U.S. Equal Employment Opportunity Commission

Fiscal Year 2014

PERFORMANCE AND ACCOUNTABILITY REPORT

United States Equal Employment Opportunity Commission

Fiscal Year 2014

Performance and Accountability Report

Our Vision

Justice and Equality in the Workplace

Our Mission

Stop and Remedy Unlawful Employment Discrimination

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A MESSAGE FROM THE CHAIR

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Performance and Accountability Report (PAR) for fiscal year (FY) 2014. The EEOC is dedicated to the efficient and effective enforcement of the nation's equal employment laws through investigation, mediation, conciliation, litigation, education and outreach. The PAR highlights the agency's major achievements and progress toward advancing our mission to stop and remedy unlawful employment discrimination in FY 2014.

Created by the Civil Rights Act of 1964, the EEOC enforces federal laws that prohibit employment discrimination on the basis of race, color, national origin, sex, religion, age, disability, and family medical history or genetic information. The EEOC's jurisdiction to enforce employment antidiscrimination laws and promote equal employment opportunity extends to private, state and local government, and federal sector employment. Because prevention of unlawful workplace discrimination is essential to effective enforcement, the agency also serves as a resource for all employers and provides training, technical assistance, and guidance concerning compliance with employment discrimination laws. The EEOC educates the public—particularly underserved communities and small businesses—concerning the requirements of the laws that we enforce. Indeed, the EEOC is the nation's premier champion of equal employment opportunity for all.

In FY 2014, the EEOC continued to implement its Strategic Plan for Fiscal Years 2012–2016 and continued to implement its Strategic Enforcement Plan (SEP). Significant agency accomplishments in FY 2014 include:

- ***Adoption and Implementation of District Complement Plans (DCPs).*** In furtherance of the SEP, the Chair approved District Complement Plans reaffirming the agency's commitment to a robust national systemic program, which also incorporates local enforcement priorities. Each office's plan sets forth significant issues and systemic practices in its communities for priority law enforcement through the district's systemic program and in coordination with other districts.

- ***Challenging Systemic Discrimination.*** The EEOC also filed 17 systemic lawsuits in FY 2014 and 25 percent of the active docket focused on systemic matters. This is significant because systemic cases address policies or patterns or practices that have a broad impact on a region, industry or entire class of employees or job applicants.

- ***Extensive Outreach and Public Education Activities.*** The agency's outreach programs reached more than 236,140 persons in FY 2014 through sponsorship and participation in more than 3,512 no-cost educational, training, and outreach events. The Training Institute trained 18,000 individuals at more than 420 events, including 100 field Customer-Specific Training events with approximately 4,600 attendees.

The EEOC secured $296.1 million in monetary relief for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation and other administrative enforcement. The EEOC also secured $22.5 million in monetary relief for charging parties through litigation, and $74.0 million in monetary relief for federal employees and applicants. More importantly, in each of these categories, the agency obtained substantial targeted equitable relief to remedy violations of equal employment opportunity laws and prevent future discriminatory conduct in the workplace.

The agency effectively managed its internal controls environment during fiscal year 2014. I have concluded that the agency's management and financial controls environment under the Federal Managers' Financial Integrity Act (FMFIA) was sound in FY 2014. Nevertheless, based on a review of agency wide materials and the assurances of the agency's senior managers, the agency identified one financial non-conformance in FY 2014, which carried over from the previous year. A corrective action plan has been implemented to resolve this finding in FY 2015. I am reasonably assured that the financial information and data measuring EEOC's performance contained in this report are complete and accurate.

In addition, the EEOC maintained effective internal controls over financial reporting in accordance with OMB Circular A-123, "Management's Responsibilities for Internal Control." As a result, I can provide reasonable assurance that internal control over financial reporting was operating effectively and no material weaknesses were found in the design or operation of EEOC's internal controls over financial reporting.

The Commission also received, for the 11th consecutive year, an unmodified opinion from independent auditors.

The EEOC's accomplishments are especially noteworthy in light of extraordinary fiscal constraints and operational challenges in FY 2014, including sequestration and the government shutdown. Following two years of significant budget reductions and hiring freezes, these challenges have endangered the hard won, but fragile, progress reported in recent PARs and threatened the agency's ability to meet the demand for the EEOC's services. As an example, the significant reductions in our private sector inventory gained in FY 2011 and FY 2012 could not be sustained due to the decline in staffing and resources. We expect increased hiring achieved in the end of FY 2014 and investments in technology will enable us to more effectively investigate charges in a timely fashion while simultaneously improving the quality of our intake and investigatory processes.

Despite these hurdles, the employees of the 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 a job done and are always looking for 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 2,200 agency colleagues, as well as with the Administration, Congress, our federal, state, and local government enforcement partners, and many employers, workers, advocates, and other agency stakeholders to fulfill our mission to stop and remedy unlawful employment discrimination.

Jenny R. Yang
Chair
U.S. Equal Employment Opportunity Commission
November 17, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This *FY 2014 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: Highlight the progress made in meeting the agency's performance measures, which are articulated in the EEOC's Strategic Plan for Fiscal Years 2012 through 2016.
- The Inspector General's Statements: Present key management challenges identified by the Inspector General, the agency's progress and plans to address them, and a statement of compliance with the Federal Managers' Financial Integrity Act (FMFIA).
- The Consolidated Financial Statements: Demonstrate efforts to monitor the funds the agency receives to carry out its mission. Included in this section is an independent auditor's opinion on the agency's financial statements.

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

Agency Overview

FY 2014 marked the 50th anniversary of the Civil Rights Act of 1964. Title VII of the Act makes it unlawful to discriminate on the basis of race, color, national origin, sex or religion. The Act created the EEOC to enforce the law, and promote equal employment opportunity. The agency opened its doors on July 2, 1965, a year after the landmark legislation was signed.

Today, the EEOC is the leading federal law enforcement agency dedicated to eradicating employment discrimination on the basis of race, color, national origin, sex, religion, age, disability, and family medical history or genetic information. The 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). The EEOC also leads and coordinates equal employment opportunity efforts across the federal government, and conducts administrative hearings and issues appellate decisions on complaints of discrimination filed by federal employees and applicants for federal employment. Finally, the 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 the EEOC enforces.

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

Agency Results under 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 new Strategic Plan for Fiscal Years 2012-2016 ("Strategic Plan," "Plan") on February 22, 2012, which is located at: http://www.eeoc.gov/eeoc/plan/strategic_plan_12to16.cfm.

The EEOC's Strategic Plan established a national framework for achieving the EEOC'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, the EEOC has committed to pursuing the following strategic objectives and goals:

- **Strategic Objective I.** Combat employment discrimination through strategic law enforcement. The correlated goals are to: 1) have a broad impact on reducing employment discrimination at the national and local levels; and 2) 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; and
- **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 the EEOC's progress as it approaches FY 2016. The agency's progress in meeting these measures is displayed below and discussed in detail in the Performance Results section of this report.

Related Program Results and Activities Highlights

Strategic Enforcement of the Nation's EEOC Laws

To better respond to the changing dynamics of the workplace in the 21st century, the EEOC adopted a *Strategic Enforcement Plan (SEP)* in December 2012 to implement the first objective of its Strategic Plan. The SEP establishes priorities and integrates all components of the EEOC's private, public, and federal sector enforcement. Its purpose is to focus and coordinate the EEOC's programs in order to have a sustainable impact in reducing and deterring discriminatory practices in the workplace.

Over the past three fiscal years, the agency has implemented the priorities outlined in the SEP. These national priorities are coordinated with local priorities in District Complement Plans (DCPs) for private sector enforcement, and a Federal Sector Complement Plan (FCP), addressing issues unique to federal employment practices.

Each district office developed a DCP setting forth specific law enforcement strategies to implement the SEP's national priorities and identifying local priorities, as well as strategies for legal-enforcement collaboration and for coordination with other offices, Fair Employment Practice Agencies (FEPAs), federal agencies, and other organizations. The DCPs reflect the key

EEOC FY 2014 Performance

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2014
14	7	7	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.

partnership between enforcement and legal units in the field and were approved by the Chair in November 2013.

Similarly, the FCP identified strategies for implementing SEP priorities in the federal sector, as well as identifying additional federal sector specific priorities. The Commission approved the FCP in July 2013.

During FY 2014, the agency focused on providing guidance and training to staff on the SEP priorities, as well as the DCP and FCP priorities.

To gauge the implementation of the priorities set forth in the SEP, DCPs, and FCP, the agency instituted changes to its processes, protocols and reports for both private sector charges and federal sector complaints and appeals. In January 2014, the agency rolled out scheduled changes to the document management system and Integrated Mission System (IMS) for charge intake and categorization and began training in all field offices.

Along with this emphasis on coordinated enforcement and outreach on priority issues, the agency also directed its resources to hiring critical front line staff. By year's end, hiring of investigators, mediators, attorneys and other field office staff had ameliorated significant losses that occurred from years of hiring freezes. Coupled with the technology enhancements discussed later in this section, this reflects a continued commitment to improving customer service and expanding access to agency services.

Enforcing the Law More Effectively

The agency filed 133 merits lawsuits during FY 2014 through its field legal units. These included 105 individual suits, 11 non-systemic class suits, and 17 systemic suits. Legal staff resolved 136 merits lawsuits for a total monetary recovery of $22.5 million. At the end of FY 2014, the EEOC had 228 cases on its active docket, of which 31 (14 percent) were non-systemic class cases and 57 (25 percent) involved challenges to systemic discrimination—the largest proportion of systemic suits since tracking began in FY 2006.

In FY 2014, the EEOC's field offices completed work on 260 systemic investigations resulting in 78 settlements and conciliation agreements and recovering approximately $13 million. In addition, reasonable cause findings were issued in 118 systemic investigations in FY 2014.

In FY 2014, the EEOC secured more than $74.0 million in relief for federal employees and applicants who requested hearings. In the federal sector, the agency's hearings program resolved a total of 6,347 complaints. The EEOC received 8,086 requests for hearings on federal sector complaints in FY 2014 compared to 7,077 in FY 2013.

In appeals of federal sector complaints, the agency resolved 3,767 appeals, including 43 percent of them within 180 days of their receipt. FY 2014 was the third full year in which the agency applied an approach that balanced efforts to more quickly resolve both the newest and oldest appeals, rather than just focusing on resolution of aged inventory. During FY 2014, the EEOC received 4,003 appeals of final agency actions in the federal sector, a 5.7 percent decrease from the 4,244 such appeals received in FY 2013.

Leadership in Federal Civil Rights Enforcement

During these fiscally challenging times, the EEOC has leveraged its resources by coordinating its work with other federal agencies. These interagency partnerships provide opportunities to maximize the benefit of each agency's work, avoid duplication of effort, and ensure the most efficient use of agency resources. In FY 2014, the EEOC participated in a number of interagency partnerships, including the White House Initiative on Asian American and Pacific Islanders (WHIAAPI) (www.whitehouse.gov/aapi), the National HIV/AIDS Strategy (www.whitehouse.gov/administration/eop/onap/nhas), the Federal Interagency Reentry Council (http://csgjusticecenter.org/nrrc/projects/firc), the National Equal Pay Enforcement Task Force, (http://www.whitehouse.gov/equal-pay/career), the Tri-Agency (EEOC, Department of Justice, and Department of Labor) Working Group, the Curb Cuts to the Middle Class Initiative, and the President's Interagency Task Force to Monitor and Combat Human Trafficking (PITF) (http://www.state.gov/j/tip/rls/reports/pitf/index.htm), and the Senior Policy Operating Group (SPOG).

In FY 2014, the EEOC published final regulations and guidance or assistance on substantive issues under the laws it enforces. Most significantly, the Commission approved updated guidance on pregnancy discrimination, and an *Advanced Notice of Proposed Rulemaking (ANPRM) on Section 501 of the Rehabilitation Act of 1973.* Technical assistance factsheets about employment background checks, *Background Checks: What Employers Need to Know,* and *Background Checks: What Job Applicants and Employees Should Know*, were jointly issued by the EEOC and the Federal Trade Commission. The Commission also issued technical assistance on *Religious Garb and Grooming in the Workplace: Rights and Responsibilities*, and updates of how changes in the definition of "disability" as a result of the 2008 Americans with Disabilities Act Amendments Act (ADAAA) may affect who is covered under the ADA. The pregnancy guidance and the technical assistance documents provide practical advice for stakeholders.

Extending the EEOC's Reach

The agency's no-cost outreach programs reached 233,856 persons in FY 2014. EEOC offices participated in 3,477 no-cost educational, training, and outreach events. Additionally, in FY 2014, 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 18,000 individuals at more than 420 events, including 100 field "Customer Specific Training" events with approximately 4,600 attendees.

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.

Improved Labor–Management Relations

During FY 2014, the agency continued to work toward improving the labor and employee relations climate. 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 the agency's national telework policies now published on the agency's internal website. The parties also reviewed and jointly modified the awards program that applies to non-Senior Executive Employees. Grievances and unfair labor practice charges were also reduced this year. The Union filed only two unfair labor practice charges in 2014 compared to seven in 2013, and filed only five grievances in 2014 compared to eight in 2013. In addition, over 90 percent of the agency's Headquarters and Field Offices have completed negotiations on their Telework and Alternative Work Schedules local agreements, in accordance with the newly negotiated collective bargaining agreement.

The Federal Employees' Viewpoint Survey 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. In fact, employees rate the overall quality of work done in their work unit above 83 percent. Employees also say they are held accountable for achieving results and know how their work relates to agency goals. The survey also showed a five percent increase in the number of employees reporting that they have sufficient resources to get their job done; however, nearly half of all employees do not believe they have sufficient resources. The survey reflected a one percent decrease in employees reporting that their workload is reasonable, an issue that remains a significant concern to many employees.

Management Assurances

Federal Managers Financial Integrity Act (FMFIA)

The EEOC's internal controls and financial management systems were sound during FY 2014, with the exception of one finding of financial non-conformance, which carried over from the previous year. The financial non-conformance was identified in an audit report prepared by the Office of Inspector General (OIG): OIG Report No. 2013–FIN–01, December 15, 2013. The agency has implemented a corrective action plan to resolve the uncorrected financial, non-conformance in FY 2015.

Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during FY 2014, its financial and internal controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). The agency has a plan in place to resolve the financial non-conformance in FY 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.

The EEOC's management is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. The 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, the EEOC can provide reasonable assurance that internal control over financial reporting as of September 30, 2014 was operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

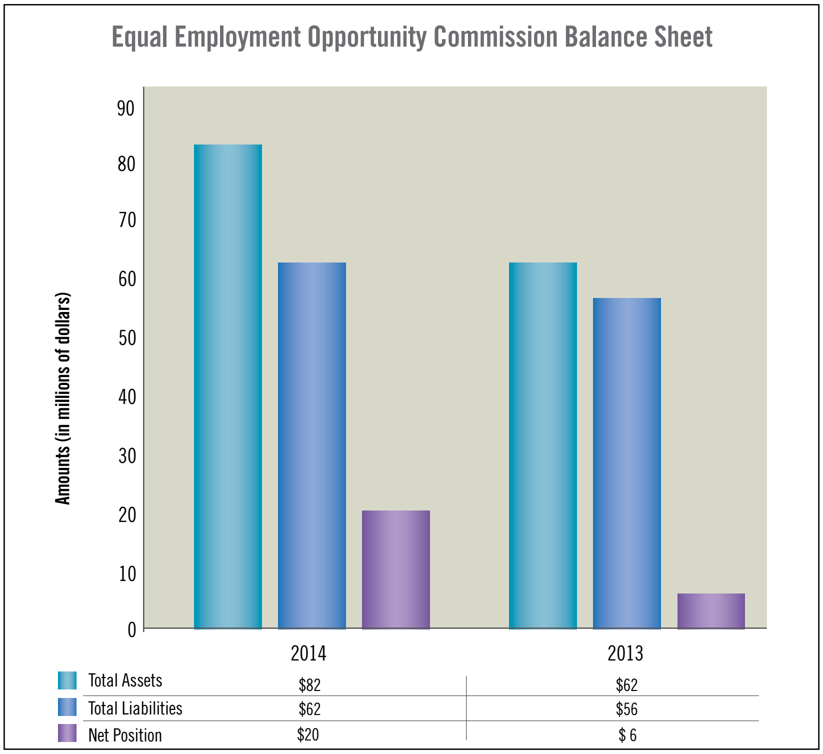
Jenny R. Yang
Chair, U.S. Equal Employment Opportunity Commission
November 17, 2014

Financial Highlights

The Office of Management and Budget (OMB) Circular Number A-136 Revised dated September 18, 2014 was used as guidance for the preparation of the accompanying financial statements. The EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statement of Changes in Net Position, and the Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

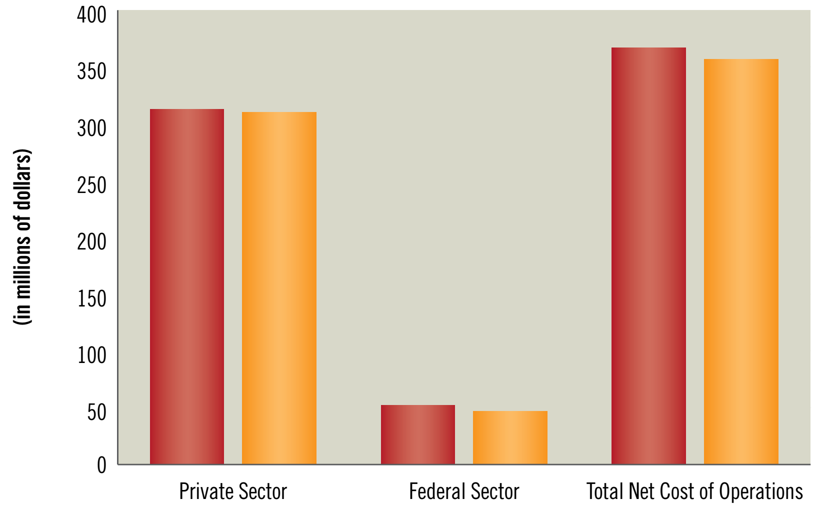
The Consolidated Balance Sheets present amounts that are owned or managed by EEOC (assets); amounts owed (liabilities); and the net position of the agency divided between the cumulative results of operations and unexpended appropriations.



EEOC's balance sheets show total assets of $82 million at the end of FY 2014 and $62 million for FY 2013. The change in assets resulted in an increase of appropriation for FY 2014.

The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of FY 2014, EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position is $20 million, an increase of $14 million, or 233 percent changed from the FY 2013 ending Net Position of $6 million. This increase is due primarily to an increase in EEOC's Unexpended Appropriations for Fiscal Year 2014.

Consolidated Statement of Net Cost of Operations by Major Programs



	Private Sector	Federal Sector	Total Net Cost of Operations
2014	$313	$52	$367
2013	$310	$47	$357

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 FY 2014, EEOC's Consolidated Statements of Net Cost of Operations increased by $10 million or 3 percent. The allocation of costs for FY 2014 shows that the net cost for the private sector and outreach increased by $3 million, or 1 percent, while the net cost for Federal Sector Programs increased by $5 million or 11 percent.

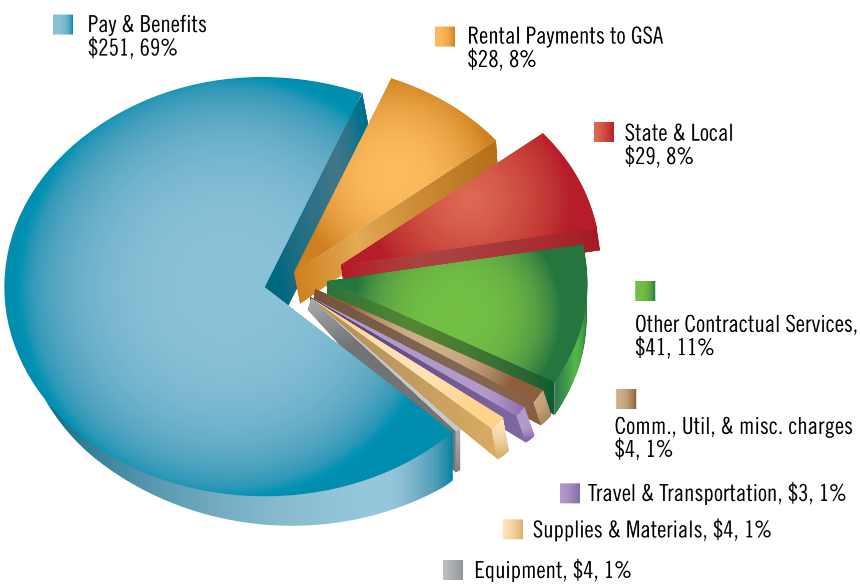
Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for FY 2014 and FY 2013 from the cost of operations, appropriations received and used, net of rescissions, and the financing of some costs by other government agencies. The Consolidated Statement of Changes in Net Position increased over last year by $14 million, or 233 percent. EEOC's total assets exceeded total liabilities (funded and unfunded) by approximately $20 million, or 32 percent.

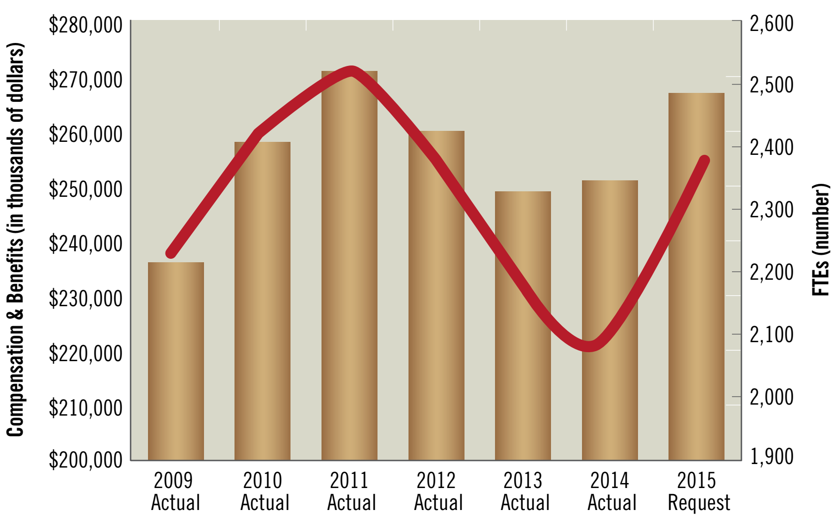
Combined Statements of Budgetary Resources

The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In FY 2014, EEOC received a $364 million in budget authority. EEOC ended FY 2014 with an increase in total budgetary resources. Resources not available for new obligations at the end of the year totaled $7 million and $9 million in FY 2014 and FY 2013, respectively. The unobligated balance not available represents expired budget authority from prior years that is no longer available for new obligations.

FY 2014 Obligations by Major Object Class (in millions)



Compensation & Benefits (C&B) & FTEs for FY 2008 through FY 2014



	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Request
C&B	$236,000	$258,000	$271,000	$260,000	$249,000	$251,000	$267,000
FTEs	2,192	2,385	2,505	2,346	2,147	2,098	2,347

Use of Resources

The pie chart displays EEOC's FY 2014 use of resources by major object class. The chart shows that Pay and Benefits, State & Local, Rent to GSA and Other Contractual Services consumed 96 percent of EEOC's resources, and other expenses (e.g., travel & transportation, equipment, supplies & materials, etc.) consumed less than 4 percent of EEOC's resources for FY 2014.

The dual axis chart below depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended FY 2014 with 2098 FTEs, a net decrease of 49, or 2 percent, below FY 2013.

Results Achieved in FY 2014 under Strategic Plan Performance Measures

Overview of the Strategic Plan and Performance Measures

This *Performance and Accountability Report* is based on the EEOC's Strategic Plan for Fiscal Years 2012 through 2016 ("Plan"), approved by the Commission on February 22, 2012. In the process of developing the Plan, the agency engaged in a comprehensive assessment of its programs and priorities. As a result, the EEOC believes it is prepared to support the agency's critical mission *to stop and remedy unlawful employment discrimination*, and to pursue its vision for the 21st century 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 mechanisms with regard to private employers, labor organizations, employment agencies, and state and local government employers; and 2) adjudicatory and oversight mechanisms with regard to federal employers. Seven performance measures were developed for Strategic Objective I.
- **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. Four performance measures were developed for Strategic Objective II.
- **Strategic Objective III:** To deliver excellent and consistent service through a skilled and diverse workforce and effective systems. This objective recognizes that the EEOC's capacity to deliver excellent and consistent service depends on a skilled workforce and deploying effective systems. Two performance measures were developed for Strategic Objective III.

The Strategic Plan Diagram below outlines the agency's strategic objectives, outcome goals, and performance measures identified in the Plan. Each measure is analyzed in greater detail on the following pages.

EEOC FY 2014 Performance

Measures	☐ Targets Met or Exceeded	◆ Targets Partially Met[1]	◉ Targets Not Met	Not Applicable in FY 2014
14	7	7	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.

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 the 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 the 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

Performance Measures

Performance Measure 1 for Strategy I.A.1

By FY 2016, the 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 2016, 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 2016, 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.

Performance Measure 4 for Strategy I.A.3

By FY 2016, 22–24% of the cases in the agency's litigation docket are systemic cases.

Performance Measure 5 for Strategy I.A.4

By FY 2016, the 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 2016, 65–70% of the EEOC's administrative and legal resolutions contain targeted, equitable relief.

Performance Measure 7 for Strategies I.B.1 and I.B.2

By FY 2016, 15–17% of resolutions by FEPAs contain targeted, equitable relief.

STRATEGIC OBJECTIVE II

Performance Measures

Performance Measure 8 for Strategy II.A.1

By FY 2016, the EEOC is maintaining 108 significant partnerships with organizations that represent vulnerable workers and/or underserved communities.

Performance Measure 9 for Strategy II.B.1

By FY 2016, the EEOC is maintaining 86 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, the EEOC implements a social media plan.

Performance Measure 11 for Strategies II.A.2 and II.B.2

The EEOC reviews, updates, and/or augments with plain language materials its sub-regulatory guidance, as necessary.

STRATEGIC OBJECTIVE III

Performance Measures

Performance Measure 12 for Strategy III.A.1

The 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 2016, 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 2016, 100% of federal sector case inventory are 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.

Performance Measure 13 for Strategy III.A.3

The 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 2014–2017 align with the Strategic Plan.

Results Achieved Under Specific Performance Measures

STRATEGIC OBJECTIVE I:

Combat employment discrimination through strategic law enforcement.

To further the strategic law enforcement objective, the EEOC has focused on outcome goals that are central to the agency's mission. These are to: 1) have a broad impact in reducing employment discrimination at the national and local levels; and 2) remedy discriminatory practices and secure meaningful relief for victims of discrimination.

To have broad impact in reducing employment discrimination, the agency has identified and is implementing four key strategies pursuant to the agency's Strategic Plan and the administrative priorities established by the Office of the Chair:

- 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;
- Rigorously and consistently 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 activities to target discriminatory practices and policies in federal agencies.

The EEOC has developed Performance Measures 1 through 6 to track its 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 the 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

Strategic Enforcement Plan

PERFORMANCE MEASURE 1: By FY 2016, the EEOC develops, issues, implements, evaluates, and revises, as necessary, a Strategic Enforcement Plan.	
FY 2014	
TARGET	The agency fully implements the Strategic Enforcement Plan.
RESULT	The agency continued to implement key elements of the Strategic Enforcement Plan, as directed, in FY 2014.
◆	**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.

ensure a targeted, concentrated, and deliberate effort to pursue priority issues and practices that significantly affect applicants, employees, and employers.

For FY 2014, the target for this measure was to fully implement the SEP. The EEOC achieved the following milestones during the 2014 reporting period; 1) the Chair approved the District Complement Plans (DCPs) in November 2013 and District offices began implementing their DCPs; 2) agency leadership were briefed on the training module and plans for training staff on SEP priorities in December 2013; 3) staff were trained on priority issues in January 2014; 4) the agency began coding charges and cases in IMS to reflect priorities in the SEP, the DCPs, and the Federal Sector Complement Plan in January 2014; 5) in August 2014, the agency trained 140 new investigative staff on the SEP priorities; and 6) in September 2014, local and area directors and enforcement managers met to discuss training and implementation strategies.

The SEP also required quarterly Commissioner briefings on the implementation of the SEP and on the effectiveness of the delegation of authority to the field offices, to the Office of Federal Operations, and to the General Counsel. The quarterly Commission briefings for FY 2014 were held in December 2013 (initially delayed due to the October 2013 Federal Government shutdown), and in February and May 2014. The quarterly meetings have been successful in keeping the Commission informed as to how SEP priority areas are being implemented in the field. The briefings also evidence increased collaboration among the program offices on priority issues across private and federal sector enforcement, which is one of the primary goals of the SEP.

These steps toward full implementation of the SEP have generally been successful. However, the agency recognizes that successful integration of the SEP requires ongoing training, management and assessment, particularly concerning the rigorous application of the Priority Charge Handling Procedures (PCHP), as called for in the EEOC's Strategic Plan for 2012–2016. This is an area that will be explored and addressed during the evaluation period of the SEP, which the Strategic Plan states should take place during FY 2015.

The SEP modified the delegation of litigation authority to the General Counsel by requiring that one litigation recommendation from each District Office be presented for Commission consideration each fiscal year.

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

Communications and Outreach Plan: The SEP required the development of a multi-year nationwide communications and outreach plan designed to ensure consistency and coordination in message content and management of the agency's communications, program outreach, technical assistance, and legislative outreach. The plan is in development and should be finalized in FY 2015.

Research and Data Plan: The SEP required the development of a multi-year research and data plan designed to provide a proactive and strategic approach for collecting data and engaging in research projects that will further the work of the agency, including the agency's SEP priorities. A draft of the plan, developed by the Office of Research, Information and Planning with input from stakeholders, was circulated informally to the Commission in the fourth quarter of FY 2014. The plan should be presented to the Commission for a vote in the first quarter of FY 2015.

Federal Sector Organization Plan: The SEP required a full evaluation of the current structure of the agency's federal sector hearings program, including a specific focus on the placement and status of Administrative Judges in that structure, as well as related issues impacting the effectiveness of the program. To ensure that the Federal Sector Organization Plan would be well-informed, the EEOC contracted with the Administrative Conference of the United States to conduct an organizational study of the agency's federal sector program, which was completed on March 31, 2014. The Office of the Chair solicited comments from the Commissioners and from agency staff on the report and received extensive comments

During this time period, the Commission also voted, in its Regulatory Agenda, to take a comprehensive look at its regulations governing the federal sector program, established in 29 CFR 1614.

Quality Control Plan

PERFORMANCE MEASURE 2: By FY 2016, TBD% of investigations and conciliations meet the criteria established in the new Quality Control Plan.	
FY 2014	
TARGET	Apply the criteria and the peer review assessment system to a statistically significant sample of investigations and conciliations. Analyze the results, develop a baseline of existing quality and set targets for improved quality.
RESULT	Commission vote on the draft Quality Control Plan and peer review assessment process developed in FY 2013 was extended by the Office of the Chair (OCH). Performance plans incorporated quality measures and additional training provided to staff focused on quality service; OCH began the process for developing Standard Operating Procedures as required under the SEP, by appointing a workgroup in 4th QTR FY 2014.
◆	**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 Office of the Chair is considering all the input received on these federal sector reform projects in order to present a Federal Sector Organization Plan to the Commission for review and consideration. The SEP requires that the Commission vote on recommendations concerning the structure of the federal sector hearings program.

The FY 2014 target for Performance Measure 2 required the EEOC to apply the criteria from the agency's approved Quality Control Plan (QCP) and the peer review assessment system drafted in FY 2013 to a statistically significant sample of investigations and conciliations. From the resulting analysis, the agency is required to develop a baseline from which to measure the quality of the EEOC's existing investigations and conciliations, as well as establish targets for improved quality performance directed by the agency's strategic plan. The SEP amended the deadline for voting on the QCP to April 30, 2013. The QCP work group began meeting in January 2013, sought public input in February, and the Commission held a public meeting for the development of the plan in March. In May 2013, the work group requested public input on a set of principles for the QCP. See http://www.eeoc.gov/eeoc/newsroom/release/5-10-13c.cfm.

To allow for additional review and input by the full Commission, a vote on the QCP was postponed until the second quarter of FY 2014. After extensive discussions, former Chair Jacqueline A. Berrien, in consultation with other Commissioners, decided to postpone further a vote on the QCP in order to work toward a consensus approach. Current Chair Yang will consult with the full Commission regarding the adoption of a QCP.

In furtherance of the Commission's objective to continuously improve, the agency sought to strengthen the quality of its efforts in a number of ways, including incorporating quality measures into performance plans, conducting additional training for staff to ensure quality, and developing management strategies with agency leaders to implement in their offices. The Office of the Chair is proceeding to develop Standard Operating Procedures, as required by the SEP, which will address many of the quality control recommendations included in the draft QCP. In the fourth quarter of FY 2014, the Office of the Chair appointed a work group to develop Standard Operating Procedures.

For FY 2014, Performance Measure 3 required the agency to develop a federal sector case management system and to have 100 percent of all incoming hearings requests and appeals and

Case Management System

PERFORMANCE MEASURE 3: By FY 2016, 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 2014	
TARGET	100% of all incoming hearings requests and appeals and 50% of old case inventory are categorized. Develop a Federal Sector Quality Control Plan to establish criteria for the quality of federal sector hearings and appeals.
RESULT	83% of the agency's pending appellate case inventory was categorized and 100% of incoming appeals were categorized. Pilot offices continue to use categorization on new requests for the hearings module with up to 70% success; further expansion of the pilot to five additional offices began in 1st QTR FY 2015. Finalization of the federal sector QCP is pending approval of the private sector QCP.
◆	**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.

50 percent of old case inventory categorized according to the new case management system. An additional requirement included developing a Federal Sector Quality Control Plan (federal sector QCP) that would establish the criteria for measuring the quality of EEOC's federal sector hearings and appeals.

With respect to federal sector appeals, at the end of FY 2014, the agency's appellate inventory consisted of 4,541 appeals. The agency exceeded its annual target by systematically categorizing 3,574, or 83 percent, of the agency's old appeals under the new case management system. As for new inventory, there were 2,891 appeals docketed in the first three quarters of FY 2014. (Note: for purposes of Performance Measure 3, new inventory was determined to include only "those cases docketed during the period of October 1, 2013 and June 30, 2014 to account for any lag in the agency's submission of documentation necessary for the categorization.") EEOC categorized 2,505 of those cases (with 1,195 cases having been adjudicated), or 100 percent of the appeals docketed in FY 2014 quarters 1–3 for which the agency had the complete case record. The remaining 386 matters fell outside of the new inventory designation because the records in those cases were not complete.

With respect to hearings before the agency's administrative judges, in January 2014, the agency began to pilot a hearings case management system to promote a more effective and efficient hearing process. In the four pilot offices, New York, St. Louis, Charlotte, and San Francisco, approximately 70 percent of all incoming receipts processed after January 2014 had an initial conference and cases were categorized pursuant to that office's case management system.

With regard to the Federal Sector Quality Control Plan (federal sector QCP), in the third quarter of FY 2014, the agency convened a joint program work group to develop outlines of the federal sector QCP. Additionally, senior program office management and supervisory administrative judges participated in a workshop during their headquarters training held on June 4 and 5, 2014, where the broad concepts of the federal sector QCP were analyzed. A federal sector quality control plan will be developed consistent with the standard operating procedures and training initiatives reflecting the quality standards in the private sector QCP.

Systemic Cases

PERFORMANCE MEASURE 4: By FY 2016, 22–24% of the cases on the agency's active litigation docket are systemic cases.	
FY 2014	
TARGET	Increase targets (i.e., the percentage of systemic cases on the active docket) to 19-21%.
RESULT	25%
☐	Target Exceeded

The FY 2014 target for Performance Measure 4 was to increase the percentage of systemic cases on the agency's litigation docket to approximately 19–21 percent of all active cases. Under the EEOC's Strategic Plan, systemic cases are defined as pattern or practice, policy, or class cases where the alleged discrimination has a broad impact on the industry, occupation, or geographic area. A baseline of 20 percent was established by the agency in FY 2012 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 and resolution trends, and systemic case development trends, the agency projected targets for performance through FY 2016. By FY 2016, the agency projects that 22–24 percent of cases on its active litigation docket will be systemic cases. At the end of FY 2014, the agency reported that 57 out of 228, or 25 percent, of the cases on its litigation docket were systemic, exceeding the annual target.

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 FY 2014 target for Performance Measure 5 required the agency to conduct a number (TBD) of on-site program evaluations focused on federal sector priorities identified in FY 2014 and issue corresponding compliance plans. The initiative that began in FY 2013 required the EEOC to create and implement a data system of complaint, hearing, appeal and statistical employee data in order to establish priorities in the federal sector. This would be an integrated data system that can identify discriminatory policies or practices in agencies and help set priorities for the prevention of discrimination in the federal government. The agency was successful in designing and implementing several data capture/reporting sources to be used in the new online data system during fiscal years 2013 and 2014.

Federal Sector Workforce Analysis

PERFORMANCE MEASURE 5: By FY 2016, the 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 2014	
TARGET	Conduct TBD number of on-site program evaluations focused on identified priorities and issue compliance plans.
RESULT	The agency completed two evaluations focused on the Commission's SEP Priority 5—Preserving Access to the Legal System and issued one compliance plan in June 2014. The timeline for development of the FY 2013 target for a fully operational, online registration platform was extended into FY 2015.
◆	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.

In FY 2014, the agency completed two program evaluations focused on the EEOC's Strategic Enforcement Plan Priority 5 (Preserving Access to the Legal System) and issued one compliance plan. A program evaluation of the Transportation Security Administration (TSA) was conducted to assess whether TSA employees had adequate information about how to access the EEO complaint process in compliance with laws, regulations, and other written instructions enforced by the EEOC, and whether employees were discouraged from filing EEO complaints. A compliance plan was issued to TSA on June 18, 2014.

The agency undertook additional activities in support of EEOC's SEP/FCP priority concerning preserving access to the legal system. Specifically, in the fourth quarter of FY 2014, the agency issued a Practical Guide consisting of a compilation of practices and ideas for federal agencies to efficiently distribute to their workforce concerning the EEO complaint process, laws, and regulations. The report is available at http://www.eeoc.gov/federal/upload/Practical-Guide-to-Providing-EEO-Program-Info-to-Employees-SEP-2014.pdf.

Additionally, the agency published a report examining five years of appellate decisions concerning improper dismissals of EEO complaints in the federal sector. The report identified common errors by federal agencies in dismissing complaints of discrimination on procedural grounds as well as strategies for agencies to better apply the dismissal provisions of the EEOC's regulations. The report also identified agencies that had higher than average rates of reversals on appeal of procedural dismissals. The report is available at http://www.eeoc.gov/eeoc/plan/sep.cfmhttp://www.eeoc.gov/federal/reports/dismissals.cfm.

The EEOC continues to collect data for its goals under the agency's priorities of: Enforcing Equal Pay Laws; Addressing Emerging and Developing Issues; Protecting Other Vulnerable Workers; and Eliminating Barriers in Recruitment and Hiring. The agency will be able to address additional national priorities with the completion of a fully operational, online registration platform in the Federal Sector EEO Portal (FedSEP) that captures not only MD 715 and Form 462 data, but hearings and appeals data as well.*

The FY 2014 target for Performance Measure 6 was to increase the proportion of administrative and legal resolutions currently containing targeted, equitable relief (TER) to within a range of 63–67 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. In addition, the agency was required to establish a baseline of existing TER in resolutions in order to project future targets for different types of TER.

In April 2014, new i-Meeting classes on the subject of TER were delivered to both field enforcement and litigation staff to provide ongoing guidance. The guidance also provided additional details about TER and reinforced the concepts for staff to use in their resolution of charges and cases, as well as information about recording relevant information in IMS. At year end, the agency had 850 administrative and legal resolutions with TER out of a total of 1,157 resolutions, or 73.5 percent, which exceeds the target for FY 2014.

The FY 2014 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 (TER) to within a range of 13–15 percent. In FY 2013 the agency determined the baseline percentage of merit factor resolutions 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 FY 2016 to include an increase in FEPA resolutions with TER within a range of 13–15 percent in FY 2014; 14–16 percent in FY 2015; and 15–17 percent in FY 2016. (Baseline percentages established under Performance

* Note: EEOC's Management Directive 715 or MD-715 (Effective October 1, 2003), provides policy guidance and standards for establishing and maintaining effective affirmative programs of equal employment opportunity under Section 717 of Title VII (PART A) and effective affirmative action programs under Section 501 of the Rehabilitation Act (PART B). Form 462, allows federal agency administrators to enter complaints processing data for the Annual Federal Equal Employment Opportunity Statistical Report of Discrimination Complaints on EEOC's Form 462 website).

Administrative and Legal Resolutions with Targeted Relief

PERFORMANCE MEASURE 6: By FY 2016, a 60%–65% of the EEOC's administrative and legal resolutions contain targeted, equitable relief.	
FY 2014	
TARGET	Increase targets by 63-67% or maintain targets.
RESULT	The proportion of administrative and legal resolutions containing TER was increased to 73.5%.
☐	Target Exceeded

FEPA Resolutions with Targeted Relief

PERFORMANCE MEASURE 7: By FY 2016, a 15–17% of resolutions by FEPAs contain targeted, equitable relief.	
FY 2014	
TARGET	FEPAs increase targets by 13-15% or maintain targets.
RESULT	The proportion of FEPA reported resolutions containing TER was increased to 16%.
☐	Target Exceeded

Measure 7 for FEPAs are different from Performance Measure 6 due to variations between charge processing systems at the FEPAs with whom the EEOC has work-sharing agreements).

During FY 2014, the agency invited FEPA staff to attend the joint i-Meeting presented on TER, conducted in April 2014. Further discussions were held on the topic of TER during the August 2014 FEPA conference. By year-end, there were 1,027 FEPA merit resolutions with TER out of 6,616 merit resolutions, or 16 percent, which also exceeded the FY 2014 target.

STRATEGIC OBJECTIVE II:

Prevent employment discrimination through education and outreach.

In FY 2014, the agency continued its proactive outreach program to meet the needs of diverse audiences across the nation. The EEOC partnered with the employer community, 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;
- 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.

Performance Measures 8 and 9 focus on rewarding and encouraging interactive and sustained partnerships with community organizations and businesses to expand the agency's 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.

The baseline established in FY 2012 identified approximately 90 significant partnerships within the vulnerable worker and underserved communities for Performance Measure 8. The FY 2014 target for this measure was to increase the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities by 10 percent, nationally, or to 108 total partnerships. By mid-year 2014, discussions held with District Directors and Program Analysts provided additional guidance on how to maintain significant partnerships, report on results, and maximize outreach efforts and partnership development strategies within the vulnerable worker and/or underserved communities that the EEOC supports.

As a result, the agency increased its partnerships during the year by 14 and exceeded the FY 2014 goal of 108 to reach a total of 116 partnerships, or an increase of 13.7 percent over the FY 2013 level. Among the new partnerships are agreements with several consulates representing the countries of Mexico, Ecuador, and the Philippines, as well as other local organizations representing vulnerable workers and underserved communities. The EEOC is an active member in all of the White House Initiative-AAPI (WHIAPPI) and regions around the country. In addition, the agency has continuously worked with consulates of various Latin American countries this fiscal year.

In FY 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.

Vulnerable and Underserved Communities

PERFORMANCE MEASURE 8: By FY 2016, the EEOC is maintaining 108 significant partnerships with organizations that represent vulnerable workers and/or underserved communities.	
FY 2014	
TARGET	The number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities increases by 10%, nationally, or to 108.
RESULT	New guidance was issued to District Offices including approaches to identifying partners and activities, reporting on results, as well as maintaining significant partnerships. The number of significant partnerships increased to 116.
☐	**Target Exceeded**

Small and New Businesses

PERFORMANCE MEASURE 9: By FY 2016, the EEOC is maintaining 86 significant partnerships with organizations that represent small or new business (or with businesses directly).	
FY 2014	
TARGET	The number of significant partnerships with organizations that represent small or new businesses (or with businesses directly) increases by 10%, nationally, or to 86.
RESULT	New guidance was issued to District Offices including approaches to identifying partners and activities, reporting on results, as well as maintaining significant partnerships. The number of significant partnerships increased to 92.
☐	**Target Exceeded**

The FY 2014 target for this measure was to increase the number of significant partnerships with organizations that represent small or new business communities (or with businesses directly) by 10 percent, nationally, or to 86 total partnerships. Concurrent with the new guidance issued in FY 2014 by the agency for Performance Measure 8, District Directors and Program Analysts discussed how to maintain significant partnerships, report on results, and maximize outreach efforts and partnership development strategies within the small and new business communities.

As a result, the agency increased its partnerships during the year by 11, exceeding the goal of 86 to reach a total of 92 partnerships in FY 2014, or a 13.6 percent increase over FY 2013. New partnerships in some jurisdictions include local and ethnic Chambers of Commerce and Society of Human Resource Management (SHRM) chapters. Also included are other federal agencies such as OFCCP, SBA; as well as state entities—the Mississippi Small Business Development Center and the Georgia Department of Labor Employer Committees.

Performance Measure 10 ensures that the agency moves into the 21st century through the utilization of social media technologies to reach EEOC's stakeholders.

The FY 2014 target for performance under this measure was to assess the effectiveness of the agency's social media plan

Social Media Plan

PERFORMANCE MEASURE 10: By FY 2013, the EEOC implements a social media plan.	
FY 2014	
TARGET	Assess the social media plan and update as necessary.
RESULT	Assessments initiated on the agency's fully implemented Social Media Plan.
◆	**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.

implemented in FY 2013, and make appropriate adjustments as needed for improvement. During the first half of FY 2014, the EEOC continued to solidify its social media presence and infrastructure, including fully implementing the agency's social media guidelines. The implementation of the guidelines overall has been successful, although the lack of a formal agency wide communications infrastructure continues to be a challenge. It has also been a challenge to secure content on a regular basis for the various portals. It will be useful for the agency to continue to seek out ways to respond to these structural challenges.

Milestones reached in FY 2014 include the expanded use of media tools and resources available to the agency. For example, the EEOC established an agency Facebook page, piloting its implementation this fiscal year. The Facebook page, created in April 2014, now has 686 "likes" and has reached over 70,000 people. The EEOC continued to institutionalize the new social media tools, including the Twitter account (@EEOCNews), the Spanish-language Twitter feed (@EEOCespanol), and the YouTube channel (Youtube.com/theeeoc). To date, the agency has reached 4,289 Twitter followers on @EEOCNews and sent 2,714 tweets. There are 232 Twitter followers on @EEOCespanol which sent 2,198 tweets. Ninety-six individuals or entities subscribed to the agency's Youtube channel (Youtube.com/theeeoc) with 15 videos and 7,356 views. The agency further augmented its capacity by hiring a Public Affairs Specialist to focus on better utilizing social media and help develop and implement agency wide media initiatives.

The Communications and Outreach Plan, authorized by the agency's Strategic Enforcement Plan, will incorporate the social media planning and guidelines. EEOC continues to review existing social media accounts and work with program offices to assess their effectiveness. The agency also began to use social media as a way to advance the EEOC's legislative work, including monitoring social media accounts of key legislative resources. In addition, the agency continued its efforts to convene the Communications Content Committee (C3) (i.e., the intra-agency workgroup created to help strategically manage and develop content for the EEOC's website that can be subsequently used for any social media platform developed by the agency), and established an infrastructure to develop content for social media, as well as better anticipate, plan, and manage the agency's communication outreach needs.

Performance Measure 11 ensures that the EEOC's sub-regulatory guidance and documents are reviewed and that, where necessary, they are updated and accompanied by plain language text. The agency'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 EEOC issues set the basic legal framework for the implementation of those laws, sub-regulatory materials, including the EEOC Compliance Manual, provide more tangible assistance on the rights and responsibilities under such laws.

Sub-Regulatory Guidance Review and Revision

PERFORMANCE MEASURE 11: The EEOC reviews, updates, and/or augments with plain language materials its sub-regulatory guidance, as necessary.	
FY 2014	
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.
RESULT	Three documents were approved and released to the public.
□	**Target Exceeded**

During the fiscal year, the agency exceeded that target for performance under this measure and approved and released three sub-regulatory documents to the public. On July 14, 2014, the Commission issued *Enforcement Guidance on Pregnancy Discrimination and Related Issues*.The first update of policy guidance on pregnancy discrimination in more than 30 years. The guidance analyzes the requirements of the Pregnancy Discrimination Act and the application of the Americans with Disabilities Act (ADA) to pregnant workers with pregnancy-related impairments. It includes a section on recommended Best Practices http://www.eeoc.gov/laws/guidance/pregnancy_guidance.cfm. Also issued on July 14, were two related technical assistance documents about pregnancy discrimination. A Question and Answer document http://www.eeoc.gov/laws/guidance/pregnancy_qa.cfm and a Fact Sheet for Small Businesses http://www.eeoc.gov/eeoc/publications/pregnancy_factsheet.cfm.

On March 10, 2014, the EEOC and the Federal Trade Commission jointly issued technical assistance factsheets about employment background checks, *Background Checks: What Employers Need to Know*, and *Background Checks: What Job Applicants and Employees Should Know*. Both documents summarize in simplified terms the basics of the federal EEO laws and the Fair Credit Reporting Act as they apply to employers requesting and using personal background information to screen applicants and employees. These documents are available on the EEOC website at http://www.eeoc.gov/eeoc/publications/background_checks_employers.cfm and http://www.eeoc.gov/eeoc/publications/background_checks_employees.cfm.

On March 6, 2014, the Commission issued a technical assistance, *Religious Garb and Grooming in the Workplace: Rights and Responsibilities* document, on religious discrimination with an accompanying fact sheet. The documents provide practical advice and examples for stakeholders on disparate treatment, non-selection, segregation, harassment, accommodation, and retaliation issues arising from religious garb and grooming practices of applicants and employees. As technical assistance, these documents do not contain new policy or legal requirements. Copies of these documents are available on the EEOC website at http://www.eeoc.gov/eeoc/publications/qa_religious_garb_grooming.cfm and http://www.eeoc.gov/eeoc/publications/fs_religious_garb_grooming.cfm.

STRATEGIC OBJECTIVE III:

Deliver Excellent and Consistent Service through a Skilled and Diverse Workforce and Effective Systems.

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

The ultimate benefit is that all interactions with the public are timely, of high quality, and informative. As noted in Strategic Objective I, it is a significant agency priority to enhance the timeliness and ensure the continued quality of enforcement activities in the private, state and local government, and federal sectors. To accomplish this, the EEOC must invest in the people who carry out the agency's mission through workforce development and planning. Moreover, given the agency's mission, it is also important that the EEOC's workforce be diverse. The agency must not only serve as an example to other private, state and local government, and federal employers, but should reflect the populations it serves. Finally, to improve the agency's customer service, the EEOC must ensure the effectiveness of its systems by leveraging technology to streamline, standardize, and expedite its critical functions.

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

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

Workforce Quality, Diversity, and Skills

PERFORMANCE MEASURE 12: The EEOC strengthens the skills and improves the diversity of its workforce.		
		FY 2014
TARGET (a)	Number of employees with disabilities.	413
RESULT		405
◆	Target Partially Met*	
		FY 2014
TARGET (b)	Number of employees with targeted disabilities.	90
RESULT		68
◆	Target Partially Met*	
		FY 2014
TARGET (c)	Percentage of hires made within 78 days.	50%
RESULT		26%
◉	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.

For this Objective, EEOC has adopted Performance Measures 12 and 13 to support and monitor the agency's progress toward our FY 2016 targets.

The FY 2014 target for Performance Measure 12, Subpart (a) was to increase the number of persons hired with disabilities by 20 percent of the EEOC's workforce over five years, or at least 29 employees with disabilities each year over the FY 2013 target of 413 employees with disabilities to 442 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 FY 2013 target of 90 employees with targeted disabilities to 101 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 75 percent in FY 2014.

By the end of FY 2014, the agency had only partially met its targets for Performance Measure 12. Overall, hiring and recruitment in FY 2014 increased. As a result, the agency was able to exceed its administrative target of hiring at least 29 employees with disabilities in FY 2014 under Subpart (a), by employing 73 persons with disabilities. This brings the annual number of hires to 405, which is short of the targeted 442 staff with disabilities projected for hire in the fiscal year. Similarly, for the number of employees hired with targeted disabilities under Subpart (b); where the agency exceeded its administrative target of at least 11 persons with targeted disabilities hired annually—bringing on board 12 new staff members for a total of 68 persons hired with targeted disabilities—far short of the 101 FY 2014 goal. Timely hires under Subpart (c) were also impacted by a number of factors both internal and external to the agency. Of the reported 363 new hires-to-date, approximately 95 were made within 78 days, or 26 percent, which is substantially below the 2014 target for timely hires.

The agency implemented significant strategies that helped the EEOC meet its annual human capital goals under Subparts (a) and (b). These strategies included: 1) Utilizing Schedule A Hiring Authority as a targeted recruitment tool to increase the number of employees with disabilities; 2) Employing targeted recruitment methods to increase the number of employees hired with targeted disabilities; and 3) Redesigning the Disability Management Program to enhance the Reasonable Accommodation Services and practices offered to employees and managers. Even with concerted effort, contributing factors impeding the agency's hiring goals included the volume of hiring requests, requests for re-announcements, extensions of certificates, changes to the area of consideration, and extended reporting dates. Meeting these aggressive targets will continue to be a priority for the agency in FY 2015.

The Human Capital Goals for FY 2014, as identified in the agency's Human Capital Management Plan are:

1. **Workforce planning**—enhance the ability to plan further into the future and better integrate Full Time Equivalents (FTE), budget, and workload metrics into the planning process.

2. **Performance management**—continue to redesign the current non-SES performance management program to foster a high performance culture; encourage clear expectations and continuous feedback; differentiate high, satisfactory, and poor performers in a clear and meaningful way; and align employee performance with the agency's Strategic Plan and other key administrative priorities.

3. **Diverse and Inclusive Workforce**—enhance the ability to attract, hire, and retain highly skilled and highly motivated staff through the development of a three to five year training and development strategic plan.

In FY 2014, the agency developed a workforce analysis and plan by utilizing workforce data to assist leadership in human resources decision-making, closing competency gaps, and projecting the future human capital needs of the agency. In FY 2014, these human capital goals extended beyond the agency's formalized mentoring program to include implementation of a situational mentoring program that will enhance the ability to develop and retain a highly skilled and motivated workforce. In FY 2015, the EEOC will incorporate strategic workforce planning and human capital management into its basic business operations to ensure continual improvement and effectiveness.

Performance management efforts continued in FY 2014, when the agency piloted a talent management tool for supervisors and their employees to use as a platform to implement and operate the agency's new performance management system. Toward that goal, competencies for support positions in the agency's mission-critical occupations were identified in FY 2013. As the new system is developed, additional competencies will be established in FY 2015 for the remaining positions within the agency. The new system was also tested as a tool for supervisors and employees to use in closing competency gaps. An automated system for senior executive performance plans is scheduled to be piloted later in the fiscal year. The long-term goal is to create a performance culture that helps the EEOC become a high performing agency.

By leveraging diversity and promoting inclusion, the EEOC moves closer to achieving its mission to "stop and remedy unlawful employment discrimination" and the vision of "justice and equality in the workplace." In compliance with Executive Order 13583 on Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce, the EEOC developed a Diversity and Inclusion Strategic Plan (the "D&I Strategic Plan") and a policy statement, which were issued agency-wide in the second quarter of FY 2013. To help implement the action items in the D&I Strategic Plan, the EEOC convened a Diversity and Inclusion Council. Several Headquarters' offices worked jointly on the Diversity & Inclusion Work plan that, along with the Diversity Council Charter, will guide the work of the Council. These efforts will continue through FY 2015.

During third quarter FY 2014, the agency trained District Directors and approximately 200 managers, supervisors, and program analyst at the Headquarters and Field level on diversity and inclusion. This was in addition to the training already provided in FY 2013 to the National Diversity and Inclusion Council in June 2013, the Diversity and Inclusion Sub-Councils in July 2013, and Headquarter SES staff in August 2013. In addi-

Charge Process Responsiveness

PERFORMANCE MEASURE 13: The EEOC improves the private sector charge process to streamline services and increase responsiveness to customers throughout the process.	
FY 2014	
TARGET	Meet targets determined in FY 2012.
RESULT	The portal software, scheduling tool, and professional services contracts were awarded in 4th QTR FY 2014; work groups were engaged in the 3rd and 4th QTRs, and project plans were in the process of finalization.
◆	**Target(s) 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.

tion, the EEOC has committed funds to provide diversity and inclusion training for all non-supervisory employees in FY 2015. In FY 2014, the National Council created sub-groups to better implement the goals developed in the Diversity and Inclusion Strategic Plan and have undertaken some significant planning activities that will be implemented in FY2015.

The EEOC will continue to work with the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) in implementing Executive Order 13583, including working to reconcile the President's diversity and inclusion efforts with the EEOC's Management Directive 715 requirements. (See Management Directive 715, Equal Employment Opportunity Commission (Oct, 2003) http://www.eeoc.gov/federal/directives/md715.cfm).

Performance Measure 13 requires the agency to leverage 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) online charge status (also called milestones status); 2) online intake, and 3) the digital charge file. The online charge status 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 immediate access to their charge status, including contact information for the EEOC staff assigned to the charge, along with information about the charge process. The online intake system utilizes technology to provide the public the option to perform self-screening, submit a pre-charge inquiry, schedule an appointment for an intake interview, receive pre-charge counseling (via web cams and/or teleconference), and submit information all online. The move towards electronic submission of documents, via a secure portal for electronic transmittal and the receipt of charge-related documents, information, and communication, and the creation of digital charge files will increase efficiencies, improve collaboration and knowledge sharing across the agency, enhance data integrity, reduce paper file storage and manual archiving/destruction requirements, and enable a more mobile workforce.

For FY 2014, the target for the first two projects was to develop, pilot, and implement the new online intake and milestone systems, including guidance, documentation, and staff training. The portal software, scheduling tools, and professional service contracts were awarded in the fourth quarter of FY 2014 and workgroups were simultaneously engaged.

The agency approved a vision statement for the digital charge file project, and the Action Council for Transformation (ACT) Digital Executive Steering Group and Workgroup began work on identifying information and communications to be digitized. The Workgroup also started developing a prototype to digitize the charge and notice to the employer, which will save considerable time, paper, and postage. In addition, IMS was enhanced to allow entry and retention of the Form 5 particulars (the narrative description of the charge allegations), which facilitates information sharing across the agency. This feature was implemented in second quarter FY 2014, with training provided to all field staff on its use.

Budgetary Resource Alignment

PERFORMANCE MEASURE 14: The EEOC's budgetary resources for FY 2014–2017 align with the Strategic Plan.	
FY 2014	
TARGET	Prepare EEOC's FY 2016 Performance (OMB) Budget that aligns resources with the Strategic Plan. Prepare EEOC's FY 2015 Congressional Budget. Develop a final FY 2014 Operating Plan based on approved FY 2014.
RESULT	The FY 2015 CBJ was timely submitted to Congress on March 10, 2014. Agency developed a final FY 2014 Operating Plan, which was approved by the Chair on January 28, 2014. The EEOC's FY 2016 Performance Budget was submitted to OMB on September 8, 2014.
☐	**Target Met**

As a fundamental objective, budgets should adequately fund priority programs, grow such programs to reflect the agency's priorities, and protect against diminution when budgets are reduced. Under the Chair's direction, annual budget submissions from each program office were scrutinized to ensure that agency resources would implement the strategies and goals of the EEOC.

The FY 2014 target for Performance Measure 14 was to prepare EEOC's Fiscal Year 2015 Congressional Budget Justification (CBJ) and EEOC's Fiscal Year 2016 Performance (OMB) Budget that aligns with the agency's Strategic Plan for Fiscal Years 2012–2016. As part of the annual budget formulation cycle, the agency's final fiscal year 2014 Operating Plan was approved and signed by the Chair on January 28, 2014 and EEOC's Fiscal Year 2015 CBJ was timely submitted to Congress on March 10, 2014. The Fiscal Year 2016 Performance Budget was completed and submitted to OMB on September 8, 2014.

Related Program Results and Activities

Serving the Public More Efficiently

Strategic Enforcement of the Nation's EEOC Laws

The EEOC has a fundamental role in effectively and efficiently enforcing the federal equal employment laws. The EEOC's Strategic Plan and Strategic Enforcement Plan provide the framework and direction for a robust and coordinated national enforcement program.

To be more efficient as a law enforcement agency, EEOC must prioritize its enforcement and outreach, given the number of charges it receives and the agency's limited resources. To be effective, the priorities on which the agency focuses must be those where government enforcement and outreach efforts will have the greatest impact. To have a broader impact, the EEOC will continue to focus its law enforcement efforts on matters that have a more significant impact on workers and employers and improve more workplace practices.

The EEOC will also strive to improve its interactions with employees and employers. Every year, approximately 200,000 individuals contact the EEOC for assistance and nearly 90,000 of them file charges of employment discrimination. Even more individuals believe they have been subjected to workplace discrimination but do not come forward. Although the EEOC is able to help many individuals, there will be many charges of employment discrimination filed with the agency that it will not be able to remedy because of limited resources. Recognizing that the EEOC cannot remedy every violation of the federal employment anti-discrimination laws, Congress gave individuals the right to pursue their claims in court. Each individual who files a charge of discrimination with the EEOC is provided information about how to pursue his or her claims in court.

Improving the Private Sector Charge Process

The agency received 88,778 charges from individuals alleging discrimination in FY 2014, a decrease of approximately 5000 charges from FY 2013. The agency also resolved 87,442 charges in FY 2014.

To more efficiently serve the public, the EEOC is using technology to streamline charge intake and investigation. In the next few years, the agency expects to increase responsiveness to employees and employers by leveraging technology to streamline and automate services to the public. More specifically, the EEOC is developing systems that will allow customers to check the status of their charge, provide self-service and online-scheduling options for potential charging parties; and transform the current paper process into a digital charge system. These technology projects will reduce calls and wait times for charging parties and respondents seeking information about charges and reduce agency staff time spent on administrative tasks.

Mediation Program is a Win for both Employees and Employers

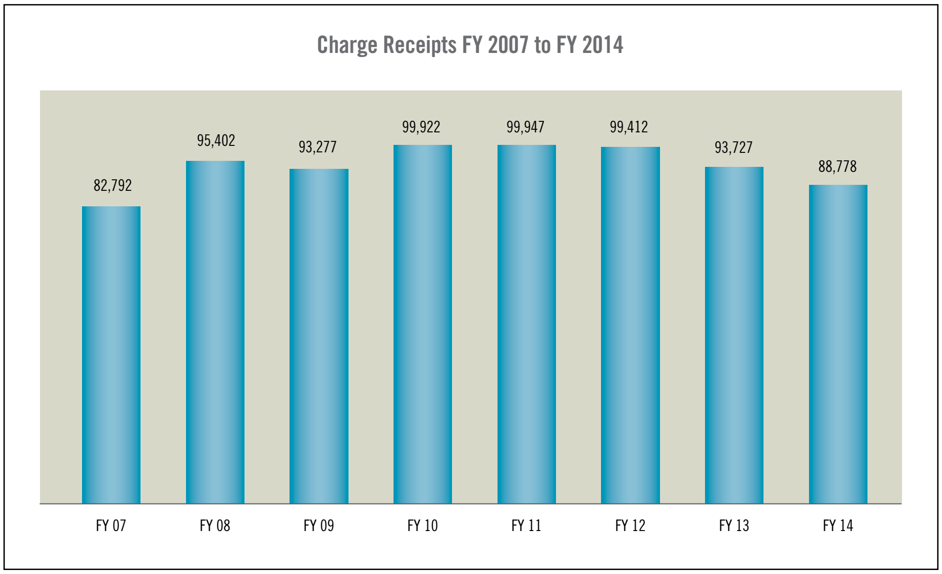
The EEOC's mediation program has continued to be a very successful part of enforcement operations and an integral part of the agency's work pursuant to the Strategic Plan. In FY 2014, the EEOC's private sector national mediation program secured a total of 7,846 mediated resolutions out of a total of 10,221 conducted. The EEOC obtained $144.6 million in monetary benefits for complainants through mediation resolutions.

Participants almost uniformly view the mediation program favorably, with 96.4 percent reporting confidence in the program this year. As a result, the agency continues to focus efforts on increasing the use of the program where appropriate and consistent with the agency's mission. The agency encourages the employer community to enter into Universal Agreements to Mediate (UAMs). These agreements reflect employers' commitment to participate in mediation. At the conclusion of FY 2014, the agency had secured a cumulative multi-year total of 2,283 UAMs, which is a four percent increase from FY 2013.

Efficiently Adjudicating Federal Sector Hearings and Appeals

In the federal sector, the 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 FY 2014, the EEOC secured more than $74 million in relief for federal employees and applicants who requested hearings. Additionally, the agency's hearings program resolved a total of 6,347 complaints, and the number of requests for hearings on federal sector complaints increased to 8,086 in FY 2014 compared to 7,077 in FY 2013.

The EEOC also adjudicates appeals of federal agency actions on discrimination complaints, and ensures agency compliance with decisions issued on those appeals. During FY 2014, the EEOC received 4,003 appeals of final agency actions in the federal



sector, a 5.7 percent decrease from the 4,244 such appeals received in FY 2013. FY 2014 was the third full year in which the agency applied a more balanced approach to the resolution of appeals by focusing resources on resolving the oldest appeals, while at the same time addressing newer appeals early in the process. The agency resolved 3,767 appeals, including 43.03 percent of them within 180 days of their receipt. In addition, the EEOC resolved 1,850 or 61.9 percent of 2,988 appeals that were already, or would become, 500 or more days old by the end of the fiscal year.

The agency continued its focus on expanding the use of technology to make the federal hearings and appeals process faster and more effective. During FY 2014, federal agencies continued to use the EEO File Exchange (EFX) system to upload reports of investigation and administrative files to all of the agency's hearings units, and to upload all appeal-related documentation to EEOC's Office of Federal Operations (OFO). EFX is a secure online portal where registered agency users can upload documentation directly to the agency's hearings offices and OFO. The primary goal of electronic case processing via EFX is to create a paperless case processing system that permits web-based electronic filing and case tracking capability. In addition to being implemented in all 24 EEOC field office hearings units and OFO, it is utilized in over 110 agencies or sub-components (44 agencies and 71 sub-agencies), including the US Postal Service, Department of Veterans Affairs, Department of Homeland Security, Treasury Department, Department of the Navy, Department of the Air Force, and the Defense Logistics Agency. Also in FY 2014, the EEOC designed, developed, and piloted a digital portal through which complainants and their representatives can submit appeal-related documents to the agency.

Building upon these successes in FY 2014, the Office of Field Programs in coordination with the Office of Federal Operations and the Office of Information Technology, began working on the initial requirements for a more robust system that will allow agencies to upload and review documentation and obtain the status of the adjudication of hearings and appeals. Phase II of the EFX, which will be completed in FY 2015, will increase the types of documents processed through the portal and will allow parties to track the receipt of their submission and obtain the status of their case.

Enforcing the Law More Effectively

Recovery of Targeted Equitable Relief Exceeds Goals

The agency's Strategic Plan for FY 2012- 2016 emphasized the importance of securing meaningful relief for victims of discrimination by ensuring that remedies end discriminatory practices and deter future discrimination. In the Plan, Targeted Equitable Relief (TER) is defined as any non-monetary and non-generic relief that explicitly addresses the discriminatory employment practices at issue in the case and provides remedies to the aggrieved individuals or prevents similar violations in the future. Types of TER include hiring, promotion and reinstatement, or recall of the aggrieved party. It also includes a variety of other actions including policy changes, training or apprenticeship, reasonable accommodation, procedural or practice changes, and external monitoring.

The agency exceeded its goal by securing TER benefits in 73.5 percent of its administrative and legal resolutions. The agency's FEPA partners also exceeded their goal, with 16 percent of their resolutions providing TER benefits. These achievements reflect the commitment to ensuring that EEOC and FEPA enforcement activities secure relief for those who were affected, while also preventing future discriminatory actions. These TER benefits bring about meaningful changes in the workplace and provide a level playing field for the future.

Challenging Discrimination in Federal Court

In FY 2014, the EEOC field legal units filed 133 merits lawsuits including 105 individual suits, 11 non-systemic class suits, and 17 systemic suits. Merits lawsuits include direct suits and interventions alleging violations of the substantive provisions of the statutes enforced by the EEOC and suits to enforce administrative settlements. Of these new filings, 76 contained Title VII claims, 49 contained Americans with Disabilities Act (ADA) claims, 12 contained Age Discrimination in Employment Act (ADEA) claims, two contained Equal Pay Act (EPA) claims, and two contained Genetic Information Non-Discrimination Act (GINA) claims. (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 34 subpoena enforcement actions. At the end of FY 2014, the EEOC had 228 cases on its active district court docket, of which 31 (14 percent) were non-systemic class cases and 57 (25 percent) involved challenges to systemic discrimination.

In addition to these new suit filings, the EEOC's legal staff resolved 136 merits lawsuits in the federal district courts for a total monetary recovery of $22.5 million. Of these resolutions, 87 contained Title VII claims, 47 contained ADA claims, 13 contained ADEA claims, five contained EPA claims, and one contained a GINA claim. The Commission also resolved eight subpoena enforcement actions during the fiscal year. In terms of dollars recovered in merits lawsuits by statute, the EEOC recovered $15.3 million in Title VII resolutions, $1.9 million in ADEA resolutions, $3.7 million in ADA resolutions, $125,000 in EPA resolutions, and $1.5 million in resolutions involving more than one statute. The EEOC achieved a favorable resolution in approximately 93 percent of all district court resolutions. A total of 1,593 individuals received monetary relief as a direct result of EEOC lawsuit resolutions in FY 2014.

Challenging Discrimination in the Federal Appellate Courts

In addition to its nationwide litigation program at the district court level, the EEOC maintains an active appellate program in the federal circuit courts of appeal. Among the most notable appellate decisions in FY2014 is ***EEOC v. Mach Mining***, in which the Seventh Circuit agreed with the Commission's position that Title VII does not provide for judicial review of the pre-suit conciliation process. This decision is now under review by the Supreme Court.

In ***EEOC v. Ford Motor,*** two judges on the Sixth Circuit panel agreed with the Commission that its ADA claim should go to trial to determine whether the charging party, who has irritable bowel syndrome, could have performed her job effectively with the accommodation of being allowed to telework up to four days a week. Because her request was denied outright, the company did not explore whether any telework at all could be accommodated. The full court has decided to rehear this case en banc.

In ***EEOC v. Skanska USA Building,*** the Sixth Circuit agreed with the Commission's standard for joint employers. The court agreed that under the proper test, Skanska was a joint employer of the equipment operators who had been subjected to racial harassment and retaliation because Skanska had the ability to hire, fire, discipline, and affect the compensation of these employees.

At the end of FY 2014, the EEOC was handling 38 appeals in EEOC enforcement actions and participating in 22 appeals in private suits as amicus curiae.

Maximizing Impact through Systemic Enforcement

As the nation's leading law enforcer of federal laws prohibiting employment discrimination, the agency places a high priority on pursuing systemic enforcement, pattern or practice, policy, and/or class investigations, and litigation where the alleged discrimination has a broad impact on an industry, profession, company, or geographic area. While systemic cases are highly complex and resource-intensive, these cases typically impact a large number of employees or job seekers directly and can benefit untold numbers of workers and employers indirectly through public awareness and changes in company policies and industry standards. As a result, in its Strategic Plan for Fiscal Years 2012-2016, the EEOC reiterated the importance of systemic enforcement program as a top agency priority. The EEOC again declared its commitment to combating systemic discrimination in its new Strategic Enforcement Plan, particularly with respect to barriers to recruitment and hiring, discriminatory policies that affect vulnerable workers, discriminatory pay practices, retaliatory practices and policies, and systemic harassment.

In FY 2014, in furtherance of the Strategic Enforcement Plan, the Chair approved District Complement Plans (DCPs) reaffirming the agency's commitment to a robust national systemic program. Each office's plan sets forth specific systemic focus areas and issues for priority law enforcement through the district's systemic program and in combination with other districts. The DCPs embody collaborative strategies developed jointly by legal and enforcement staff. These plans provide an integrated and focused approach to attacking systemic discrimination in ways designed to maximize the use of resources and the impact of the EEOC's systemic work.

Since embarking on the systemic program, the agency has expanded its use of technology to improve its capacity to identify systemic violations and to manage systemic investigations and litigation. 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.

The EEOC continued to increase its investment in resources dedicated to systemic work. These efforts have established a strong base that will ensure a sustained national systemic program. In FY 2014, the EEOC increased the number of Lead Systemic Investigators, whose work is dedicated exclusively to development and coordination of systemic investigations. By the end of FY 2014, the number of Lead Systemic Investigators had doubled, growing from nine to 18. Also, the EEOC has begun to pilot systemic units within some district offices to assess the effectiveness of establishing a dedicated unit of staff focused on systemic work. The impact of these structural changes will be evaluated to determine whether and in what circumstances the use of dedicated systemic units should be expanded among field offices.

The agency has also expanded its use of webinars to provide training on systemic investigations and litigation, including use of technology to facilitate systemic work. These technology initiatives have proven to be effective, low-cost methods of achieving the EEOC's goal of better integrating enforcement functions, as set out in the agency's Strategic Enforcement Plan.

In the litigation context, the EEOC has continued 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. In this past year alone, the EEOC increased by 150 percent the storage capacity of CaseWorks, which now hosts over 30 million pages of electronic documents.

Systemic Investigations

The agency continued to achieve a high level of results in its systemic investigations. In FY 2014, the EEOC completed 260 systemic investigations. Thirty percent (78) of those investigations were resolved by voluntary agreements, either a pre-determination settlement before a finding of discrimination was made or a conciliation agreement. When the agency makes a finding of discrimination, the EEOC's conciliation process affords employers an opportunity to come into compliance with the anti-discrimination laws without an EEOC lawsuit being filed. In FY 2014, the agency obtained pre-determination settlements in 34 systemic investigations and conciliation agreements in 44 systemic investigations. The EEOC secured $13 million in monetary relief.

The number of systemic investigations in which a cause finding was issued or which were resolved by successful conciliation or settlement has remained stable and continues to support a strong systemic litigation docket at levels consistent with recent years. In FY 2014, the Office of General Counsel filed 17 systemic lawsuits, which is a direct result of the growth in the systemic enforcement activity in EEOC's District Offices. In cases where the agency's systemic investigation was hampered by a respondent's failure to comply with requests for relevant evidence, the EEOC continued its practice of relying on its subpoena authority and, where necessary, application to the federal courts to enforce subpoenas.

A number of key systemic resolutions brought about in FY 2014 are listed below:

- The EEOC reached a negotiated settlement agreement with a company to pay $650,000 to a class of persons the company failed to hire because of their race, black, or national origin, Hispanic. The company also agreed to hire 75 African-American and Hispanic workers over the next five years. The combined value of this relief was over $4.6 million.

- Successful conciliation of four systemic ADEA investigations alleging that the employers stopped allowing volunteer firefighters to accrue points for performing certain duties when they reached age 55 or 60. These points translated into larger retirement benefits. The conciliation agreements restored points not awarded due to age which resulted in an increased monthly benefit at retirement and lump sum retroactive awards of monetary benefits for current retirees and family members of deceased retirees. Total monetary benefits of over $1.4 million were agreed to through the conciliation agreements. The employers changed their policies to bring them into compliance with the ADEA.

- A systemic investigation of a major restaurant chain resulted in a cause finding that the restaurant failed to hire front of the house staff on the basis of sex, female, and national origin, Hispanic. This investigation was successfully resolved through a conciliation agreement providing $1 million to class members, training to all human resource and management staff, and the employer agreed to engage in recruitment of females and Hispanics.

- After a finding that a company employing drivers had a practice of not hiring women for driving positions because of their sex, a successful conciliation agreement was reached with the company. The company agreed to pay $530,000 in monetary relief and provide significant targeted equitable relief including the adoption of an effective EEO policy prohibiting gender discrimination. The agreement also calls for gender-based discrimination training to all its human resources employees.

- The Commission continued its enforcement efforts to address employer background screening policies that result in unlawful discrimination on the basis of race, black, national origin, Hispanic, and sex, male. One of these investigations resulted in a conciliation agreement which established a class back pay fund of $650,000 for aggrieved persons, as well as provisions to reform the employer's criminal history screening process to conform to the Commission's Enforcement Guidance, and require an external monitor and training in criminal history screening. Several others agreements resulted in employers adopting modifications to their respective screening policies to bring them into compliance with EEOC Guidelines. These agreements involved two employment agencies, a company operating in 26 states, a security company, and a retail chain convenience store.

- The Commission also reached voluntary agreements with employers to modify their leave policies to provide accommodation for employees with disabilities. A hospital and an insurance company both agreed to modify their fixed leave policies and each agreed to provide $500,000 in monetary relief to aggrieved individuals. Several other employers also agreed to modify their leave policies to come into compliance with the ADA including a franchised cable television provider, a child care center, a gas company, a home health provider, and a transit company and its union.

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 FY 2014, the Commission filed 17 systemic lawsuits. These new suits challenge a variety of types of systemic discrimination, including subjecting Thai farm workers to discriminatory terms and conditions of employment, refusing to place black applicants into front-of the-house restaurant positions, refusing to hire applicants over age 40 for front-of-the-house restaurant positions, inflexible leave and fitness for duty policies that deny reasonable accommodations to employees with disabilities, and widespread, systemic harassment based on sex and national origin.

Systemic suits comprised 13 percent of all merits suits filed in FY 2014. At the end of FY 2014, a total of 57 cases on the active docket were systemic cases, accounting for 25 percent of all active merits suits. This is the largest proportion of systemic suits on the EEOC's active docket since tracking began in FY 2006. 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. Thus, the agency is poised to meet or exceed its target, set forth in its strategic plan, of an active systemic docket of 22-24 percent of all pending lawsuits by FY 2016.

This past year, the EEOC resolved 17 systemic cases, five of which included at least 100 victims of discrimination and nine of which included at least 20 victims of discrimination. Below is a sampling of significant outcomes of systemic discrimination lawsuits in FY 2014:

In ***EEOC v. Global Horizons et al.*** (D. Hawaii), the 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. The 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. The 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. Under the decrees, farms must obtain written commitments from farm laborer contractors that they will comply with the law, provide employees with telephone numbers to report complaints in the language they can understand, and maintain accurate payroll records. The farms must also conduct internal audits and designate corporate officials with responsibility for oversight of compliance with the decrees.

In ***EEOC v. Pitre Buick*** (D.N.M.), the EEOC alleged that a New Mexico car dealership subjected a class of male employees to same-sex sexual harassment and retaliated against those who complained. For many years, according to the suit, a male lot attendant engaged in unwelcome sexual conduct toward other male employees, including slapping and touching them on the buttocks or genitals; exposing his genitals and buttocks; soliciting sex in exchange for money; performing simulated sex acts; and, forcing their faces into his crotch area. In addition, according to the suit, newly hired male employees were subjected to a "car wash initiation" during which the lot attendant would expose his genitals and grope the new employees while riding through the car wash. According to the suit, after one salesperson complained about the harassment, his commissions were taken away, and he was assigned additional duties that prevented him from selling cars, forcing him to resign. After further evidence of retaliation was uncovered during litigation, the EEOC obtained a preliminary injunction barring defendant from threatening or engaging in retaliatory acts. A three-year consent decree provides approximately $2.1 million to 55 male employees. In consultation with a consent decree monitor, the company must revise its policies to emphasize a strong commitment to preventing sexual harassment and retaliation, and must establish workable complaint and investigation procedures. The company also agreed never to rehire five individuals identified in the decree.

In ***EEOC v. J.P. Morgan*** (S.D. Ohio), the EEOC alleged that a global provider of financial services subjected female employees in Ohio to sexual harassment and unequal terms and conditions of employment, and discharged an employee for opposing the discriminatory practices. According to the suit, male mortgage bankers received twice as many calls as the females, even though the calls were supposed to be randomly assigned. Moreover, according to the suit, male managers regularly made sexist and disparaging remarks about female mortgage bankers. Shortly after a female banker complained to management and contacted the EEOC, she was asked to resign. A two-year consent decree provides approximately $1.5 million to 16 female mortgage bankers and enjoins the company from sex-based harassment and discrimination. The company is also required to develop a call data retention system, so that assignments of sales calls can be accessed and analyzed to ensure equitable distribution.

In ***EEOC v. Princeton Healthcare System*** (D.N.J.), the EEOC alleged that a New Jersey medical center maintained attendance and leave policies that denied reasonable accommodations to employees with disabilities. The center's policies provided for progressive discipline for defined absences; discharge of employees ineligible for FMLA leave who could not return to work after seven consecutive absences; and discharge of employees who were unable to return to work after exhausting FMLA leave. The center did not consider reasonable accommodation of disabled individuals who required more leave than was permitted under its policies. A four-year consent decree provides approximately $1.4 million to 23 individuals, enjoins the center from determining eligibility for a leave of absence or time off based solely on the FMLA, and enjoins the center from requiring employees returning from disability leave to present a fitness for duty certification stating they are able to work without restrictions. The center must modify its policies accordingly.

In ***EEOC v. McCormick & Schmicks*** (D. Md.), the EEOC alleged that a nationwide seafood restaurant engaged in a pattern or practice of refusing to hire African Americans into front-of-the-house positions at Baltimore restaurants. According to the suit, those few African Americans who were hired into these positions were denied equal work assignments; in addition, the EEOC charged that the restaurant's on-line advertising contained visual depictions of employees demonstrating a preference for non-black employees. A two-year consent decree provided approximately $1.3 million to an estimated 200 individuals, established targets for hiring black applicants, and requires the restaurant to review its advertising to avoid expressing a preference for non-blacks. In addition, the restaurant must conduct a self-assessment of hiring and work assignments and submit progress reports to the EEOC.

In ***EEOC v. DSW*** (N.D. Ill.), the EEOC alleged that a nationwide shoe retailer fired a class of individuals aged 40 and older during a "reduction in force" and fired some employees who opposed orders to discriminate against older employees. The case was resolved by consent decree immediately after the suit filing, with approximately $1 million for 108 employees, training, and a requirement that the company report age discrimination complaints to the EEOC for three years.

In ***EEOC v. Ruby Tuesday*** (W.D. Pa.), the EEOC alleged that a nationwide chain of restaurants failed to hire applicants age 40 and older for any position at five restaurants in Pennsylvania and Ohio, and failed to maintain employment records. According to the suit, the restaurant commenced an image overhaul to present a "fresh" and "contemporary" look, and general managers were instructed to look for "Victoria's Secret" applicants and those who were "young" and "fresh." As a consequence, according to the suit, over a two-year period, virtually no older applicants were hired for front-of-the-house positions and only a few older applicants were hired for back-of-the-house positions. A three and one-half year consent decree provides $575,000 to approximately 200 individuals. The restaurant will make good faith, reasonable efforts to hire older individuals at a percentage equal to the applicant flow for each position, with specific targets. In addition, the restaurant will make good faith, reasonable efforts to broaden the pool of older applicants through steps such as increased advertising to older people and visual depictions of older employees in job advertisements and on its website.

In ***EEOC v. Save-A-Lot*** (S.D. Miss.), the EEOC alleged that a nationwide discount grocery store subjected female employees at three Mississippi stores to a hostile work environment based on sex and fired one because she opposed the harassment. According to the suit, for several months, the male operations manager subjected female employees to suggestive comments, sexual advances, and offers of money for sex. According to the suit, the defendant's owner was aware of the conduct but failed to address it. A 30-month consent decree provided $325,000 to 31 victims. In addition, the company must create and disseminate policies and procedures on sexual harassment, and retaliation, including for making and investigating complaints and taking prompt corrective action.

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

The EEOC has played a leading inter-agency role in serving the AAPI community. Chair Yang is the agency's designee to the White House Initiative on Asian Americans and Pacific Islanders' Interagency Working Group, and several EEOC field staff have leadership roles in the WHIAAPI Regional Interagency Working Group. In addition, the EEOC has partnered with the Department of Justice and the Department of Labor (DOL) to launch the AAPI Vulnerable Worker Project, which has begun a series of listening sessions throughout the country to hear directly from workers about their most significant challenges in the workplace. EEOC field staff have helped plan and execute these sessions. In addition to informing vulnerable populations about the work of the agency, the sessions are also providing valuable insights on new ways federal agencies can reach vulnerable populations.

The EEOC also continues to play an active role in government-wide efforts to combat human trafficking, including the PITF and SPOG. In regular inter-agency meetings, EEOC has reported to member agencies on outreach, enforcement, and litigation addressing forms of human trafficking that may violate the anti-discrimination laws. In November 2013, then-Commissioner Jenny R. Yang, along with EEOC staff, hosted the "Immigrant Worker Roundtable" meeting where representatives from several federal agencies, including the Department Of Justice-Office of Special Counsel, DOL, National Labor Relations Board, and Department of Homeland Security-Office of Immigration and Customs Enforcement discussed recent efforts to reach out to immigrant workers, including issues involving national origin discrimination and human trafficking. During FY 2014, at the direction of the President and in collaboration with a number of other agencies, EEOC worked on the development of the Federal Strategic Action Plan on Services for Victims of Human Trafficking (SAP), which is designed to improve coordination of these services across the federal government. The SAP was released in January 2014, and EEOC continues working with other agencies on the implementation and reporting on the SAP. In April 2014, then-Chair Jacqueline A. Berrien represented the Commission at the annual meeting of the PITF.

The EEOC also plays a lead role on the Federal Interagency Reentry Council, which is comprised of 20 federal agencies with a mission to: 1) make communities safer by reducing recidivism and victimization; 2) assist those who return from prison and jail in becoming productive citizens; and 3) save taxpayer dollars by lowering the direct and collateral costs of incarceration. A chief focus of the Reentry Council is to remove federal barriers to successful reentry, so that motivated individuals—who have served their time and paid their debts to society—are able to compete for a job, attain stable housing, support their children and their families, and contribute to their communities. In particular, the Reentry Council is working to reduce barriers to employment, so that these individuals can compete for appropriate work opportunities.

The EEOC is critical to this effort and is using this relationship to deepen and expand its work to educate employers, job applicants, and workers about the proper use of arrest and conviction records in employment. The EEOC helps coordinate the Council's communication and outreach efforts, participates in the employment-focused reentry subgroup, develops outreach materials, provides external federal agency technical assistance, makes numerous presentations at various outreach events and activities, and provides internal EEOC trainings. The agency is a constant resource for our partner agencies on the applicability of Title VII in this area in both the private and federal sectors.

The EEOC continues to explore further and to deepen collaboration with these reentry council agency partners on joint trainings, presentations and the development of education materials. For example, last year, the EEOC served on the steering committee of the Integrated Reentry and Employment Strategies project, a partnership that includes the Council of State Governments, DOJ, DOL and the Annie E. Casey Foundation. That Project developed an online toolkit designed to help workforce development officials create integrated strategies to improve reentry outcomes for individuals with criminal records. This year, the EEOC participated in a White House interagency collaborative effort concerning reentry and employment. In June 2014, the White House held an event honoring local Champions of Change who are doing extraordinary work to facilitate employment opportunities for individuals formerly involved in the justice system. On that same day, the White House hosted a related Business Roundtable discussion about reentry and ways to expand employment opportunities. Former EEOC Chair Berrien gave closing remarks for the roundtable and, during this "Year of Action," the EEOC is a key contributor to the federal policy and public education tools and activities being generated for employers, work force development and labor leaders, and policy experts dedicated to developing a strong workforce and ensuring our workplaces are fair and safe.

In FY 2014, the EEOC also played a leading role in the formation and development of the Curb Cuts to the Middle Class Initiative, an inter-agency effort designed to coordinate resources across the federal government in order to increase equal employment opportunities and financial independence for individuals with disabilities. The Curb Cuts Initiative is co-chaired by EEOC Commissioner Chai Feldblum and representatives from the Social Security Administration and Department of Justice. Other members of the Initiative include the Department of Labor, Office of Personnel Management, Department of Education, Veterans Affairs, and the National Council on Disability. Among other things, the Initiative is focused on increasing the number of individuals with disabilities in the federal workforce. Toward that end, in May of 2014, the EEOC released an Advanced Notice of Proposed Rulemaking (ANPRM) on regulations to implement the federal government's obligation to be a model employer of individuals with disabilities, pursuant to Section 501 of the Rehabilitation Act. The EEOC also worked with the Department of Labor's Office of Disability Employment Policy and the Office of Personnel Management to update its materials on the Schedule A hiring authority for people with disabilities. Commissioner Chai Feldblum was also a speaker at the White House Forum on Disability and LGBT issues.

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

Issuing regulations and guidance is at the heart of the 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 FY 2014, the agency issued the following regulatory actions, policy guidance, and technical assistance under the laws enforced by the EEOC.

Regulatory Actions:

Advanced Notice of Proposed Rulemaking (ANPRM) on Section 501 of the Rehabilitation Act of 1973 (Rehab Act). On May 15, 2014, the Commission published this ANPRM in the Federal Register inviting public comment on how to amend its regulations implementing Section 501 of the Rehabilitation Act, as amended, to clarify the federal government's obligation to be a model employer of individuals with disabilities. A copy of the ANPRM is available on the EEOC website at http://www.eeoc.gov/laws/regulations/index.cfm.

Final Rule on 29 C.F. R. 1601.30, "Notices to be posted." On March 19, 2014, the Commission published this final rule in the Federal Register adjusting for inflation the civil monetary penalty it will impose on covered entities who fail to display the "EEO is the Law" poster as required by law (29 USC 2000e-10(b)). The penalty, which had not been altered since 1997, was adjusted, in accordance with the Federal Civil Penalties Inflation Adjustment Act, from $110 to $210 per violation. 79 FR 15220 (3/19/2014).

Guidance and Technical Assistance:

Enforcement Guidance on Pregnancy Discrimination and Related Issues. On July 14, 2014, the Commission issued this new policy document analyzing the requirements of the Pregnancy Discrimination Act and the application of the ADA to pregnant workers with pregnancy-related impairments. This Enforcement Guidance is the first update of policy guidance on pregnancy discrimination in more than 30 years. It includes a section on recommended Best Practices.
http://www.eeoc.gov/laws/guidance/pregnancy_guidance.cfm.

On July 14, 2014, two related technical assistance documents about pregnancy discrimination were also issued: a Question and Answer document http://www.eeoc.gov/laws/guidance/pregnancy_qa.cfm and a Fact Sheet for Small Businesses http://www.eeoc.gov/eeoc/publications/pregnancy_factsheet.cfm.

Religious Garb and Grooming in the Workplace: Rights and Responsibilities. On March 6, 2014, the agency issued this technical assistance document on religious discrimination in the workplace with an accompanying fact sheet. Both documents provide practical advice and examples for stakeholders on disparate treatment, non-selection, segregation, harassment, accommodation, and retaliation issues arising from religious garb and grooming practices of applicants and employees. As technical assistance, these documents do not contain new policy or legal requirements. Copies of these documents are available on the EEOC website at http://www.eeoc.gov/eeoc/publications/qa_religious_garb_grooming.cfm and http://www.eeoc.gov/eeoc/publications/fs_religious_garb_grooming.cfm.

Background Checks: What Employers Need to Know, and *Background Checks: What Job Applicants and Employees Should Know.* On March 10, 2014, the EEOC and the Federal Trade Commission jointly issued technical assistance factsheets about employment background checks. Both documents summarize in simplified terms the basics of the federal EEO laws and the Fair Credit Reporting Act as they apply to employers requesting and using personal background information to screen applicants and employees. These documents are available on the EEOC website at: http://www.eeoc.gov/eeoc/publications/background_checks_employers.cfm and http://www.eeoc.gov/eeoc/publications/background_checks_employees.cfm.

Revisions to the Americans with Disabilities Act (ADA) Questions and Answers Series. On the agency's website, the EEOC has a series of technical assistance documents outlining how the ADA may apply to specific impairments, and the workplace rights of individuals with those impairments. On May 8, 2014, the EEOC issued updates of two of these documents to address how changes in the definition of "disability" as a result of the 2008 Americans with Disabilities Act Amendments Act (ADAAA) may affect who is covered under the ADA. The documents are:

- *Questions & Answers about Blindness and Vision Impairments in the Workplace and the Americans with Disabilities Act* (ADA) (http://www.eeoc.gov/eeoc/publications/qa_vision.cfm)

- *Questions and Answers about Deafness and Hearing Impairments in the Workplace and the Americans with Disabilities Act (ADA)* (http://www.eeoc.gov/eeoc/publications/qa_deafness.cfm)

Providing Strong Leadership and Oversight for Federal Agencies

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

EEOC's Management Directive 715 (MD-715) identifies "Essential Elements" for structuring model EEO programs. Attaining a model EEO program provides an agency with the necessary foundation for achieving a discrimination-free work environment. The six essential elements for maintaining model Title VII and Rehabilitation Act programs are: (1) demonstrated commitment from agency leadership; (2) integration of EEO into the agency's strategic mission; (3) management and program accountability; (4) proactive prevention of unlawful discrimination; (5) efficiency; and (6) responsiveness and legal compliance.

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

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

In FY 2013, the EEOC deployed the Federal Sector EEO Portal (FedSEP) to all federal agencies to provide electronic submission and collection of Federal Agency EEO Program Reporting (MD-715) workforce data. In FY 2014, the agency fully integrated MD 715, the Annual Federal Equal Employment Opportunity Statistical Report of Discrimination Complaints (EEOC Form 462), and Census Data into FedSEP, standardizing the data with the master agency list maintained by OPM. FedSEP captures and stores the data used by EEOC for analyzing the workforce composition of federal agencies, their EEO processing statistics, and trends within the federal workforce. It will allow EEOC to better identify potential discriminatory policies or practices within federal agencies to establish priorities and issue/monitor compliance plans to address the areas of concern. In FY 2015, EEOC will integrate the Hearings and Appeals data maintained in the Integrated Mission System into FedSEP for consolidated reporting and analysis. Information available to the hearings and appellate units will be combined with agency complaint data, workforce data, and barrier analyses to build a more complete picture of how agencies are progressing in the development of model EEO programs.

Concurrent with these efforts, in FY 2014, the EEOC piloted a Federal Case Management System that will bring consistency and greater efficiencies to the processing of federal sector complaints through the early categorization of incoming hearings and appeals. The implementation of the Case Management System will permit the EEOC to identify priority cases and obtain a better understanding of the types of cases in its inventory.

EEOC staff analyzes and assesses federal agencies' annual submission of MD-715 reports to ascertain agencies' progress in creating model EEO programs. EEOC provides oversight to over 200 federal agencies and their subcomponents. To facilitate this oversight responsibility, the EEOC conducts in-person and telephonic remote assistance meetings with the responsible agency employees, as well as provides multi-year trend analysis feedback letters to the agencies.

The EEOC's success in its oversight role comes not from the mere exercise of collecting data; it comes from what EEOC and the agencies do with that data. Agencies have the responsibility to identify those red flags that are discovered in the MD-715 data and conduct investigations of the anomalies generated by workplace policies, procedures, and practices with an eye toward eliminating barriers to equal employment. If an agency finds a barrier, it has a responsibility to eliminate it. Similarly, as the oversight agency, the EEOC has the ongoing responsibility to provide the technical assistance necessary to accomplish this enormously important task.

The agency has provided feedback to agencies on their MD-715 submissions via various means, including technical assistance visits, one-year feedback letters, and three-year trend analysis letters. In response to comments from federal agency stakeholders, the EEOC continues to provide feedback letters to agencies on a rotating basis. This feedback is designed to provide comprehensive analysis that tracks the agency's progress toward establishing a model EEO program.

During FY 2014, the OFO provided technical assistance to the 56 largest agencies in order to meet goals established by the Federal Sector Complement Plan. The meetings 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. OFO also issued feedback letters to all of those agencies by the end of the fiscal year.

In furtherance of Performance Measure 5, the agency completed two program evaluations on EEOC's Strategic Enforcement Plan Priority 5 (Preserving Access to the Legal System) and issued one compliance plan. OFO completed a program evaluation of the Transportation Security Administration (TSA), specifically to assess whether TSA employees have adequate information about how to access the EEO complaint process in compliance with the laws, regulations, and other written instructions enforced by the EEOC, and whether employees were discouraged from filing EEO complaints. A compliance plan was issued to TSA on June 18, 2014.

The EEOC also undertook additional activities in support of SEP/FCP Priority 5. Specifically, in the 4th quarter of FY 2014, the agency issued a practical guide consisting of a compilation of practices and ideas for federal agencies to efficiently and effectively distribute to their employees information concerning EEO laws and regulations. (The report is available at http://www.eeoc.gov/federal/upload/Practical-Guide-to-Providing-EEO-Program-Info-to-Employees-SEP-2014.pdf).

Additionally, the EEOC published a report examining improper dismissals of EEO complaints in the federal sector. The report not only identified agencies that had higher than Government average rates of reversals on appeal of procedural dismissals, but also identified strategies for agencies to better apply the dismissal provisions of the EEOC's regulations. (The report is available at http://www.eeoc.gov/federal/reports/dismissals.cfm).

Extending the Reach of the Agency

Agency Outreach Continues to Reach Diverse Audiences

In keeping with the Strategic Plan's prioritization of outreach and education, in FY 2014 the EEOC's outreach, education, and technical assistance efforts focused on increasing voluntary compliance with federal equal employment laws and on improving employee and employer awareness of rights and responsibilities under federal employment discrimination laws, especially amongst underserved groups and in underserved areas.

The agency's no-cost outreach programs reached 236,140 persons in FY 2014. EEOC offices participated in 3,512 no-cost educational, training, and outreach events. Additionally, in FY 2014, the Training Institute trained 18,000 individuals at more than 420 events, including 100 field Customer Specific Training events with approximately 4,600 attendees.

Specific outreach events included 1,665 oral presentations, 175 training sessions and 219 stakeholder input meetings. These three major types of educational events reached 118,266 people, and included information meetings with community organizations and professional associations. Through participation in job fairs, ethnic and cultural festivals, expositions and conventions, staff distributed information to over 30,000 people. EEOC employees also made 291 media presentations, including newspaper, radio and TV interviews, talk shows, and press conferences that provided substantive equal employment opportunity information to millions of stakeholders.

Small Business Outreach. The EEOC worked collaboratively with the small business community to prevent employment discrimination and promote voluntary compliance. Agency offices conducted 588 no-cost outreach events directed toward small businesses in FY 2014, reaching 32,726 small business representatives. The most popular topics for small business audiences were an overview of the laws enforced by the EEOC, charge processing procedures, sexual harassment, Title VII, and the ADA. Also, working with the Small Business Administration's

Office of the National Ombudsman, the 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.

Outreach to Vulnerable/Underserved Workers and Areas. In FY 2014, the EEOC conducted events geared toward reaching vulnerable/underserved workers and underserved areas. The agency reached 97,828 people by conducting a total of 1,407 events. Staff members traveled to states and communities where no EEOC office is located or where certain communities are reluctant to come forward to complain of employment discrimination, and partnered with local community organizations, consulates, and other entities to reach these workers. For example, 276 events, reaching 22,883 individuals, were targeted for migrant farm worker communities and their advocates to provide education and information about discrimination. There were 253 events focused on human trafficking issues; working with community-based organizations devoted to trafficking issues, and reaching 11,143 people. There were also 122 events that reached 5,519 people and focused on the topics of limited English proficiency. In addition, 335 events, reaching 23,829 people, focused on the issue of the use of arrest and conviction records in employment; raising awareness about the impact on those who are trying to re-enter the workforce and become productive citizens. Finally, the EEOC also provided 175 off-site intake and counseling services in neighborhoods where persons with limited English proficiency may be less likely to visit agency offices.

In FY 2014, the EEOC also signed a National Memorandum of Understanding (MOU) with Mexico to coincide with the many agreements various field offices have with Mexican Consulates around the country. The MOU identifies ways in which the EEOC and Mexico will work together to reach and protect the rights of members of the Mexican community as it relates to outreach, education, and enforcement efforts. The agency has also entered into similar local agreements in various areas with Consulates of Ecuador, Guatemala, and El Salvador.

Outreach to Asian American and Pacific Islander (AAPI) Communities. As part of the White House Initiative, the EEOC continued its communications and partnerships with the AAPI community. In FY 2014, the agency conducted 245 events, reaching 23,358 people, to raise awareness about the EEOC and the laws the agency enforces. The EEOC also partnered at events with several organizations that represent the AAPI communities. These events included ethnic media interviews, presentations at community gatherings and cultural fairs and celebrations; staffing informational booths, stakeholder input meetings and training. Staff also disseminated information in several languages to educate the AAPI community about employment discrimination laws, and expanded sessions where staff conducted off-site intake and counseling. In addition to outreach to individual members of the AAPI communities and organizations that represent them, the agency also conducted outreach to the AAPI business community.

The table on the next page shows the number of outreach events and the number of attendees for FY 2014 at events that covered all of the EEOC's national priorities identified in the agency's Strategic Enforcement Plan.

Outreach and Collaboration with Other Federal Agencies. In FY 2014, the EEOC continued efforts to partner with other federal agencies to reach the various advocate and employer communities around the country. Experience has shown that pooling federal resources allows the EEOC to be more effective and efficient in its outreach efforts. As a result, the agency conducted 210 outreach events with the DOL's Office of Federal Contract Compliance and 225 events with other DOL sub-agencies. The EEOC also continued the partnership with and membership in DOL's Consular Partnership Program, along with DOL's Bureau of International Labor Affairs, Wage & Hour Division, the Occupational Health and Safety Administration; and the National Labor Relations Board. The Consular Partnership Program is charged with working with various embassies and consulates to reach the particular communities in the United States to educate workers about their labor and employment rights and employers about their responsibilities and best practices under the laws enforced by each agency. The agency also conducted 87 events with the Department of Justice.

Providing Employers and Employees with Education and Technical Assistance

The EEOC Training Institute 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 that are an on-going aspect

2014 TABLE OF EVENTS AND ATTENDEES		
National Priorities	**Events**	**Attendees**
Recruitment/Hiring	639	38,662
Immigrant/Migrant/Vulnerable Workers (includes immigrant/migrant farm workers, human trafficking, limited English proficiency, reentry, youth, and other vulnerable workers)	2,799	186,586
Emerging/Developing Issues (Total)	1,795	122,093
Americans with Disabilities Amendments Act (ADAAA)	870	62,211
Pregnancy Discrimination Act/ADA	405	26,880
LGBT	520	33,002
Equal Pay	616	39,671
Access to Legal System (includes retaliation, recordkeeping violations, waivers, mandatory arbitration)	775	48,200
Harassment (includes non-sexual and sexual harassment)	892	53,331

of the agency's mission. The Training Institute offers diverse, high quality, reasonably priced EEO expertise and training products to private sector employers, state and local government personnel, and employees of federal agencies. In FY 2014, the Institute trained over 18,000 individuals at more than 420 events, generating approximately $3.3 million in revenue. This enabled the Institute to remain self-sustaining for another year, and allowed for the reimbursement of $1.2 million to the EEOC for indirect costs associated with its operations, including 100 percent of Training Institute staff and portions of field and headquarters staff performing dedicated activities for the Institute. The Institute offered the following products/service lines.

Technical Assistance Program Seminars (TAPS). The one- and two-day TAP Seminars offered by the Training Institute are responsive to employers' information and training needs and allow the agency to educate employers and employees on how to identify, prevent and eliminate workplace discrimination. In FY 2014, 30 TAPS were conducted across the country with nearly 5,100 participants. Throughout FY 2014, TAPs continued to receive excellent evaluations. Over 94 percent of the attendees at multi-issue TAPs rated the event as "above average" or "outstanding."

Examining Conflicts in Employment Laws (EXCEL) Conference. This year's conference marked the 17th anniversary of the event that attracted more than 1,000 attendees. It was combined with the federal sector, private sector, and the local Fair Employment Practices Agencies. This format continued the expansion launched in FY 2013 of this popular event for EEO managers, HR professionals, attorneys, union officials, and other EEO professionals. The Training Institute provides administrative and logistical support for EXCEL. The conference included more than 10 plenary sessions and more than 60 open workshops. In addition to the general plenary and workshops, there was a preconference session for new investigators and counselors attended by more than 230 individuals and 3 separate closed tracks covering Counselor Refresher, Investigator Refresher, and Hearings Preparation. Among the highlights during the 2014 EXCEL conference, which celebrated the 50th anniversary of the passage of the Civil Rights Act of 1964, was the opening session by then Chair, Jacqueline Berrien, along with the featured keynote presentation by author and legendary civil rights activist, Myrlie Evers-Williams. Other conference presenters included Clay Risen, author of *The Bill of the Century: The Epic Battle for Civil Rights Act*, and Lynn Povich, author of *The Good Girls Revolt.*

Customer Specific Training. The Customer Specific Training (CST) program trains employees, managers, supervisors, and human resource professionals from large, mid-size, and small employers on their EEO responsibilities and how to prevent and correct workplace discrimination. Standardized courses are available, or the Institute can design customized courses to be delivered at employers' work sites. In FY 2014, the Training Institute held 100 field CST events that reached approximately 4,600 attendees.

Federal Courses and CSTs. In addition to the EXCEL conference, courses covering skills training for federal investigators, mediators, and counselors were presented and funded through the Training Institute. There were 850 attendees this year for the federal courses offered around the country and in Washington, DC. There were also 92 federal CSTs conducted during FY 2014.

Improved Labor–Management Relations

During FY 2014, the agency continued to work toward improving labor and employee relations. These efforts continued with 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 the agency's national telework policies now published on the agency's internal website. The parties also reviewed and jointly modified the awards program that applies to non-Senior Executive Employees. Grievances and unfair labor practices were also reduced this year. The Union filed only two unfair labor practice charges in 2014 compared to seven in 2013; and only five grievances compared to eight in 2013. In addition, over 90 percent of the agency's Headquarters and Field Offices have completed negotiations on their Telework and Alternative Work Schedules local agreements, in accordance with the newly negotiated collective bargaining agreement.

The National Joint Labor Management Council's activities, initiated under President Obama's Executive Order 13522—Creating Labor-Management Forums to Improve Delivery of Government Services, had a productive year. Under the Executive Order, there is an expectation that there will be pre-decisional participation by employees and their union in matters, many of which were previously reserved to management. The EEOC Council, comprised of both management and labor, agreed that the definition of pre-decisional involvement was "simply the union and management coming together to discuss a matter and sharing information early in the process prior to making a decision." It was determined that this process would be followed by the National and Local JLMCs, where practical.

The National JLMC's Cost Savings, Morale, and Liaison work groups were also active this year. The Cost Savings work group focused on two specific areas—paper savings and transportation costs. It was determined that significant cost savings could be made in the area of transportation because travelers may now use alternative travel carriers and are not limited to using the contract carrier. In August 2014, the Morale Improvement work group conducted a Morale Survey that focused on employee engagement and morale. More than 820 of the 2,200 employees of the EEOC responded to the survey and more than 500 of those respondents' submitted comments. The results of the survey are forthcoming. The Liaison work group announced that funds totaling $32,231 had been awarded to the seven District JLMCs that submitted funding requests for local JLMC projects. Some of the local projects addressed improving the agency's systemic procedures, community observances for the agency's 50 year anniversary celebration, and labor-management training under the President's Executive Order.

Employees' Viewpoint Survey Results

The FY 2014 results show 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. In fact, employees rate the overall quality of work done in their work unit above 83 percent. Employees also say they are held accountable for achieving results and know how their work relates to agency goals. Supervisors/Team Leaders talk with their employees about their performance and treat them with respect.

Survey analysis conducted in FY 2014 revealed improvements from FY 2013 to FY 2014. Employees feel more prepared for potential security threats; a rating that increased by seven percentage points. Although more employees report that they have sufficient resources to get their job done, a rating that increased by five percent, this still remains a significant concern for many employees with 49 percent reporting that they do not have sufficient resources. Employees continue to have concern about the reasonableness of their workload, with a decrease by one percent of employees reporting that their workload is reasonable. . Ratings also show an increase of three percentage points in employee confidence about arbitrary action, personal favoritism, and coercion for partisan political purposes not being tolerated. However, employees continue to express concern about disclosing a suspected violation of any law, rule, or regulation without fear of reprisal, with only a one percent increase.

To address concerns raised by the Federal Employee Viewpoint Survey, the agency continued to utilize the BEST initiative—Building Employee Satisfaction Together. In FY 2014, the EEOC addressed employee issues through the BEST webpage and email address. The Office of the Chair will work actively with the National Joint Labor Management Council to address these and other critical employee engagement issues.

Implementing Hiring Reform

In FY 2014, the agency was, for the first time in several years, able to hire significant numbers of new employees. This enabled the agency to recruit for approximately 300 external positions to fill critical needs in both field offices and headquarters. Pursuant to initiatives from the Office of Personnel Management and the Office of Management and Budget, the EEOC's Office of the Chief Human Capital Officer continues to work with agency hiring managers and senior officials to strengthen hiring tools and improve the agency's hiring process. The goal continues to be to timely hire new employees within 78 calendar days.

Due to the unusually high volume of authorizations in one quarter, the agency did not meet its target of 75 percent new hires completed in 78 days. A majority of the new hires were not made until late in the fiscal year. Agency staff worked to expedite the hiring process by developing standardized interview questions for many jobs and providing significant assistance to hiring managers in the field. The agency sought to ensure that this unprecedented hiring opportunity would yield the maximum benefit for the agency by bringing on board an outstanding cadre of new hires.

The hiring process required a significant number of requests for second announcements, extensions of certificates, changes in the area of consideration, changing grades and/or language requirements from bilingual to non-bilingual; and extensions of Enter on Duty dates. Early in FY 2015, efforts will be made to put policies and procedures in place to reduce these time barriers for future hiring initiatives. This will allow EEOC's improved tracking system to continue to quickly identify barriers, such as delays in announcing positions due to inaccurate or incomplete crediting plans, delays in interviewing and selection, or extensions of time to select from a certificate, so that adjustments can be made to timely meet the agency's efficiency goal in hiring.

Verification and Validation of Data

The EEOC's private sector, federal sector, and litigation programs require accurate enforcement data, as well as reliable financial and human resources information, to assess the 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.

The agency 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. This year the EEOC has enhanced the system for submitting data files for the EEO-1, using a file transfer protocol site so that e-mail will not be necessary. The agency has also improved the access that employers will have to uploaded data files. This will help increase the accuracy of the data, reducing manual data entry in the online system with easier correction of errors in uploaded files. The agency also took steps to reduce the number of paper filing by encouraging firms that file paper to voluntarily switch to online filing.

Greater use of the EEO-1 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 submit annual equal employment opportunity statistics (EEOC Form 462 and MD-715) continues to improve the quality and timeliness of the information received electronically. 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 the EEOC can now obtain this data much more quickly and with greater data accuracy.

The 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 the 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 it to forego the development of an entirely new strategic plan that would have begun in 2014. OMB granted a deferral from the requirement to formulate a new strategic plan on December 10, 2013. Moreover, on January 22, 2014, the EEOC and OMB agreed that the agency would provide an interim modification, authorized under Circular A-11 section 230.17 that would: 1) serve only as an extension of the agency's current plan; 2) fill the two-year gap after the Plan expires in FY 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 Strategic Plan for fiscal years 2012 through 2016, which was initially issued on February 22, 2012. 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 FY 2016 to include targets for performance in FYs 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 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 in FY 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 the EEOC's FYs 2012 and 2013 PARs published in November 2012 and December 2013, respectively, and its FYs 2014 and 2015 budget submissions to Congress.

Performance Measure 4: By the end of FY 2016, 22-24 percent of the cases in the agency's litigation docket are systemic cases.

Consistent with this measure, during FY 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 FY 2016, as expressed in a series of target ranges.

Performance Measure 6: By FY 2016, 65-70 percent of the EEOC's administrative and legal resolutions contain targeted, equitable relief.

In 2013, the EEOC enhanced its Integrated Mission System (IMS) database to collect data and generate reports on resolutions with different types of targeted, equitable relief (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 FY 2016 to include an increase in resolutions with TER within a range of 63-67 percent in FY 2014; 64-68 percent in FY 2015; and 65-70 percent in FY 2016.

Performance Measure 7: By FY 2016, 15-17 percent of resolutions by Fair Employment Practices Agencies (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 FY 2013. To better capture the variance in the number of FEPA resolutions achieved through TER, the EEOC developed a series of ranges for future targets through FY 2016 to include an increase in FEPA resolutions with TER within a range of 13-15 percent in FY 2014; 14-16 percent in FY 2015; and 15-17 percent in FY 2016. (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 whom the EEOC has work-sharing agreements).

Performance Measure 8: By FY 2016, the EEOC is maintaining 108 significant partnerships with organizations that represent vulnerable workers and/or underserved communities.

The baseline established in FY 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 FY 2016.

Performance Measure 9: By FY 2016, the EEOC is maintaining 86 significant partnerships with organizations that represent small or new businesses (or with businesses directly).

In FY 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 FY 2016.

Established Extended Performance Targets for Fiscal Years 2017-2018

As noted earlier, the 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 FYs 2017 and 2018 are detailed in the graphics below.

PERFORMANCE MEASURE 1: By FY 2016, the 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 2016, 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 2016, 100% of federal sector case inventory is categorized according to a new case management system and TBD percent 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 2016, 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 2016, the 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 plans.	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 2016, 65-70% of the 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 2016, 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 2016, the EEOC is maintaining 108 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 2016, the EEOC is maintaining 86 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, the 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 2014.

PERFORMANCE MEASURE 11: The 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: The EEOC strengthens the skills and improves the diversity of its workforce.

TARGETS	FY 2017	FY 2018
a) Number of employees with disabilities	501	501
b) Number of employees with targeted disabilities	125	125
c) Percentage of hires made within 78 days	85%	85%

PERFORMANCE MEASURE 13: The 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 2017and 2018; established targets met in 2016.

PERFORMANCE MEASURE 14: The EEOC's budgetary resources for FY 2014-2017 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.	Prepare EEOC's FY Performance (OMB) Budget that aligns resources with the Strategic Plan. Prepare EEOC's FY Congressional Budget.

Management Challenges for FY 2015

Four of the most significant management challenges facing the U.S. Equal Employment Opportunity Commission in FY 2015 are in financial management, strategic management of human capital, strategic performance management, and reduction of the private sector charge inventory.

In August, 2014, President Obama appointed Jenny R. Yang to serve as the Chair of the EEOC. Chair Yang has noted that the EEOC "must strengthen our national systemic program, harness the collective knowledge across our agency, align our objectives, and collaborate on common strategies." In our view, to make substantial progress on these and other priorities, the EEOC needs to be successful in meeting the following four challenges: financial management, strategic management of human capital, strategic performance management, and reduction of the private sector charge inventory.

Financial Management

In FY 2014, the EEOC contracted for migration of its financial system support services from Global Computer Enterprises (GCE) to Department of Interior/Interior Business Center (DOI/IBC). The migration resulted from GCE indicating it would file for bankruptcy by the end of FY 2014 and cease providing services to the EEOC. In addition to paying DOI/IBC an initial installment of over $600,000 to begin providing these services in FY 2015, EEOC paid $1.7 million to the General Services Administration[1] to provide access, for one year (September 18, 2014-September 17, 2015), to essential financial system data that GCE previously maintained for EEOC.

The unanticipated cessation of services and the unbudgeted costs for obtaining the data led to operational and financial challenges for the EEOC, which will carry over to FY 2015. Due to the critical importance of financial services (e.g., recording obligations, making payments, etc.) and the complicated technical nature of the migration, the EEOC's management needs to carefully monitor the technical aspects of the migration process to successfully meet the FY 2015 deadline for completion.

The unanticipated FY 2015 financial system migration presents a technical challenge and a potential financial challenge. The EEOC FY 2015 budget request is $365.5 million, a minor $1.5 million dollar increase over its FY 2014 budget. Thus, any additional significant unanticipated costs associated with the migration to DOI/IBC may substantively adversely impact agency resources. Therefore, the EEOC needs to implement thorough planning, including contingency planning, to account for unanticipated cost increases driven by the migration, and related matters. The OIG will continue to monitor the process through its completion.

Strategic Management of Human Capital

Strategic management of human capital, including personnel security, is a significant management challenge affecting the EEOC's ability to perform its mission. In July 2014, the EEOC completed a human capital accountability plan and provided other information to the Office of Personnel Management (OPM) resulting in OPM closing out its Human Capital Management Evaluation of the EEOC. The evaluation focused on the five Human Capital Assessment and Accountability Framework (HCAAF) systems: Strategic Alignment, Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Accountability. This framework was used to evaluate major human capital initiatives underway and system linkages needed to further achieve desired results. The evaluation also determined the EEOC's adherence to merit system principles, law, and regulations, and to assess its efficiency and effectiveness in administering human capital management programs and systems.

Having passed the OPM review, the agency should now seek opportunities to improve its accountability system in FY 2015 and beyond. First, the EEOC is scheduled to conduct an independent accountability assessment and report its results to OPM in FY 2015. In addition, as OIG noted in the 2013 Summary of Significant Management Challenges, OPM recommended that the EEOC conduct a competency gap analysis of mission critical occupations. The EEOC completed a gap analysis survey in FY 2014. Completion of survey data analysis and of the gap analysis itself is planned for FY 2015. The gap analysis will include proposed activities such as hiring and training activities that are intended to close the gaps. Because this is the first time the EEOC will conduct such audit and gap analyses, the EEOC must diligently oversee these activities to ensure timely and effective completion.

The OIG issued a Performance Audit of the Agency's Personnel Security Program on September 15, 2014. The objectives of this audit were to: 1) ensure that the EEOC has implemented a Personnel Security Program that adheres to policies and procedures

[1] The U.S. Department of Labor, through the General Services Administration, acquired certain assets of GCE, including data owned by the EEOC.

as described by the Office of Personnel Management (OPM) and the Code of Federal Regulations, as well as to determine whether the EEOC's personnel security program was effective and efficient; and 2) ensure that the agency adequately protected classified information that it uses in performance of its Equal Employment Opportunity work for National Security Agencies.

The report states that the EEOC has not developed a cohesive agency-wide classified information management policy to address the safeguarding, training, transfer, storage, or disposal of classified information. Classified information is managed by several EEOC headquarters offices and field offices based on verbal guidance from the originating federal agencies. Without a cohesive agency-wide policy, the EEOC cannot provide assurance to the proper oversight, consistent training and safeguarding of classified information. Although the EEOC designed an overall compliant personnel security program, it needs to improve the implementation of the program in order to achieve optimum effectiveness and efficiency. Absent improvements to the implementation of the program, the EEOC may not be able to provide assurance that there are no individuals holding positions for which they are unqualified, thereby limiting the EEOC's ability to protect national security, privacy-related information.

Strategic Performance Management

As we noted in last year's Management Challenges, the EEOC needs to successfully implement the Strategic Enforcement Plan, including a key subcomponent, the Quality Control Plan (QCP). If the EEOC successfully implements a stringent QCP, it could bring about more effective and efficient charge processing, which should result in a significant improvement in reducing the discrimination charge inventory without sacrificing charge processing quality. The QCP, as described in the Strategic Plan, establishes criteria to measure the quality of investigations and conciliations and develops a peer review assessment system. Work began on the QCP in FY 2013 with completion targeted for April 30, 2013; but it remains incomplete as of the close of FY 2014.

Completing the QCP in FY 2015 should be a high priority for the EEOC. The QCP is important in ensuring quality and consistent processing of private sector charges while the agency also works to reduce that inventory. As called for in the Strategic Plan, the agency needs to complete the quality control system for investigations and conciliations, and a framework for developing measures to ensure that established quality benchmarks are met.

We also believe the EEOC can meet some of the performance management goals through adopting several outcome-based performance measures by amending the Strategic Plan. In September 2012, the 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 meet this challenge by adopting outcome measures for each of the EEOC's three strategic objectives and track progress towards reducing employment discrimination in the United States. Developing and tracking such measures may be formidable, but well worth the investment so that the EEOC can continually pursue the highest and best use of its resources in reducing employment discrimination.

Reduction of the Private Sector Charge Inventory

The EEOC again faces a major challenge in addressing the pending inventory of private-sector discrimination charges, while improving the quality of charge processing. After reducing the inventory an aggregate 18.6 percent in FY 2011-2012, the inventory increased by less than one percent in FY 2013. In FY 2014, the inventory increased from 70,781 to 75,935 (an Agency estimate), a 7.28 percent increase. Two major factors in the increase were the shutdown of the federal government in early FY 2014 and the decrease of investigators from FY 2012 to FY 2013.

Reducing the charge inventory requires adequate numbers of staff (investigators in particular). From FY 2012 to FY 2013, the EEOC's investigative staff shrank significantly, from 726 to 656. However, based upon information provided by the Office of the Chief Human Capital Officer and the Office of Field Programs, in FY 2014, the EEOC increased the investigative staff by approximately 60, increasing the number of investigators to approximately 716. This means that the agency should be able to process more charges in FY 2015 than 2014. Because of fluctuations in charges received, this will not necessarily translate into reduced inventory.

While moving ahead with activities aimed at making charge processing more efficient, the EEOC's management also needs to ensure high quality standards for charge processing (as discussed in the strategic performance management challenge above) and maintain accurate information in the Information Management System (IMS).

OFFICE OF THE INSPECTOR GENERAL TO THE CHAIR

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

Office of
Inspector General

November 14, 2014

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr
Inspector General

SUBJECT: FY 2014Agency Compliance with the Federal Managers' Financial Integrity Act (OIG Report No. 2014-06-AIC)

The *Federal Managers' Financial Integrity Act* (FMFIA), *P.L. 97-255*, as well as the Office of Management and Budget's (OMB) Circular A-123, Management Accountability and Control, establish specific requirements for management controls. Each agency head must establish controls to reasonably ensure that: (1) obligations and costs are in compliance with applicable laws; (2) funds, property and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and (3) revenues and expenditures applicable to agency operations are properly recorded and accounted for in order to permit the preparation of reliable financial and statistical reports, as well as to maintain accountability over the assets. FMFIA further requires each executive agency head, on the basis of an evaluation conducted in accordance with applicable guidelines, to prepare and submit a signed statement to the President disclosing that 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 7, 2014, the Office of Research, Information and Planning (ORIP) submitted EEOC's Fiscal Year 2014 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 2014 Federal Managers' Financial Integrity Act Assurance Statement, and Assurance Statement Letter, and attachments. Based on our limited independent assessment of this year's process, OIG is pleased to advise you that the Agency's management control evaluation was conducted in accordance with OMB and FMFIA regulations.

Further, based on the results of audits, evaluations, and investigations conducted by OIG during Fiscal Year 2014, OIG concurs with ORIP's assertion that the Agency had no material weaknesses during this reporting cycle.

OIG concurs with ORIP's reporting of one financial non-conformance where a corrective action plan has been implemented to resolve it in FY 2015.

FINANCIAL STATEMENTS

Message from the Chief Financial Officer

The Accountability of Tax Dollars Act of 2002 requires the EEOC to prepare yearly financial statements. I am happy to report that for the 11th consecutive year we received an unmodified (clean) opinion on EEOC financial statements this year. Thank you to the staff in the Office of the Chief Financial Officer as well as administrative staff throughout the agency. Your dedication and hard work made this possible.

FY 2014 was a challenging year for the EEOC's financial operations due to our private sector financial service provider's inability to remain a going concern. Many services performed on EEOC's behalf, including vendor payments were untimely. Twelve days before the end of the fiscal year, a new provider assumed operation of the existing financial system hardware, software, and financial services. The new provider has kept the financial system operational. Currently, the new provider is completing some outstanding system- and service-related projects. Timely payment of the EEOC's bills is a priority. The agency is working closely with the new provider to ensure quality services are afforded to vendors, government agencies, and EEOC employees.

On the Budget front, the FY 2014 appropriation was $20M more than FY 2013. This infusion of funds allowed the EEOC to lift a two year hiring freeze; agencywide more than 200 external candidates for front-line and support positions were hired. Also, additional funding was allocated to strategic plan priorities. The agency is on track for restoring its capacity to more effectively meet the EEOC's mission.

Last year, I discussed the need for cost containment of rent and the reallocation of rent savings to other priority programs. This year, the EEOC continued to "freeze the footprint" to realize the cost containment goal. The Space Allocation Guidelines were updated to incorporate a 20 percent space reduction for telework. Also, EEOC analyzed the real estate footprint for a few locations to determine the cost benefit of returning excess space to GSA. During FY 2015, the agency will identify other opportunities to realize rent savings.

Over the next several years, the fiscal constraints are expected to remain and the funding to be limited. Sound financial management and budget planning will remain among the EEOC's top priorities in order to provide the services required by the public.

Germaine P. Roseboro

Germaine P. Roseboro, CPA, CGFM
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Office of
Inspector General

November 17, 2014

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2014 Financial Statements (OIG Report No. 2014-01-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 2014. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Office of Management and Budget's Bulletin 14-02, *Audit Requirements for Federal Financial Statements,* as amended.

HRK reported that EEOC's fiscal year 2014 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 regards to Internal Control over Financial Reporting, HRK noted two areas involving internal control and its operation that are considered to be significant deficiencies. These included the lack of sufficient controls over supporting documentation for personnel expenses, and the lack of sufficient controls over financial management relating to the failure to evaluate controls at the financial systems service provider Global Computer Enterprises (GCE). HRK noted no instances of non compliance or other matters that were required to be reported under Government Auditing Standards or OMB Bulletin 14-02.

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 U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls or on whether EEOC's financial management systems substantially complied with FFMIA; or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 17, 2014 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
Kimberly Hancher
Peggy Mastroianni
Todd Cox
Carlton Hadden
Deidre Flippen

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

Independent Auditors' Report

Inspector General
U.S. Equal Employment Opportunity Commission

Report on the Financial Statements

We have audited the accompanying consolidated balance sheet of the Equal Employment Opportunity Commission (EEOC), as of September 30, 2014 and 2013, and the related consolidated statements of net cost, and changes in net position, and combined statement 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 general accepted accounting principles 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. 14-02, Audit Requirements for Federal Financial Statements. Those standards and OMB Bulletin No. 14-02 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.

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

Harper, Rains, Knight & Company, P.A. • Certified Public Accountants • Consultants
700 12th Street, NW, Suite 700 • Washington, DC 20005
Telephone 202.558.5167 • Facsimile 601.605.0733 • www.hrkcpa.com

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

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, 2014 and 2013, 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

Generally accepted accounting principles 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 Chair and 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*.

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

Internal Control over Financial Reporting - continued

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. During our audit, we did identify deficiencies in internal control that we consider to be significant deficiencies, described in Exhibit I.

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, and certain provisions of other laws and regulations specified in OMB Bulletin No. 14-02. 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 or OMB Bulletin No. 14-02.

EEOC's Responses to Findings

EEOC's responses to the findings identified in our audit are described in Exhibit I. 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 17, 2014

Significant Deficiencies
Exhibit I

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 2014, we tested a sample of 63 employees' personnel expenses and supporting documentation maintained by EEOC in the employees' personnel files (eOPF) for the period of October 1, 2013 through March 31, 2014. Based on our testing, we identified the following exceptions:

- **Two (2)** employees do not have a FEHB enrollment form (SF-2809, SF-2810 or transcript) in eOPF, but show FEHB transactions per FPPS and LES.
- **Five (5)** employees' enrollment code per most recent FEHB enrollment form (SF-2809, SF-2810 or transcript) in eOPF does not agree to enrollment code on LES for pay period sampled which results in a variance between the employee's withholding amount calculated by the auditor and per the LES.
- **Four (4)** employees' enrollment code per most recent FEHB enrollment form (SF-2809, SF-2810 or transcript) in eOPF does not agree to enrollment code on LES for pay period sampled which results in a variance between the employer's contribution amount calculated by the auditor and per FPPS.
- **Two (2)** employees do not have a FEGLI enrollment form (SF-2817, FE 2004 or RI 76-27) in eOPF, but show FEGLI transactions per FPPS and LES.
- **Six (6)** employees' elected 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 effective during pay period sampled which results in a variance between actual employee withholdings per LES and calculated employee withholdings per OPM.
- **Three (3)** employees' elected 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 effective during pay period sampled which results in a variance between actual employer contributions per FPPS and employer contributions as calculated by the auditor.
- **One (1)** employee does not have a TSP election form (TSP-1 or transcript) in eOPF, but shows TSP transactions per LES.
- **Seven (7)** employees' elected contribution (percentage/dollar amount) per most recent TSP election form (TSP-1 or transcript) in eOPF does not agree to contribution on LES for pay period sampled which results in variances between the employee withholding amount per LES and employee withholding as calculated by the auditor.
- **Seven (7)** employees' elected contribution (percentage/dollar amount) per most recent TSP election form (TSP-1 or transcript) in eOPF does not agree to contribution on LES for pay period

sampled which results in 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, and FY 2013.

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: We accept the recommendation that EEOC update its controls over the maintenance of its official personnel files. The Office of Chief Human Capital Office (OCHCO) has established a 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 posted in e-OPF directly. However, this is not always done in "real" time. Therefore, OCHCO is currently working with Interior Business Center (IBC) to establish a link to "view FEHB/TSP Transaction Data" bi weekly. This report will allow OCHCO to view all FEHB and TSP transactions completed in Employee Express in a certain time frame (bi weekly); whereas we can cross reference any activities. This should be accomplished by November 24, 2014; and if not OCHCO will follow-up with IBC.

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) and scanning in those documents we have received from our new hires. In addition, management will continue to perform a thorough review of its employees' personnel files to ensure that documentation is accurate and current, as we started this spring.

Also, you tested a sample of 63 payroll expense transaction and noted 37 exceptions. We have reviewed the 37 exceptions of which seven issues (2/6/51/55 and 1/10/26) were the same employees/same issues; twenty-two (22) were exceptions, which we will have to possibly negotiate with affected employees to complete a corrective document; and the remaining 8 have been investigated, forms located and scanned, in the appropriate e-OPF.

Auditors' Response: FY 2015 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

2. Lack of Sufficient Controls over Financial Management

The U.S. Equal Employment Opportunity Commission (EEOC) did not properly evaluate the controls in place at its financial systems service provider, Global Computer Enterprises, Inc. (GCE), during the fiscal year.

The U.S. 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.

The Federal Managers Financial Integrity Act of 1982 (FMFIA) states: "Internal accounting and administrative controls of each executive agency shall be established in accordance with standards prescribed by the Comptroller General, and shall provide reasonable assurances that --

(i) obligations and costs are in compliance with applicable law
(ii) funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
(iii) revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the assets.

GCE ceased its operations in September, 2014. As a result, GCE did not conduct or provide EEOC with an SSAE 16 Report over the controls in place during the fiscal year and EEOC did not perform an evaluation of the controls at the service provider.

The lack of monitoring internal controls could result in an inadequate assessment of the risk of material misstatement to the financial statements, ineffective review of financial transactions, and potential misstatement of the financial statements.

To address this issue, we recommend that EEOC implement procedures to ensure that it has a complete understanding of policies and procedures at its service providers.

Significant Deficiencies
Exhibit I

Management's Response: EEOC will be proactive to implement procedures so that we have a clear understanding of the services that are provided by our financial service provider (Note: relative to this recommendation, there was an unusual situation with GCE/GSA/DOL with the purchase of GCE). In February 2015, EEOC service provider will be DOI/IBC. Our previous experiences with DOI/IBC were exceptional and we do not foresee that this problem will exist with DOI/IBC.

Auditors' Response: FY 2015 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2014 and 2013 (in dollars)

	FY 2014	FY 2013
ASSETS:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 74,993,132	$ 55,598,951
Accounts Receivable (Note 3)	225,741	50,375
Advances and Prepaid Expenses	1,663,562	24,454
Total Intragovernmental	76,882,435	55,673,780
Public:		
Accounts Receivable, Net (Note 3)	275,960	136,594
General Property, Plant and Equipment, Net (Note 4)	4,705,555	5,833,367
Advances and Prepaid Expenses	25,200	30,410
TOTAL ASSETS	81,889,150	61,674,151
Stewardship PP&E		

	FY 2014	FY 2013
LIABILITIES:		
Intragovernmental:		
Accounts Payable (Note 6)	$ 1,073,414	$ 1,309,042
Employer payroll taxes	1,140,968	954,580
Worker's compensation liability (Note 7)	2,587,587	2,802,436
Other Liabilities (Note 5)	66,884	266
Total Intragovernmental	4,868,853	5,066,324
Public:		
Accounts Payable	20,690,617	13,344,911
Accrued payroll	5,535,163	4,653,544
Accrued annual leave (Note 7)	18,381,687	18,765,203
Future worker's compensation liability (Note 7)	12,255,529	13,254,476
Employer payroll taxes	339,384	311,908
Amounts collected for restitution (Note 7)	26,006	28,369
Deferred revenue	127,435	112,338
TOTAL LIABILITIES	**62,224,674**	**55,537,073**

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2014 and 2013 (in dollars) *(continued)*

	FY 2014	FY 2013
NET POSITION:		
Funds from Dedicated Collections:		
Cumulative Results of Operations	2,852,625	3,117,352
Total Net Position—Funds from Dedicated Collections	2,852,625	3,117,352
All Other Funds:		
Unexpended Appropriations	45,228,193	31,944,943
Cumulative Results of Operations	(28,416,342)	(28,925,217)
Total Net Position—All Other Funds	16,811,851	3,019,726
TOTAL NET POSITION	19,664,476	6,137,078
TOTAL LIABILITIES AND NET POSITION	**$ 81,889,150**	**$ 61,674,151**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2014 and 2013 (in dollars)

COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT	FY 2014	FY 2013
Private Sector:		
Enforcement	$ 172,025,360	$ 159,157,631
Mediation	24,163,200	43,500,495
Litigation	73,273,243	67,166,061
Intake Information	9,087,077	10,024,016
State and Local	34,928,279	29,913,516
Total Program Costs—Private Sector	313,477,159	309,761,719
Revenue	(72,000)	(209,435)
Net Cost—Private Sector	313,405,159	309,552,284
Federal Sector:		
Hearings	28,302,110	25,738,224
Appeals	16,850,047	14,555,471
Mediation	945,839	886,875
Oversight	6,026,682	5,396,910
Total Program Costs—Federal Sector	52,124,678	46,577,480
Revenue	-	-
Net Cost—Federal Sector	52,124,678	46,577,480
Total, Private, Federal Sectors		
Program Costs	365,601,837	356,339,199
Revenue	(72,000)	(209,435)
Net Costs, Private, Federal Sectors	365,529,837	356,129,764
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH		
Outreach:		
Fee Based	3,906,902	3,346,161
Non-Fee Based	1,492,006	518,111
Total Program Costs—Outreach	5,398,908	3,864,272
Revenue	(3,450,577)	(3,207,053)
Net Cost—Outreach	1,948,331	657,219
Totals, All Programs		
Program Costs	371,000,745	360,203,471
Revenue (Note 11)	(3,522,577)	(3,416,488)
Net Cost of Operations	**$ 367,478,168**	**$ 356,786,983**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2014 and 2013 (in dollars)

	FY 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)
Adjustments:			
Beginning Balances, As Adjusted	$ 3,117,352	$ (28,925,217)	$ (25,807,865)
Budgetary Financing Sources:			
Appropriations Used	-	346,837,996	346,837,996
Non-Exchange 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
Adjustments:			
Beginning Balances, As Adjusted	$ -	$ 31,944,943	$ 31,944,943
Budgetary Financing Sources:			
Appropriations Received (Note 12)	-	364,000,000	364,000,000
Other Adjustments	-	(3,878,754)	(3,878,754)
Appropriations Used	-	(346,837,996)	(346,837,996)
Total Budgetary Financing Sources	-	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.

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2014 and 2013 (in dollars) *(continued)*

	FY 2013		
	Consolidated Funds from Dedicated Collections	**Consolidated All Other Funds**	**Consolidated Total**
CUMULATIVE RESULTS OF OPERATIONS			
Beginning Balances:	$ 2,492,669	$ (27,792,180)	$ (25,299,511)
Adjustments:			
Beginning Balances, As Adjusted	$ 2,492,669	$ (27,792,180)	$ (25,299,511)
Budgetary Financing Sources:			
Appropriations Used	-	337,196,793	337,196,793
Non-Exchange Revenue	-	1,080	1,080
Donations and Forfeitures of Cash and Cash Equivalents	-	5,261	5,261
Other Financing Sources (Non-Exchange):			
Imputed Financing (Note 15)	-	19,076,575	19,076,575
Other (+/-)	-	(1,080)	(1,080)
Total Financing Sources	-	356,278,629	356,278,629
Net Cost of Operations	624,683	(357,411,666)	(356,786,983)
Net Change	624,683	(1,133,037)	(508,354)
Cumulative Results of Operations	3,117,352	(28,925,217)	(25,807,865)
UNEXPENDED APPROPRIATIONS			
Beginning Balances:	$ -	$ 27,513,783	$ 27,513,783
Adjustments:			
Beginning Balances, As Adjusted	$ -	$ 27,513,783	$ 27,513,783
Budgetary Financing Sources:			-
Appropriations Received (Note 12)	-	370,000,000	370,000,000
Other Adjustments	-	(28,372,047)	(28,372,047)
Appropriations Used	-	(337,196,793)	(337,196,793)
Total Budgetary Financing Sources	-	4,431,160	4,431,160
Total Unexpended Appropriations	-	31,944,943	31,944,943
Net Position	**$ 3,117,352**	**$ 3,019,726**	**$ 6,137,078**

The accompanying notes are an integral part of these statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2014 and 2013 (in dollars)

	FY 2014	FY 2013
Budgetary Resources:		
Unobligated Balance Brought Forward, October 1	$ 11,504,972	$ 11,468,501
Adjustment to unobligated balance brought forward, Oct 1 (+ or -)	(204,000)	-
Unobligated balance brought forward, Oct 1, as adjusted	11,300,972	11,468,501
Recoveries of Prior Year Unpaid Obligations	2,842,373	3,964,269
Other Changes in Unobligated Balance (+ or -)	(3,878,754)	(2,590,877)
Unobligated Balance from Prior Year Budget Authority, Net	10,264,591	12,841,893
Appropriations (Discretionary and Mandatory) (Note 12)	364,000,000	344,218,830
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	3,346,877	3,501,557
Total Budgetary Resources	$ 377,611,468	$ 360,562,280
Status of Budgetary Resources:		
Obligations Incurred (Note 13)	$ 368,833,152	$ 349,057,308
Unobligated Balance, End of Year:		
Apportioned	1,561,298	2,090,459
Unapportioned	7,217,018	9,414,513
Unobligated Balance, End of Year	8,778,316	11,504,972
Total Budgetary Resources	$ 377,611,468	$ 360,562,280
Change in Obligated Balance:		
Unpaid Obligations:		
Unpaid Obligations, Brought Forward, October 1	$ 44,115,985	$ 42,751,345
Obligations Incurred	368,833,152	349,057,308
Outlays (Gross) (-)	(344,184,213)	(343,728,399)
Recoveries of Prior Year Unpaid Obligations (-)	(2,842,373)	(3,964,269)
Unpaid Obligations, End of Year	65,922,551	44,115,985
Uncollected Payments:		
Uncollected Payments, Federal Sources, Brought Forward, October 1 (-)	(50,375)	(282,939)
Change in Uncollected Payments, Federal Sources (+ or -)	(175,366)	232,564
Uncollected Payments, Federal Sources, End of Year (-)	$ (225,741)	$ (50,375)
Memorandum (non-add) entries:		
Obligated Balance, Start of Year (+ or -)	44,065,610	42,468,406
Obligated Balance, End of Year (Net)	65,696,810	44,065,610
Budget Authority and Outlays, Net:		
Budget Authority, Gross (Discretionary and Mandatory)	$ 367,346,877	$ 347,720,387
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(3,459,511)	(3,734,121)
Change in Uncollected Customer Payments from Federal Sources (Discretionary and Mandatory) (+ or -)	(175,366)	232,564
Budgetary Authority, Net (Discretionary and Mandatory)	$ 363,712,000	$ 344,218,830
Outlays, Gross (Discretionary and Mandatory)	$ 344,184,213	$ 343,728,399
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(3,459,511)	(3,734,121)
Outlays, Net (Discretionary and Mandatory)	$ 340,724,702	$ 339,994,278
Distributed Offsetting Receipts (-)		
Agency Outlays, Net (Discretionary and Mandatory)		

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2014 and 2013

(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 the 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 (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 Statement 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 Financial Cloud Solutions (FCS) 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

The 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.

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

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

(e) Assets and Liabilities

Assets and liabilities presented on the EEOC's balance sheets include both entity and non-entity balances. Entity assets are assets that the EEOC has authority to use in its operations. Non-entity assets are held and managed by the EEOC, but are not available for use in operations. The EEOC's non-entity assets represent receivables that, when collected will be transferred to the 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 the EEOC for which Congress has appropriated funds, or funding is otherwise available to pay amounts due. Liabilities not covered by budgetary or other resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The liquidation of liabilities not covered by budgetary or other resources is dependent on future congressional appropriations or other funding.

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

Fund Balances with the U.S. Treasury are fund balances remaining as of the fiscal year (FY)-end from which the EEOC is authorized to make expenditures and pay liabilities resulting from operational activity, except as restricted by law. The balance consists primarily of appropriated undelivered orders, accounts payables, unavailable balances, and deposit funds that will be disbursed to third parties. The 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 the EEOC's revolving fund.

(g) Accounts Receivable

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

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

Accounts receivable from non-federal agencies are stated net of an allowance for estimated uncollectible amounts. 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, the EEOC capitalizes equipment (including capital leases), with a useful life of more than 2 years and an acquisition cost of $100,000 or more. Leasehold improvements and capitalized software are capitalized 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 increases the asset life by more than 2 years.

Depreciation or amortization of equipment is computed using the straight-line method over the assets' useful lives ranging from 5 to 15 years. Copiers are depreciated using a 5-year life. Computer hardware is depreciated over 10 to 12 years. Capitalized software is amortized over a useful life of 2 years. Amortization of capitalized software begins on the date it is put in service, 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.

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

(i) Advances and Prepaid Expenses

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

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

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

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

(k) Retirement Benefits

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

For employees under FERS, the EEOC contributes an amount equal to 1% of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional 5% of pay. FERS and CSRS employees can contribute $17,500 of their gross earnings to the plan, for the calendar years 2014 and 2013. However, CSRS employees receive no matching agency contribution. There is also an additional $5,500 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2014 and 2013.

The EEOC recognizes the full cost of providing future pension and Other Retirement Benefits (ORB) for current employees as required by SFFAS No. 5, *Accounting for Liabilities of the Federal Government*. Full costs include pension and ORB contributions paid out of EEOC appropriations and costs financed by the U.S. Office of Personnel Management (OPM). The amount financed by OPM is 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 the EEOC.

(l) Workers' Compensation

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

Additionally, an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases is recorded, as well as a component for claims that have been incurred but have not yet been reported. The 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 the EEOC as restitution to several claimants named in a court case. These monies will be paid to claimants as directed by the courts.

(o) Cost Allocations to Programs

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

(p) Unexpended Appropriations

Unexpended appropriations include the unobligated balances and undelivered orders of the 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, the 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, 2014 and 2013 consists of the following:

	FY 2014	FY 2013
Fund Type		
Revolving funds	$ 2,898,331	$ 3,087,605
Appropriated funds	72,068,795	52,482,977
Other fund types	26,006	28,369
Totals	**$ 74,993,132**	**$ 55,598,951**

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 re-apportioned, 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 $38,831,767 and $23,596,864 for FY 2014 and FY 2013, 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 FYs ended September 30, 2014 and 2013, funds in closed accounts of $3,878,754 and $2,590,877 were returned to Treasury. For FYs ended September 30, 2014 and 2013, miscellaneous receipts of $116,482 and $111,798 were returned to Treasury.

Status of Fund Balance with Treasury as of September 30, 2014 and 2013 consists of the following:

	FY 2014	FY 2013
Status of Funds		
Unobligated balance:		
Available	$ 1,561,298	$ 2,090,459
Unavailable	7,709,018	9,414,513
Obligated balance not yet disbursed	65,696,810	44,065,610
Non-budgetary Fund Balance with Treasury	26,006	28,369
Totals	**$ 74,993,132**	**$ 55,598,951**

(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 the 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, 2014 and 2013 are as follows:

	FY 2014	FY 2013
Intragovernmental:		
Accounts receivable (see detail below)	$ 225,741	$ 50,375
Totals	**$ 225,741**	**$ 50,375**

	FY 2014	FY 2013
With the public:		
Accounts receivable	$ 485,690	$ 315,602
Allowance for uncollectible receivables	(209,730)	(179,008)
Totals	**$ 275,960**	**$ 136,594**

Amounts due from various federal agencies are for accounts receivable as of September 30, 2014 and 2013. These are related to registered participants' training fees due to the revolving fund and appropriated interagency agreements as shown in the table below:

	FY 2014	FY 2013
Agency		
Department of Homeland Security	$ 51,104	$ 7,375
Bureau of Consumer Financial Protection	30,000	-
Department of Housing and Urban Development	26,189	-
Department of Justice	14,536	698
Department of Defense	12,730	-
Department of Health and Human Services	11,349	600
Department of Agriculture	10,656	-
Department of the Treasury	10,360	-
Department of the Interior	8,783	850
Department of Energy	7,727	2,836
Department of Labor	7,221	6,174
Department of the Navy	5,453	275
Department of the Air Force	4,620	-
Department of the Army	4,409	4,409
Department of Commerce	4,332	-
National Aeronautics and Space Administration	3,500	-
Social Security Administration	3,093	1,150
Environmental Protection Agency	1,899	1,899
Export-Import Bank of US	1,800	-
Department of State	1,700	1,700
Selective Service System	1,543	-
Department of Education	975	975
Securities and Exchange Commission	975	-
Department of Veterans Affairs	638	-
Central Intelligence Agency	149	1,949
Consumer Product Safety Commission	-	7,000
Defense Agencies	-	6,635
Other Independent Agencies	-	5,850
Totals	**$ 225,741**	**$ 50,375**

(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, 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**

As of September 30, 2013	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 908,432	$ (875,881)	$ 32,551
Capital leases	193,910	(193,910)	-
Internal use software	4,134,204	(4,134,204)	-
Leasehold improvements	11,772,261	(5,971,445)	5,800,816
Totals	**$ 17,008,807**	**$ (11,175,440)**	**$ 5,833,367**

Depreciation expense for the periods ended September 30, 2014 and 2013 is:

FY 2014	FY 2013
$ 1,112,378	**$ 1,120,701**

(5) Non-Entity Assets

The EEOC has $66,884 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2014, and $266 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2013.

(6) Liabilities Owed to Other Federal Agencies

As of September 30, 2014 and 2013, the following amounts were owed to other federal agencies:

Agency:	FY 2014	FY 2013
Department of Transportation	$ 550,377	$ 443,633
General Services Administration	443,985	757,887
Government Printing Office	36,168	-
Department of Homeland Security	9,998	16,808
Other Independent Agencies	9,705	-
Environmental Protection Agency	8,043	(6,044)
Department of Justice	7,625	7,625
Department of the Interior	5,000	61,093
Office of Personnel Management	2,063	1,810
National Archives and Records Administration	450	450

Agency:	FY 2014	FY 2013
Department of Labor	$ -	$ 23,026
Department of Health and Human Services	-	2,779
US Army Corps of Engineers	-	(25)
Totals	**$ 1,073,414**	**$ 1,309,042**

(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, 2014 and 2013 are shown in the following table:

	FY 2014	FY 2013
Intragovernmental:		
Worker's compensation liability	$ 2,587,587	$ 2,802,436
Total Intragovernmental	2,587,587	2,802,436
Accrued annual leave	18,381,687	18,765,203
Future worker's compensation liability	12,255,529	13,254,476
Amounts collected for restitution	26,006	28,369
Total liabilities not covered by budgetary resources	33,250,809	34,850,484
Total liabilities covered by budgetary resources	28,973,865	20,686,589
Total Liabilities	**$ 62,224,674**	**$ 55,537,073**

(8) Liabilities Analysis

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

	Current	Non-Current	Totals
Liabilities Not Covered by Budgetary Resources:			
Intragovernmental:			
Worker's 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 worker's 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**

Current and non-current liabilities as of September 30, 2013 are shown in the following table:

	Current	Non-Current	Totals
Covered by Budgetary Resources:			
Intragovernmental:			
Accounts payable	$ 1,309,042	$ -	$ 1,309,042
Employer payroll taxes	954,580	-	954,580
Other liabilities	266	-	266
Total Intragovernmental	2,263,888	-	2,263,888
Accounts payable	13,344,911	-	13,344,911
Accrued payroll	4,653,544	-	4,653,544
Employer payroll taxes	311,908	-	311,908
Deferred revenue	112,338	-	112,338
Liabilities Covered by Budgetary Resources	20,686,589	-	20,686,589
Liabilities Not Covered by Budgetary Resources:			
Intragovernmental:			
Worker's compensation liability	1,575,179	1,227,257	2,802,436
Total Intragovernmental	1,575,179	1,227,257	2,802,436
Accrued annual leave	18,765,203	-	18,765,203
Future worker's compensation liability	-	13,254,476	13,254,476
Amounts collected for restitution	28,369	-	28,369
Liabilities Not Covered by Budgetary Resources	20,368,751	14,481,733	34,850,484
Total Liabilities	**$ 41,055,340**	**$ 14,481,733**	**$ 55,537,073**

(9) Contingent Liabilities

The 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 the EEOC.

In FY 2014 and FY 2013, 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 the 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 the EEOC's management, the ultimate resolution of this pending litigation will not have a material effect on the EEOC's financial statements.

(10) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases during FYs 2014 and 2013 are $28,200,594 and $27,947,290, respectively. The EEOC does not have any noncancellable operating leases with terms longer than one year.

(11) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and 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, 2014 and 2013 was as follows:

	FY 2014	FY 2013
Reimbursable revenue	$ 72,000	$ 209,435
Fees from services	3,450,577	3,207,053
Total Revenue	**$ 3,522,577**	**$ 3,416,488**

(12) Appropriations Received

Warrants received by the Commission as of September 30, 2014 and 2013 are:

FY 2014	FY 2013
$ 364,000,000	**$ 370,000,000**

The EEOC received the following warrant reductions for FYs 2014 and 2013:

	FY 2014	FY 2013
Across the board reductions		7,671,010
Sequestration Reduction		18,110,160
Total warrant reductions	**$ -**	**$ 25,781,170**

(13) Obligations Incurred

Direct and Reimbursable obligations, by apportionment category, incurred as of September 30, 2014 and 2013 are:

Obligations	FY 2014	FY 2013
Direct A	$ 335,674,189	$ 318,288,246
Direct B	29,487,861	27,465,370
Subtotal direct obligations	365,162,050	345,753,616
Reimbursable A	3,671,102	3,303,692
Total Obligations	**$ 368,833,152**	**$ 349,057,308**

(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 the EEOC.

Balance Sheet as of September 30	FY 2014	FY 2013
ASSETS		
Fund Balance with Treasury	$ 2,898,331	$ 3,087,605
Accounts receivable (net of allowance)	331,911	123,173
Advances and prepaid expenses	913	47,068
TOTAL ASSETS	**$ 3,231,155**	**$ 3,257,846**
LIABILITIES		
Accounts payable	251,095	28,156
Deferred revenue	127,435	112,338
TOTAL LIABILITIES	**$ 378,530**	**$ 140,494**
NET POSITION		
Cumulative results of operations	2,852,625	3,117,352
TOTAL LIABILITIES AND NET POSITION	**$ 3,231,155**	**$ 3,257,846**

Statement of Net Cost for the Periods Ended September 30	FY 2014	FY 2013
Program costs	$ 3,715,304	$ 2,582,370
Revenue	(3,450,577)	(3,207,053)
Net Cost (Revenue)	**$ 264,727**	**$ (624,683)**

(15) Imputed Financing

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. The U.S. Treasury's Judgment Fund paid certain judgments on behalf of the EEOC in FY 2014. Expenses of the EEOC paid or to be paid by other federal agencies at September 30, 2014 and 2013 consisted of:

	FY 2014	FY 2013
Judgment Fund	$ 1,238,498	$ -
Office of Personnel Management:		
Pension expenses	10,445,307	9,341,286
Federal employees health benefits (FEHB)	9,168,016	9,702,705
Federal employees group life insurance (FEGLI)	32,499	32,584
Total Imputed Financing	**$ 20,884,320**	**$ 19,076,575**

(16) Gross Program Costs and Exchange Revenue:

The Consolidated Statements of Net Cost report the EEOC's gross costs less earned revenues to arrive at net cost of operations for each FY presented. The table below shows the value of exchange transactions between the EEOC and other federal entities as well as with the public. Intragovernmental and nongovernmental costs and revenues for FY 2014 and FY 2013 consisted of:

	FY 2014	FY 2013
Costs		
Office of Personnel Management	$ 56,092,934	$ 55,781,333
General Services Administration	33,107,370	32,049,002
Treasury General Fund	12,349,848	11,890,407
Department of Transportation	2,746,133	655,669
Department of Homeland Security	2,696,946	2,754,017
Department of the Interior	1,650,817	1,482,266
Department of the Treasury	1,238,498	19,450
Department of Labor	975,042	1,461,275
US Postal Service	839,540	-
Department of Health and Human Services	377,485	388,272
Library of Congress	115,177	38,189
National Archives and Records Administration	93,800	76,390

		FY 2014		FY 2013
Costs				
Government Printing Office	$	60,622	$	-
Administrative Conference of the US		60,000		-
Environmental Protection Agency		30,093		61,909
Other Independent Agencies		4,419		42,403
US Army Corps of Engineers		1,750		213
National Aeronautics and Space Administration		798		-
Department of Agriculture		(1,483)		1,340
Department of Commerce		-		40,500
Department of Justice		-		7,625
National Labor Relations Board		-		3,114
National Science Foundation		-		1,815
Intragovernmental Costs		112,439,789		106,755,189
Public costs		258,560,956		253,448,282
Total Program costs	**$**	**371,000,745**	**$**	**360,203,471**

**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 2014		FY 2013
Revenue				
Department of Defense	$	245,225	$	177,775
Department of Homeland Security		98,382		143,846
Department of Agriculture		89,592		40,179
Department of the Army		88,869		33,009
Department of the Air Force		70,497		26,061
Department of Labor		69,808		63,057
Department of the Interior		64,758		147,968
Department of the Navy		59,219		18,812
Department of Justice		51,883		23,795
Department of Energy		50,942		50,043
Department of Health and Human Services		47,516		49,233
Department of Transportation		43,830		35,194
Department of Veterans Affairs		42,760		46,111
Bureau of Consumer Financial Protection		38,320		2,475
Department of the Treasury		36,054		50,367
Social Security Administration		34,083		108,385
Department of Commerce		33,715		8,615
Department of Housing and Urban Development		33,638		7,872

	FY 2014	FY 2013
Revenue		
Equal Employment Opportunity Commission	$ 26,201	$ 7,736
Office of Personnel Management	23,555	41,593
US Postal Service	22,104	10,349
General Services Administration	19,148	10,368
National Aeronautics and Space Administration	18,537	19,720
Federal Deposit Insurance Corporation	17,177	5,340
Executive Office of the President	16,284	5,788
Central Intelligence Agency	16,008	23,276
Nuclear Regulatory Commission	14,121	3,130
Commodity Futures Trading Commission	12,975	3,250
Environmental Protection Agency	11,787	32,168
Tennessee Valley Authority	11,005	9,671
Securities and Exchange Commission	8,295	7,640
District Of Columbia — Court Services and Offender Supervision Agency	7,872	-
Department of Education	7,835	3,176
National Labor Relations Board	7,106	-
Department of State	6,467	11,786
Small Business Administration	5,851	-
Government Printing Office	4,714	15,448
Export-Import Bank of US	4,464	-
Federal Housing Finance Agency	4,332	5,007
Federal Election Commission	4,263	1,825
Smithsonian Institution	4,169	2,789
National Foundation on the Arts and the Humanities	3,988	300
Consumer Product Safety Commission	3,945	9,100
The Judiciary	3,600	-
Railroad Retirement Board	2,489	2,925
Agency for International Development	2,290	1,644
Commission on Civil Rights	2,290	-
National Transportation Safety Board	2,139	-
Denali Commission	2,120	-
Federal Communications Commission	2,120	-
Federal Retirement Thrift Investment Board	2,020	-
Office of Special Counsel	1,594	975
Selective Service System	1,543	2,000
Government Accountability Office	1,450	300
Millennium Challenge Corporation	1,445	975
Presidio Trust	1,444	-

		FY 2014		FY 2013
Revenue				
National Archives and Records Administration		1,245		-
National Railroad Passenger Corporation	$	1,245	$	-
Congressional Budget Office		1,194		-
International Trade Commission		1,145		3,645
Federal Labor Relations Authority		975		-
National Science Foundation		969		1,804
Occupational Safety and Health Review Commission		850		-
Federal Maritime Commission		700		600
Armed Forces Retirement Home		638		319
Federal Trade Commission		600		600
Office of Government Ethics		575		-
Office Of Compliance		300		-
Other Independent Agencies		-		25,331
Federal Mediation and Conciliation Services		-		1,950
US Tax Court		-		975
Merit Systems Protection Board		-		600
Architect of the Capitol		-		175
Treasury General Fund		-		(13,500)
Intragovernmental earned revenue		1,518,274		1,293,575
Public earned revenue		2,004,303		2,122,913
Total Program Earned Revenue (Note 11)		**3,522,577**		**3,416,488**
Net Cost of Operations		**$ 367,478,168**		**$ 356,786,983**

(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, 2013 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2014, since the President's Budget for this period has not been issued by Congress.

The differences between the President's 2013 budget and the Combined Statement of Budgetary Resources for 2013 are shown below:

Dollars in millions	Budgetary Resources	Obligations	Outlays
As reported on the Combined Statement of Budgetary Resources for FY 2012	$ 361	$ 349	$ 340
(a) Revolving fund collections not reported in the budget	(3)		3
(b) Obligations in the revolving fund (no-year fund) not included in the President's budget		(3)	(3)
(c) Carry-forwards and recoveries in the revolving fund (no-year fund) not included in the President's Budget	(2)		

Dollars in millions	Budgetary Resources	Obligations	Outlays
(d) Carry-forwards and recoveries in expired funds	(15)		
(e) Obligations in expired funds		(2)	
(f) Canceled appropriations	3		
(g) Rounding differences			1
As reported in the President's Budget for FY 2013	**$ 344**	**$ 344**	**$ 341**

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

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

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

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

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

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

(g) Difference due to rounding by millions.

(18) Reconciliation of Net Cost of Operations to Budget

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 the EEOC with its net cost of operations.

	FY 2014	FY 2013
Resources Used to Finance Activities		
Current Year Gross Obligations	$ 368,833,152	$ 349,057,308
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Actual Offsetting Collections	(3,459,511)	(3,734,121)
Change in Receivables from Federal Sources	(175,366)	232,564
Recoveries of Prior Year Unpaid Obligations	(2,842,373)	(3,964,269)
Other Financing Resources		
Imputed Financing Sources	20,884,320	19,076,575
Total Resources Used to Finance Activity	$ 383,240,222	$ 360,668,057

	FY 2014	FY 2013
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	15,097	(4,827)
Change in Undelivered Orders	(15,234,903)	(4,919,673)
Change in Deferred Revenue	(15,097)	4,827
Change in Nonfederal Receivables	(89,181)	(94,872)
Change in Donated Revenue	-	5,261
Components of the Net Cost of Operations which do not Generate or Use Resources in the Reporting Period Revenues without Current Year Budgetary Effect		
Other Financing Sources Not in the Budget	$ (20,884,320)	$ (19,076,575)
Costs without Current Year Budgetary Effect		
Depreciation and Amortization	1,112,378	1,120,701
Disposition of Assets	15,434	-
Future Funded Expenses	(598,365)	74,879
Imputed costs	20,884,320	19,076,575
Bad Debt Expenses	30,494	52,913
Other Expenses Not Requiring Budgetary Resources	(997,911)	(120,283)
Net Cost of Operations	**$ 367,478,168**	**$ 356, 786,983**

(19) Improper Payments Elimination and Recovery Improvement Act of 2012

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), requires agencies to review all programs and activities they administer and identify those which may be susceptible to significant erroneous payments. For all programs and activities in which the risk of erroneous payments is significant, agencies are to estimate the annual amount of erroneous payments made in those programs. OMB guidance provided in Circular No. A-136 and Appendix C of Circular No. A-123 requires detailed information related to EEOC's Improper Payments Elimination Program, which is provided below.

In FY 2014, the 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 FY 2014. The risk assessment was performed for the following programs:

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

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, the EEOC determined that none of its programs and activities are susceptible to significant improper payments at or above the threshold levels set by OMB. Significant erroneous payments are defined as annual erroneous payments in the program exceeding both $10 million and 2.5 percent or $100 million of total annual program payments. In accordance with Appendix C of Circular A-123, the EEOC is not required to determine a statistically valid estimate of erroneous payments or develop a corrective action plan if the program is not susceptible to significant improper payments.

In FY 2014, EEOC's testing of its payments resulted in improper payment percentages that were well below one-half percent and less than $30,000.

Since the level of risk of erroneous payment is determined to be low and baseline estimates have been established, the EEOC is only required to conduct a formal risk assessment every three years unless the program experiences a significant change. The EEOC will conduct a follow on review in FY 2015 of its programs and activities to determine whether the programs have experienced any unexpected changes. If so, the EEOC will re-assess the programs' risk susceptibility and make a statistically valid estimate of erroneous payments for any programs determined to be susceptible to significant erroneous payments

Recapture of Improper Payments

The 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, the EEOC considered its low improper payment rate based on testing conducted in FY 2014. The 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, the 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.

The 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, the EEOC will implement a pilot payment recapture audit to measure the likelihood of cost-effective payment recapture audits on a larger scale.

Even though the 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 IPIA. The amounts identified and recovered, by program, are shown below.

Overpayments Recaptured (in dollars)

Source	Amount Identified FY 2014	Amount Recovered FY 2014	Cumulative Identified	Cumulative Recovered
Travel payments	$ 1,678	$ 1,678	$ 1,678	$ 1,678

APPENDICES

APPENDIX A: ORGANIZATION AND JURISDICTION

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

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

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

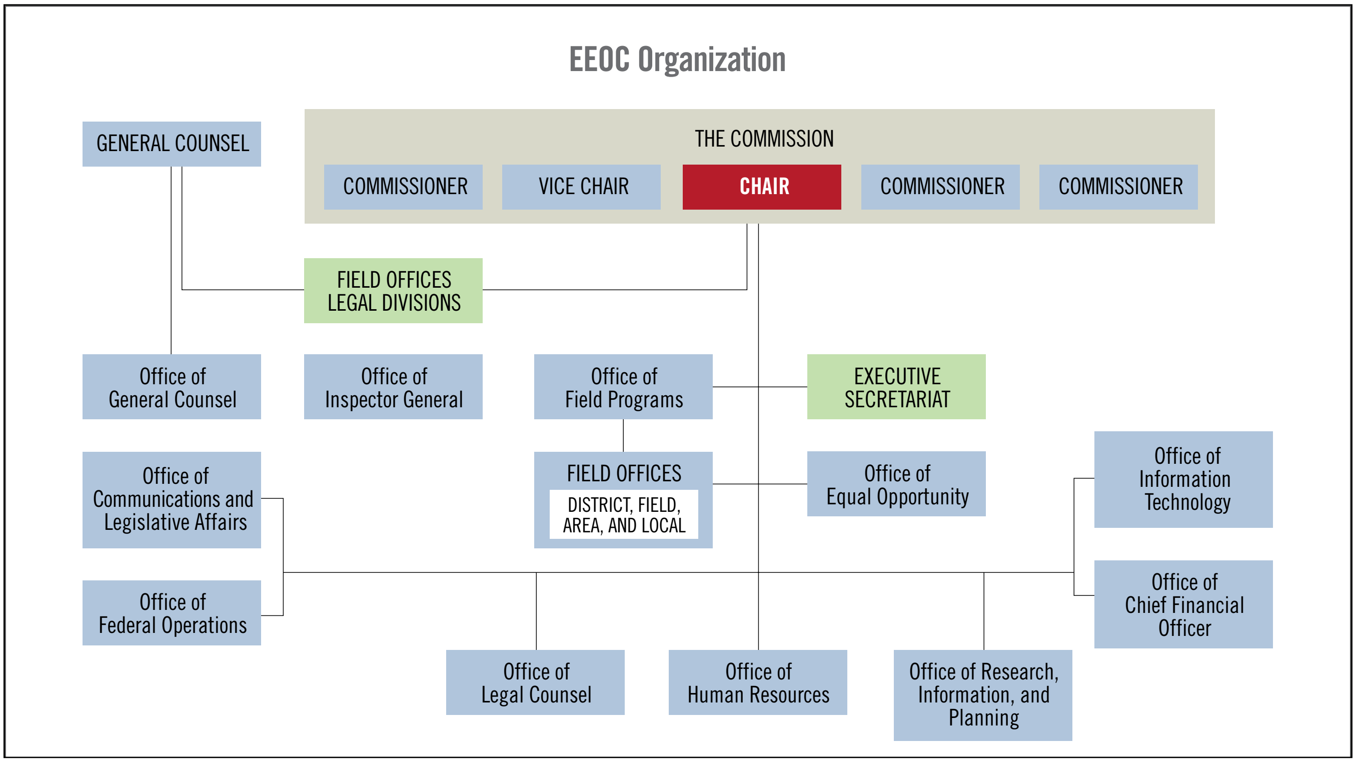
The **Office of Field Programs**, the **Office of General Counsel**, and **53 field offices**, ensure that the EEOC effectively enforces the statutory, regulatory, policy, and program responsibilities of the Commission through a variety of resolution methods tailored to each charge. Staff is responsible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

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

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

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

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



Jenny 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. Ms. Yang had served as Vice Chair of the EEOC since April 28, 2014.

As a member of the Commission and Vice Chair, Ms. 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.

Ms. 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, Ms. Yang has experience with the myriad issues employers confront in making hiring and other personnel decisions.

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

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

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

Chai R. Feldblum, Commissioner

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

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

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

Victoria A. Lipnic, Commissioner

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

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

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

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

P. David Lopez, General Counsel

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

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

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

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

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

Jacqueline A. Berrien, Former Chair

Jacqueline A. Berrien was sworn in as Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on April 7, 2010. She received a recess appointment to the position on March, 27, 2010, and was confirmed by the Senate for her full term on December 22, 2010. On August 31, 2014, at the expiration of her term, she stepped down.

APPENDIX C: GLOSSARY OF ACRONYMS

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

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 Strategic Enforcement Plan:
http://www.eeoc.gov/eeoc/plan/sep.cfm

EEOC Federal Sector Complement Plan:
http://www.eeoc.gov/eeoc/plan/federal_complement_plan.cfm

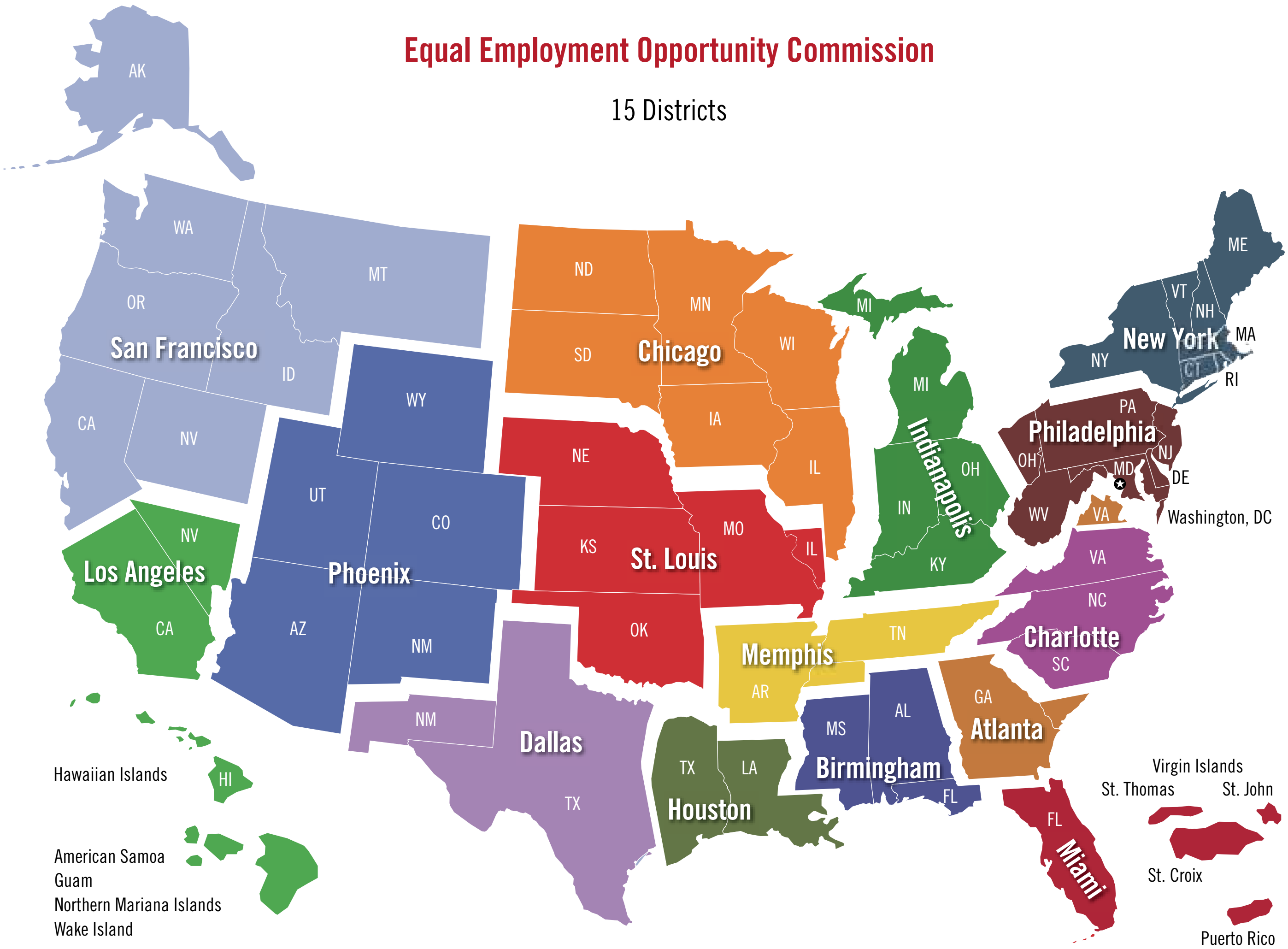
EEOC FY 2015 Performance Budget:
http://www.eeoc.gov/eeoc/plan/2015budget.cfm

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

EEOC Annual Report on the Federal Workforce:
http://www.eeoc.gov/federal/reports/fsp2012/index.cfm

EEOC Open Government Plan:
http://www.eeoc.gov/open/index.cfm

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



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Savannah Local Office

Birmingham District Office
Jackson Area Office
Mobile Local Office

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

Chicago District Office
Milwaukee Area Office
Minneapolis Area Office

Dallas District Office
San Antonio Field Office
El Paso Area Office

Houston District Office
New Orleans Field Office

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

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

Memphis District Office
Little Rock Area Office
Nashville Area Office

Miami District Office
Tampa Field Office
San Juan Local Office

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

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

Phoenix District Office
Albuquerque Area Office
Denver Field Office

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

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

Washington Field Office

ACKNOWLEDGMENTS

The EEOC's FY 2014 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 the EEOC's FY 2014 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

U.S. Equal Employment Opportunity Commission

131 M Street, N.E.
Washington, D.C. 20507-0001
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