allocation of costs for fiscal year 2015 shows that the net cost for the private sector and outreach increased by $13 million, or 4 percent, while the net cost for Federal Sector Programs increased by $3 million or 6 percent.

Consolidated Statements of Changes in Net Position

The Consolidated Statements of Changes in Net Position represent the change in the net position for fiscal years 2015 and 2014 from the cost of operations, appropriations received and used and the financing of some costs by other government agencies. The Consolidated Statements of Changes in Net Position decreased over last year by $4 million, or 20 percent. EEOC's total assets exceeded total liabilities (funded and unfunded) by approximately $16 million, or 27 percent.

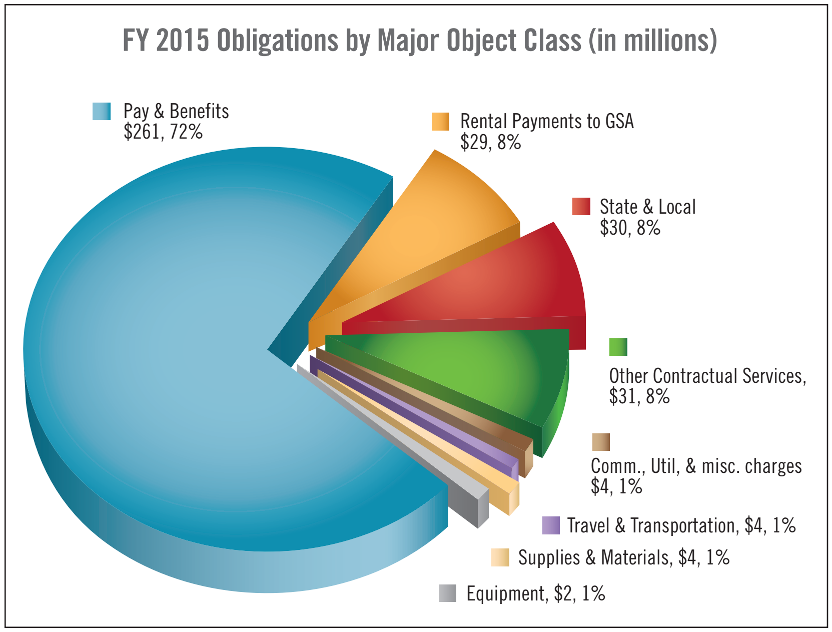
Combined Statements of Budgetary Resources

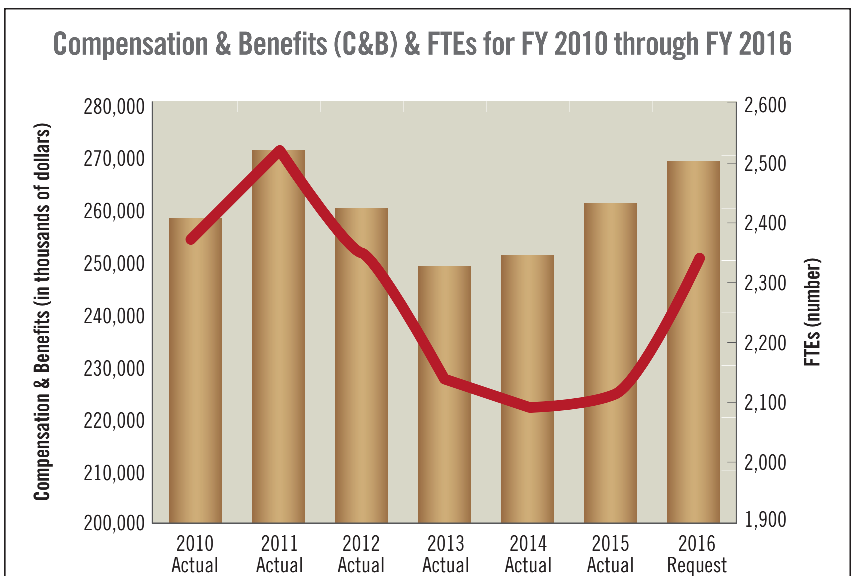
The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In fiscal year 2015, EEOC received $364.5 million in budget authority. EEOC ended fiscal year 2015 with a slight decrease in total budgetary resources. Resources not available for new obligations at the end of the year totaled $4 million and $7 million in fiscal years 2015 and 2014, 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 fiscal year 2015 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., communication, utilities and miscellaneous charges, travel & transportation, equipment, supplies & materials, etc.) consumed 4 percent of EEOC's resources for fiscal year 2015.

The dual axis chart below depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended fiscal year 2015 with 2,190 FTEs, a net increase of 92, or 4 percent, above fiscal year 2014.





	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Request
C&B	$258,000	$271,000	$260,000	$249,000	$251,000	$261,000	$269,000
FTEs	2,385	2,505	2,346	2,147	2,098	2,190	2,347

RESULTS ACHIEVED IN FISCAL YEAR 2015 UNDER STRATEGIC PLAN PERFORMANCE MEASURES

Overview of the Strategic Plan and Performance Measures

This Performance and Accountability Report **is based on EEOC's Strategic Plan for Fiscal Years 2012 through 2016 (as modified on February 2, 2015)[3] ("Strategic Plan" or "Plan"), approved by the Commission on February 22, 2012. The agency engaged in a comprehensive assessment of its programs and priorities when developing the Plan. As a result, EEOC believes it can achieve its critical mission** to stop and remedy unlawful employment discrimination, **and pursue its vision of** justice and equality in the workplace **by focusing on the following three strategic objectives:**

- **Strategic Objective I:** To combat employment discrimination through strategic law enforcement. This objective reflects the agency's primary mission of preventing unlawful employment discrimination through the use of: 1) administrative (investigation, mediation and conciliation) and litigation enforcement with regard to private employers, labor organizations, employment agencies, and state and local government employers; and 2) adjudicatory and oversight responsibilities for federal employers. The seven performance measures developed for Strategic Objective I and the fiscal year 2015 results for these measures are more fully described below.

- **Strategic Objective II:** To prevent employment discrimination through education and outreach. This objective reflects the importance of EEOC's efforts to prevent employment discrimination before it occurs. The Commission is authorized to engage in education and outreach activities, including providing training and technical assistance, for those with rights and responsibilities under employment antidiscrimination laws. The four performance measures developed for Strategic Objective II and the fiscal year 2015 results for these measures are more fully described below.

- **Strategic Objective III:** To deliver excellent and consistent service through a skilled and diverse workforce and effective systems. This objective recognizes that EEOC's capacity to deliver excellent and consistent service is dependent upon a qualified and well-trained workforce and the use of effective systems such as innovative technology and streamlined agency processes. The two performance measures developed for Strategic Objective III and the fiscal year 2015 results for these measures are more fully described below.

The outcome goals related to these strategic objectives and the 14 performance measures identified in the Plan will help gauge EEOC's progress as we approach fiscal year 2017. The agency's strategic objectives, outcome goals, and related performance measures are depicted in the Strategic Plan Diagram on the following pages.

[3] February 2, 2015, is the date EEOC's FY 2016 Congressional Budget Justification was issued. The modification was reported as an addendum to EEOC's FY 2016 Budget as per the Government Performance and Results Modernization Act of 2010 and Circular A–11 (2013), OMB guidance for Strategic Planning. The interim modification was authorized by OMB on December 10, 2013, pursuant to OMB Circular A–11, Section 230.17.

EEOC FY 2015 Performance

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2015
14	8	6	0	0

* **Targets Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

STRATEGIC PLAN DIAGRAM

MISSION

Stop and Remedy Unlawful Employment Discrimination

VISION

Justice and Equality in the Workplace

STRATEGIC OBJECTIVE I	STRATEGIC OBJECTIVE II	STRATEGIC OBJECTIVE III
Combat employment discrimination through strategic law enforcement.	**Prevent employment discrimination through education and outreach.**	**Deliver excellent and consistent service through a skilled and diverse workforce and effective systems.**
Outcome Goal I.A Have a broad impact in reducing employment discrimination at the national and local levels. **Strategy I.A.1:** Develop and implement a Strategic Enforcement Plan that: (1) establishes EEOC priorities and (2) integrates EEOC's investigation, conciliation and litigation responsibilities in the private and state and local government sectors; adjudicatory and oversight responsibilities in the federal sector; and research, policy development, and education and outreach activities. **Strategy I.A.2:** Rigorously and consistently implement charge and case management systems to focus resources and enforcement on EEOC's priorities. **Strategy I.A.3:** Use administrative and litigation mechanisms to identify and attack discriminatory policies and other instances of systemic discrimination. **Strategy I.A.4:** Use EEOC decisions and oversight activities to target pervasive discriminatory practices and policies in federal agencies. **Outcome Goal I.B** Remedy discriminatory practices and secure meaningful relief for victims of discrimination **Strategy I.B.1:** Ensure that remedies end discriminatory practices and deter future discrimination. **Strategy I.B.2:** Seek remedies that provide meaningful relief to individual victims of discrimination	**Outcome Goal II.A** Members of the public understand and know how to exercise their right to employment free of discrimination. **Outcome Goal II.B** Employers, unions and employment agencies (covered entities) prevent discrimination and better resolve EEO issues, thereby creating more inclusive workplaces. **Strategy II.A.1:** Target outreach to vulnerable workers and underserved communities. **Strategy II.B.1:** Target outreach to small and new businesses. **Strategy II.A.2 and II.B.2:** Provide up-to-date and accessible guidance on the requirements of employment antidiscrimination laws.	**Outcome Goal III.A** All interactions with the public are timely, of high quality, and informative. **Strategy III.A.1:** Effectively engage in workforce development and planning, including identifying, cultivating, and sustaining a skilled and diverse workforce. **Strategy III.A.2:** Rigorously and consistently implement charge and case management systems to deliver excellent service. **Strategy III.A.3:** Use innovative technology to facilitate responsive interactions and streamline agency processes.

STRATEGIC PLAN DIAGRAM

STRATEGIC OBJECTIVE I	STRATEGIC OBJECTIVE II	STRATEGIC OBJECTIVE III
Performance Measures	Performance Measures	Performance Measures
Performance Measure 1 for Strategy I.A.1 By FY 2018, EEOC develops, issues, implements, evaluates, and revises, as necessary, a Strategic Enforcement Plan. **Performance Measure 2 for Strategy I.A.2 and Strategy III.A.2** By FY 2018, TBD% of investigations and conciliations meet the criteria established in the new Quality Control Plan. **Performance Measure 3 for Strategy I.A.2 and Strategy III.A.2** By FY 2018, 100% of federal sector case inventory is categorized according to a new case management system and TBD% of hearings and appeals meet the criteria established in the new federal sector Quality Control Plan. **Performance Measure 4 for Strategy I.A.3** By FY 2018, 22–24% of the cases in the agency's litigation docket are systemic cases. **Performance Measure 5 for Strategy I.A.4** By FY 2018, EEOC uses an integrated data system to identify potentially discriminatory policies or practices in federal agencies and has issued and evaluated TBD number of compliance plans to address areas of concern. **Performance Measure 6 for Strategies I.B.1 and I.B.2** By FY 2018, 65-70% of EEOC's administrative and legal resolutions contain targeted, equitable relief. **Performance Measure 7 for Strategies I.B.1 and I.B.2** By FY 2018, 15–17% of resolutions by FEPAs contain targeted, equitable relief.	**Performance Measure 8 for Strategy II.A.1** By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities. **Performance Measure 9 for Strategy II.B.1** By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent small or new business (or with businesses directly). **Performance Measure 10 for Strategies II.A.1 and II.B.1** By FY 2013, EEOC implements a social media plan. **Performance Measure 11 for Strategies II.A.2 and II.B.2** EEOC reviews, updates, and/or augments with plain language materials its sub-regulatory guidance, as necessary.	**Performance Measure 12 for Strategy III.A.1** EEOC strengthens the skills and improves the diversity of its workforce. **Performance Measure 2 for Strategy I.A.2 and Strategy III.A.2** By FY 2018, TBD% of investigations and conciliations meet the criteria established in the new Quality Control Plan. **Performance Measure 3 for Strategy I.A.2 and Strategy III.A.2** By FY 2018, 100% of federal sector case inventory are categorized according to a new case management system and TBD% of hearings and appeals meet the criteria established in the new federal sector Quality Control Plan. **Performance Measure 13 for Strategy III.A.3** EEOC improves the private sector charge process to streamline services and increase responsiveness to customers throughout the process.

BUDGETARY RESOURCES MEASURE
Performance Measure 14
The EEOC's budgetary resources for FY 2014–2018 align with the Strategic Plan.

RESULTS ACHIEVED UNDER SPECIFIC PERFORMANCE MEASURES

STRATEGIC OBJECTIVE I: Combat employment discrimination through strategic law enforcement.

The agency adopted two outcome goals to further the objective of strategic law enforcement: 1) to have a broad impact in reducing employment discrimination at the national and local levels; and 2) to remedy discriminatory practices and secure meaningful relief for victims of discrimination.

EEOC also identified and is implementing four key strategies:

- Develop and implement a Strategic Enforcement Plan that: 1) establishes EEOC priorities; and 2) integrates EEOC's investigation, conciliation, and litigation responsibilities in the private and state and local government sectors; adjudicatory and oversight responsibilities in the federal sector; and research, policy development, and education and outreach activities;

- Implement charge and case management systems to focus resources and enforcement on agency priorities;

- Use administrative and litigation mechanisms to identify and attack discriminatory policies and other instances of systemic discrimination; and

- Use agency decisions and oversight to target discriminatory practices and policies in federal agencies.

EEOC has developed Performance Measures 1 through 6 to track the agency's progress in pursuing these strategies and Performance Measure 7 to track the progress of its state and local partners.

Under its first objective, the Strategic Plan directed the agency to develop a Strategic Enforcement Plan (SEP), which was approved on December 17, 2012. The SEP: 1) establishes EEOC's national priorities; and 2) integrates the agency's investigation, conciliation and litigation responsibilities in the private and public sectors; adjudicatory and oversight responsibilities in the federal sector; and research, policy development, and education and outreach activities. The six SEP priorities are: 1) eliminating barriers in recruitment and hiring; 2) protecting immigrant, migrant and other vulnerable workers; 3) addressing emerging and developing issues; 4) enforcing equal pay laws; 5) preserving access to the legal system; and 6) preventing harassment through systemic enforcement and targeted outreach. Its implementation will ensure a targeted, concentrated, and deliberate effort to pursue priority issues and practices that significantly affect applicants, employees, and employers.

STRATEGIC ENFORCEMENT PLAN

PERFORMANCE MEASURE 1: By FY 2018, the EEOC develops, issues, implements, evaluates, and revises, as necessary, a Strategic Enforcement Plan.	
FY 2015	
TARGET	The Commission evaluates the Strategic Enforcement Plan.
RESULTS	The Commission held quarterly briefings with program staff to evaluate the progress of the Strategic Enforcement Plan. A preliminary evaluation of the Strategic Enforcement Plan is currently in progress.
◆	**Target Partially Met***

* ◆ **Target(s) Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

For fiscal year 2015, the agency's goal was to conduct a preliminary evaluation of the SEP approved by the Commission in December 2012. To work toward that goal, the Chair approved a plan to evaluate SEP's implementation. The evaluation started in late September by distributing surveys to Commissioners, to be followed in fiscal year 2016 by surveys of program directors, all field directors, and regional attorneys. The evaluation will also include an analysis of data on charges, litigation, hearings and appeals, as well as outreach. An analysis of the survey results and data is anticipated in early fiscal year 2016.

The Commission assesses the progress of the SEP through quarterly briefings and reports from the lead program offices responsible for implementing the SEP. The briefings also include updates on other significant matters and on the effectiveness of the delegations of authority to field offices, the Office of Federal Operations and the General Counsel. For example, in fiscal year 2015, as a result of the briefings the Chair issued an operational directive clarifying the scope of the SEP priority concerning emerging and developing issues based on feedback from staff.

In February 2015, the Commission held a first quarterly briefing with program staff to assess implementation of the SEP and provide Commissioners with an opportunity to ask questions concerning the agency's work. The combined second and third quarterly briefings were held on September 16, 2015. During the quarterly briefings, program offices reported their enforcement and outreach efforts implementing the SEP priority issues. The quarterly briefings serve to keep the Commission informed about the implementation of SEP priority areas in the field. The briefings have highlighted increased collaboration among the program offices on priority issues across private and federal sector enforcement, one of the key goals of the SEP.

The SEP authorized the development and approval of several plans as follows:

An agency-wide Communications and Outreach Plan to enhance the clarity, consistency, and coordination of EEOC's vital communications and outreach efforts.

A Research and Data Plan to better educate the public about trends and challenges in achieving equal employment opportunity, and that will enable EEOC to use data to enhance enforcement work, as well.

Federal Sector Organization Plan.

The SEP also required a full evaluation of the current structure of the agency's federal sector hearings program, including the placement and status of Administrative Judges in that structure. This evaluation, which also looked at related issues affecting the effectiveness of the program, was completed by the Administrative Conference of the United States in fiscal year 2014. The agency is considering all of the input received on this and other federal sector reform projects in order to present a plan to the Commission for review and consideration.

QUALITY CONTROL PLAN

PERFORMANCE MEASURE 2: By FY 2018, TBD% of investigations and conciliations meet the criteria established in the new Quality Control Plan.	
FY 2015	
TARGET	A revised Quality Control Plan will be submitted to the Commission for a vote in FY 2015.
RESULTS	A revised Plan, **Quality Practices for Effective Investigations and Conciliations**, was approved by the Commission on September 30, 2015.
☐	**Target Met***

The fiscal year 2015 target for Performance Measure 2 was to revise the agency's draft Quality Control Plan (QCP) for submission to the Commission for a vote in fiscal year 2015. A renewed effort in fiscal year 2015 by the agency to reach consensus on a QCP resulted in extensive and additional input from Commissioners and staff. The resulting revised plan was approved by the Commission on September 30, 2015. The revised QCP provides effective enforcement practices to promote quality investigations and conciliations with progress goals for fiscal years 2016 and 2017.

In addition, the Chair directed program staff to update EEOC's internal procedures to provide guidance in conducting quality investigations and conciliations of charges of discrimination. The Chair also made developing and implementing training on QCP a priority to strengthen the quality of the agency's investigations and conciliations.

CASE MANAGEMENT SYSTEM

PERFORMANCE MEASURE 3: By FY 2018, 100% of federal sector case inventory is categorized according to a new case management system and 50% of hearings and appeals meet the criteria established in the new federal sector Quality Control Plan.	
FY 2015	
TARGET	100% of incoming and old case inventory is categorized. Apply the quality criteria to a statistically significant sample of federal sector decisions (hearings and appeals), develop a baseline of quality [standards], and set targets for improved quality.
RESULTS	100% of both the agency's pending appellate case inventory and new inventory were categorized. 80% of 4 pilot office hearings receipts have been categorized. A federal sector QCP will be developed and informed by the quality standards in the private sector QCP, which has been approved already.
◆	**Target Partially Met***

* ◆ **Target(s) Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

For fiscal year 2015, Performance Measure 3 required the agency to have 100 percent of all incoming hearings requests and appeals, as well as 100 percent of old case inventory categorized according to the new case management system. The measure also required the agency to apply the Federal Sector Quality Control Plan criteria to a statistically significant sample of federal sector decisions (hearings and appeals) in order to formulate a baseline of quality for EEOC's federal sector hearings and appeals and set targets for improved quality.

With respect to federal sector appeals, at the start of fiscal year 2015, the agency's appellate inventory consisted of 4,545 appeals. By September 30, the agency had categorized 4,404, or nearly 100 percent, of EEOC's old appeals where the records were complete under the new case management system. There were 137 pre-fiscal year 2015 appeals that were not categorized because their records were not complete. The 4,404 categorized appeals consisted of 2,700 pre-fiscal year 2015 appeals that were closed in fiscal year 2015, and 1,704 pre-fiscal year 2015 appeals that were pending as of October 1, 2015. Regarding the new inventory, the agency categorized 2,548, or 100 percent, of the new appeals where the records were complete. The 2,548 categorized appeals consisted of 1,150 fiscal year 2015 appeals resolved this year, and 1,398 fiscal year 2015 appeals docketed in the first three quarters of fiscal year 2015, where the records were complete, which were pending as of October 1, 2015.

The agency piloted a case management plan in fiscal year 2014 for EEOC's hearings program, categorizing complaints in four offices. The categorization requires conducting an initial conference as the first step in the process. The agency's focus in fiscal year 2015 was to have all offices participate in the new case management plan, specifically conducting an initial conference. For all hearings closures in fiscal year 2015, SEP and Federal Complement Plan (FCP) categories were identified, and 80 percent of incoming cases for the four pilot offices were categorized during an initial conference.

EEOC's Strategic Plan Performance Measure 3 also provides that the Federal Sector Quality Control Plan (the federal sector QCP) will set criteria for measuring the quality of hearing decisions and appeals. The development of the federal sector QCP will be informed by the quality standards in the private sector QCP, allow the agency to finalize the federal sector QCP, and establish the requisite baseline of quality standards necessary to set targets for improved quality in fiscal year 2016.

In the interim, the agency's focus on quality was also carried out through the review of selected hearings cases. In fiscal year 2015, the hearings coordination section continued its focus on enhancing the quality of administrative judge (AJ) work products by conducting the annual quality review of AJ decisions. Hundreds of decisions from all field hearings units were reviewed, assessed, and scored using objective criteria. In addition to the quality review process, Hearings Coordination conducted monthly conference calls with AJs throughout the fiscal year. These communicated important information identified by hearings coordination oversight, as well as gave an opportunity to provide training through case updates on substantive legal or procedural matters.

SYSTEMIC CASES

PERFORMANCE MEASURE 4: By FY 2018, 22-24% of the cases on the agency's active litigation docket are systemic cases.	
FY 2015	
TARGET	Increase targets (i.e., the percentage of systemic cases on the active docket) to 20–22%.
RESULTS	The percentage of systemic cases on the active docket increased to 22%.
☐	**Target Met**

The fiscal year 2015 target for Performance Measure 4 was to increase the percentage of systemic cases on the agency's litigation docket to approximately 20–22 percent of all active cases. Under EEOC's Strategic Plan, systemic cases are defined as pattern or practice, policy, or multi-victim cases where the alleged discrimination has a broad impact on the industry, occupation, or geographic area. The agency established a baseline of 20 percent in fiscal year 2012, which represented the proportion of systemic cases on the active litigation docket at the end of the fiscal year. By fiscal year-end 2015, the agency reported that 48 out of 218, or 22 percent, of the cases on its litigation docket were systemic, meeting the annual target. Because of the consistently high degree of success in achieving targets for this measure, the agency will reconsider this measure during the preliminary evaluation of the SEP.

FEDERAL SECTOR WORKFORCE ANALYSIS

PERFORMANCE MEASURE 5: By FY 2018, EEOC uses an integrated data system to identify potentially discriminatory policies or practices in federal agencies and has issued and evaluated TBD number of compliance plans to address areas of concern.	
FY 2015	
TARGET	Conduct TBD number of on-site program evaluations focused on identified priorities and issue compliance plans.
RESULTS	The agency conducted several critical evaluations on priority initiatives. Two resulting reports are slated for issuance in FY 2016.
◆	**Target Partially Met***

* ◆ **Target(s) Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

The federal government is the largest employer in the United States. Therefore, reducing unlawful employment discrimination in the federal sector is an integral part of achieving Strategic Objective I and fulfilling the mission of the agency. The fiscal year 2015 target for Performance Measure 5 required EEOC to conduct a number of on-site program evaluations focused on federal sector priorities identified in fiscal year 2013 and issue corresponding compliance plans. The initiative that began in fiscal year 2013 required EEOC to create and implement an integrated data system that could identify discriminatory policies or practices in those agencies and help set priorities for the prevention of discrimination in the federal government. Development of a fully operational, integrated data system is anticipated in fiscal year 2016.

During the fiscal year, the agency implemented a series of initiatives under the auspices of Performance Measure 5. For example, EEOC reviewed a number of federal agencies' recruitment and hiring practices for senior executives; analyzed agencies' employment of individuals under Schedule A; and continued the review of agencies' anti-harassment policies and reasonable accommodation procedures. As part of these efforts, EEOC conducted 60 technical assistance visits. The information obtained from these visits provided additional input for the agency's integrated data system. Based on this data, EEOC expects to issue two government-wide reports concerning diversity within the Senior Executive Service and the effectiveness of anti-harassment programs by the first quarter of fiscal year 2016.

ADMINISTRATIVE AND LEGAL RESOLUTIONS WITH TARGETED RELIEF

PERFORMANCE MEASURE 6: By FY 2018, 65-70% of EEOC's administrative and legal resolutions contain targeted, equitable relief.	
FY 2015	
TARGET	Increase targets to 64–68% or maintain targets.
RESULTS	The proportion of administrative and legal resolutions containing TER increased to 81.2%.
□	**Target Exceeded**

The fiscal year 2015 target for Performance Measure 6 was to increase the proportion of administrative and legal resolutions containing targeted, equitable relief (TER) to within a range of 64–68 percent. Targeted, equitable relief means non-monetary and non-generic relief (other than the posting of notices in the workplace about the case and its resolution), which explicitly addresses the discriminatory employment practices at issue in the case, and which provides remedies to the aggrieved individuals or prevents similar violations in the future. The achievements at year end are well above the targeted range for fiscal year 2015. Specifically, the agency had 1,270 administrative and legal resolutions with TER out of a total of 1,565 resolutions, or 81.2 percent. EEOC will continue to promote the inclusion of TER benefits in agency resolutions.

FEPA RESOLUTIONS WITH TARGETED RELIEF

PERFORMANCE MEASURE 7: By FY 2018, 15–17% of resolutions by FEPAs contain targeted, equitable relief.	
FY 2015	
TARGET	FEPAs increase targets to 14–16% or maintain targets..
RESULTS	The proportion of FEPA reported resolutions containing TER increased to 19.7%.
☐	Target Exceeded

The fiscal year 2015 target for Performance Measure 7 was to increase the proportion of resolutions reported by the state and local Fair Employment Practices Agencies (FEPAs) that contained targeted, equitable relief to within a range of 14–16 percent. In fiscal year 2013, the agency determined the baseline percentage of merit factor resolutions (i.e., mediation and other settlements and cause findings) containing TER by reporting FEPAs was 14 percent. To better capture the variance in the number of FEPA resolutions achieved through TER, the agency developed a series of ranges for future targets through fiscal year 2018 to include an increase in FEPA resolutions with TER within a range of 13–15 percent in fiscal year 2014; 14–16 percent in fiscal year 2015; and 15–17 percent in fiscal year 2016 – to be maintained through fiscal year 2018. (Baseline percentages established under Performance Measure 7 for FEPAs are different from Performance Measure 6 due to variations between charge processing systems at the FEPAs with which EEOC has work-sharing agreements).

In fiscal year 2015, FEPAs exceeded the targeted range of 14–16 percent; reporting 1,305 FEPA merit resolutions with TER out of 6,640 merit resolutions, or 19.7 percent. We will continue to review our data and monitor TER activity for the FEPAs. The topic of TER was also addressed with the FEPAs during the annual EEOC–FEPA National Training Conference held in Atlanta, Ga. on August 4–6, 2015. EEOC will continue to promote the inclusion of FEPA-reported TER benefits in agency resolutions.

STRATEGIC OBJECTIVE II: Prevent employment discrimination through education and outreach.

In fiscal year 2015, the agency engaged in increased outreach efforts to ensure that the needs of the diverse audiences we serve across the nation are met. EEOC continued its partnerships with employers, colleges and universities, advocacy groups, immigrant and farm worker communities, governmental entities, and other stakeholders to foster strategies to recognize and prevent discrimination in the workplace.

Under Strategic Objective II of the Plan, the agency established the following outcome goals: 1) members of the public understand and know how to exercise their right to employment free of discrimination; and 2) employers, unions, and employment agencies (covered entities) better address and resolve EEO issues, thereby creating more inclusive workplaces.

The three strategies for achieving the goals of Strategic Objective II can be summarized as follows:

- Target outreach to vulnerable workers and underserved communities;

  "Vulnerable workers" are those workers who are unaware of their rights under the equal employment laws, or are reluctant or unable to exercise their rights. This includes, but is not limited to, low wage earners, farm workers, refugees, victims of human trafficking, and youth in their first jobs.

  "Underserved communities" have been defined as those communities whose demographics, geographic location, or economic characteristics impede or limit their access to services provided by EEOC.

- Target outreach to small and new businesses; and
- Provide up-to-date and accessible guidance on the requirements of employment antidiscrimination laws.

Performance Measures 8 through 11 were developed to track progress in pursuing these strategies under Strategic Objective II.

Performance Measures 8 and 9 focus on rewarding and encouraging interactive and sustained partnerships with community organizations and businesses that EEOC is trying to reach. For these two measures, the agency defined "significant partnerships" as an interactive and sustained relationship with an organization, community group, advocacy group, or other entity that represents or serves vulnerable or underserved communities and enhances EEOC's ability to reach those communities.

VULNERABLE AND UNDERSERVED COMMUNITIES

PERFORMANCE MEASURE 8: By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities.	
FY 2015	
TARGET	The number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities is maintained, nationally.
RESULTS	The agency is currently maintaining 130 significant partnerships with organizations that represent vulnerable workers and/or underserved communities, which reflects 14 new partnerships achieved during the fiscal year.
☐	**Target Exceeded**

SMALL AND NEW BUSINESSES

PERFORMANCE MEASURE 9: By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent small or new business (or with businesses directly).	
FY 2015	
TARGET	The number of significant partnerships with organizations that represent small or new businesses (or with businesses directly) is maintained nationally.
RESULTS	The agency is currently maintaining 109 significant partnerships with organizations that represent small or new businesses (or with businesses directly), which reflects 17 new partnerships achieved during the fiscal year.
☐	**Target Exceeded**

The baseline established in fiscal year 2012 identified approximately 90 significant partnerships within the vulnerable worker and underserved communities for Performance Measure 8. In fiscal year 2014, the agency exceeded its target of 108 significant partnerships and established a new fiscal year total of 116 relationships. The fiscal year 2015 target for this measure was to maintain the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities.

By fiscal year-end, the agency had increased the number of significant partnerships to 130, a 12 percent increase over the 116 established relationships in fiscal year 2014; adding 14 new partnerships to the agency's expanding vulnerable and underserved community network in fiscal year 2015. This includes the addition of the national MOU signed by EEOC and the Department of Foreign Affairs of the Republic of the Philippines. The MOU is designed to further strengthen collaborative efforts to provide immigrant, migrant, and otherwise vulnerable Filipino workers and their employers with guidance and information and access to education about their rights and responsibilities under the laws enforced by EEOC. The agency continues to provide support and guidance to outreach efforts and partnership development strategies within the vulnerable worker and underserved communities.

In fiscal year 2012, to support the objective of preventing employment discrimination through education and outreach to employers, the agency established a baseline to foster approximately 71 significant partnerships with organizations that represent small and new businesses (or with businesses directly). In fiscal year 2014, the agency exceeded its target of 86 significant partnerships and established a new fiscal year total of 92 relationships. The fiscal year 2015 target for this measure was to maintain the number of significant partnerships with organizations that represent small or new business communities (or with businesses directly).

By fiscal year-end, EEOC had increased the number of significant partnerships to 109, an 18 percent increase over the 92 established relationships in fiscal year 2014; adding 17 new partnerships to the agency's expanding small and new business community network in fiscal year 2015.

SOCIAL MEDIA PLAN

PERFORMANCE MEASURE 10: By FY 2013, EEOC implements a social media plan.	
FY 2015	
TARGET	Assess the social media plan and update as necessary.
RESULTS	A final assessment is currently underway.
◆	**Target Partially Met***

* ◆ **Target(s) Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

Performance Measure 10 ensures that the agency uses technology to effectively provide information by utilizing social media technologies to reach EEOC's stakeholders. It also helps to reinforce that EEOC's social media strategies are consistent with the agency's Strategic Enforcement Plan, the Chair's priorities, and other appropriate directives.

The fiscal year 2015 target for performance under this measure is to assess the effectiveness of EEOC's social media plan, and make appropriate adjustments as needed for improvement. The agency's Communications and Outreach Plan was finalized at the close of fiscal year 2015. This communications roadmap calls for the agency to enhance the use of social media to reach primary audiences as well as the broader public. Specifically, EEOC should provide training for staff in the use of social media, increase the use and elevate content, incorporate social media in regular media planning and include tips in the upcoming, updated EEOC Communications and Legislative Affairs Guide. Additionally, the procurement of the GovDelivery platform at the

SUB-REGULATORY GUIDANCE REVIEW AND REVISION

PERFORMANCE MEASURE 11: EEOC reviews, updates, and/or augments with plain language materials its sub-regulatory guidance, as necessary.	
FY 2015	
TARGET	Consistent with Commission priorities, submit at least two plain language revisions of substantive policy documents to replace at least two other outdated guidance documents.
RESULTS	Three documents have been approved and released to the public.
◻	Target Exceeded

end of the fiscal year will enhance EEOC's ability to coordinate social media with agency updates and further grow the agency's social media efforts. In the interim, EEOC continues to develop its social media presence, including supporting offices that wish to establish and use social media tools and monitoring and assessing the availability and viability of social media content.

Performance Measure 11 provides for the agency's sub-regulatory guidance documents to be reviewed and, where necessary, updated and accompanied by plain language text. EEOC's enforcement work in the private sector, its adjudicatory and oversight work in the federal sector, and its outreach and education work all depend on the availability of up-to-date and accessible materials explaining the laws it enforces and how to comply with those laws. Although the regulations the agency issues set the basic legal framework for the implementation of those laws, the sub-regulatory materials, including EEOC's guidance documents, provide more tangible assistance to those with rights and responsibilities under such laws.

In fiscal year 2015, the agency exceeded the target for performance under this measure and approved and released three sub-regulatory documents to the public. On June 25, 2015, the Commission issued: Enforcement Guidance on Pregnancy Discrimination and Related Issues; Questions and Answers about EEOC's Enforcement Guidance on Pregnancy Discrimination and Related Issues; and a Fact Sheet for Small Businesses: Pregnancy Discrimination. All three documents are available on EEOC's website at http://www.eeoc.gov/laws/guidance/enforcement_guidance.cfm.

STRATEGIC OBJECTIVE III: Deliver Excellent and Consistent Service through a Skilled and Diverse Workforce and Effective Systems.

This objective is intended to ensure that the agency delivers excellent and consistent service through its efforts to support a skilled workforce while using effective systems—many of which serve the public directly. Effective customer service and operating systems can positively influence the general public's understanding of our ability to address their employment discrimination concerns in the workplace. This measure was designed to focus on issues regarding staff and infrastructure, which are mission critical components of any successful organization.

The goal of this strategic objective is that all interactions with the public are timely, of high quality, and are informative. As noted in Strategic Objective I, it is a significant agency priority to enhance the timeliness and ensure the continued quality of our enforcement activities in the private, state and local government, and federal sectors. However, to meet the evolving needs of the modern workplace and any changes in EEO law interpretation, it is necessary to invest adequately in workforce development and planning. Moreover, given the agency's mission, it is also important that our workforce be diverse. We must act not only as an example to other private, state and local government, and federal employers, but also reflect the populations we serve. Finally, to improve the agency's customer service, EEOC must ensure the effectiveness of our systems by using technology to streamline, standardize, and expedite critical functions.

To these ends, EEOC developed three strategies for achieving Strategic Objective III:

- Engage in effective workforce development and planning, including identifying, cultivating, and sustaining a skilled and diverse workforce;
- Implement charge and case management systems consistently to deliver excellent and consistent service; and
- Use innovative technology to facilitate responsive interactions and streamline agency processes.

For this objective, EEOC adopted Performance Measures 12 and 13 to support and monitor the agency's progress toward our fiscal year 2016 targets (along with two previously identified measures, Performance Measures 2 and 3, and cross-referenced under Strategic Objective I).

The fiscal year 2015 target for Performance Measure 12, Subpart (a) was to increase the number of persons with disabilities hired by 20 percent of EEOC's workforce over five years, or at least 29 employees with disabilities each year over the fiscal year 2014 target of 442 employees with disabilities, to 471 total. Successful performance under Subpart (b) was to increase the number of employees with targeted disabilities by five percent, or at least 11 individuals each year over the fiscal year 2014 target of 101 employees with targeted disabilities, to 112 total. And finally, Subpart (c) required the agency to improve and streamline the hiring process to increase the percentage of all hires made within 78 days to 80 percent in fiscal year 2015.

By the end of fiscal year 2015, the agency had partially met its targets for Performance Measure 12. Overall, hiring and recruitment increased in fiscal year 2015. As of September 30,

WORKFORCE QUALITY, DIVERSITY, AND SKILLS

PERFORMANCE MEASURE 12: EEOC strengthens the skills and improves the diversity of its workforce.

FY 2015		
TARGET (a)	Number of employees with disabilities.	471
RESULTS		464
◆		**Target Partially Met***

FY 2015		
TARGET (b)	Number of employees with targeted disabilities.	112
RESULTS		94
◆		**Target Partially Met***

FY 2015		
TARGET (c)	Percentage of hires made within 78 days.	80%
RESULTS		61%
◉	**Target Not Met**	
◆	**Overall Targets Partially Met***	

* ◆ **Target(s) Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

the agency had exceeded its administrative target of hiring at least 29 employees with disabilities in fiscal year 2015 under Subpart (a), by hiring 87 persons with disabilities. These new hires raised the total to 464 staff with disabilities at the end of the fourth quarter, which was only very slightly short of the fiscal year 2015 goal of 471. Similar progress was made relative to the number of employees hired with targeted disabilities under Subpart (b). By the end of the fiscal year, the agency had exceeded its administrative target of hiring at least 11 persons with targeted disabilities—bringing on board 31 new staff members. This resulted in a total of 94 persons hired with targeted disabilities, which was slightly less than the 112 fiscal year 2015 goal.

In fiscal year 2015, the agency continued to implement significant strategies, which proved to be effective for increasing the number of employees with disabilities, and helped EEOC move considerably closer to meeting its annual human capital goals under Subparts (a) and (b). These strategies included creating a repository of Schedule A applicants; allowing easier access to qualified Schedule A applicants; and specialized training initiatives, such as Webinars that focused on "best practices" and "lessons learned" for increasing the number of individuals with disabilities, including those with targeted disabilities.

Timely hires under Subpart (c) were affected by a number of factors both internal and external to the agency. A top priority for the agency has been to put in place the staff and procedures to ensure more timely hires. Of the reported 342 new hires-to-date, approximately 207, or 61 percent, were made within 78 days, which is considerably below the 2015 target for timely hires. Due to the volume of hiring requests, which included replacement hires for departing staff through retirement and attrition, and challenges in procuring a qualified contractor to assist with the large volume of hiring requests until late in the fiscal year, the agency was not able to meet the goal that 80 percent of EEOC's new hires be made within 78 days.

However, this past fiscal year EEOC sought to hire 50 employees in 50 days as part of a hiring sprint beginning June 3 through July 23, 2015. The agency exceeded this pledge by hiring 57 new employees and 41 internal hires. EEOC also implemented a new policy to reduce the number of extension and re-announcement requests approved in the past. In addition, two contractors were procured to assist with posting announcements and issuing certificates. Finally, EEOC coordinated with OPM to ensure that the agency was using the full range of features within USAStaffing to streamline EEOC's hiring process. One example of this streamlining was accepting the first one hundred applicants to review. EEOC anticipates an improvement in the agency's time-to-hire response by the end of fiscal year 2015 as a result of streamlined procedures and the agency's investments in increased staffing capacity. Meeting these aggressive targets will continue to be a priority for the agency in fiscal year 2016.

Performance Measure 13 requires the agency to use technology to improve the private and state and local government sectors' charge process, including streamlining services and increasing responsiveness to customers throughout the process. This measure includes three primary projects: 1) ACT Digital (aka Digital Charge System); 2) Online Charge Status; and 3) Online Intake.

STREAMLINING AND INCREASING AGENCY RESPONSIVENESS IN THE CHARGE SYSTEM THROUGH TECHNOLOGY

PERFORMANCE MEASURE 13: EEOC improves the private sector charge process to streamline services and increase responsiveness to customers throughout the process.	
FY 2015	
TARGET	Meet targets determined in FY 2012.
RESULTS	ACT Digital successfully began a pilot in 11 field offices to allow respondents to a charge to access documents related to a charge and upload their position statements. Online Charge Status (aka Milestones) is positioned to be released in 1st QTR FY 2016
◆	**Target Partially Met***

* ◆ **Target(s) Partially Met:** A rating assigned to target results where: 1) at least half of the activities targeted for completion were completed; or 2) EEOC was unable to assess the results because full year data was not yet available.

ACT Digital: The ACT Digital project will allow the parties to submit and receive documents electronically and will ultimately result in a digital charge system. On May 5, 2015, the first phase of ACT Digital was launched in 11 of EEOC's 53 offices. It allows an employer against whom a charge has been filed to communicate with EEOC through a secure portal in order to download the charge, review and respond to an invitation to mediate, submit a position statement, and provide and verify contact information. The newly designed EEOC notice of charge provides a password-protected login for the employer in the pilot offices to access the system. The agency is planning for all EEOC offices to launch the first phase of ACT Digital in the first quarter of 2016.

The Digital Charge System aims to enhance customer service, ease the administrative burden on staff, and reduce the use of paper submissions and files. This initiative will also provide long-term benefits of improving collaboration and knowledge sharing, enhancing data integrity, reducing paper file storage and manual archiving/destruction requirements, and enabling a more mobile workforce. In fiscal year 2016, the second phase of Act Digital will focus on providing similar online communications and capabilities to EEOC's charging parties, focusing on the most commonly used communications. In addition, EEOC will continue to expand the online services provided to employers.

Online Charge Status: The Online Charge Status is expected to be deployed early in fiscal year 2016, and will provide charging parties and respondents with open charges the ability to access information regarding the status of their charge(s) online. This will improve customer service by giving customers 24/7 access to their charge status along with details about the activity taken on their charge and the possible next steps. The system will also provide contact information for EEOC staff assigned to the charge and general information about the charge process. Throughout fiscal year 2015, the agency has been diligent in its efforts to complete the roll-out of the Online Charge Status system.

Online Intake System: The first phase of the third project, Online Intake System, which is scheduled for release in early 2016, utilizes technology to provide the public with the option to perform self-screening, submit a pre-charge inquiry, schedule an appointment for an intake interview, and receive pre-charge counseling via an in-person visit, a phone call or a teleconference. Later in fiscal year 2016, Phase II of Online Intake will allow charging parties to schedule and receive pre-charge counseling via web/video conferencing and to submit information to EEOC online. In both of these phases, the process will culminate in the EEOC investigator drafting a charge after the intake interview for the charging party to sign electronically.

The agency's budget strives to adequately fund priority programs, grow such programs and protect against diminution when budgets are reduced. Under the Chair's direction, annual budget submissions from each program office are assessed to ensure that agency resources implement the strategies and goals of EEOC.

The fiscal year target for Performance Measure 14 was to develop a final fiscal year 2015 operating plan based on approved fiscal year 2015 appropriations, prepare EEOC's Fiscal Year 2016 Congressional Budget Justification (CBJ) and EEOC's Fiscal Year 2017 Performance (OMB) Budget that aligns with the agency's Strategic Plan for Fiscal Years 2012–2016 as modified on February 2, 2015 (See Section X, Interim Adjustments to the Strategic Plan). As part of the annual budget formulation cycle, the agency's final fiscal year 2015 Operating Plan was approved and signed by the Chair on December 19, 2014 and EEOC's Fiscal Year 2016 CBJ was timely submitted to Congress on February 2, 2015. EEOC's Fiscal Year 2017 Performance Budget was submitted to OMB on September 14, 2015.

BUDGETARY RESOURCE ALIGNMENT

PERFORMANCE MEASURE 14: EEOC's budgetary resources for FY 2014–2018 align with the Strategic Plan.	
FY 2015	
TARGET	Prepare EEOC's FY 2017 Performance (OMB) Budget that aligns resources with the Strategic Plan. Prepare EEOC's FY 2016 Congressional Budget. Develop a final FY 2015 Operating Plan based on approved FY 2015 appropriations.
RESULTS	EEOC's final FY 2015 Operating Plan was issued on December 19, 2014. EEOC's FY 2016 Congressional Budget was timely submitted to Congress on February 2, 2015. EEOC's FY 2017 Performance (OMB) Budget was submitted to OMB on September 14, 2015.
◻	**Target Met**

RELATED PROGRAM RESULTS AND ACTIVITIES

SERVING THE PUBLIC MORE EFFICIENTLY

Strategic Enforcement of the Nation's Equal Employment Opportunity Laws

This past fiscal year, EEOC strengthened its ability to enforce the federal equal employment laws efficiently and effectively. EEOC's Strategic Plan and Strategic Enforcement Plan provide the framework and direction for a robust and coordinated national enforcement program. To become more efficient as a law enforcement agency, EEOC has worked to prioritize its enforcement and outreach in light of the number of charges it receives and the agency's limited resources. To enhance effectiveness, the agency has identified national and local strategic enforcement priorities where government enforcement and outreach efforts will have the greatest impact. To achieve this broader impact, EEOC will continue to focus its law enforcement efforts on matters that have significant benefits for workers and employers, and which improve more workplace practices.

Managing the Charge Workload

EEOC worked on managing its charge workload strategically in fiscal year 2015. These efforts resulted in a six percent increase in charge resolutions, even as workers filed more charges of discrimination compared to fiscal year 2014. EEOC resolved 92,641 charges and received 89,385 charges in fiscal year 2015. New front-line staff hired late in fiscal year 2014 contributed to these gains in resolutions as new staff reached full productivity this year. EEOC's enforcement program resolutions produced a surge in monetary benefits to $356.6 million, which is $60 million over the fiscal year 2014 level.

With these positive results, the pending workload of 76,408 charges at the end of fiscal year 2015 reflects a less than one percent increase of 750 charges over fiscal year 2014. As investigators hired in the third and fourth quarters of fiscal year 2015 become fully productive, they too will contribute to a decrease in the overall workload inventory.

Improving the Private Sector Charge System

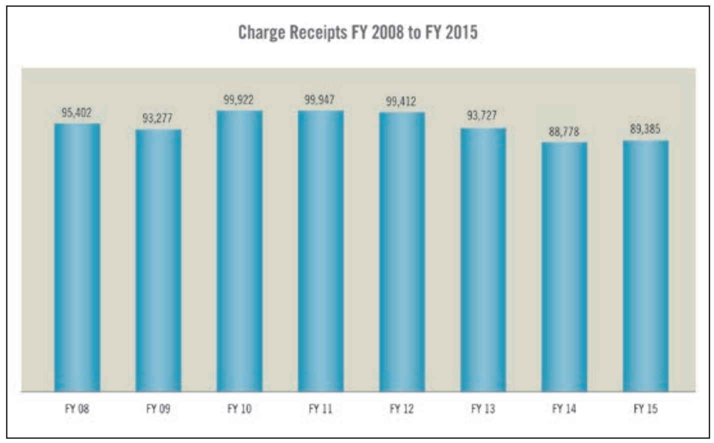
EEOC leveraged technology to create efficiencies during charge intake and investigation, and to increase responsiveness to employees and employers. The agency utilizes this technology to ultimately transform the current paper charge system into a digital charge system, allowing charging parties and employers to check the status of their charges online, and to provide individuals with online scheduling options for intake appointments.

In May 2015, the agency piloted technology that allows employers to transmit documents and communicate with EEOC through a secure portal. In fiscal year 2016, the second phase will focus on providing similar online communications and capabilities to EEOC's charging parties.

EEOC also worked to develop technology to provide the public with the option to perform self-screening, submit a pre-charge inquiry, and use an online calendar to schedule an appointment for an intake interview. This technology project will reduce calls and wait times for charging parties seeking information about the charge process, increase communication through the use of electronic documents, and reduce agency staff time spent on administrative tasks.

Finally, the agency undertook a number of actions to enhance the operations of the Information Intake Group (IIG), which handles more than 600,000 calls from the public each year. The first action was to restructure the operation and consolidate the functions to allow for greater adaptability to changing requirements and technology; a reduction in operational and training travel costs; and improved morale with a team-structured environment conducive to peer-to-peer feedback and support. EEOC also took steps to increase the agency's accessibility to individuals who are deaf and hard of hearing.

As technology has moved forward, video phones have become the preferred method of communication for many individuals whose primary language is American Sign Language (ASL). EEOC is one of only three federal agencies (along with Federal Communications Commission and the Small Business Administration) offering interactive video calls to the public. Two new staff members were hired to answer and respond to calls using ASL through videophones. Callers who are deaf or hard of hearing will be able to have direct access to EEOC staff, rather than through intermediaries, such as interpreters or video relay service. Additionally, to achieve a goal of employing staff that could perform their work 100 percent remotely, EEOC partnered with the National Telecommuting Institute (NTI) to hire individuals who, because of their limited mobility, need to work from home. NTI is a non-profit organization whose mission is to identify and develop work-at-home jobs for home-based individuals who are physically disabled. By the end of the fiscal year, EEOC hired five staff through NTI, all of whom are part of the Social Security Administration's (SSA) Ticket to Work Program. EEOC is the first federal agency with which NTI has placed full-time employees.



Significant Success in Securing Voluntary Resolutions

EEOC's mediation, settlement and conciliation efforts serve as prime examples of an investment in strategies to resolve workplace disputes early, efficiently, and with lasting impact. In fiscal year 2015, these informal settlement methods secured $356.6 million in benefits for individuals, without resorting to litigation.

Mediation Program is a Win for both Employees and Employers

Alternate Dispute Resolution (ADR) is an effective tool to resolve charges of discrimination quickly. Furthermore, successes in the mediation program results in fewer charges that remain in EEOC's inventory for investigation. In fiscal year 2015, the agency achieved 8,243 successful resolutions out of 10,579 mediations conducted, resulting in over $157.4 million in benefits to charging parties. Mediations were completed in an average of 98 days. Additionally, the program continues to receive positive feedback from participants. In fiscal year 2015, 97 percent of all participants indicated that they would utilize the mediation process in a future charge filed with EEOC. This is a direct measure of the public's confidence in the agency's mediation program.

EEOC continues to emphasize and highlight the value of ADR where appropriate to resolve charges of discrimination. The agency continues to try to secure greater participation by employers through the use of Universal Agreements to Mediate (UAMs), information and outreach events that highlight the benefits of mediation for employers. The success of the mediation program builds a persuasive case to encourage employers to participate. At the conclusion of fiscal year 2015, the agency secured a cumulative total of 2,456 UAMs, a 7.6 percent increase over the prior year's 2,283 agreements.

Record Success in Conciliating Private Sector Charges

EEOC's conciliation efforts are another vital means to promote voluntary compliance. Over the past five years, EEOC has worked with employers to conciliate and voluntarily resolve a greater percentage of cases than at any time in recent history—with successful conciliations rising from 27 percent in fiscal year 2010 to 44 percent in fiscal year 2015. The success rate for conciliation of systemic charges is even higher—at 64 percent in fiscal year 2015 (up from 47 percent in fiscal year 2014), which is particularly significant as these charges are more complex and have the potential to improve practices for a significant number of workers.

Adjudicating Federal Sector Hearings and Appeals

In the federal sector, EEOC has authority to hold hearings on complaints of discrimination by federal employees and applicants, and to adjudicate appeals of decisions on such claims. In fiscal year 2015, EEOC secured more than $95 million in relief for federal employees and applicants who requested hearings. Additionally, the agency's hearings program resolved a total of 6,360 complaints, and the number of requests for hearings on federal sector complaints decreased to 7,752 in fiscal year 2015 compared to 8,086 in fiscal year 2014.

EEOC also adjudicates appeals of federal agency final decisions on discrimination complaints, and ensures agency compliance with decisions issued on those appeals. During fiscal year 2015, EEOC received 3,649 appeals of final agency actions in the federal sector, an 8.8 percent decrease from the 4,003 appeals received in fiscal year 2014. In fiscal year 2015, EEOC focused its appellate resources on resolving the oldest appeals, while at the same time attempting to resolve appeals of procedural dismissals in less than 180 days in order to preserve complainants' access to the legal system in accordance with Strategic Enforcement Plan priorities. The agency resolved 3,850 appeals, including 42.4 percent of them within 180 days of their receipt. In addition, EEOC resolved 2,047 or 62.8 percent of 3,260 appeals that were already, or would become, 500 or more days old by the end of the fiscal year.

Concurrent with these efforts, in fiscal year 2015, EEOC implemented a Federal Case Management System (CMS) designed to bring consistency and greater efficiencies to federal sector complaints through the early categorization of incoming hearings and appeals. This enabled EEOC to identify priority cases and obtain a better understanding of the types of cases in its hearings and appeals inventories. For example, the Commission's federal appellate program resolved 115 appeals that had implicated one or more of the priorities identified in the Commission's Strategic Enforcement Plan and/or Federal Complement Plan.

The agency continued its focus on expanding the use of technology to make the federal hearings and appeals process faster and more effective. For more than three years, EEOC has provided agencies with a digital method for submitting complaint-related documents. During fiscal year 2015, this digital process was enhanced and integrated into our Federal Sector EEO Portal (FedSEP). Using the FedSEP portal, agencies can now easily upload all documents for both hearings and appeals. EEOC also laid the groundwork for expanding FedSEP access in fiscal year 2016 to complainants, giving all parties easy transmission and receipt of documents; allowing complainants to request a hearing or appeal online; and allowing parties to review the status of the hearing or appeal online. In addition to the gains in efficiency and cost savings, these technological innovations will make the hearings and appeals process more transparent for all parties and will reduce the agency's reliance on support staff to prepare and scan paper documents received by the parties.

ENFORCING THE LAW MORE EFFECTIVELY

Challenging Discrimination in Federal Court

In fiscal year 2015, EEOC field legal units filed 142 merits lawsuits including 100 individual suits, 26 non-systemic suits with multiple victims, and 16 systemic suits. Merits lawsuits include direct suits and interventions alleging violations of the substantive provisions of the statutes enforced by EEOC and suits to enforce administrative settlements. Of these new filings, 83 contained Title VII claims, 53 contained Americans with Disabilities Act (ADA) claims, 14 contained Age Discrimination in Employment Act (ADEA) claims, 7 contained Equal Pay Act (EPA) claims, and one contained a Genetic Information Non-Discrimination Act (GINA) claim. (The total number of merits lawsuits is less than the sum of the suits based on each individual statute because some suits are filed under multiple statutes). The agency also filed 32 subpoena enforcement actions. At the end of fiscal year 2015, EEOC had 218 cases on its active district court docket, of which 40 (18.3 percent) were non-systemic multiple victim cases and 48 (22 percent) involved challenges to systemic discrimination.

In fiscal year 2015, EEOC's legal staff resolved 155 merits lawsuits in the federal district courts for a total monetary recovery of $65.3 million. Of these resolutions, 87 contained Title VII claims, 61 contained ADA claims, 12 contained ADEA claims, one contained an EPA claim, and one contained a GINA claim. The Commission also resolved 16 subpoena enforcement actions during the fiscal year. In terms of dollars recovered in merits lawsuits by statute, EEOC recovered $56.9 million in Title VII resolutions, $819,500 in ADEA resolutions, $6.2 million in ADA resolutions, $0 in EPA resolutions, and $1.3 million in resolutions involving more than one statute. In fiscal year 2015, EEOC achieved a favorable resolution in approximately 89.3 percent of all district court resolutions. A total of 9,879 individuals received monetary relief as a direct result of EEOC lawsuit resolutions in fiscal year 2015.

Challenging Discrimination in the Federal Appellate Courts

In addition to its nationwide litigation program at the district court level, EEOC maintains an active appellate program in the federal circuit courts of appeal. Among the most notable appellate decisions in fiscal year 2015 is **EEOC v. Sterling Jewelers, Inc.**, in which the Second Circuit agreed with the Commission's position that Title VII does not provide for judicial review of the sufficiency of the Commission's investigation of a charge; and that courts may only conduct a narrow review to ascertain whether an investigation happened at all. The court of appeals stressed that the nature and extent of an EEOC investigation are matters within the discretion of the agency.

In **EEOC v. LHC Group, Inc.**, the Fifth Circuit reversed the district court's grant of summary judgment on the Commission's claim that the employer discharged a visiting nurse because she had an epileptic seizure. The court agreed with the Commission that the lower court had imposed unnecessary requirements for a prima facie case of disability discrimination and that when courts are determining the essential functions of a position, the deference they owe to the employer's position description should be overridden if the evidence shows that the employer did not actually require employees in that position to perform the challenged function.

In **EEOC v. Northern Star Hospitality, Inc. d/b/a Sparx Restaurant**, the Seventh Circuit agreed that a successor company should be liable for the relief awarded in this racial harassment action.

In **EEOC v. New Breed Logistics**, the Sixth Circuit unanimously affirmed a jury verdict finding the employer liable under Title VII for a supervisor's sexual harassment of three women and retaliation against them for insisting he stop, and retaliation against a male employee who verbally opposed the harassment and supported one woman's complaint to the company.

At the end of fiscal year 2015, EEOC was handling 31 appeals in EEOC enforcement actions and participating in 20 appeals in private suits as *amicus curiae*.

EEOC, represented by the Solicitor General, also filed briefs in two cases as a party and one as amicus curiae in the U.S. Supreme Court.

In **EEOC v. Abercrombie & Fitch Stores, Inc.**, the Supreme Court ruled in favor of EEOC in this Title VII religious discrimination case involving a young woman who wore a *hijab* or religious headscarf which Abercrombie said, in refusing to hire her, conflicted with its "look" policy. The Supreme Court held that Title VII does not require a plaintiff to prove that the employer had actual knowledge of the individual's religious beliefs or practices to establish a disparate treatment claim. The Court held further that an employer's unsubstantiated suspicion about the need for a potential religious accommodation will suffice if that suspicion motivated the employer's decision. The Court reversed the Tenth Circuit's decision in favor of Abercrombie.

In **Mach Mining, LLC v. EEOC**, the Supreme Court reversed the Seventh Circuit's ruling that EEOC conciliations may not be reviewed judicially. However, the Court held that EEOC's conciliation efforts are subject to a "barebones" scope of review that looks only at (1) whether EEOC informed the employer about the specific allegation, describing what the employer has done and which employees (or class of employees) have suffered as a result, and (2) whether EEOC has tried to engage the employer in some form of communication so as to give the employer an opportunity to remedy the alleged discrimination. The Supreme Court ruled that courts may not review the content of conciliation discussions. The Supreme Court expressly recognized the abundant discretion the law gives EEOC to decide the kind and extent of discussions appropriate in a given case.

In **Young v. United Parcel Service**, the Court reached a middle ground between the arguments made by the EEOC through the Solicitor General as amicus curiae and those by UPS. At issue was what level of accommodations should be given to pregnant women unable to fulfill all their job duties due to their pregnancy, but whose limitations do not rise to the level of a disability, such as preeclampsia. The Court ruled that a plaintiff alleging that the denial of an accommodation constituted disparate treatment under the Pregnancy Discrimination Act may make out a prima facie case by showing that she belongs to the protected class, that she sought accommodation, that the employer did not accommodate her, and that the employer did accommodate others similar in their ability or inability to work. The employer may then seek to justify its refusal to accommodate the plaintiff by relying on "legitimate, non-discriminatory" reasons for denying accommodation.

Maximizing Impact through Focus on Systemic Discrimination

EEOC places a high priority on redressing systemic discrimination, focusing on charges in which the alleged discrimination has a broad impact on an industry, profession, company, or geographic area, including allegations of a pattern or practice of discrimination, a discriminatory policy, and discrimination against numerous individuals. Although these cases are often highly complex and resource-intensive, a finding of discrimination in these cases typically provides relief for a large number of employees or job seekers. In addition, the resolution of these cases can benefit untold numbers of workers and employers through changes to employment practices, and indirectly by increasing public awareness and fostering changes in industry standards.

EEOC continued to invest in resources dedicated to systemic work in fiscal year 2015. At the end of fiscal year 2014, EEOC employed more lead systemic investigators whose work is dedicated exclusively to development and coordination of systemic investigations. Additionally, the agency employed more social science research staff to support field systemic investigations. The results of these investments in staff are evident in the fiscal year 2015 systemic program, which produced an increase in monetary benefits and consistently strong equitable relief.

In fiscal year 2015, EEOC continued to evaluate and refine systemic efforts. As a result, every EEOC district now has a plan in place, addressing, among other things, resources and coordination, for investigating systemic discrimination.

The agency has also continued technology initiatives as an effective, low-cost method of better integrating enforcement functions, as set out in the agency's Strategic Enforcement Plan. The Systemic Watch List, a software tool that matches ongoing investigations or lawsuits, has proven integral to improved coordination in the development of systemic investigations.

In the litigation context, EEOC has completed its expansion of the 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.

Systemic Investigations

In fiscal year 2015, EEOC field offices resolved 268 systemic investigations and obtained over $33.5 million in remedies in those resolutions. These resolutions included voluntary conciliation agreements following 70 systemic investigations in which the Commission had found reasonable cause to believe that discrimination occurred. In total, the agency resolved 109 systemic investigations in which reasonable cause had been issued.

A few of the key systemic investigation resolutions brought about in fiscal year 2015 are listed below. [Note: due to the confidentiality provisions of Title VII, the ADA and GINA, the names of these companies who settled pre-litigation cannot be made public without their consent]:

In conciliation of a commissioner's charge, EEOC obtained $2.8 million in monetary relief plus the cost of the claims administrator after a finding that four of the assessments a national retailer had used to hire applicants violated the laws the Commission enforces—one violated the ADA and the other three assessments violated Title VII. The employer discontinued its use of those tests and will perform a predictive validity study for all exempt assessments.

The Commission secured a conciliation agreement with an employer that is comprised of a largely blue collar workforce. The agreement resolved claims of sexual harassment and other forms of sex discrimination for about $3.8 million in monetary compensation for approximately 300 women. The employer also agreed to retain an independent consultant to evaluate its compliance with the terms of the agreement and retain an independent EEO specialist to develop and conduct employee training.

A national retailer agreed to provide targeted equitable relief and $2.5 million in monetary relief to individuals who allegedly were not recruited and hired due to their race. EEOC obtained $1.2 million in monetary relief and targeted equitable relief for a group of over 5,000 applicants who were subjected to a prohibited medical examination and prohibited medical inquiries in violation of the ADA. The employer agreed to change its policies/practices relating to medical exams and inquiries and provide training for its management team.

In addition, this fiscal year several employers brought their arrest and conviction policies into compliance with Title VII. In one case, three charging parties alleged they were discriminated against based on race, African American, when they were denied hire because of a criminal background screen that contained a blanket exclusionary policy rejecting all with felony convictions, which the Commission found to have a disparate impact based on race. The employer changed its blanket exclusionary policy and came into compliance with EEOC's guidance, providing $78,910 in monetary relief and training on EEOC's arrest and convictions guidance.

In another case, a charging party alleged he was denied rehire based on a prior conviction. The investigation revealed that the company made subjective decisions in determining who to exclude based on convictions. The employer agreed to provide $35,000 for the charging party, and to adopt a written criminal conviction policy that required an individual assessment of applicants and employees based on criteria outlined in EEOC's guidance, and to train all employees involved in the recruitment, screening and hiring process on that guidance. In addition, at least five other employers revised their criminal conviction policies to come into compliance with Commission guidance and some provided monetary relief.

Systemic Litigation

When the agency makes a finding of systemic discrimination and efforts to secure voluntary compliance fail, the agency may choose to file suit to enforce the law. In fiscal year 2015, the Commission filed 16 systemic lawsuits. These new suits challenge a variety of types of systemic discrimination, including a pattern or practice of age-based refusal to hire, a nationwide practice of refusing to accommodate religious beliefs by enforcing an appearance policy regulating men's facial hair, a practice of screening out nurses based on unnecessary medical restrictions, and a systematic failure to maintain records enabling disparate impact analysis of a selection procedure.

Systemic suits comprised 11 percent of all merits suits filed in fiscal year 2015. At the end of fiscal year 2015, a total of 48 cases on the active docket were systemic cases, accounting for 22 percent of all active merits suits. This is a slight decrease from last year, but is at the top end of the target range for fiscal year 2015 in the agency's Strategic Plan. Based on the volume of systemic charges currently in investigation, the quantity of systemic lawsuits and their representation on the total docket is expected to remain high.

This past year, EEOC resolved 26 systemic cases, 6 of which included at least 50 victims of discrimination and 13 of which included at least 20 victims of discrimination. Below is a sampling of significant outcomes of systemic discrimination lawsuits in fiscal year 2015:

In **EEOC v. Patterson-UTI Drilling Co., LLC**, EEOC alleged in this Title VII lawsuit that defendant, an operator of land-based oil and gas drilling rigs in western states, subjected African-American, Hispanic, Native American, Asian, and Native Hawaiian or other Pacific Islander employees to a hostile work environment based on race, color, or national origin, and retaliated against individuals who complained of discriminatory treatment. According to the suit, numerous individuals were subjected to continuous offensive verbal comments, as well as racist graffiti in the restrooms, KKK tattoos, swastikas drawn on hard hats and lockers, and open display of nooses. The conduct also included assaults such as dousing an employee with diesel fuel and holding an employee in a headlock beneath a pipe leaking hot liquid. Employees reported the offensive conduct to managers, but defendant failed to take effective corrective action. Other alleged discrimination included assignments to menial tasks; denials of promotions, training, and advancement opportunities; unfair discipline; and discharges for unwarranted reasons or constructive discharges. Some individuals were transferred or discharged in retaliation for reporting the discriminatory conduct.

This suit resulted in a four-year consent decree covering all of the defendant's facilities. It permanently prohibits defendant from discrimination based on race, color, and/or national origin and from retaliation. The decree provides for a fund of approximately $12.3 million for eligible claimants, expected to number around 1,000. Undistributed funds will be divided equally between the NAACP Legal Defense and Educational Fund, The MALDEF Scholarship Fund, and the American Indian College Fund. Disciplinary actions taken against employees for violations of the policies will be retained in the violators' personnel files. The defendant will provide annual antidiscrimination training, conduct random employee interviews regarding the treatment of minorities, and conduct exit interviews of all minority employees. The defendant will sponsor nationwide outreach efforts directed at attracting qualified minority applicants consistent with their availability in the workforce. The defendant will also report to EEOC on complaints of race, color, or national origin discrimination, harassment, and retaliation and the outcomes.

In **EEOC v. Global Horizons et al.**, EEOC alleged that a labor contractor, along with six Hawaii fruit farms, subjected a class of farm workers to discriminatory terms and conditions of employment and a hostile work environment on the basis of Thai national origin, and retaliated against employees for opposing the discriminatory conduct, in violation of Title VII. EEOC alleged that the six farms were liable as joint employers with the labor contractor. The treatment included threats of physical violence, arrest, and deportation; inadequate housing and insufficient food and kitchen facilities; oppressive working conditions; and inadequate pay. According to the suit, Thai workers were forbidden from leaving the farms, subjected to strict curfews, and prohibited from speaking to outsiders including family, friends, and government officials. In 2014, EEOC obtained summary judgment against the labor contractor and default judgment against one farm, and resolved its claims against the other five farms by a series of consent decrees. In total, the decrees provide around $3.6 million to 546 victims, along with multiple offers of full-time jobs. In fiscal year 2015, EEOC obtained default judgment against the labor contractor in the amount of $8.7 million.

In **EEOC v. BMW Mf'g Co., LLC**, EEOC alleged that when BMW switched logistics contractors at a production facility in South Carolina, it required the new contractor to perform a criminal background screen on all existing logistics employees. According to the suit, the screen had a disparate impact on black employees, and was not justified by business necessity. Among those screened out were employees who had worked at the facility for several years. The defendant has since voluntarily changed its guidelines. Under a consent decree, the defendant will pay $1.6 million to 56 aggrieved individuals and will offer employment opportunities to the discharged employees and up to 90 black applicants whom the contractor refused to hire based on the background screen. The defendant will also provide training and make reports to EEOC.

In *EEOC v. Source One Staffing*, EEOC alleged in two lawsuits that defendant, a Chicago-area staffing agency, violated Title VII by subjecting a class of women to a hostile work environment based on sex, failing to refer male and female employees for certain job assignments based on discriminatory customer requests, failing to refer employees to certain jobs because of race or national origin, and removing an employee and failing to refer another employee in retaliation for their complaints of discrimination. EEOC further alleged that defendant asked impermissible pre-employment medical questions in its employment application in violation of the ADA. The three-year consent decree resolving both cases provides $70,000 to four female harassment victims and a fund of $730,000 for an expected 7,300 aggrieved individuals. In addition, the defendant will appoint a monitor to develop policies, ensure work assignments are made regardless of gender, and modify defendant's employment application. The defendant will submit reports to the monitor on discriminatory assignment requests made by any client and defendant's response. The monitor will submit reports to EEOC and the defendant on decree compliance.

More details about the Systemic Program can be found at http://www.eeoc.gov/eeoc/task_reports/systemic.cfm

LEADERSHIP IN FEDERAL CIVIL RIGHTS ENFORCEMENT

Leveraging Inter-Agency Relationships for Strategic Enforcement

EEOC has strengthened collaborative efforts with enforcement partners in federal, state, and local government as well as with employer, employee, and academic communities to maximize the impact of collective knowledge and resources.

Rather than solely treating the symptoms of persistent problems after they occur, the agency is examining the underlying causes of discriminatory patterns and focusing on developing solutions to the most complex problems. One of the ways EEOC is doing this is by building active and engaged partnerships with employers, employees and academics, as well as across the federal government to develop innovative solutions to the workplace challenges facing many employers and employees today. For example, 30 percent of the charges filed with the agency in fiscal year 2014 alleged workplace harassment. In January 2015 the Commission convened a public meeting to hear from experts on preventing and addressing workplace harassment. To develop a comprehensive strategy to address this issue, Chair Yang asked Commissioners Victoria A. Lipnic and Chai R. Feldblum to co-chair a Select Task Force on the Study of Harassment in the Workplace. They have brought together employers, workers' advocates, academics, and others experienced with harassment issues to participate in discussions and public meetings to identify underlying problems leading to harassment claims and effective strategies for preventing and remedying workplace harassment.

Working in partnership with other enforcement agencies and stakeholder communities allows EEOC to incorporate diverse perspectives, achieve savings and efficiencies by combining resources, eliminate duplication of efforts and avoid the pursuit of conflicting enforcement objectives. For example, in early September, as a result of a successful partnership and joint investigation, EEOC and the New York Attorney General announced a $3.8 million joint settlement agreement with an employer that is comprised of a largely blue collar workforce resolving allegations of ongoing sexual harassment and discrimination against women in field positions. The agreement provided monetary compensation for approximately 300 women. The employer also agreed to retain an independent consultant to evaluate its compliance with the terms of the agreement and retain an independent EEO specialist to develop and conduct employee training

Effective collaboration also minimizes burdens for employers by preventing adoption of duplicative or conflicting compliance measures in their attempts to comply with related federal, state, and local laws and regulations. Consistent with this priority, EEOC continued to collaborate with the Office of Federal Contract Compliance Programs of the Department of Labor, the Department of Justice (DOJ), state and local Fair Employment Practice Agencies (FEPAs), and Tribal Employment Rights Organizations (TEROs) to coordinate investigative and enforcement strategies and activities when doing so promoted efficiency or enhanced law enforcement. In fiscal year 2015, the Commission entered into two Memoranda of Understanding (MOUs) with the Civil Rights Division at the Department of Justice, in order to maximize effort, promote efficiency, and eliminate duplication and inconsistency in the enforcement of the federal employment discrimination laws.

EEOC also continued to work with these enforcement partners to develop and conduct joint outreach, public education, and staff training programs. For example, EEOC has collaborated with other federal government agencies and contributed to the work of intergovernmental efforts such as the National Equal Pay Enforcement Task Force, the Cabinet-level Reentry Council, the White House Initiative on Asian Americans and Pacific Islanders, the Presidential Inter-agency Task Force to Monitor and Combat Trafficking, the President's HIV/AIDS Strategy, and the Interagency Working Group for the Consistent Enforcement of Federal Labor, Employment and Immigration Laws, among other collaborations, including EEOC's efforts to support the 21st Century Policing Taskforce.

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

Issuing regulations and guidance is at the heart of EEOC's role of leading the enforcement of federal employment anti-discrimination laws. Regulations and guidance inform individuals and employers of their legal rights and responsibilities, aid EEOC employees in conducting their work, and serve as references for the courts when resolving novel legal issues.

In fiscal year 2015, the agency issued the following regulatory actions, policy guidance, and technical assistance under the laws enforced by EEOC.

Regulatory Actions:

Advance Notice of Proposed Rulemaking (ANPRM) for the Federal Sector Equal Employment Opportunity Process. On February 6, 2015, the Commission published an ANPRM in the Federal Register to pose questions to the public about what changes were needed to improve EEOC's federal sector procedures at Part 1614. The Commission primarily was interested in suggestions to make the process more efficient and user-friendly, and more effective in identifying and redressing prohibited employment discrimination. The ANPRM is at http://www.eeoc.gov/laws/regulations/index.cfm, and at the *Federal Register*, https://www.federalregister.gov/articles/2015/02/06/2015-02330/federal-sector-equal-employment-opportunity.

Notice of Proposed Rulemaking (NPRM) to Amend the Regulations and Interpretive Guidance Implementing Title I of the Americans with Disabilities Act (ADA) as They Relate to Employer Wellness Programs. On April 20, 2015, the Commission published this NPRM in the *Federal Register* to request comments on its proposal to amend the portion of the ADA regulations and interpretive guidance concerning disability-related inquiries and medical examinations of employees as they relate to employer wellness programs. A copy of the NPRM is available at http://www.eeoc.gov/laws/regulations/index.cfm and from the *Federal Register* at https://www.federalregister.gov/articles/2015/04/20/2015-08827/amendments-to-regulations-under-the-americans-with-disabilities-act.

Guidance and Technical Assistance:

<u>Enforcement Guidance on Pregnancy Discrimination and Related Issues</u>. On June 25, 2015, the Commission issued an update of its July 2014 guidance on pregnancy discrimination in light of the Supreme Court's decision in *Young v. United Parcel Serv., Inc.*, 575 U.S. —, 135 S. Ct. 1338 (2015). The revised guidance is at http://www.eeoc.gov/laws/guidance/pregnancy_guidance.cfm.

On June 25, 2015, EEOC also updated, two related technical assistance documents about pregnancy discrimination: *Questions and Answers about the EEOC's Enforcement Guidance on Pregnancy Discrimination and Related Issues*, which can be found on EEOC's website at http://www.eeoc.gov/laws/guidance/pregnancy_qa.cfm; and the *Fact Sheet for Small Businesses: Pregnancy Discrimination*, which can be found on EEOC's website at http://www.eeoc.gov/eeoc/publications/pregnancy_factsheet.cfm.

Providing Strong Leadership and Oversight for Federal Agencies

EEOC provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. EEOC ensures 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, produces an annual report on federal sector complaint processing, appellate case processing, and compliance, produces reports on significant issues and government wide trends in the federal sector, and develops and distributes federal sector educational materials and conducts training for stakeholders.

EEOC, serving in its oversight capacity for these efforts, implemented EEO MD–715, which details strategies for identifying and removing barriers to free and open workplace competition and requires agencies to incorporate EEO principles into their missions. If an agency identifies barriers to equal employment opportunity, the Commission assists the agency in eliminating those barriers. EEOC works with agencies to promote model EEO program policies and practices that foster an inclusive work culture and prevent employment discrimination by reviewing their annual MD–715 submissions, providing in-person and telephonic technical assistance, and issuing written feedback letters.

One of the Commission's most important oversight mechanisms is the authority to conduct evaluations of federal agency EEO programs. To establish effective relationships with federal employers, and in furtherance of the Commission's Strategic Plan, Strategic Enforcement Plan and the Federal Complement plan, EEOC initiated several program evaluations for this and future fiscal years. Using targeted evaluations and the variety of self-assessment tools and checklists in MD–715, the Commission helps federal agencies assess the effectiveness and efficiency of their EEO programs and identify potential barriers to equality of employment opportunity.

During fiscal year 2015, EEOC provided technical assistance to 60 agencies. The technical assistance focused on Schedule A conversion, reasonable accommodation procedures, anti-harassment procedures, barriers to the Senior Executive Service, and non-compliance with EEOC regulations and directives. Using the data and other information obtained during these technical assistance activities, the agency expects to issue two government-wide reports concerning diversity within the senior executive service and the effectiveness of anti-harassment programs during the first quarter of fiscal year 2016. EEOC's Office of Federal Operations issued the majority of the feedback letters during the fourth quarter of fiscal year 2015 and will issue the remaining feedback during the first quarter of fiscal year 2016.

EEOC continues its education efforts to assist all federal sector stakeholders. The Commission delivers relevant and helpful information, training, and EEO solutions to federal agencies, and continues to disseminate federal sector research materials, Commission decisions and other helpful federal sector information on EEOC's web site. For example, in the third quarter of fiscal year 2015, the agency issued an article in the Federal Manager periodical explaining the law of retaliation, and, equally important, the behavioral science that makes retaliation unique in the work environment. (The article is available at http://www.eeoc.gov/laws/types/retaliation_considerations.cfm.)

EEOC offers an extensive catalog of fee-based training courses to help agencies and stakeholders meet their training needs. These courses cover the laws EEOC enforces and meet regulatory training requirements for federal EEO Investigators and Counselors. EEOC offers both open-national enrollment and customized courses (CST). In fiscal year 2015, EEOC offered 29 open-national enrollment courses. These courses educated over 800 federal EEO stakeholders, covering a variety of topics, such as New EEO Counselor Training, New EEO Investigator Training, EEO for Managers and Supervisors, Drafting of Final Agency Actions, Letters of Acceptance and Dismissal, Barrier Analysis, Disability Program Management Basics, and EEO Laws Refresher.

PREVENTION THROUGH OUTREACH AND EDUCATION

Agency Outreach Continues to Reach Diverse Audiences

Through outreach, training and education, EEOC enhances public awareness of emerging issues of employment discrimination in America's workplaces. Agency outreach provides knowledge and understanding of workplace conditions that may give rise to violations of the statutes that EEOC enforces. Approximately 35 percent of agency outreach is conducted through partnerships with employee advocates, human resource professionals, employer groups, human rights commissions and Fair Employment Practice Agencies. Employer knowledge of EEO laws contributes to their ability to identify, prevent and eliminate workplace discrimination independently. Employees' and job applicants' knowledge of EEO laws also contributes to their ability to understand their rights and responsibilities in the workplace. In fiscal year 2015, EEOC conducted over 3,700 outreach events reaching 336,855 individuals nationwide. Additionally, in fiscal year 2015, the Commission's fee-based programs trained 12,000 individuals at more than 140 events.

EEOC greatly exceeded its goals outlined in the Strategic Plan to establish and maintain partnerships with organizations and groups that represent small or new businesses as well as those that represent vulnerable workers or underserved communities. With a combined total of 235 significant partnerships, EEOC has been able to work with many varied organizations to work to prevent employment discrimination through education and outreach to employers. EEOC has significantly increased its outreach to small and new businesses, especially those lacking the resources to maintain full-time professional human resources staff. Approximately 15 percent of EEOC's outreach is to small employers. Agency staff conducted 555 no-cost outreach events for small businesses in fiscal year 2015, reaching 23,790 small business representatives. Also, working with the Small Business Administration's (SBA) Office of the National Ombudsman, EEOC participated in several round table discussions at various locations around the country with small businesses and organizations that represent small businesses as well as a Regulatory Fairness Hearing held in Washington, DC.

The SBA Ombudsman's Report grades all federal agencies on their responsiveness to small business concerns and their compliance with the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA). The Ombudsman's reports for fiscal year 2013 and fiscal year 2014 were both released this year and both give EEOC "A" ratings across-the-board, the highest rating possible. EEOC reports outreach activities in the small business community to the SBA, with many specific examples of successful events and ongoing partnerships as well as positive feedback from individuals and business owners. These reported activities continue to earn high marks for the agency, reflecting the SBA's recognition of EEOC's strong commitment to assisting this important sector of the economy.

Additionally, under the leadership of Commissioner Constance S. Barker, the EEOC Small Business Task Force is working diligently to reach out to small employers and make online access to EEOC's information from the agency easier, more comprehensible and more directly responsive to the real life issues that confront many small businesses.

EEOC is strongly committed to providing outreach and technical assistance to stakeholders in underserved communities across the nation, including those with limited English proficiency. Approximately 35 percent of the outreach conducted is to these vulnerable communities. Staff members often travel to areas without nearby EEOC offices and/or where certain communities are reluctant to file charges of employment discrimination. In fiscal year 2015, EEOC hosted 166 events that reached 6,679 people and focused on the topics of limited English proficiency. EEOC also provided 148 off-site intake and counseling services in neighborhoods where persons with limited English proficiency may be less likely to visit agency offices.

Immigrant and farm worker communities are also a priority for outreach. In fiscal year 2015, EEOC partnered with local community organizations, consulates, and other entities to reach vulnerable workers. For example, EEOC conducted 347 events, reaching 11,018 individuals targeting migrant farm worker communities and their advocates in order to provide education and information about discrimination.

Consistent with the Strategic Enforcement Plan priorities, the issue of human trafficking of those from vulnerable communities is also a focus for EEOC. The agency works with several governmental and non-governmental organizations to confront trafficking of vulnerable groups. In fiscal year 2015, EEOC conducted 232 events focused on human trafficking issues, partnering with community-based organizations, and reaching 11,673 people.

In fiscal year 2015, EEOC signed a National MOU with the Department of Foreign Affairs of the Republic of the Philippines. The agreement is designed to further strengthen their collaborative efforts to provide immigrant, migrant and otherwise vulnerable Filipino workers and their employers with guidance, information, and access to education about rights and responsibilities under the laws enforced by EEOC. Under the national framework of the MOU, the two entities will cooperate to provide outreach and training, as well as assist with enforcement efforts as needed. The agency has also entered into similar local agreements in various areas with the Consulates of Mexico, Ecuador, Guatemala, and El Salvador.

In addition, EEOC is working with governmental and non-governmental organizations to pave the way for other groups to have access to employment, such as those who are released from incarceration and are trying to re-enter the workforce. In fiscal year 2015, EEOC conducted 268 events, reaching 13,459 people. These events focused on the use of arrest and conviction records in employment and raising awareness about the impact of their use on the formerly incarcerated trying to re-enter the workforce.

Finally, July 2, 2015, marked the 50th anniversary of EEOC opening its doors to the public and beginning its vital role of enforcing civil rights laws that provide protections to workers from discrimination. EEOC held multiple events commemorating this milestone, including a Commission meeting which examined EEOC's achievements and future challenges—"EEOC at 50: Progress and Continuing Challenges in Eradicating Employment Discrimination." At the meeting, the Commission heard from invited panelists about persistent and evolving forms of employment discrimination as well as about employment practices that can reduce barriers to equal opportunity. Also during July 2015, EEOC field offices across the country celebrated EEOCs accomplishments over the past half century with anniversary open houses for the public and stakeholder representatives. The celebrations reflected on EEOC's mission, activities, and landmark and/or significant cases resolved by EEOC.

The table below shows the number of outreach events and the number of attendees for fiscal year 2015 at events that covered all of EEOC's national priorities identified in the agency's Strategic Enforcement Plan.

2015 TABLE OF EVENTS AND ATTENDEES

National Priorities	Events	Attendees
Recruitment/Hiring	889	70,060
Immigrant/Migrant/Vulnerable Workers (includes immigrant/migrant farm workers, human trafficking, limited English proficiency, reentry, youth, and other vulnerable workers)	1,766	137,182
Emerging/Developing Issues (Total)	**2,289**	140,064
Americans with Disabilities Amendments Act (ADAAA)	916	47,307
Pregnancy Discrimination Act/ADA	668	49,679
LGBT	705	43,966
Equal Pay	778	59,358
Access to Legal System (includes retaliation, recordkeeping violations, waivers, mandatory arbitration)	1,128	102,323
Harassment (includes non-sexual and sexual harassment)	1,161	94,293

Providing Employers and Employees with Education and Technical Assistance

EEOC Training Institute (the Institute) provides fee-based training and technical assistance to stakeholders from both the private and public sector. The operations of the Institute are funded through EEOC's Revolving Fund, which was established by Congress in 1992 to enable EEOC to charge "reasonable fees" for specialized products and services developed and delivered as part of the Commission's training and technical assistance efforts.

In fiscal year 2015, the Institute trained over 12,000 individuals at more than 140 events, which included 28 Technical Assistance Program Seminars (TAPS) that were attended by over 5,000 participants. The one- and two-day TAP Seminars are responsive to employers' information and training needs. Through the TAP Seminars, EEOC educated employers and employees about their respective rights and obligations, and provided detailed information about identifying and preventing workplace discrimination.

Examining Conflicts in Employment Laws (EXCEL) Conference. In August 2015, the agency held its 18th annual Examining Conflicts in Employment Laws (EXCEL) Conference directed at both federal sector and private sector practitioners. This format continues to expand the event to a larger audience base that is comprised of EEO managers, HR professionals, attorneys, union officials, and other EEO professionals. Overall, the event attracted more than 1,000 attendees. This consolidated approach to blending various audiences at a single site had at its foundation the goal to promote cost savings in a limited budgetary environment. Among the highlights of the 2015 EXCEL conference, which had as its theme "EEOC @50: Building on a Legacy—Looking to a Future of Innovation," were the presentations by keynote speakers journalist Charlayne Hunter-Gault, U.S. Department of Labor Secretary Thomas Perez, U.S. Department of Transportation Secretary Anthony Foxx, and the first Chief Technology Officer of the U.S., Aneesh Chopra.

INVESTING IN WORKFORCE AND SYSTEMS TO IMPROVE SERVICE TO THE PUBLIC

During fiscal year 2015, the agency continued to work to improve labor and employee relations. These efforts included regular meetings between the Office of the Chair and Union leadership on conditions of employment affecting bargaining unit employees. Both labor and management jointly modified EEOC's national telework policies now published on the agency's internal website. EEOC and the National Council also agreed on a pilot program for a Maxi-Flex work schedule, which will be fully implemented early in fiscal year 2016 in ten EEOC Offices nationwide. Maxi-Flex is a type of flexible work schedule in which employees work 80 hours in less than 10 work days. Employees may vary the number of hours worked on a given work day or numbers of hours each week. Maxi-Flex schedules must be consistent with EEOC's Collective Bargaining Agreement and local agreements for purposes of hours of work and maximum number of days away from the duty station per pay period.

Per the Collective Bargaining Agreement, EEOC sponsored the Staff Development Enhancement Program in 2015, whereby four EEOC employees were selected for entry-level Investigator positions to assume more complex job responsibilities. Grievances and unfair labor practices were also reduced this year.

Employees' Viewpoint Survey Results

EEOC participates in the Office of Personnel Management's (OPM) Federal Employee Viewpoint Survey (FEVS) each year. EEOC participated during the first wave of the 2015 FEVS administration from April 27, 2015 to June 5, 2015. EEOC's response rate for the 2015 FEVS was 60.9 percent, the agency's highest since fiscal year 2011 and 5.8 percentage points over the agency's 2014 response rate. In addition, EEOC's response rate is 11.2 percentage points higher than the government-wide response rate of 49.7 percent. EEOC attributes the increase in the agency's response rate to a robust communications strategy and intense focus on the four areas employees expressed as concerns, according to the fiscal year 2014 FEVS results.

Employee issues were also addressed by BEST (Building Employee Satisfaction Together), an employee workgroup re-commissioned by Chair Yang to address employee concerns identified in the FEVS survey results. In fiscal year 2015, EEOC addressed employee issues through the BEST webpage and email address. The Office of the Chair actively worked with the National Joint Labor Management Council to address these and other critical employee engagement issues.

Implementing Hiring Reform

In fiscal year 2015, EEOC was able to hire a significant number of new employees. The agency recruited for approximately 378 external positions to fill critical needs in both field offices and headquarters. Pursuant to initiatives from OPM and the Office of Management and Budget, EEOC's Office of the Chief Human Capital Officer worked with agency hiring managers and senior officials to strengthen hiring tools and improve the agency's hiring process. The goal continues to be hiring new employees within 78 calendar days.

Of the reported 342 competitive new hires, approximately 207 were made within 78 days, or 61 percent, which is considerably below the 2015 target. Due to the volume of hiring requests, which included replacement hires for departing staff through retirement and attrition this fiscal year, and challenges in procuring a qualified contractor to assist with the volume of hiring requests until late into the fiscal year, the agency has not been able to meet the goal that 80 percent of EEOC's new hires be made within 78 days.

This year, however, EEOC conducted a hiring sprint from June 3 through July 23, 2015, pledging to hire 50 employees in 50 days. The agency exceeded this pledge by hiring 57 new employees and 41 internal hires. EEOC also implemented the agency's new policy to reduce the number of extension and re-announcement requests received and approved in the past. In addition, two contractors were hired to assist with posting announcements and issuing certificates.

Finally, EEOC coordinated with OPM to ensure that the agency was using the full range of features within USAStaffing to streamline EEOC's hiring process; e.g., accepting the first one hundred applicants to review, etc. EEOC anticipates an improvement in the agency's time-to-hire response by the end of fiscal year 2015, as a result of streamlined procedures and the agency's investments in increased staffing capacity. Meeting these aggressive targets will continue to be a priority for the agency in fiscal year 2016.

PROGRAM EVALUATIONS

Program evaluation is an important component of EEOC's effort to ensure that its programs are operating as intended and achieving results. A program evaluation is a thorough examination of program design and/or operational effectiveness that uses rigorous methodologies and statistical and analytical tools. Evaluations also use expertise internal and external to the agency and the program under review to enhance the analytical perspectives and lend credence to the methodologies employed, the evaluation processes and findings, and any subsequent recommendations.

Independent program evaluations continue to play an important role in formulating the strategic objectives and performance goals detailed in EEOC's Fiscal Years 2012–2016 Strategic Plan (as modified on February 2, 2015)[4] and helped shape some of the program issues and key focus areas for improvement. They are an invaluable management tool to guide the agency's strategic efforts in attaining overall productivity and program efficiency, effectiveness, and accountability. To that end, EEOC has undertaken the following program evaluations to advance its performance-based management initiatives under the Government Performance and Results Act (GPRA Modernization Act of 2010), and to improve the effectiveness of key agency programs:

Evaluation of EEOC's Outreach and Education, U.S. Equal Employment Opportunity Commission (EEOC), Office of Inspector General Report 2014–003–OE. The Urban Institute, May 8, 2015. The Office of Inspector General at the U.S. Equal Employment Opportunity Commission (EEOC) contracted with the

[4] February 2, 2015, is the date EEOC's FY 2016 Congressional Budget Justification was issued. The modification was reported as an addendum to EEOC's FY 2016 Budget as per the Government Performance and Results Modernization Act of 2010 and Circular A–11 (2013), OMB guidance for Strategic Planning. The interim modification was authorized by OMB on December 10, 2013, pursuant to OMB Circular A–11, Section 230.17.

Urban Institute to provide an evaluation of EEOC's Outreach and Education activities from a broad perspective. The five-month evaluation included examining EEOC's outreach and education efforts and, where appropriate, suggesting areas where EEOC might improve its effectiveness or efficiency.

In fiscal year 2015, the Commission approved the hire of an independent contractor to conduct a pilot pay data collection study, as recommended by the National Academy of Sciences (NAS) panel on *Collecting Compensation Data from Employers*. EEOC will study the pilot project's conclusions and make recommendations concerning methods for collecting and analyzing employer pay data.

Consistent with the Administration's focus on improving the effectiveness of government through rigorous evaluation and evidence-based policy initiatives, EEOC will continue to consider appropriate program areas for evaluation each year. This will ensure that the agency's efforts align with EEOC's budget and other programmatic priorities.

VERIFICATION AND VALIDATION OF DATA

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

EEOC continually reviews the information collected in databases for accuracy by using software editing programs and program reviews of a sample of records during field office technical assistance visits. In addition, headquarters offices regularly conduct analyses to review the information collected in order to identify any anomalies that indicate erroneous entries requiring correction to collection procedures. In fiscal year 2015, the agency developed a new system for informing reporting employees of their login credentials in order to make that information more secure.

Greater use of the EEO–1 reports—required to be filed by all employers having 100 or more employees—by field staff continues to assist in identifying non-filers, which has enabled the agency to collect information more rapidly and completely. Recent implementation of the Federal Sector EEO Portal that enables all federal agencies to electronically submit annual equal employment opportunity statistics (EEOC Form 462 and MD–715) continues to improve the quality and timeliness of the information received. Finally, the agency continues to improve the collection and validation of information for the Integrated Mission System (IMS), which consolidates 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 performance measures require the use of data to assess achievements, it is significant that EEOC can now obtain this data much more quickly and with greater data accuracy.

EEOC's Office of Inspector General continues to review aspects of the status of the agency's data validity and verification procedures, information systems, and databases and offer recommendations for improvements in its reports. This information and recommendations are used to continually improve agency systems and data.

INTERIM ADJUSTMENTS TO THE STRATEGIC PLAN

To fully realize the benefits of implementing EEOC's newly adopted strategic plan, approved by the Commission in February 2012, the agency requested a waiver from the Office of Management and Budget (OMB) to permit the agency to forego the development of an entirely new strategic plan that would have begun in 2014. On December 10, 2013, OMB granted a deferral from the requirement to formulate a new strategic plan. Moreover, on January 22, 2014, EEOC and OMB agreed that the agency would provide an interim modification, authorized under Circular A–11 section 230.17 that would: 1) permit an extension of the agency's current plan; 2) fill the two-year gap after the Plan expires in fiscal year 2016; and 3) "position [EEOC] to join the rest of the Federal Government in releasing an updated strategic plan in February 2018" (i.e., the beginning of the next government-wide strategic plan cycle).

Consistent with the waiver granted by OMB, the agency has made interim modifications to its February 22, 2012 Strategic Plan for Fiscal Years 2012–2016 (as modified on February 2, 2015).[5] The bases for these modifications are twofold: 1) to include the previously to be determined baseline and/or target statistics not yet established at the time the Strategic Plan was approved by the Commission; and 2) to extend the performance period of the agency's current Strategic Plan two years past its expiration in fiscal year 2016 to include targets for performance in fiscal years 2017 and 2018, as authorized by the Office of Management and Budget on December 10, 2013. As the modifications were adopted, they were included in the agency's Performance and Accountability Report (PAR) and its performance budget. The modifications made to the Strategic Plan are described below.

Established Final Goals for Predetermined Performance Measures

The performance measures in the Strategic Plan published on February 22, 2012, did not include final goals for a limited number of new performance measures adopted by the agency, primarily because baseline data did not exist for these measures and data collection and assessments were slated to begin at the onset of the new Strategic Plan's reporting period, beginning in fiscal year 2012. Since that time, the agency has developed annual targets and final goals for those performance measures identified below. As targets and/or final goals were adopted for measures, they were incorporated into other agency reports; such as EEOC's fiscal years 2012 and 2013 PARs published in November 2012 and December 2013, respectively, and its fiscal years 2014 and 2015 budget submissions to Congress.

Performance Measure 4: By the end of fiscal year 2018, 22–24 percent of the cases in the agency's litigation docket are systemic cases.

Consistent with this measure, during fiscal year 2012, the agency established a baseline for performance under this measure of 20 percent because it represented the proportion of systemic cases on the active litigation docket at the end of the fiscal year. Utilizing the baseline, as well as a comprehensive review of historical suit filing, resolution, and systemic case development trends, the agency projected targets for performance through fiscal year 2016, as expressed in a series of target ranges.

Performance Measure 6: By fiscal year 2018, 65–70 percent of the EEOC's administrative and legal resolutions contain targeted, equitable relief.

In 2013, EEOC enhanced its Integrated Mission System (IMS) database to collect data and generate reports on resolutions with different types of TER. Based on TER data captured in IMS during the fiscal year, the agency formulated a baseline of 64 percent of resolutions containing TER. However, to more fully capture the variance in the number of resolutions involving TER, the agency also developed a series of ranges for its future targets through fiscal year 2016 to include an increase in resolutions

[5] February 2, 2015, is the date EEOC's FY 2016 Congressional Budget Justification was issued. The modification was reported as an addendum to EEOC's FY 2016 Budget as per GPRAMA and Circular A–11, OMB guidance for Strategic Planning. The interim modification was authorized by OMB on December 10, 2013, pursuant to OMB Circular A–11, Section 230.17.

with TER within a range of 63–67 percent in fiscal year 2014; 64–68 percent in fiscal year 2015; and 65–70 percent in fiscal year 2016; maintained through fiscal year 2018.

Performance Measure 7: By fiscal year 2018, 15–17 percent of resolutions by FEPAs contain targeted, equitable relief.

As with Performance Measure 6, the agency also determined the baseline percentage of merit factor resolutions containing TER by reporting FEPAs was 14 percent in fiscal year 2013. To better capture the variance in the number of FEPA resolutions achieved including TER, EEOC developed a series of ranges for future targets through fiscal year 2016 to include an increase in FEPA resolutions with TER within a range of 13–15 percent in fiscal year 2014; 14–16 percent in fiscal year 2015; and 15–17 percent in fiscal year 2016; maintained through fiscal year 2018. (Baseline percentages established under Performance Measure 7 for FEPAs are different from Performance Measure 6 due to variations between charge processing systems at the FEPAs with which EEOC has work-sharing agreements).

Performance Measure 8: By fiscal year 2018, EEOC is maintaining the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities.

The baseline established in fiscal year 2012 identified approximately 90 significant partnerships within the vulnerable worker and underserved communities for Performance Measure 8. Annual target performance requires the EEOC to increase the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities by 10 percent, nationally, over the baseline through fiscal year 2018.

Performance Measure 9: By fiscal year 2018, EEOC is maintaining the number of significant partnerships with organizations that represent small or new businesses (or with businesses directly).

In fiscal year 2012, the agency established a baseline of approximately 71 significant partnerships with organizations that represent small and new businesses (or with businesses directly), which contributes to the agency's objective of preventing employment discrimination through education and outreach to employers. Annual target performance requires the EEOC to increase the number of significant partnerships with organizations that represent small or new business communities (or with businesses directly) by 10 percent nationally, over the baseline through fiscal year 2018.

Established Extended Performance Targets for Fiscal Years 2017–2018

As noted earlier, EEOC and OMB agreed the agency would provide an interim modification, authorized under Circular A–11 section 230.17. Consistent with the approved extension, the performance targets for fiscal years 2017 and 2018 are detailed in the graphics below.

PERFORMANCE MEASURE 1: By FY 2018, EEOC develops, issues, implements, evaluates, and revises, as necessary, a Strategic Enforcement Plan.

	FY 2017	FY 2018
TARGETS	The agency distributes implementation guidance for the new Strategic Enforcement Plan. The agency begins to implement the Strategic Enforcement Plan. If required in the Strategic Enforcement Plan, District Offices and the Office of Federal Operations develop local and federal sector enforcement plans by March 31, 2017.	The agency fully implements the new Strategic Enforcement Plan.

PERFORMANCE MEASURE 2: By FY 2018, TBD % of investigations and conciliations meet the criteria established in the new Quality Control Plan.

	FY 2017	FY 2018
TARGETS	TBD% of investigations and conciliations meet targets for quality.	TBD% of investigations and conciliations meet targets for quality.

PERFORMANCE MEASURE 3: By FY 2018, 100 % of federal sector case inventory are categorized according to a new case management system and TBD % of hearings and appeals meet the criteria established in the new federal sector Quality Control Plan.

	FY 2017	FY 2018
TARGETS	100% of incoming and old case inventory are categorized. TBD% of hearings and appeals meet targets for quality.	100% of incoming and old case inventory are categorized. TBD% of hearings and appeals meet targets for quality.

PERFORMANCE MEASURE 4: By the end of FY 2018, 22–24 % of the cases in the agency's litigation docket are systemic cases.

	FY 2017	FY 2018
TARGETS	Maintain targets at 22–24%.	Maintain targets at 22–24%.

PERFORMANCE MEASURE 5: By FY 2018, EEOC uses an integrated data system to identify potentially discriminatory policies or practices in federal agencies and has issued and evaluated TBD number of compliance plans to address areas of concern.

	FY 2017	FY 2018
TARGETS	Conduct TBD number of on-site program evaluations focused on identified priorities and issue compliance plan.	Review compliance plans to determine if they have been implemented, and if not, determine what corrective action should be taken.

PERFORMANCE MEASURE 6: By FY 2018, 65–70 % of EEOC's administrative and legal resolutions contain targeted, equitable relief.

	FY 2017	FY 2018
TARGETS	Maintain targets at 65–70%.	Maintain targets at 65–70%.

PERFORMANCE MEASURE 7: By FY 2018, 15–17 % of resolutions by FEPAs contain targeted, equitable relief.

	FY 2017	FY 2018
TARGETS	Maintain targets at 15–17%.	Maintain targets at 15–17%.

PERFORMANCE MEASURE 8: By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities.

	FY 2017	FY 2018
TARGETS	The number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities is maintained, nationally.	The number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities is maintained, nationally.

PERFORMANCE MEASURE 9: By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent small or new businesses (or with businesses directly).

	FY 2017	FY 2018
TARGETS	The number of significant partnerships with organizations that represent small or new businesses (or with businesses directly) is maintained, nationally.	The number of significant partnerships with organizations that represent small or new businesses (or with businesses directly) is maintained, nationally.

PERFORMANCE MEASURE 10: By FY 2013, EEOC implements a social media plan.

	FY 2017	FY 2018
TARGETS	N/A***	N/A***

*** Not applicable for FYs 2017 and 2018; Established targets met in FYs 2013 and 2015.

PERFORMANCE MEASURE 11: By FY 2018 EEOC reviews, updates, and/or augments with plain language materials its sub-regulatory guidance, as necessary.

	FY 2017	FY 2018
TARGETS	Consistent with Commission priorities, submit at least two plain language revisions of substantive policy documents to replace at least two other outdated guidance documents.	Consistent with Commission priorities, submit at least two plain language revisions of substantive policy documents to replace at least two other outdated guidance documents.

PERFORMANCE MEASURE 12: EEOC strengthens the skills and improves the diversity of its workforce.

TARGETS	FY 2017	FY 2018
a) Number of employees with disabilities	500	500
b) Number of employees with targeted disabilities	123	123
c) Percentage of hires made within 78 days	85%	85%

PERFORMANCE MEASURE 13: EEOC improves the private sector charge process to streamline services and increase responsiveness to customers throughout the process.

	FY 2017	FY 2018
TARGETS	N/A***	N/A***

***Not applicable for FYs 2017 and 2018; Established targets met in 2016.

PERFORMANCE MEASURE 14: EEOC's budgetary resources for FY 2014–2018 align with the Strategic Plan.

	FY 2017	FY 2018
TARGETS	Prepare EEOC's FY Performance (OMB) Budget that aligns resources with the Strategic Plan. Prepare EEOC's FY Congressional Budget. Develop a final operating plan for the fiscal year.	Prepare EEOC's FY Performance (OMB) Budget that aligns resources with the Strategic Plan. Prepare EEOC's FY Congressional Budget. Develop a final operating plan for the fiscal year.

OIG MANAGEMENT CHALLENGES FOR THE PERFORMANCE AND ACCOUNTABILITY REPORT FISCAL YEAR 2015

Accomplishing the mission "to stop and remedy unlawful employment discrimination," at the Equal Employment Opportunity Commission (EEOC) is difficult, given its inherent challenges and the demand for enforcement as well as education and outreach, and other vital EEOC activities. To make continued progress towards the mission, we believe EEOC needs to be successful in meeting these three challenges in 2016: strategic performance management, reduction of the private sector charge inventory, and data security: multi-factor authentication for network and system access.

Strategic Performance Management

EEOC continues to make progress in implementing its 2012–2016 Strategic Plan; however, critical work remains. This year, the Agency had a mixed record of meeting its FY 2015 Strategic Plan performance targets (seven targets met, seven partially met). EEOC also made progress on other fronts, including adopting several plans. As part of its implementation of the Strategic Enforcement Plan (SEP), EEOC approved, in late September 2015, a Research and Data Plan for FY 2016–2019. The plan outlines several highly useful activities, including compiling an inventory of EEOC data, improving survey collection, and tracking and reporting data. In addition, the plan identifies several long-term projects that could help EEOC meet two of its three major objectives as cited in the Strategic Plan: combat employment discrimination through strategic law enforcement, and prevent employment discrimination through outreach and education.

As we noted in last year's Management Challenges, EEOC needs to successfully implement the Quality Control Plan (QCP), in a timely manner, to bring about more effective and efficient charge processing without sacrificing charge processing quality. The QCP applies to private and state and local government sectors. Work began on the QCP in FY 2013, with adoption scheduled for April 30, 2013.

The EEOC approved a QCP on September 30, 2015. The QCP states that it "is intended to assist the Commission's field staff by providing an overview of effective investigative and conciliation practices." While the recently adopted QCP is useful, the Strategic Plan states that "the Commission will develop appropriate criteria for measuring the quality of investigations and conciliations and develop a peer review assessment system that will be used to judge the quality of investigations and conciliations." Therefore, we believe that in FY 2016, EEOC needs to develop the peer review assessment system. The peer review assessment system, though not essential to quality reviews, would supplement the current review process, which examines individual private-sector charges of discrimination. A well-designed peer review process will help ensure high-quality charge processing for EEOC's key customers, including those bringing discrimination charges (charging parties) and those responding to the charges (respondents).

We believe the EEOC can meet some performance management goals by adopting outcome-based performance measures, amending the Strategic Plan and incorporating such measures into the next Strategic Plan (the 2018–2022 plan). In September 2012, the Office of Inspector General (OIG) commissioned an evaluation of the Strategic Plan's performance measures (Evaluation of EEOC's Performance Measures, 2012-10-PMEV). In its March 2013 report, the OIG concluded, in part, that "the current measures do not cover the nation's progress towards achieving the [EEOC's] overarching goal: to reduce employment discrimination in the United States." The report also concluded that these measures were not outcome-based.

In our view, the EEOC can greatly improve its performance management by adopting outcome-based measures, amending the current strategic plan and incorporating the new outcome-based measures into the 2018–2022 Strategic Plan (for each of the EEOC's three strategic objectives). We note the current strategic plan includes interim adjustments, but that the adjustments do not include additional outcome-based measures. Also, progress toward reducing employment discrimination in the United States can be tracked. Developing and tracking such measures is not easy, but it is well worth the investment if it enables the EEOC to use its resources to maximum benefit in reducing employment discrimination.

Outreach and education are a vital Agency activity, as reflected in the Strategic Plan, which calls for education and outreach to play a large role in preventing employment discrimination. On September 30, 2015, Chair Jenny Yang approved the EEOC Agency-wide Communications and Outreach Plan (COP). This is the agency's first such plan and represents a significant step toward making the agency more efficient and effective in its communications. The COP identifies the primary goals of communications and outreach at the EEOC and describes the tactics that will achieve the goals.

Timely and effective implementation of the COP will help the EEOC achieve greater efficiency and effectiveness in this critical activity. Implementation will take the Agency closer to concretely achieving two major outcome goals contained in the Strategic Plan: that members of the public understand and know how to exercise their right to employment free of discrimination, and that employers, unions, and employment agencies (covered entities) better address and resolve equal employment opportunity issues, thereby creating more inclusive workplaces. In addition, effective implementation would represent progress toward meeting the recommendations in the OIG's May 8, 2015, report (Evaluation of EEOC's Outreach and Education, 2014-03-OE). The recommendations are designed to make outreach and education more effective and efficient.

Management of the Private-Sector Charge Inventory

As it does each year, the EEOC faces a fundamental challenge in efficiently processing the pending inventory of private-sector discrimination charges while improving the quality of charge processing. Both current and trend data demonstrate the continuing wide scope of the challenge. After decreasing by an aggregate 18.6 percent in FY 2011–2012, the inventory increased by less than 1 percent in FY 2013, to 70,781. In FY 2014, it increased 6.9 percent, to 75,658. In FY 2015, inventory increased 1.0 percent to 76,408.

Investigators are a primary resource in the agency's efforts to process discrimination claims. For FY 2015, the EEOC hired 90 investigators, resulting in a net increase of 16, a 1.9 percent increase. In FY 2014, the net increase was approximately 60. The EEOC's Office of Field Programs reports that for 2016 it may not be able to increase the net number of investigators and could lose some, depending on EEOC's congressional appropriation. As we have previously noted, because of fluctuations in the number of charges received and the potential impact from losing experienced investigators, the increases in investigative staff will not automatically translate into reductions in the inventory. Finally, as previously noted, the EEOC's management needs to ensure high quality standards for charge processing (as discussed under "Strategic Performance Management" above) and maintain accurate information in the Information Management System.

Data Security: Multifactor Authentication for Network and System Access

Due to continuous attacks on the U.S. Federal government information technology infrastructure, the Office of Management and Budget (OMB) has placed significant focus on the importance of cybersecurity (measures taken to protect a computer or computer system against unauthorized access or attack). Recently OMB called for a 30-day "Cyber Sprint," mandating that each agency meet a set of five baseline requirements:

1. Validation of scanning for indicators of compromise per United States–Computer Emergency Readiness Team (US-CERT) and notify of any found.
2. Patch vulnerabilities
3. Tighten policies for privileged users
4. Accelerate multifactor authentication implementation.
5. Identify high-value assets and make a risk-based assessment of cybersecurity and physical protection for these items.

Smaller Federal agencies (including the EEOC) were not required to participate in the Cyber Sprint but were encouraged to perform the specified baseline assessment requirements. The Office of Information Technology (OIT) conducted its Cyber Sprint assessment and reported that the Agency was in compliance with four of the five baseline requirements. The Agency faces a challenge in meeting one requirement, implementing multifactor authentication for network and system access to protect against the unauthorized access to sensitive information, including personally identifiable information (PII) maintained by the Agency.

As stated in OMB's June 12, 2015 cybersecurity fact sheet, intruders can easily steal or guess usernames and passwords and use them to gain access to federal networks, systems, and data. Requiring the use of a personal identity verification (PIV) card or an alternative form of multifactor authentication can significantly reduce the risk of adversaries penetrating agency networks and systems.

According to OIT, the EEOC has not implemented multifactor authentication due to a lack of funding/resources. The OIG has reported the multifactor authentication issue as a finding in previous Federal Information Security Management Act independent evaluations. It is imperative that Agency senior management find the funding/resources for the implementation of multifactor authentication to access the EEOC networks and systems.

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

Office of
Inspector General

November 13, 2015

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: FY 2015Agency Compliance with the Federal Managers' Financial Integrity Act (OIG Report No. 2015-01-FMFIA)

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 the 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 6, 2015, the Office of Research, Information and Planning (ORIP) submitted EEOC's Fiscal Year 2015 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 2015 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 our FY 2015 financial statement audit, our auditors, Harper, Rains, Knight & Co. (HRK) identified one material weakness in internal controls over financial reporting relating to the lack of sufficient controls over financial management during this reporting cycle.

OIG concurs with ORIP's reporting of nine financial non-conformances where a corrective action plan has been implemented to resolve it in FY 2016.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Accountability of Tax Dollars Act of 2002 requires EEOC to prepare annual financial statements. This is the 12th consecutive year, the agency received an unmodified opinion on EEOC financial statements. I want to thank the staff in the Office of the Chief Financial Officer as well as administrative staff throughout the agency. This would not have been accomplished without your dedication and hard work throughout the fiscal year.

Fiscal year 2015 was a challenging year for EEOC's financial operations. The audit revealed a material weakness in controls over financial reporting. The agency's private sector financial service provider ceased operations at the end of fiscal year 2014 and an interim provider assumed operation of the financial system hardware, software, and financial services; however, several EEOC source and supporting financial documents could not be located. In February 2015 EEOC successfully migrated to the Department of Interior, Interior Business Center (DOI/IBC) shared service solution; Oracle Federal Financials (OFF). On May 2, 2014, the Office of Management and Budget and the Department of the Treasury designated DOI/IBC as one of four federal shared service providers to offer financial systems and services to federal agencies. Working with the DOI/IBC, the agency expects to timely implement government-wide financial requirements, using inexpensive technological innovations, while achieving long-term cost savings.

On the budget front, EEOC's fiscal year 2015 appropriation increased $500,000 above the fiscal year 2014 funding level. These additional funds were earmarked for State and Local Programs. Nevertheless, EEOC was able to continue the hiring effort began during fiscal year 2014. During fiscal year 2015, EEOC hired over 300 external candidates for front-line and support positions restoring much of the staff capacity target. As a result of these efforts and for the first time in over three years, the agency ended the fiscal year with over 2,300 staff on-board. These additional staff will allow us to provide the services requested by the public more expeditiously.

In the last two years, one of my goals has been cost containment of rent. EEOC continued to "freeze the footprint" to realize the cost containment goal. Also, the agency identified one location where initial estimates indicate returning the excess space to GSA is cost beneficial. Before returning the surplus space, the existing office footprint must be reconfigured. In fiscal year 2015, funds were not available to implement the reconfiguration. Therefore, this project was placed on hold. EEOC will continue to research and identify other options to realize rent savings.

During fiscal year 2016, the agency will maintain the focus on budget planning and providing accurate transparent stewardship of funds to meet the EEOC's mission to "stop and remedy unlawful employment discrimination."

Germaine P. Roseboro

Germaine P. Roseboro, CPA, CGFM
Chief Financial Officer

LETTER FROM THE INSPECTOR GENERAL

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

Office of
Inspector General

November 16, 2015

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2015 Financial Statements (OIG Report No. 2015-01-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 2015. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards(GAGAS) contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin 15-02, *Audit Requirements for Federal Financial Statements,* as amended.

HRK reported that EEOC's fiscal year 2015 financial statements and notes were fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. In regard to Internal Control over Financial Reporting, HRK noted one (1) material weakness relating to the lack of sufficient controls over financial management. Additionally, the lack of sufficient controls over supporting documentation for personnel expenses was identified as a significant deficiency. HRK noted no instances of non compliance or other matters that were required to be reported under Government Auditing Standards or OMB Bulletin 15-02.

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 GAGAS, 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 whether EEOC's financial management systems substantially complied with Federal Financial Management Improvement Act (FFMIA); or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 16, 2015, 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.

EEOC management was given the opportunity to review the draft report and to provide comments. Management comments are included in the report.

The Office of Management and Budget issued Circular Number A-50, Audit Follow Up, to ensure that corrective action on audit findings and recommendations proceed as rapidly as possible. EEOC Order 192.002, Audit Follow up Program, implements Circular Number A-50 and requires that for resolved recommendations, a corrective action work plan should be submitted within 30 days of the final evaluation report date describing specific tasks and completion dates necessary to implement audit recommendations. Circular Number A-50 requires prompt resolution and corrective action on audit recommendations. Resolutions should be made within six months of final report issuance.

cc: Mona Papillon
Germaine Roseboro
Raj Mohan
Nicholas Inzeo
John Schmelzer
Lisa Williams
Pierrette McIntire
Peggy Mastroianni
Beverly Barnes
Carlton Hadden
Deidre Flippen

HARPER, RAINS, KNIGHT & COMPANY

Independent Auditors' Report

Inspector General
U.S. Equal Employment Opportunity Commission

Report on the Financial Statements

We have audited the accompanying consolidated balance sheets of the Equal Employment Opportunity Commission (EEOC), as of September 30, 2015 and 2014, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources, for the fiscal years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 audit contained in Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 15-02, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 15-02 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Harper, Rains, Knight & Company, P.A. • Certified Public Accountants • Consultants
700 12th Street, NW, Suite 700 • Washington, D.C. 20005
Telephone 601.605.0722 • Facsimile 601.605.0733 • www.hrkcpa.com

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the Equal Employment Opportunity Commission as of September 30, 2015 and 2014, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information in the Management's Discussion and Analysis, and Required Supplementary Information sections be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The information in the Message from the Chief Financial Officer (CFO) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered EEOC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EEOC's internal control. Accordingly, we do not express an opinion on the effectiveness of EEOC's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the Appendices below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in Exhibit I to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Exhibit II to be significant deficiencies.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EEOC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under Government Auditing Standards.

EEOC's Responses to Findings

EEOC's responses to the findings identified in our audit are described in Exhibits I and II. EEOC's responses were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the responses.

***Purpose of the Other Reporting Required by* Government Auditing Standards**

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* section is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of EEOC's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

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

November 16, 2015

Material Weakness
Exhibit I

1. **Lack of Sufficient Controls over Financial Management**

The U.S. Equal Employment Opportunity Commission (EEOC) changed accounting service providers during the fiscal year, causing significant issues related to financial management. The conversion consisted of an implementation of a new accounting system that required migration of accounting transactions from the legacy system into the new system. Numerous challenges occurred as a result of this change. Management operated for a majority of the year without adequate controls designed to detect and deter misstatements in its financial data. Additionally, support for financial transactions could not be readily located for review.

Based on our testing, we identified the following weaknesses:

- Obligating documents/contracts did not receive proper approval.
- Classification (object class) was not consistent with the expense transaction.
- Unable to provide supporting documentation for expense transactions, including invoices, receiving reports, and proof of payment.
- Unable to provide or readily locate internal control documentation to support the agencies financial management activities, including controls over charge cards, property, plant and equipment, accounts receivable, accounts payable, and all service providers.

Failure to properly record and maintain sufficient documentation over financial management could result in deficiencies in the completeness and existence assertions of assets and liabilities on the Balance Sheets, deficiencies in existence, completeness, and valuation and allocation assertions of program costs on the Statements of Net Cost, as well as noncompliance with laws and regulations.

The Government Accountability Office's (GAO) Standards for Internal Control in the Federal Government (Green Book) states: “Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.”

The Office of Management and Budget (OMB) Circular A-123, Management’s Responsibility for Internal Control states: “Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting. Reliability of financial reporting means that management can reasonably make the following assertions:

- Documentation for internal control, all transactions, and other significant events is readily available for examination.”

We recommend that EEOC update its controls over the maintenance of its accounting records. EEOC should ensure that all documentation, whether held by EEOC or its shared service providers, is readily available. EEOC should coordinate with its service providers to identify the type of documentation that is available for each financial transaction, where that information is located, and how long the data is available for review. This information should be clearly documented in EEOC’s policies and procedures. Additionally, management should perform a thorough review of its files to ensure that documentation exists, is accurate, and is available for review. EEOC should also perform an assessment over their internal controls over financial management to ensure all documentation has been updated for control and processes in place subsequent to the conversion.

Management's Response: As discussed with the auditors, fiscal year (FY) 2015 was very challenging for EEOC pertaining to the financial system. At the beginning of FY 2015 (October 2014 thru January 2015), EEOC was using FCS and the service providers were GCE and DOT. In February 2015 EEOC converted to DOI/IBC, Oracle Federal Financials (OFF). All transactions entered in the financial system were supported by a valid obligating document, and subsequently when a payment is made, there is a three way matching process (obligating document, receipt of goods and an invoice). EEOC does not make any payment without this matching process. After January 2015, we did not have access to the FCS system and that posed a problem for us in obtaining supporting documentation to satisfy the samples. All invoices are sent directly to the service provider. There was difficulty in obtaining some supporting documentation from the originating offices. We will advise all EEOC's Administrative Officers (AOs) and District Resource Managers (DRMs) to maintain a signed obligating document, and an invoice (courtesy copy from the vendor) in their files for audit purposes.

This situation will not occur for FY 2016 because EEOC's OFF system is under one service provider (IBC). Also, EEOC will review the retention procedures in place at DOI/IBC and document retention procedures over each type of transaction entered into OFF. These will be documented in a financial policy and procedures document.

As a result of the accounting system conversion, penalty interest was paid because invoices were not processed in a timely fashion in FCS. The prior service provider failed to process some invoices and that resulted in penalty interest. EEOC's plan is to work with the service provider to ensure all invoices are processed in accordance with the Prompt Payment Act.

EEOC will work closely with IBC, Administrative Officers (AOs) and District Resource Managers (DRMs) to verify that the correct budget object class is used for all obligating document. Also, we will stress the importance that all obligating documents, credit card statements are signed by the appropriate official. On October 26, 2015, EEOC discussed with IBC that there should not be any default budget object for any transaction in the OFF system. Also, EEOC will document the controls performed by IBC in an EEOC policy and procedures document.

EEOC plans to fully comply with all PBC requests for the audit of FY 2016 financial statements. We will work with IBC to identify documentation that is available for each financial transaction, where it is located and for how long it is available for review. This will be documented in an EEOC financial policy and procedures document.

Auditors' Response: FY 2016 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

Significant Deficiencies
Exhibit II

1. **Lack of Sufficient Controls over Supporting Documentation for Personnel Expenses**

   The U.S. Equal Employment Opportunity Commission (EEOC) does not properly maintain supporting documentation for personnel expenses recorded in the general ledger. EEOC maintains personnel files for all employees to ensure that wages and elections for withholdings and benefits are consistent with the employee's intent. These files have minimum standards for accuracy, relevancy, necessity, timeliness, and completeness.

   In FY 2015, we tested a sample of 45 employees' personnel expenses and supporting documentation maintained by EEOC in the employees' personnel files (eOPF) for the period of October 1, 2014 through July 31, 2015. Based on our testing, we identified the following exceptions:

   Compensation:

   - **Two (2)** employees' adjusted base pay rates per the SF-50 do not match the employees' adjusted base pay rates per the Earnings and Leave Statement (ELS).
   - **Two (2)** employees' calculated gross pay using hours worked per the ELS and the employees' pay rate indicated in the SF-50 do not match the actual amount per FPPS.

   FEHB:

   - **Four (4)** employees' calculated employee withholdings using the enrollment code per most recent FEHB enrollment form (SF-2809, SF-2810 or transcript) in eOPF do not match actual employee withholding amount per ELS.
   - **Four (4)** employees' calculated agency contributions using the enrollment code per most recent FEHB enrollment form (SF-2809, SF-2810 or transcript) in eOPF do not match actual agency contribution amount per FPPS.

   FEGLI:

   - **Three (3)** employees' FEGLI coverage per most recent FEGLI election form (SF-2817, FE 2004 or RI 76-27) in eOPF does not agree to election code per SF-50.
   - **Three (3)** employees' calculated basic and optional FEGLI withholdings using the FEGLI calculator on OPM's website do not match actual FEGLI employee withholdings per ELS.
   - **One (1)** employee's calculated agency contributions for FEGLI do not match actual agency contributions per FPPS.

   TSP:

   - **Six (6)** employees' elected contribution (percentage/dollar amount) per TSP election form (TSP-1 or transcript) in effect for period in eOPF does not agree to contribution on ELS for pay period sampled
   - **Six (6)** employees' showed variances between the employee withholding amount per ELS and employee withholding as calculated by the auditor.

- **Four (4)** employees' showed variances between the employer contribution amount per FPPS and employer withholding as calculated by the auditor.

These exceptions were caused by insufficient controls in place at EEOC to ensure proper and timely documentation is maintained in the eOPF. We identified similar exceptions in our audit from FY 2010, FY 2011, FY 2012, FY 2013, and FY 2014.

EEOC's failure to properly record and maintain official personnel records increases the risk for improper calculations of liabilities on the Balance Sheets and improper calculations of program costs on the Statements of Net Cost.

The Government Accountability Office's (GAO) GAO Standards for Internal Control in the Federal Government (Green Book) states: "Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained."

To address this issue, we recommend that EEOC update its controls over the maintenance of its official personnel files. Additionally, management should perform a thorough review of its employees' personnel files to ensure that documentation is current and complete.

Management's Response: The Office of Chief Human Capital Office (OCHCO) will update our policy and procedure to perform internal audits of the EEOC eOPF system for proper implementation and application of all OPM and EEOC policies and procedures over the recording and maintaining of official personnel records. We currently have an agreement with IBC to automatically post changes made in Employee Express to be data flowed directly in e-OPF.

As for those issues that continue to require hard copy submissions, we plan to correct this going forward by fully utilizing our new WTTS/EODS systems (automated on-boarding system). OCHCO is exploring the option to have a contract with OPM to conduct day forward scanning monthly. In addition, management will continue to perform a thorough review of its employees' personnel files to ensure that documentation is accurate and current.

We have resolved the following findings:

FEGLI:

- **Four (4)** employees had basic coverage, so a form is not needed. When an employee on-boards basic coverage is automatic, a form is needed from the employee to waive basic coverage.
- **Three (3)** employees' FEGLI and SF-50 matches in eOPF and FPPS.

FEHB:

- **One (1)** employees' FEHB form was found and scanned into eOPF.

Significant Deficiencies
Exhibit II

TSP:

- **One (1)** employees' TSP form was found and scanned into eOPF

Auditors' Response: FY 2016 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

Status of Prior Year Findings
Exhibit III

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Status of Prior Year Findings

Title of Finding from FY14 Audit Report	Prior Year Status	Current Year Status
Lack of Sufficient Controls over Supporting Documentation for Personnel Expenses	Significant Deficiency	Significant Deficiency
Lack of Sufficient Controls over Financial Management	Significant Deficiency	Material Weakness

CONSOLIDATED BALANCE SHEETS

As of September 30, 2015 and 2014 (in dollars)

	2015	2014
ASSETS:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	$ 71,323,959	$ 74,993,132
Accounts Receivable, Net (Note 3)	180,888	225,741
Advances and Prepayments	37,073	1,663,562
Total Intragovernmental	$ 71,541,920	$ 76,882,435
Public:		
Accounts Receivable, Net (Note 3)	301,816	275,960
General Property, Plant, and Equipment, Net (Note 4)	3,586,677	4,705,555
Advances and Prepayments	—	25,200
Total Assets	$ 75,430,413	$ 81,889,150
Stewardship PP&E		
LIABILITIES:		
Intragovernmental:		
Accounts Payable (Note 6)	$ 436,854	$ 1,073,414
Employer Payroll Taxes	1,637,387	1,140,968
Workers's Compensation liability (Note 7)	2,394,245	2,587,587
Liability of Non-Entity Asset (Note 7)	189	—
Other Liability (Note 5)	—	66,884
Total Intragovernmental	$ 4,468,675	$ 4,868,853
Public:		
Accounts Payable	18,363,327	20,690,617
Future worker's compensation liability (Note 7)	11,188,852	12,255,529
Accrued Payroll	6,473,760	5,535,163
Employer Payroll Taxes	226,465	339,384
Accrued annual Leave (Note 7)	18,232,606	18,381,687
Deferred Revenue	—	127,435
Amounts collected for restitution (Note 2, 7)	24,626	26,006
TOTAL LIABILITIES	$ 58,978,311	$ 62,224,674

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2015 and 2014 (in dollars)

	2015	2014
NET POSITION:		
Funds from Dedicated Collections:		
Unexpended Appropriations	4,100	—
Cumulative Results of Operations	4,219,293	2,852,625
Total Net Position—Funds from Dedicated Collections	$ 4,223,393	$ 2,852,625
All Other Funds:		
Unexpended Appropriations—Other Funds	40,369,300	45,228,193
Cumulative Results of Operations—Other Funds	(28,140,591)	(28,416,342)
Total Net Position All other Funds	12,228,709	16,811,851
TOTAL NET POSITION	$ 16,452,102	$ 19,664,476
TOTAL LIABILITIES AND NET POSITION	$ 75,430,413	$ 81,889,150

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST

for the Years Ended September 30, 2015 and 2014 (in dollars)

	2015	2014
COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT		
Private Sector:		
Enforcement	$ 184,214,788	$ 172,025,360
Mediation	24,750,547	24,163,200
Litigation	73,190,904	73,273,243
Intake information	8,839,481	9,087,077
State and Local	35,130,250	34,928,279
Total Program Costs—Private Sector	$ 326,125,970	$ 313,477,159
Revenue	(78,210)	(72,000)
Net Cost—Private sector	$ 326,047,760	$ 313,405,159
Federal Sector:		
Hearings	28,993,498	28,302,110
Appeals	18,032,542	16,850,047
Mediation	1,060,738	945,839
Oversight	6,718,006	6,026,682
Total Program Cost—Federal Sector	$ 54,804,784	$ 52,124,678
Revenue	—	—
Net Cost—Federal Sector	$ 54,804,784	$ 52,124,678
Total Private, Federal Sector		
Program Costs	$ 380,930,754	$ 365,601,837
Revenue	(78,210)	(72,000)
Net Cost, Private, Federal Sectors	$ 380,852,544	$ 365,529,837
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH		
Outreach		
Fee Based	1,414,317	3,906,902
Non-Fee Based	1,767,896	1,492,006
Total Program Cost—Outreach	3,182,213	5,398,908
Revenue	(4,152,033)	(3,450,577)
Net Cost Outreach	$ (969,820)	$ 1,948,331
Total, All Programs		
Program Cost (Note 16)	384,112,967	371,000,745
Revenue (Note 11)	(4,230,243)	(3,522,577)
Net Cost of Operations	$ 379,882,724	$ 367,478,168

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2015 and 2014 (in dollars)

	2015		
	Consolidated Funds from Dedicated Collections	**Consolidated All Other Funds**	**Consolidated Total**
CUMULATIVE RESULTS OF OPERATIONS:			
Beginning Balances	$ 2,852,625	$ (28,416,342)	$ (25,563,717)
Beginning Balances, as Adjusted	$ 2,852,625	$ (28,416,342)	$ (25,563,717)
Budgetary Financing Sources:			
Appropriations Used	$ (4,100)	$ 364,259,123	$ 364,255,023
Nonexchange Revenue	—	—	—
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 15)	—	17,270,120	17,270,120
Other	—	—	—
Total Financing Sources	(4,100)	381,529,243	381,525,143
Net Cost of Operations	1,370,768	(381,253,492)	(379,882,724)
Net Change	1,366,668	275,751	1,642,419
Cumulative Results of Operations	$ 4,219,293	$ (28,140,591)	$ (23,921,298)
UNEXPENDED APPROPRIATIONS:			
Beginning Balances	$ —	$ 45,228,193	$ 45,228,193
Beginning Balances, as Adjusted	—	45,228,193	45,228,193
Budgetary Financing Sources:			
Appropriations Received (Note 12)	—	364,500,000	364,500,000
Appropriations Used	4,100	(364,259,123)	(364,255,023)
Other Adjustments	—	(5,099,770)	(5,099,770)
Total Budgetary Financing Resources	4,100	(4,858,893)	(4,854,793)
Total Unexpended Appropriations	$ 4,100	$ 40,369,300	$ 40,373,400
Net Position	$ 4,223,393	$ 12,228,709	$ 16,452,102

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2015 and 2014 (in dollars)

	2014		
	Consolidated Funds from Dedicated Collections	**Consolidated All Other Funds**	**Consolidated Total**
CUMULATIVE RESULTS OF OPERATIONS:			
Beginning Balances	$ 3,117,352	$ (28,925,217)	$ (25,807,865)
Beginning Balances, as Adjusted	$ 3,117,352	$ (28,925,217)	$ (25,807,865)
Budgetary Financing Sources:			
Appropriations Used	—	346,837,996	346,837,996
Nonexchange Revenue	—	66,922	66,922
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 15)	—	20,884,320	20,884,320
Other	—	(66,922)	(66,922)
Total Financing Sources	—	367,722,316	367,722,316
Net Cost of Operations	(264,727)	(367,213,441)	(367,478,168)
Net Change	(264,727)	508,875	244,148
Cumulative Results of Operations	$ 2,852,625	$ (28,416,342)	$ (25,563,717)
UNEXPENDED APPROPRIATIONS:			
Beginning Balances	—	$ 31,944,943	$ 31,944,943
Beginning Balances, as Adjusted	—	31,944,943	31,944,943
Budgetary Financing Sources:			
Appropriations Received (Note 12)	—	364,000,000	364,000,000
Appropriations Used	—	(346,837,996)	(346,837,996)
Other Adjustments	—	(3,878,754)	(3,878,754)
Total Budgetary Financing Resources	—	13,283,250	13,283,250
Total Unexpended Appropriations	—	$ 45,228,193	$ 45,228,193
Net Position	$ 2,852,625	$ 16,811,851	$ 19,664,476

The accompanying notes are an integral part of these statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2015 and 2014 (in dollars)

	2015	2014
BUDGETARY RESOURCES:		
Unobligated Balance Brought Forward, October 1	$ 8,778,316	$ 11,504,972
Adjustment to unobligated balance brought forward, October 1 (+ or –)	—	(204,000)
Unobligated balance brought forward, October 1, as adjusted	8,778,316	11,300,972
Recoveries of Prior Year Unpaid Obligations	4,258,320	2,842,373
Other Changes in Unobligated Balance (+ or –)	(5,099,770)	(3,878,754)
Unobligated Balance from Prior Year Budget Authority, Net	7,936,866	10,264,591
Appropriations (Discretionary and Mandatory)	364,354,000	364,000,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	4,265,246	3,346,877
Total Budgetary Resources	$ 376,556,112	$ 377,611,468
STATUS OF BUDGETARY RESOURCES:		
Obligations Incurred (Note 13):	$ 368,860,170	$ 368,833,152
Unobligated Balance, End of Year:		
Apportioned	3,481,020	1,561,298
Unapportioned	4,214,922	7,217,018
Total Unobligated Balance, End of Year	7,695,942	8,778,316
Total Budgetary Resources	$ 376,556,112	$ 377,611,468
CHANGE IN OBLIGATED BALANCE:		
Unpaid Obligations:		
Unpaid Obligations, Brought Forward, October 1 (gross)	$ 65,922,551	$ 44,115,985
Obligations Incurred	368,860,170	368,833,152
Outlays (Gross) (–)	(367,356,560)	(344,184,213)
Recoveries of Prior Year Unpaid Obligations (–)	(4,258,320)	(2,842,373)
Unpaid Obligations, End of Year	63,167,841	65,922,551
Uncollected Payments:		
Uncollected Customer Payments, Federal Sources, Brought Forward, October 1 (–)	(225,741)	(50,375)
Change in Uncollected Payments, Federal Sources (+ or –)	23,290	(175,366)
Uncollected Payments Federal Sources, End of Year	(202,451)	(225,741)
Memorandum (non-add) entries:		
Obligated balance, start of year (+ or –)	$ 65,696,810	$ 44,065,610
Obligated Balance, End of Year (Net) (Note 2)	$ 62,965,390	$ 65,696,810
BUDGET AUTHORITY AND OUTLAYS, NET:		
Budget Authority, Gross (Discretionary and Mandatory)	$ 368,619,246	$ 367,346,877
Actual Offsetting Collections (Discretionary and Mandatory)	(4,288,536)	(3,459,511)
Change in Uncollected Customer Payments from Federal Sources (Discretionary and Mandatory) (+ or –)	23,290	(175,366)
Budget authority, net (discretionary and mandatory)	$ 364,354,000	$ 363,712,000
Outlays, Gross (Discretionary and Mandatory)	$ 367,356,560	$ 344,184,213
Actual Offsetting Collections (Discretionary and Mandatory) (–)	(4,288,536)	(3,459,511)
Outlays, Net (Discretionary and Mandatory)	363,068,024	340,724,702
Agency Outlays, Net (Discretionary and Mandatory)	$ 363,068,024	$ 340,724,702

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2015 and September 30, 2014 (In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Equal Employment Opportunity Commission (EEOC; Commission) 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 with 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, net cost of operations, changes in net position, and budgetary resources of EEOC, consistent with the Chief Financial Officers' Act of 1990 (CFO Act) and the Government Management Reform Act of 1994. These financial statements have been prepared from the books and records of the EEOC in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP) and the form and content requirements of the Office of Management and Budget (OMB) Circular No. A–136, and the EEOC's accounting policies, which are summarized in this note. All intra-agency transactions and balances have been eliminated, except in the Statements of Budgetary Resources, which is presented on a combined basis, as required by OMB Circular No. A–136. 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 Oracle Federal Financials (OFF) uses Oracle, which has funds control, management accounting, and a financial reporting system designed specifically for federal agencies.

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 occurs 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 are awarded, or services are received that will require payments during the same or future periods.

(d) Revenues, User Fees and Financing Sources

EEOC receives the majority of the funding needed to support its programs through congressional appropriations. Financing sources are received in 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.

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 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.

(e) Assets and Liabilities

Assets and liabilities presented on EEOC's balance sheets include both entity and non-entity balances. Entity assets are assets that EEOC has authority to use in its operations. Non-entity assets are held and managed by EEOC, but are not available for use in operations. EEOC's non-entity assets represent receivables that, when collected will be transferred to the U.S. 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 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 the U.S. Treasury are fund balances remaining as of the fiscal year-end from which EEOC is authorized to make expenditures and pay liabilities resulting from operational activity, except as restricted by law. The balance consists primarily of appropriated undelivered orders, accounts payables, unavailable balances, and deposit funds that will be disbursed to third parties. EEOC records and tracks appropriated funds in its general funds. Also included in Fund Balance with the U.S. Treasury are fees collected for services which are recorded and accounted for in EEOC's revolving fund.

(g) Accounts Receivable

Accounts receivable consists of amounts owed to 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. All public receivables, collectible in their entirety, become due upon the receipt of a due process notice. Although the allowance is determined by the age of the receivable for financial statement reporting, the actual 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 estimated 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, 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 when the useful life is 2 years or more and the acquisition cost is 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 and the improvements increase the asset life by more than 2 years.

Depreciation or amortization of equipment is computed using the straight-line method over the assets' useful life 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, is 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.

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 5% of pay. FERS and CSRS employees can contribute $18,000 and $17,500 of their gross earnings to the plan, for the calendar years 2015 and 2014. However, CSRS employees receive no matching agency contribution. There is also an additional $6,000 and $5,500 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2015 and 2014.

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 computed based on OPM guidance and recognized as an imputed financing source and benefit program expense. 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 (FEHB) 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 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 unreimbursed 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, as well as a component for claims that have been incurred but have not yet been reported. EEOC computes this estimate using a DOL-provided model for non-CFO Act agencies that uses actual benefit payments for the EEOC from the past 9 to 12 quarters to project these future payments. The estimated liability is not covered by budgetary resources and will require future funding. This estimate is recorded as a noncurrent 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 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 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 include the unobligated balances and undelivered orders of EEOC's appropriated spending authority as of the fiscal year-end that has not lapsed or 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

The Department of the 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, 2015 and September 30, 2014 consists of the following:

	FY 2015	FY 2014
Fund Type		
Revolving funds	$ 3,833,757	$ 2,898,331
Appropriated funds	67,465,576	72,068,795
Other fund types	24,626	26,006
Totals	**$ 71,323,959**	**$ 74,993,132**

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. Unavailable unobligated balances are not available to fund new obligations because they are expired, they must be reapportioned, or their use has been permanently or temporarily restricted. 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. 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 $36,068,546 and $38,831,767 for September 30, 2015 and September 30, 2014, respectively.

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's fund balance presented on its balance sheet. For fiscal years ended September 30, 2015 and September 30, 2014, funds in closed accounts of $5,099,770 and $3,878,754 were returned to Treasury. For fiscal years ended September 30, 2015 and September 30, 2014, miscellaneous receipts of $800,892 and $26,006 were returned to Treasury (**NOTE: The amounts for the closed accounts are ONLY returned to Treasury at the end of the fiscal year as of September 30, 2015**).

Status of Fund Balance with Treasury as of September 30, 2015 and September 30, 2014 consists of the following:

*Note: The status of funds unavailable includes the Revolving Fund sequestration of $638,000 and $492,000 for FY 2015 and FY 2014, respectively.

	FY 2015	FY 2014
Status of Funds		
Unobligated balance:		
Available	$ 3,481,020	$ 1,561,298
Unavailable	*4,852,923	*7,709,018
Obligated balance not yet disbursed	62,965,390	65,696,810
Non—budgetary Fund Balance with Treasury	24,626	26,006
Totals	**$ 71,323,959**	**$ 74,993,132**

(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.

Accounts receivable due to EEOC from the public arise from payroll debts and revolving fund education, training and technical assistance provided to public and private entities or to state and local agencies. An analysis of accounts receivable is performed to determine collectability and an appropriate allowance for uncollectible receivables is recorded. Accounts receivable as of September 30, 2015 and September 30, 2014 are as follows:

	FY 2015	FY 2014
Intragovernmental:		
Accounts receivable (see detail below)	$ 283,786	$ 225,741
Allowance for uncollectible receivables	(102,898)	—
Totals	**$ 180,888**	**$ 225,741**

	FY 2015	FY 2014
With the public:		
Accounts receivable	$ 533,122	$ 485,690
Allowance for uncollectible receivables	(231,306)	(209,730)
Totals	**$ 301,816**	**$ 275,960**

Amounts due from various federal agencies are for accounts receivable as of September 30, 2015 and September 30, 2014. These are related to registered participants' training fees due to the revolving fund and appropriated interagency agreements as shown in the table below:

	FY 2015	FY 2014
Agency:		
Department of Homeland Security	$ 37,625	$ 51,104
Department of the Treasury	35,145	10,360
Department of the Interior	26,489	8,783
Department of Housing and Urban Development	24,745	26,189
Department of Health and Human Services	24,695	11,349
Social Security Administration	24,605	3,093
Department of Energy	22,538	7,727
Department of the Army	22,038	4,409
Department of Justice	14,536	14,536
Department of the Navy	11,418	5,453
Department of Agriculture	10,834	10,656
Department of Labor	6,174	7,221

	FY 2015	FY 2014
Agency: (continued)		
Defense Agencies	4,445	—
Department of Commerce	4,332	4,332
National Aeronautics and Space Administration	3,500	3,500
Federal Labor Relations Authority	1,943	—
Environmental Protection Agency	1,899	1,899
Export—Import Bank of US	1,800	1,800
Department of State	1,700	1,700
Selective Service System	1,543	1,543
Department of Education	975	975
Judiciary	658	—
Central Intelligence Agency	149	149
Bureau of Consumer Financial Protection	—	30,000
Department of Defense	—	12,730
Department of the Air Force	—	4,620
Securities and Exchange Commission	—	975
Department of Veterans Affairs	—	638
Totals	**$ 283,786**	**$ 225,741**

(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, 2015	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 663,505	$ (663,505)	$ —
Capital leases	193,910	(193,910)	—
Internal use software	4,134,204	(4,134,204)	—
Leasehold improvements	11,772,261	(8,185,584)	3,586,677
Totals	**$ 16,763,880**	**$ (13,177,203)**	**$ 3,586,677**

As of September 30, 2014	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 875,432	$ (867,099)	$ 8,333
Capital leases	193,910	(193,910)	—
Internal use software	4,134,204	(4,134,204)	—
Leasehold improvements	11,772,261	(7,075,039)	4,697,222
Totals	**$ 16,975,807**	**$ (12,270,252)**	**$ 4,705,555**

Depreciation expense for the periods ended September 30, 2015 and September 30, 2014 is:

FY 2015	FY 2014
$1,118,970	**$1,112,378**

(5) Non-Entity Assets

The EEOC has $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2015, and $66,884 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2014.

(6) Liabilities Owed to Other Federal Agencies

As of September 30, 2015 and September 30, 2014, the following amounts were owed to other federal agencies:

	FY 2015	FY 2014
Agency:		
Department of the Interior	$ 147,405	$ 5,000
General Services Administration	120,846	443,985
Government Printing Office	113,585	36,168
Department of Transportation	19,609	550,377
The Judiciary	15,222	—
Department of Labor	10,353	—
Department of Health and Human Services	9,802	—
Department of Homeland Security	1,108	9,998
Office of Personnel Management	3	2,063
Other Independent Agencies	—	9,705
Environmental Protection Agency	—	8,043
Department of Justice	—	7,625
National Archives and Records Administration	—	450
US Postal Service	(1,079)	—
Totals	**$ 436,854**	**$ 1,073,414**

(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, 2015 and September 30, 2014 are shown in the following table:

	FY 2015	FY 2014
Intragovernmental:		
Workers' compensation liability	$ 2,394,245	$ 2,587,587
Liability of non-entity asset	189	—
Total intra governmental	2,394,434	2,587,587
Accrued annual leave	18,232,606	18,381,687
Custodial liability	—	—
Future workers' compensation liability	11,188,852	12,255,529
Amounts collected for restitution	24,626	26,006
Total liabilities not covered by budgetary resources	31,840,518	33,250,809
Total liabilities covered by budgetary resources	27,137,793	28,973,865
Total liabilities	**$ 58,978,311**	**$ 62,224,674**

(8) Liabilities Analysis

Current and non-current liabilities as of September 30, 2015 are shown in the following table:

	Current	Non-Current	Totals
Covered by budgetary resources:			
Intragovernmental:			
Accounts payable	$ 436,854	$ —	$ 436,854
Employer payroll taxes	1,637,387	—	1,637,187
Total Intragovernmental	2,074,241	—	2,074,241
Accounts payable	18,363,327	—	18,363,327
Accrued payroll	6,473,760	—	6,473,760
Employer payroll taxes	226,465	—	226,465
Liabilities covered by budgetary resources	$ 27,137,793	—	$ 27,137,793
Liabilities not covered by budgetary resources:			
Intragovernmental:			
Workers' compensation liability	2,394,245	—	2,394,245
Liability of non—entity asset	189	—	189
Total Intragovernmental	2,394,434	—	2,394,434
Accrued annual leave	18,232,606	—	18,232,606
Custodial liability	—	—	—
Future workers' compensation liability	—	11,188,852	11,188,852
Amounts collected for restitution	24,626	—	24,626
Liabilities not covered by budgetary resources:	20,651,666	11,188,852	31,840,518
Total liabilities	**$ 47,789,459**	**$ 11,188,852**	**$ 58,978,311**

Current and non-current liabilities as of September 30, 2014 are shown in the following table:

	Current	Non-Current	Totals
Covered by budgetary resources:			
Intragovernmental:			
Accounts payable	$ 1,073,414	$ —	$ 1,073,414
Employer payroll taxes	1,140,968	—	1,140,968
Other liabilities	66,884	—	66,884
Total Intragovernmental	2,281,266	—	2,281,266
Accounts payable	20,690,617	—	20,690,617
Accrued payroll	5,535,163	—	5,535,163
Employer payroll taxes	339,384	—	339,384
Deferred revenue	127,435	—	127,435
Liabilities covered by budgetary resources	$ 28,973,865	—	$ 28,973,865
Liabilities not covered by budgetary resources:			
Intragovernmental:			
Workers' compensation liability	1,456,612	1,130,975	2,587,587
Total Intragovernmental	1,456,612	1,130,975	2,587,587
Accrued annual leave	18,381,687	—	18,381,687
Future workers' compensation liability	—	12,255,529	12,255,529
Amounts collected for restitution	26,006	—	26,006
Liabilities not covered by budgetary resources:	19,864,305	13,386,504	33,250,809
Total liabilities	**$ 48,838,170**	**$ 13,386,504**	**$ 62,224,674**

(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 U.S. Treasury or paid by EEOC.

In fiscal years 2015 and 2014, there is one claim for which it is probable that damages will be paid. This pending claim is for overtime to which employees claim they were entitled. An arbitrator has determined that EEOC has some liability in this matter but the amount has not yet been determined and is 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 EEOC's financial statements.

(10) Leases

Operating leases

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 fiscal years 2015 and 2014 are $29,027,598 and $28,200,594, respectively. EEOC does not have any noncancellable operating leases with terms longer than one year.

(11) Earned Revenue

EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and 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, 2015 and September 30, 2014 is as follows:

	FY 2015	FY 2014
Reimbursable revenue	$ 78,210	$ 72,000
Fees from services	4,152,033	3,450,577
Total Revenue	**$ 4,230,243**	**$ 3,522,577**

(12) Appropriations Received

Warrants received by the Commission as of September 30, 2015 and September 30, 2014 are:

	FY 2015	FY 2014
Warrants received	**$ 364,500,000**	**$ 364,000,000**

The EEOC received no warrant reductions for FYs 2015 and 2014.

(13) Obligations Incurred

Direct and Reimbursable obligations, by apportionment category, incurred as of September 30, 2015 and September 30, 2014 are:

	FY 2015	FY 2014
Obligations		
Direct A	$ 336,176,132	$ 335,674,189
Direct B	30,035,150	29,487,861
Subtotal Direct Obligations	366,211,282	365,162,050
Reimbursable—Direct A	2,648,888	3,671,102
Total Obligations	**$ 368,860,170**	**$ 368,833,152**

(14) Funds from Dedicated Collections (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 a fund from dedicated collections 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 EEOC.

	FY 2015	FY 2014
Balance Sheets		
ASSETS		
Fund balance with Treasury	$ 3,833,757	$ 2,898,331
Accounts receivable (net of allowance)	394,081	331,911
Advances and prepaid expenses	1,681	913
TOTAL ASSETS	**$ 4,229,519**	**$ 3,231,155**
LIABILITIES		
Accounts payable	6,125	251,095
Deferred revenue	—	127,435
TOTAL LIABILITIES	**$ 6,125**	**$ 378,530**
NET POSITION		
Cumulative results of operations	4,223,394	2,852,625
TOTAL LIABILITIES AND NET POSITION	**$ 4,229,519**	**$ 3,231,155**
Statements of Net Cost		
Program Costs	$ 2,781,265	$ 3,715,304
Revenue	(4,152,033)	(3,450,577)
Net Cost (Revenue)	**$ (1,370,768)**	**$ 264,727**

(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 EEOC in fiscal year 2015. Expenses of EEOC paid or to be paid by other federal agencies at September 30, 2015 and September 30, 2014 consisted of:

	FY 2015	FY 2014
Judgment Fund	$ 300,429	$ 1,238,498
Office of Personnel Management:		
Pension expenses	7,138,792	10,445,307
Federal employees health benefits (FEHB)	9,797,062	9,168,016
Federal employees group life insurance (FEGLI)	33,837	32,499
Total Imputed Financing	**$ 17,270,120**	**$ 20,884,320**

(16) Gross Program Costs and Exchange Revenue:

The Consolidated Statements of Net Cost report EEOC's gross costs less earned revenues to arrive at net cost of operations for each fiscal year presented. The table below shows the value of exchange transactions between EEOC and other federal entities as well as with the public. Intragovernmental and nongovernmental costs and revenues for September 30, 2015 and September 30, 2014 consisted of:

	FY 2015	FY 2014
Costs		
General Services Administration	$ 35,133,385	$ 33,107,370
Office of Personnel Management	58,230,713	56,092,934
Department of Homeland Security	8,186,870	2,696,946
Department of the Interior	7,040,323	1,650,817
Environmental Protection Agency	3,008,454	30,093
Department of Labor	981,294	975,042
US Postal Service	854,981	839,540
Department of Health and Human Services	815,214	377,485
National Science Foundation	385,858	—
Department of the Treasury	305,000	1,238,498
National Archives and Records Administration	201,405	93,800
Library of Congress	184,603	115,177
Government Printing Office	114,938	60,622
The Judiciary	90,578	—
Federal Mediation and Conciliation Services	3,895	—
Department of the Army	3,538	—
Treasury General Fund	—	12,349,848
Department of Transportation	—	2,746,133
Administrative Conference of the US	—	60,000
Other Independent Agencies	—	4,419
National Aeronautics and Space Administration	—	798
Department of Agriculture	—	(1,483)
US Army Corps of Engineers	—	1,750
Intragovernmental Costs	115,541,049	112,439,789
Public costs	268,571,918	258,560,956
Total Program costs	**$ 384,112,967**	**$ 371,000,745**

*Funds paid to the U.S. Treasury's General Fund account for employer benefit costs for benefit programs administered by the Social Security Administration.

	FY 2015	FY 2014
Revenue		
Department of Defense	$ 268,274	$ 245,225
Department of Homeland Security	128,396	98,382
Department of Justice	116,631	51,883
Department of Agriculture	82,072	89,592
Department of Health and Human Services	72,140	47,516
Bureau of Consumer Financial Protection	69,291	38,320
Department of the Army	58,795	88,869
Department of the Air Force	55,089	70,497
Department of Energy	47,609	50,942
Department of the Navy	40,940	59,219
Department of Labor	38,980	69,808
Department of the Treasury	34,315	36,054
Equal Employment Opportunity Commission	32,098	26,201
Department of the Interior	30,476	64,758
Department of Commerce	24,927	33,715
Department of Veterans Affairs	19,489	42,760
Environmental Protection Agency	16,971	11,787
Nuclear Regulatory Commission	14,528	14,121
Department of Education	12,104	7,835
Securities and Exchange Commission	12,001	8,295
National Aeronautics and Space Administration	11,347	18,537
General Services Administration	10,935	19,148
Department of Transportation	10,868	43,830
Commission on Civil Rights	9,489	2,290
Department of State	7,724	6,467
US Postal Service	7,576	22,104
Federal Trade Commission	6,534	600
Occupational Safety and Health Review Commission	6,137	850
National Labor Relations Board	5,577	7,106
Social Security Administration	4,862	34,083
Department of Housing and Urban Development	4,170	33,638
Government Accountability Office	3,934	1,450
Commodity Futures Trading Commission	2,888	12,975
United States Holocaust Memorial Museum	2,490	—
Central Intelligence Agency	2,419	16,008

	FY 2015	FY 2014
Revenue (continued)		
Federal Maritime Commission	1,845	700
Railroad Retirement Board	1,842	2,489
Government Printing Office	1,791	4,714
National Foundation on the Arts and the Humanities	1,444	3,988
Consumer Product Safety Commission	1,245	3,945
National Transportation Safety Board	1,245	2,139
National Archives and Records Administration	1,245	1,245
National Railroad Passenger Corporation	1,245	1,245
Federal Labor Relations Authority	1,245	975
Federal Mine Safety and Health Review Commission—Admin Office	1,245	—
Small Business Administration	1,175	5,851
National Science Foundation	975	969
Defense Nuclear Facilities Board	300	—
Smithsonian Institution	300	4,169
Office of Personnel Management	—	23,555
Federal Deposit Insurance Corporation	—	17,177
Executive Office of the President	—	16,284
Tennessee Valley Authority	—	11,005
District Of Columbia—Court Services and Offender – Supervision Agency	—	7,872
Export-Import Bank of US	—	4,464
Federal Housing Finance Agency	—	4,332
Federal Election Commission	—	4,263
The Judiciary	—	3,600
Agency for International Development	—	2,290
Denali Commission	—	2,120
Federal Communications Commission	—	2,120
Federal Retirement Thrift Investment Board	—	2,020
Office of Special Counsel	—	1,594
Selective Service System	—	1,543
Millennium Challenge Corporation	—	1,445
Presidio Trust	—	1,444
Congressional Budget Office	—	1,194
International Trade Commission	—	1,145
Armed Forces Retirement Home	—	638

	FY 2015	FY 2014
Revenue (continued)		
Office of Government Ethics	—	575
Office Of Compliance	—	300
Intragovernmental earned revenue	1,289,218	1,518,274
Public earned revenue	2,941,025	2,004,303
Total Program earned revenue	**4,230,243**	**3,522,577**
Net Cost of Operations	**$ 379,882,724**	**$ 367,478,168**

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

Information from the President's Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2014 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2015, since the President's Budget for this period has not been issued by Congress.

The differences between the President's 2014 budget and the Combined Statement of Budgetary Resources for 2014 are shown below:

Dollars in millions	Budgetary Resources	Obligations	Outlays
As reported on the Combined Statement of Budgetary Resources for FY 2014	$ 378	$ 369	$ 341
(a) Revolving fund collections not reported in the budget	(4)	—	4
(b) Obligations in the revolving fund (no-year fund) not included in the President's budget	—	(4)	(4)
(c) Carry-forwards and recoveries in the revolving fund (no-year fund) not included in the President's Budget	(1)	—	—
(d) Carry-forwards and recoveries in expired funds	(14)	—	—
(e) Obligations in expired funds	—	(2)	—
(f) Canceled appropriations	4	—	—
(g) Rounding differences	1	1	—
As reported in the President's Budget for FY 2014	**$ 364**	**$ 364**	**$ 341**

(a) 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

The objective of the information shown below is to provide an explanation of the differences between budgetary and financial (proprietary) accounting. This is accomplished by means of a reconciliation of budgetary obligations and non-budgetary resources available to EEOC with its net cost of operations.

	FY 2015	FY 2014
Resources Used to Finance Activities		
Current Year Gross Obligations	$ 368,860,170	$ 368,833,152
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Actual Offsetting Collections	(4,415,970)	(3,459,511)
Change in Receivables from Federal Sources	23,290	(175,366)
Change in Unfilled Customer Orders	127,435	—
Recoveries of Prior Year Unpaid Obligations	(4,258,320)	(2,842,373)
Offsetting Receipts	—	—
Other Financing Resources		
Imputed Financing Sources	17,270,120	20,884,320
Total Resources Used to Finance Activity	$ 377,606,725	$ 380,240,222
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	(127,435)	(15,097)
Change in Undelivered Orders	2,763,255	(15,234,903)
Current Year Capitalized Purchases	1,281	—

	FY 2015	FY 2014
Budgetary Obligations and Resources not in the Net Cost of Operations (continued)		
Change in Deferred Revenue	—	15,097
Change in Nonfederal Receivables	37,540	(89,181)
Components of the Net Cost of Operations which do not Generate or use Resources in the Reporting Period Revenues without Current Year Budgetary Effect		
Bad Debt Expenses	59,419	30,494
Change in Non-Federal Receivables	—	—
Other Financing Sources Not in the Budget	(17,270,120)	(20,884,320)
Resources/Adjustments that do not affect Net Cost of Operations	—	—
Costs without Current Year Budgetary Effect		
Accrued Annual Leave-Future Funded Expense	—	—
Depreciation and Amortization	1,118,970	1,112,378
Disposition of Assets	(1,281)	15,434
Future Funded Expenses	(342,423)	(598,365)
Imputed costs	17,270,120	20,884,320
Other Expenses Not Requiring Budgetary Resources	(1,233,327)	(997,911)
Net Cost of Operations	**$ 379,882,724**	**$ 367,478,168**

(19) Improper Payments Elimination and Recovery Improvement Act

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010, and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), requires agencies to review all programs and activities and identify those which may be susceptible to significant erroneous payments. For all programs and activities in which the risk of improper payments is significant, agencies are to estimate the annual amount of improper payments in the susceptible programs and activities. Office of Management and Budget (OMB) requires agencies to report the results of their improper payment activities. The IPERIA also requires conducting payment recapture audits.

Circular No. A–136 and Appendix C of Circular No. A–123 require detailed information related to EEOC's Improper Payments Elimination Program, which is provided below. Prior to the passing of IPERIA, which further amended IPIA, agencies were not required to review intra-governmental transactions or payments to employees. IPERIA now requires agencies to review payments to employees as well as Government charge card transactions. Intra-governmental transactions remain the lone exception to IPERIA requirements. Therefore, management identified commercial payments, employee payments and Government charge cards as potential areas to test pending results of an IPAI risk assessment.

In fiscal year 2015, EEOC reviewed the programs and activities it administers to identify those which may be susceptible to significant erroneous payments. The risk assessment included 1) consideration of certain risk factors that are likely to contribute to a susceptibility to significant improper payments, and 2) transaction testing on a sample basis of payments made during fiscal year 2015. The risk assessment was performed for the following programs:

Vendor payments (includes a separate review of travel payments).

Office of Management and Budget (OMB) Memorandum M–15–02 prescribes guidance for agencies to use in implementing IPERA. OMB guidance defines "significant improper payments" for FY 2015 reporting, as those in any particular program or activity that exceed both 105 percent of program outlays and $10 million of all program or activity payments made during the fiscal year ($100 million regardless of the improper payment percentage of total program outlay). In addition, the OMB guidance addresses implementing payment recapture audits, for programs and activities that expend $1 million or more annually, provided it is cost-effective to do so. In accordance with the OMB guidance, EEOC reviewed its programs and activities and determined that none of the agency's programs or activities were susceptible to making significant improper payments and that the implementation of a payment recapture audit would not be cost-effective.

EEOC is cross-serviced by the Department of Interior, Interior Business Center (DOI/IBC) for accounting system support and accounts payable processing. As a result, the implementation of the Do Not Pay (DNP) initiative is a joint responsibility between EEOC and IBC. Prior to making a new contract award, EEOC checks the System for Award Management (SAM) and the Excluded Parties List System (EPLS) for a match. If there is not a match, EEOC submits a new vendor request to IBC. The IBC Vendor Maintenance Team verifies EEOC's entire new employee and Non-Federal Vendor requests against the Department of Treasury's Do Not Pay (DNP) database using the DNP portal on-line search capability. If the IBC Vendor Maintenance Team finds a positive match, they advise EEOC. EEOC reviews the match, determines if the payment is proper, and reports the result.

Based on the results of transaction testing applied to a sample of payments, consideration of risk factors, and reliance on the internal controls in place over the payment process, EEOC determined that none of its programs and activities are susceptible to significant improper payments at or above the threshold levels set by OMB.

In fiscal year 2015, EEOC's testing of its payments resulted in improper payment of $2,681.

Since the level of risk of improper payment is determined to be low and baseline estimates have been established, EEOC is only required to conduct a formal risk assessment every three years unless the program experiences a significant change. EEOC will conduct a follow up review in fiscal year 2016 of its programs and activities to determine whether the programs have experienced any unexpected changes. If so, EEOC will re-assess the programs' risk susceptibility and make a statistically valid estimate of improper payments for any programs determined to be susceptible to significant erroneous payments.

Recapture of Improper Payments

EEOC does not administer grant, benefit or loan programs. Implementation of recapture auditing, if determined to be cost-effective, would apply to vendor payments. Because the definition of payment in the new IPERIA legislation means any payment or transfer of Federal funds to any non-Federal person or entity, EEOC is not required to review, and has not reviewed, intra-governmental transactions.

EEOC has determined that implementing a payment recapture audit program for vendor payments is not cost-effective. That is, the benefits or recaptured amounts associated with implementing and overseeing the program do not exceed the costs, including staff time and resources, or payments to a contractor for implementation, of a payment recapture audit program. In making this determination, EEOC considered its low improper payment rate based on testing conducted in fiscal year 2015. EEOC also considered whether sophisticated software and other cost-efficient matching techniques could be used to identify significant overpayments at a low cost per overpayment, or if labor intensive manual reviews of paper documentation would be required. In addition, EEOC considered the availability of tools to efficiently perform the payment recapture audit and minimize payment recapture audit costs, and determined such tools to not be cost effective.

EEOC will continue to monitor its improper payments across all programs and activities it administers and assess whether implementing payment recapture audits for each program is cost-effective. If through future risk assessments the agency determines a program is susceptible to significant improper payments and implementing a payment recapture program may be cost-beneficial, EEOC will implement a pilot payment recapture audit to measure the likelihood of cost-effective payment recapture audits on a larger scale.

Even though EEOC has determined that implementing a payment recapture audit program for its programs is not cost-effective, the agency strives to recover any overpayments identified through other sources, such as payments identified through statistical samples conducted under the IPERIA. The amounts identified and recovered, by program, are shown below.

Overpayments Recaptured (in dollars)

Source	Amount Identified FY 2015	Amount Recovered FY 2015	Cumulative Identified	Cumulative Recovered
Travel Payments	$2,681	$2,681	$8,297	$8,297

(20) Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit

Audit Opinion-Unmodified

Restatement-No

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of sufficient control over financial management	0	1	0	0	0	1

Summary of Management Assurances

Effectiveness of Internal Control Over Financial Reporting

Statement of Assurance-Qualified

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of sufficient control over financial management	0	1	0	0	0	1

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, and four 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 certain lawsuits. In addition to the Commissioners, the President appoints a General Counsel to support the Commission and provide direction, coordination, and supervision to 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. 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**, ensure that 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 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.

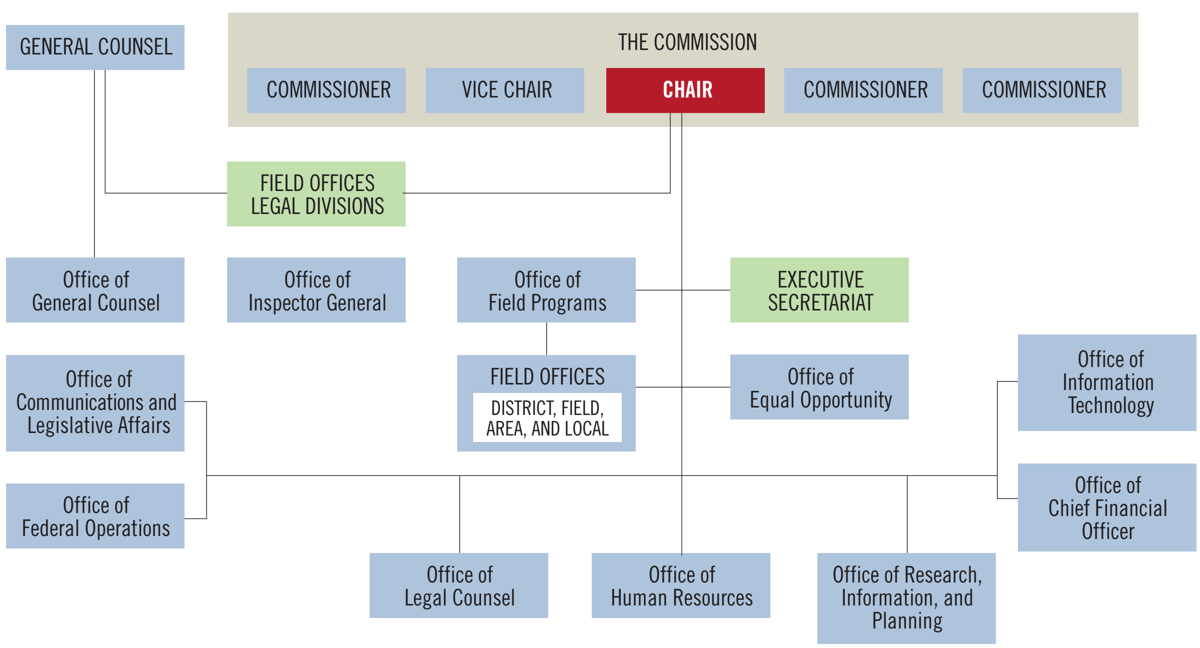
Additionally, through the **Office of Field Program's State and Local Program**, EEOC maintains work sharing agreements and a contract services program with 94 state and local **Fair Employment Practices Agencies (FEPAs)** for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. 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 advice and external litigation division and a Freedom of Information Act unit.

Through its **Office of Federal Operations**, 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.

EEOC receives a congressional appropriation to fund the necessary expenses of enforcing civil rights legislation, as well as prevention, outreach, and coordination of activities within the private and public sectors. In addition, 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: ADDITIONAL INFORMATION ON EEOC INVESTIGATIONS AND LITIGATION REQUESTED BY CONGRESS

INVESTIGATIONS

The number of investigations initiated in fiscal year 2015 based on a directed investigation or Commissioner charge and the nature of the alleged discrimination.

In fiscal year 2015, EEOC initiated 14 investigations by Commissioner charges. These charges alleged:

- testing and failure to hire on the basis of sex female
- failure to hire based on race, black/African American
- failure to hire based on disability
- discriminatory terms and conditions of employment based on national origin
- retaliation
- work assignments and discharge based on sex, female
- hiring, assignment, discipline and discharge based on sex, male, female, retaliation, national origin, and disability
- recruiting and referring applicants and employees in ways that discriminate on the basis of race, sex, and national origin
- revoking offers of employment based on race, sex, national origin, and retaliating against those who opposed such discriminatory practices
- failure to promote based on sex, female, race, black/African American, and Hispanic
- paying women and black/African American and Hispanic employees less than their white male counterparts
- segregating employees into different job categories based on their sex, race, and national origin
- discrimination in recruitment and hiring based on sex, race and national origin

In fiscal year 2015, EEOC initiated 225 directed investigations. These investigations alleged age discrimination in advertising, hiring, assignment, benefits, wages, terms and conditions, promotion, discharge, constructive discharge, involuntary retirement, and layoff and unequal pay based on sex.

The number of ongoing investigations, in fiscal year 2015, initiated by a directed investigation or Commissioner charge and the nature of the alleged discrimination.

In fiscal year 2015, there were approximately 111 ongoing investigations initiated by a Commissioner charge. These investigations alleged:

- failure to hire on the basis of sex (female, male, pregnancy), race (black/African American, American Indian/Alaska Native, Asian, Native Hawaiian/Pacific Islander, bi-racial/multi-racial), national origin (Hispanic, Mexican), disability
- discriminatory advertisements based on sex (female, male)
- discriminatory terms and conditions of employment based on national origin, disability, race (African American/black)
- retaliation
- harassment based on sex (female), race (African American/black), and national origin (Hispanic)
- assignment, discipline and discharge based on sex (male, female), race, national origin, and disability
- testing which discriminated on the basis of sex (female), national origin (Hispanic, Mexican), race (black/African American, Indian/Alaska Native, Asian, bi-racial/multi-racial, Native Hawaiian/Pacific Islander)
- recruiting and referring applicants and employees in ways that discriminate on the basis of race, sex, and national origin
- revoking offers of employment based on race, sex, national origin

- failing to promote based on sex, female, color, race, black/African American, American Indian/Alaska Native, Asian/Pacific Islander, and national origin, Hispanic, Arab, Afghani or Middle-Eastern, East Indian, Mexican
- paying women and black/African American and Hispanic employees less than their White male counterparts
- segregating employees into different job categories based on their sex, race, and national origin
- harassment on the basis of sex, race (black/African American)
- discriminating in recruitment based on sex, race and national origin
- disability discrimination in assignment, testing, discharge, harassment, layoff
- medical inquiries prohibited by the ADA including medical exams
- failure to accommodate disabilities
- assignment, segregated facilities based on race (African American/black)
- failure to reinstate, discipline, discharge and intimidation in retaliation for protected activity
- segregation based on sex, (male and female)
- discharge, failure to accommodate, suspension different terms and conditions of employment based on color, national origin, race (bi-racial/multi-racial), religion (Muslim)
- genetic and disability discrimination in discharge, hiring, testing, and terms and conditions of employment
- discrimination on the basis of language/accent
- assignment, discharge, discipline, on the basis of race, Asian; basing compensation on sex (female), national origin (Hispanic) and retaliation for engaging in protected activity
- recruitment, hiring, based on race and national origin (non-Hispanic)
- discriminatory benefits based on disability and record keeping violations

In fiscal year 2015, there were approximately 317 ongoing investigations initiated by a directed investigation. These investigations alleged age discrimination in advertising, hiring, assignment, referral, testing, benefits, wages, harassment, terms and conditions, promotion, discharge, constructive discharge, involuntary retirement, and lay off and unequal pay based on sex.

LITIGATION

The number of lawsuits filed in fiscal year 2015 based on a directed investigation or Commissioner charge.

EEOC filed three lawsuits this year based at least in part on a Commissioner charge or directed investigation.

- *EEOC v. United Parcel Servic*e (based on two individual charges and a Commissioner charge filed by former Commissioner Stuart Ishimaru)
- *EEOC v. Source One Staffing* (based on two Commissioner charges filed by Commissioner Chai Feldblum)
- *EEOC v. Glenwood Hook & Ladder et al.* (based on an individual charge and five directed investigations).

Descriptions of these cases may be found in the Systemic Litigation section of this appendix.

Final attorneys' fees awarded against EEOC in which the defendant prevailed on the merits.

Attorney's fees were awarded against the agency based on the defendant having prevailed on the merits of the suit in three cases.

EEOC v. RJB Properties, Civil Action No. 1:10cv2001 (N.D. Ill.)—On March 31, 2010, EEOC filed suit alleging that two defendants subjected a class of employees to a hostile work environment, various other discriminatory terms and conditions of employment, and discharge based on their national origin, and retaliated against a class of employees for filing charges of discrimination, in violation of Title VII. On May 1, 2013, EEOC entered into a consent decree with one of the two defendants providing $360,000 to ten aggrieved individuals and broad injunctive relief. On February 7, 2014, the district court ruled that EEOC's overtime and failure to promote claims against the other defendant became frivolous after additional facts were revealed in discovery. On June 16, 2014, the district court ordered EEOC to pay attorney's fees. EEOC filed an appeal to the 7th Circuit. On March 6, 2015, while on appeal, the parties agreed that EEOC would pay $35,000 in fees and costs.

EEOC v. Memphis Health Center, Civil Action No. 2:08cv2642 (W.D. Tenn.)—On September 30, 2008, EEOC filed suit alleging that defendant failed to hire an applicant because of her age and because she had complained that her earlier lay off was discriminatory, in violation of the ADEA. On September 10, 2010, the district court granted defendant's motion for summary judgment against EEOC. On September 23, 2011, the district court ordered EEOC to pay fees based on the magistrate's finding that a prevailing party may recover fees against EEOC under the Equal Access to Justice Act (EAJA), that EEOC's two claims should be examined separately to determine if each was substantially justified, and that one of the claims was substantially justified while the other was not. On May 20, 2013, the 6th Circuit affirmed that a prevailing party may recover fees from EEOC under the EAJA in ADEA cases, but remanded the case to the district court to conduct the proper analysis of whether EEOC's position as a whole was substantially justified. On July 7, 2014, the district court again determined that the defendant is entitled to fees, and on April 14, 2015, the court ordered EEOC to pay fees and costs. EEOC filed another appeal to the 6th Circuit. EEOC and the defendant reached a settlement in which EEOC agreed to pay $90,000 and dismissed its appeal on September 9, 2015.

The number of cases of systemic discrimination brought in court by EEOC under section 706 or 707 of the Civil Rights Act of 1964

EEOC initiated 16 systemic suits this fiscal year:

Amsted Industries Inc. & Amsted Rail Co., Inc., Civil Action No. 3:14–cv–1292 (S.D. Ill. filed Nov. 20, 2014)—EEOC alleges that defendant manufacturing companies refused to hire a class of applicants with disabilities based on a record of carpal tunnel syndrome or based on the results of a nerve conduction test, in violation of the ADA.

Lawler Foods, Civil Action No. 4:14–cv–3588 (S.D. Tex. filed Dec. 16, 2004)—EEOC alleges that defendant wholesale bakery engaged in a pattern or practice of refusing to hire black and non-Hispanic applicants for production and laborer positions based on race and national origin, in violation of Title VII.

Seasons 52 Fresh Grill, Civil Action No. 1:15–cv–20561 (S.D. Fla. filed Feb. 12, 2015)—EEOC alleges that defendant restaurant chain engaged in a pattern or practice of refusing to hire individuals aged 40 and older based on age, in violation of the ADEA.

Valley Life, Civil Action No. 2:15–cv–340 (D. Az. filed Feb. 25, 2015)—EEOC alleges that defendant health care provider discharged a class of employees with disabilities pursuant to its inflexible maximum leave policy rather than providing additional leave as a reasonable accommodation. In addition, EEOC alleges that defendant failed to provide other reasonable accommodations to employees with disabilities and failed to maintain confidential employee medical files, in violation of the ADA.

Source One Staffing, Inc., Civil Action No. 1:15–cv–1958 (N.D. Ill. filed Mar. 4, 2015)—EEOC alleges that defendant temporary staffing firm subjected a class of applicants to unlawful, pre-employment disability-related inquiries, maintained a policy which required applicants to disclose disability-related information, used a qualification standard that screened out individuals with disabilities, and failed to hire individuals based on disability, in violation of the ADA. In addition, EEOC alleges that defendant failed to refer a class of employees for certain job assignments in compliance with discriminatory client requests based on race and national origin, in violation of Title VII.

Patterson UTI Drilling, Civil Action No. 1:15–cv–600 (D. Colo. filed Mar. 24, 2015)—EEOC alleges that defendant oil drilling company subjected black, Hispanic and Native American employees to a hostile work environment based on race and national origin, as well as discriminatory terms and conditions of employment, in violation of Title VII. In addition, EEOC alleges that defendant subjected a class of employees to retaliatory actions because of their discrimination complaints.

Plasma Biological Services, Civil Action No. 2:15–cv–2419 (W.D. Tenn. filed Jun. 22, 2015)—EEOC alleges that defendant plasma service company maintains a practice of discharging and refusing to hire any individual who tests positive for a viral marker, and that defendant fails to maintain confidential employee medical files, in violation of the ADA. EEOC alleges that defendant fired a phlebotomist because it incorrectly perceived him as having a disability based on the results of a viral marker test.

Crothall Services Group Corp., Civil Action No. 2:15–cv–3812 (E.D. Pa. Jul. 9, 2015)—EEOC alleges that defendant janitorial and facilities management company failed to comply with EEOC's recordkeeping regulations requiring employers to maintain records disclosing whether their selection procedures have a disparate impact on persons identifiable by race, ethnicity and sex, in violation of Title VII.

United Parcel Service, Civil Action No. 15–cv–4141, (E.D.N.Y. filed Jul. 15, 2015)—EEOC alleges that defendant package delivery company failed to provide exemptions from its nationwide appearance policy regulating men's facial hair as a reasonable accommodation for applicants and employees whose religion conflicts with the policy. EEOC alleges that defendant failure to hire and failed to promote individuals based on religion, in violation of Title VII.

Hillshire Brands Co., Civil Action No. 2:15–cv–1347 (E.D. Tex. filed Jul. 24, 2015)—EEOC alleges that defendant food processing company subjected a class of black production workers to a hostile environment based on race, in violation of Title VII.

Columbine Health Systems, Inc. & The Worthington, Inc. d/b/a New Mercer Commons Assisted Living Facility, Civil Action No., 15–cv–1597 (D. Colo. filed Jul. 27, 2015)—EEOC alleges that defendant health care service provider administered a written employment examination that had a disparate impact based on employees of African national origin, in violation of Title VII. In addition, EEOC alleges that defendant discharged four African employees based on national origin, and subjected one employee to retaliatory actions because she complained of discrimination.

Magnolia Health Corp. et al., Civil Action No. 1:15–cv–1222 (E.D. Cal. filed Aug. 5, 2015)—EEOC alleges that defendant health care group refused to hire a class of applicants based on disability or perceived disability, in violation of the ADA. EEOC alleges that defendant used qualification standards that screen out individuals with disabilities by assigning unnecessary medical restrictions during the post-offer physical examination and revoking offers on the basis of those assigned restrictions. In addition, EEOC alleges that defendant failed to provide reasonable accommodations to employees with disabilities.

Sensient Dehydrated Flavors Co. et al., Civil Action No. 1:15–cv–1431 (E.D. Cal. filed Sep. 22, 2015)—EEOC alleges that defendant dehydrated vegetable producer discharged a class of employees with disabilities pursuant to its inflexible maximum leave policy rather than providing additional leave as a reasonable accommodation, in violation of the ADA. In addition, EEOC alleges that defendant discharged employees because they used leave as a reasonable accommodation, and refused to allow employees with disabilities to return to work after being released with no restrictions.

Charlton Methodist Hospital, Civil Action No. 3:15–cv–3104 (N.D. Tex. filed Sep. 24, 2015)—EEOC alleges that defendant healthcare facility maintained a policy of denying reassignment as a reasonable accommodation by requiring qualified individuals with disabilities to compete for open positions, in violation of the ADA. EEOC alleges that the defendant refused to reassign an employee with a disability to a vacant position for which she was qualified and required her to compete with other applicants.

Day & Zimmerman, Civil Action No. 3:15–cv–146 (D. Conn. filed Sep. 28, 2015)—EEOC alleges that defendant power industry staffing firm engaged in unlawful retaliation and inference with

ADA rights by publicizing the details of an employee's charge of discrimination to around 150 electricians in his union hiring hall, in violation of the ADA.

Glenwood Hook & Ladder et al., Civil Action No. 2:15–cv–5592 (E.D.N.Y. filed Sep. 29, 2015)—EEOC alleges that defendant towns and fire rescue company refused to allow volunteer firefights aged 55 and older to accrue service credit towards a service benefit under the fire company's length of service award program based on age, in violation of the ADEA.

EEOC's success rate at the appellate level in fiscal year 2015.

On merits cases, EEOC prevailed in five appeals; EEOC did not prevail in five appeals.

Jenny R. Yang, Chair

Ms. Yang was named Chair by President Barack Obama on September 1, 2014. She was first nominated to serve on the Commission by President Obama on August 2, 2012, and was unanimously confirmed by the Senate on April 25, 2013, to serve a term expiring July 1, 2017. She had served as Vice Chair of the EEOC since April 28, 2014.

As a member of the Commission and Vice Chair, Yang has led a comprehensive review of the agency's systemic program, which addresses issues of alleged discrimination that have broad impact on an industry, profession, company or geographic area. She also represents the agency on the White House Initiative on Asian Americans and Pacific Islanders and on the White House Equal Pay Enforcement Task Force.

Yang was a partner of Cohen Milstein Sellers & Toll PLLC. She joined the firm in 2003, and has represented employees across the country in numerous complex civil rights and employment actions. As chair of the firm's hiring and diversity committee, Yang has experience with the myriad issues employers confront in making hiring and other personnel decisions.

Yang received her B.A. from Cornell University in Government. She received her J.D. from New York University School of Law, where she was a Note and Comment Editor of the Law Review and a Root-Tilden Public Interest Scholar.

For more information about Chair Yang, please see: http://www.eeoc.gov/eeoc/yang.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, 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. Barker also served for 11 years as General Counsel to the Mobile County Public School System, a large city and county school system. She also served as a part-time municipal judge for two municipalities in Mobile, Ala. and was actively involved in Mobile's juvenile justice system.

A native of Florence, Ala., 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 in September 2009. Following a recess appointment in March 2010, Ms. Feldblum was confirmed by the Senate in December 2010 for a term ending on July 1, 2013. In May 2013, Ms. Feldblum was nominated by President Barack Obama for a second term and was confirmed by the Senate in December 2013 for a term ending on July 1, 2018.

Prior to her appointment to the EEOC, 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, Feldblum worked to advance flexible workplaces in a manner that works for employees and employers. She 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.

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, was confirmed by the Senate for a second term ending on July 1, 2015, and has been nominated by President Obama for a third term.

Immediately before coming to EEOC, Lipnic was of counsel to the law firm of Seyfarth Shaw LLP in its Washington, DC, office. She brings 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, 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, 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. He was confirmed a second time by the Senate on December 3, 2014.

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, 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 he 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, 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. 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.

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 is married 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 D: 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
OFO	Office of Federal Operations
OFP	Office of Field Programs
OGC	Office of General Counsel
OIG	Office of Inspector General
OMB	U.S. Office of Management and Budget
OPM	U.S. 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

EEOC:

http://www.eeoc.gov/

Past EEOC Performance and Accountability Reports

http://www.eeoc.gov/eeoc/plan/archives/annualreports/index.cfm

EEOC Strategic Plan:

http://www.eeoc.gov/eeoc/plan/strategic_plan_12to16.cfm

EEOC FY 2015 Performance Budget:

http://www.eeoc.gov/eeoc/plan/2015budget.cfm

Past EEOC Performance Budgets:

http://www.eeoc.gov/eeoc/plan/archives/budgets/index.cfm

EEOC Annual Report on the Federal Workforce:

Part I (2012) http://www.eeoc.gov/federal/reports/fsp2012/index.cfm

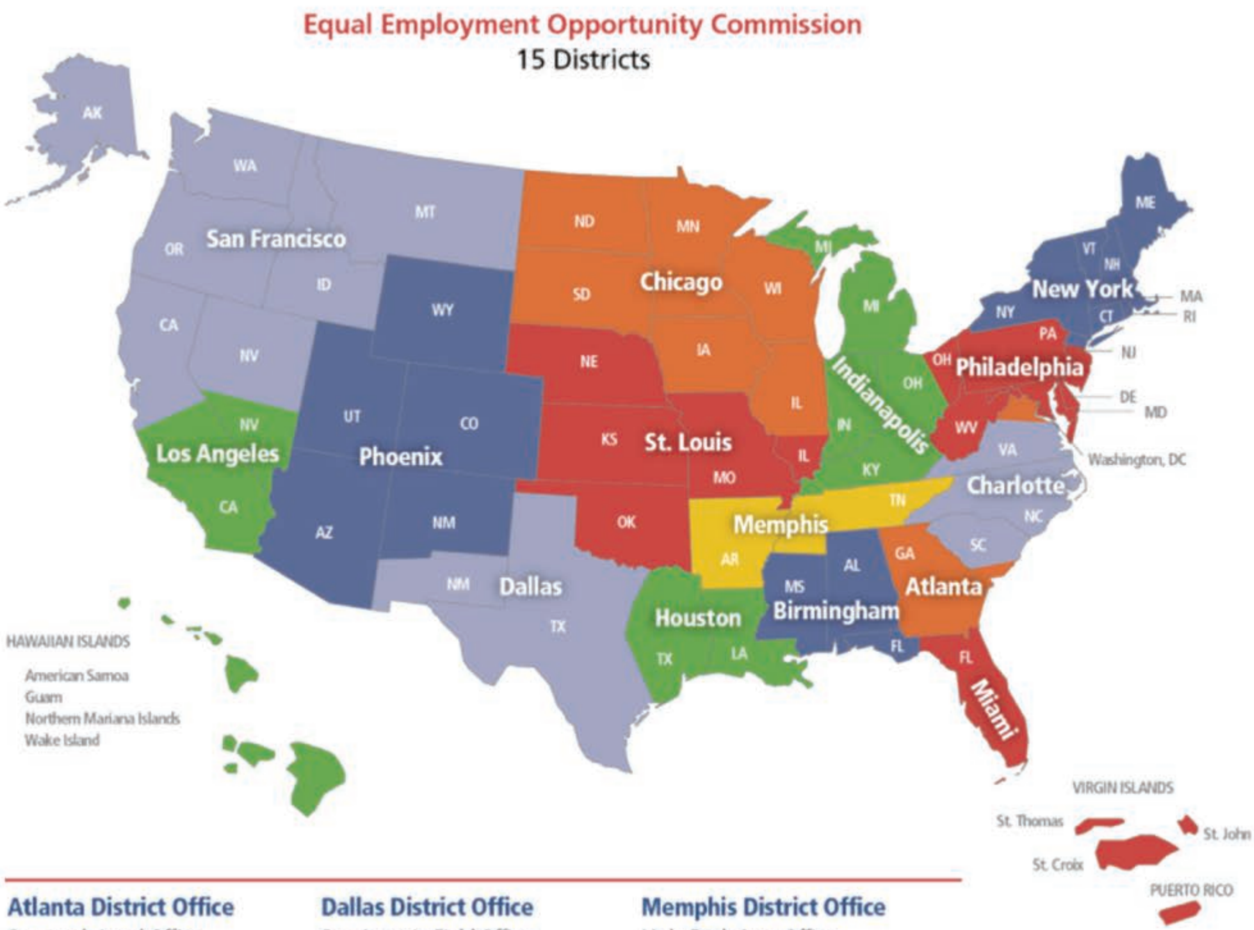
Part II (2011) http://www.eeoc.gov/federal/reports/fsp2011_2/index.cfm

EEOC Open Government Plan:

http://www.eeoc.gov/open/index.cfm

EEOC Statistics:

http://www.eeoc.gov/eeoc/statistics/index.cfm



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

EEOC's FY 2015 Performance and Accountability Report is a collaborative endeavor on the part of many EEOC employees and contractors. The Commission 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 EEOC's FY 2015 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:

Executive Officer
Office of the Executive Secretariat
U.S. Equal Employment Opportunity Commission
131 M Street, NE
Washington, DC 20507–0001
(202) 663–4070
TTY (202) 663–4494