U.S. Equal Employment Opportunity Commission

SERVING THE NATION FOR 45 YEARS

FY 2010
Performance and
Accountability Report

United States Equal Employment Opportunity Commission

FISCAL YEAR 2010
PERFORMANCE AND ACCOUNTABILITY REPORT

OUR VISION

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

OUR MISSION

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

Table of Contents

A Message from the Chair

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC's) Performance and Accountability Report (PAR) for Fiscal Year 2010. This report contains the agency's assessment of its fiscal year 2010 program and financial performance. Reflecting the current Administration's commitment to vigorous civil rights enforcement, the EEOC has seen measurable improvements in our ability to meet the employment discrimination challenges of the 21st century workplace.

Forty-five years ago, under the leadership of President Lyndon B. Johnson, the EEOC opened its doors with the charge of ending employment discrimination on the basis of race, color, national origin, sex, and religion in private sector employment throughout the United States. Through the years, new federal laws were passed to extend the EEOC's enforcement authority to include discrimination on the basis of age, disability, and, most recently, family medical history or genetic information. The agency's jurisdiction was also expanded to enforce employment discrimination laws in the federal sector, as well as the private sector. Moreover, beyond enforcement, recognizing the value of prevention, the EEOC has become a valuable resource for employers, offering training, technical assistance, and guidance concerning compliance with relevant civil rights laws. The EEOC is, today, the nation's leading authority on and enforcer of federal laws prohibiting employment discrimination and is the premier champion of equal employment opportunity for all.

Despite the success of the EEOC and the equal employment gains of the past four decades, the EEOC's resources have not always kept pace with our—and the nation's—enforcement needs. Between 2000 and 2008, the EEOC's staffing level was cut by nearly 25 percent, even as our enforcement authority expanded and the number of charges filed reached historic levels. This reduction was not without consequence, resulting in missed opportunities for progress, a growing backlog of unresolved discrimination charges, and unnecessary uncertainty for both employers and workers awaiting guidance or resolution.

Beginning in FY 2009, however, infused with increased resources, the EEOC began the slow and steady process of rebuilding our workforce, reducing our charge inventory, and modernizing agency operations. I want to take this opportunity to thank Commissioner Stuart J. Ishimaru, who ably served as Acting Chairman from January 2009 until my arrival in April 2010, and who began to set the agency on the path toward rebuilding necessary capacity. Over the past two years, the agency has been able to hire and train new investigators, attorneys, and other front-line staff. One of the agency's greatest challenges has been, and continues to be, resolving discrimination charges filed by private and federal sector employees as efficiently as possible, while at the same time ensuring that the rights of the charging parties and respondents receive appropriate attention and respect.

In FY 2010, the EEOC dramatically slowed the growth of the private sector charge inventory. A near-record number of receipts in FY 2009 left the agency with a pending inventory of 85,768 charges. Despite receiving the highest number of charges in our 45 year history in FY 2010, a total of 99,922 charges, the agency achieved 104,999 resolutions and was left with a pending inventory of 86,338—a one-year increase of 570 charges, or less than one percent. The agency is on track to make further progress in the upcoming fiscal year as we continue to reinvigorate our Priority Charge Handling Procedures (PCHP) and prepare to devote additional resources to backlog reduction. Moreover, plans are under way to more efficiently and effectively enforce civil rights laws under our purview, including by recommitting ourselves to fully implementing the Systemic Litigation Initiative and the Alternative Dispute Resolution (ADR) program and enhancing our educational outreach efforts to the private and public sectors to promote voluntary compliance and understanding.

As a testament to the EEOC's efforts, I am pleased to report that, for the seventh consecutive year, we have received an unqualified opinion from independent auditors. Also, the agency effectively managed its internal controls environment during FY 2010. The agency's management and financial controls environment under the Federal Managers' Financial Integrity Act (FMFIA) was sound in FY 2010. Based on a review of agency-wide materials and the assurances of the agency's senior managers, the agency identified 16 financial non-conformances, including two that carried over from the previous fiscal year. Of the 16 identified, the agency fully corrected nine financial non-conformances in FY 2010, and has implemented corrective action plans to resolve the seven remaining findings in FY 2011. I am reasonably assured that the financial information and the data measuring EEOC's performance are complete and accurate.

Despite this progress, I acknowledge that our efforts are incomplete, and have worked with agency leadership, outside stakeholders and other interested parties to identify areas for improvement. Given our agency's already increased enforcement responsibilities under the Lilly Ledbetter Fair Pay Act of 2009, the Americans with Disabilities Act Amendments Act of 2008, and the Genetic Information Nondiscrimination Act of 2008; the potential for increased enforcement responsibilities under upcoming legislation; and the new challenges and opportunities brought on by a changing workforce, it is critical that the EEOC continue to improve operations and work aggressively toward the goal of providing better service to the public. Similarly, it is critical that we continue to receive the funding necessary to not only maintain the progress made in FY 2010, but continue to build upon it in the future.

The EEOC is determined to fulfill its mission, begun in 1965, *to promote equality of opportunity in the workplace and enforce federal laws prohibiting employment discrimination* and the realization of our vision of *a strong and prosperous nation secured through a fair and inclusive workplace*. We look forward to continuing to work with the Administration, Congress, agency stakeholders, and the public at large to achieve these goals.

Jacqueline A. Berrien
Chair
U.S. Equal Employment Opportunity Commission
November 15, 2010

Management's Discussion and Analysis

INTRODUCTION

This *FY 2010 Performance and Accountability Report* (PAR) was prepared in accordance with the Reports Consolidation Act of 2000 and the Office of Management and Budget's (OMB) Circular A-136, Financial Reporting Requirements. It presents the results of the U.S. Equal Employment Opportunity Commission's programs and financial performance, along with its management challenges. This section of the PAR summarizes agency efforts in each of these areas. A more detailed discussion can be found in the following sections of the report:

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

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

AGENCY OVERVIEW

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

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

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

AGENCY RESULTS UNDER STRATEGIC PLAN PERFORMANCE MEASURES

This PAR is based on the EEOC's current modified Strategic Plan for FY 2007 through FY 2012. The modified Strategic Plan can be found at: http://www.eeoc.gov/eeoc/plan/strategic_plan_07to12_mod.cfm. Because of the change of Administration and the recess appointment of a new Chair of the Commission in April 2010, the EEOC intends to issue a new Strategic Plan before the end of FY 2012. However, the results reported in this PAR are linked to the performance measures contained in the agency's current modified Strategic Plan which were in effect during FY 2010.

The agency's current strategic plan provides one strategic objective: Justice, Opportunity and Inclusive Workplaces. The plan contains nine performance measures under this Strategic Objective. These measures were used to drive results and accountability throughout the agency. The EEOC achieved or exceeded its targets for six measures and did not meet its targets for two measures. The multi-year measure is pending the completion of the Commission's strategic planning assessment. The Commission intends to assess all of the agency's current measures during its overall strategic planning assessment.

EEOC FY 2010 Performance			
Measures	Targets Met or Exceeded	Targets Not Met	TBD as Part of Strategic Plan Assessment
9	6	2	1

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

The EEOC's current Strategic Plan incorporated three measures which were new to the Commission in FY 2007:

- an indicator of the yearly percentage increase in the number of individuals benefiting from agency enforcement activities, beyond the actual people who filed a charge of discrimination;
- an indicator to measure the efficiency the agency attained based upon the number of individuals benefiting from workplace changes, compared to the size of the agency's total workforce; and
- a measure of the public's confidence in the agency's enforcement of federal employment discrimination laws.

The first two of these measures seek to identify the degree to which the agency's enforcement programs enhance the workplace for other employees when it obtains relief for the people who originally claimed employment discrimination, as well as how efficient the Commission was in obtaining that broad relief. As noted in the table below and further described in the Performance Section of this report, the agency was extremely successful in achieving results for these two measures, when compared to the established targets. The Commission will reevaluate the utility of maintaining this performance measure and the associated targets established for FY 2011 in conjunction with its Strategic Plan review process.

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

The four remaining measures that the EEOC met or exceeded also reflect key aspects of the agency's enforcement and litigation programs. They involve the agency's success in:

- Completing a high percentage of its federal sector appellate cases within 180 days or less;
- Ensuring that the agency achieves a high level of quality in its investigations of private sector discrimination charges;
- Continuing to ensure that charging parties and respondents who choose to participate in the Commission's alternative dispute resolution (ADR) program are satisfied with the ADR process; and
- Maintaining a high level of success in the Commission's litigation program.

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

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

The EEOC's final two measures involve the resolution of private sector charges and federal sector hearings within 180 days or less. As the EEOC's staffing levels declined between FY 2000 and FY 20008 and charge receipts have increased significantly, it has become increasingly more difficult for the agency to meet the established targets for these two measures. In FY 2010 the Commission did not meet its targets for these measures. However, with the increased resources received by the agency over the past two fiscal years it is anticipated that the agency will make progress toward meeting these goals. The Commission will carefully consider these measures as it explores the focus and approach for a new Strategic Plan.

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

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

RELATED PROGRAM RESULTS AND ACTIVITIES

Continuing to Rebuild Capacity

In FY 2010, the EEOC continued to rebuild capacity. From 2000 to 2008, the Commission's staff declined by nearly 25 percent. This severely hindered the agency's ability to carry out critical enforcement functions. However, over the past two years, as a result of increased appropriations, the EEOC was able to replenish our depleted ranks. During FY 2010, the agency set out to hire an additional 383 employees, including investigators, trial attorneys, and support staff. This is in addition to the 155 new employees hired in FY 2009. By the end of FY 2010, the Commission had brought on-board 198 net new hires.

In addition, during FY 2010, the agency dedicated $2.8 million to train its investigators, attorneys, program analysts, investigator support assistants and other employees. This training initiative built upon the $2.5 million dedicated to training in FY 2009. This commitment to training—the largest sustained training effort the agency has conducted in at least a decade—provided our employees with the critical skills and knowledge necessary to carry out new enforcement responsibilities and maintain a high level of customer service. The effort also maximized the use of technology to carry out localized, low-cost training where appropriate.

The results of these efforts to rebuild resources, and better manage existing resources, are apparent in the discussion below.

Successfully Managing Our Private Sector Charge Inventory

In FY 2010, the EEOC dramatically slowed the growth of the private sector charge inventory. A near-record number of receipts in FY 2009 left the agency with a pending inventory of 85,768 charges. Despite receiving the highest number of charges in our 45 year history in FY 2010, a total of 99,922 charges, the agency achieved 104,999 resolutions and was left with a pending inventory of 86,338—a one-year increase of 570 charges, or less than one percent. This is in stark contrast to the 15.9 percent increase in our pending inventory between FYs 2008 and 2009.

This remarkable progress can be credited to the measures begun in FY 2009, including the aggressive hiring of front-line staff, a significant agency-wide training initiative, renewing emphasis on pre-charge counseling, and identifying, sharing and implementing best practices in charge handling.

Securing Unprecedented Relief through Administrative Enforcement

The EEOC secured, through its private sector administrative enforcement activities, more than $319.3 million in monetary benefits—the highest level of monetary relief obtained through administrative enforcement in the Commission's history. Overall, the EEOC secured both monetary and non-monetary benefits for more than 18,898 people through charge processing.

Expanding Mediation Program Leads to Wins for Employees and Employers

In FY 2010, the EEOC's private sector national mediation program demonstrated the results of a renewed emphasis on early resolution of discrimination complaints and secured the highest number of resolutions in the history of the program, as well as record benefits. The mediation program ended the year with a total of 9,370 resolutions, 10 percent more than FY 2009 levels, and more than $142.0 million in monetary benefits.

Challenging Discrimination in the Federal Courts

In FY 2010, EEOC field legal units filed 250 merits lawsuits in federal courts across the nation challenging a wide variety of discriminatory practices, and also 21 subpoena enforcement and other actions. Of the new merit filings, 154 were individual suits, 96 were multiple victim suits and 20 were systemic cases expected to directly impact large numbers of individuals. Legal staff resolved 285 merits lawsuits for a total monetary recovery of over $85 million, achieving a favorable outcome in 92% of all lawsuit resolutions.

Maximizing Impact through Systemic Enforcement

In FY 2010, the agency continued its concerted effort to build a strong national systemic enforcement program. At the end of the fiscal year, 465 systemic investigations, involving more than 2,000 charges, were being undertaken. Included among the systemic investigations were 39 Commissioner-initiated charges, compared with only 15 Commissioners' charges in investigation as of March 2006, when the initiative began. EEOC field offices completed work on 165 systemic investigations resulting in 29 settlements or conciliation agreements, recovering $6.7 million. In addition, 50 systemic investigations were resolved with reasonable cause determinations and have been referred to field legal divisions for consideration of litigation.

Over the past few years the EEOC has transformed its litigation docket to focus heavily on systemic litigation with expected direct beneficiaries ranging from 20 to thousands. Systemic lawsuits have been filed across the country involving a broad set of bases and issues and a wide variety of industries. In FY 2010, the Commission filed 20 cases with at least 20 known class members. This comprises eight percent of all merits filings, and is the largest volume of systemic filings since we started tracking in FY 2006. Expressed differently, 60 cases on our active docket at the end of FY 2010 were systemic cases, accounting for 13 percent of all active merits suits. This past year, the agency resolved 16 systemic cases, twelve with between 20 and 99 class members and four with at least 100 class members.

Promoting and Enforcing EEO in the Federal Sector

In FY 2010, the EEOC received 7,707 requests for hearings in the federal sector and resolved a total of 7,213 requests, securing more than $63 million in relief for parties who requested hearings. The EEOC also received 4,545 appeals of final agency actions in the federal sector and resolved 4,607 appeals, 66.23 percent of them within 180 days of their receipt. This compares with 4,207 appeals resolved in FY 2009 (65 percent of which were resolved within 180 days of receipt).

Reaching, Training, and Educating Potential Employees, Employees and Employers

The agency's outreach programs reached approximately 250,000 persons in FY 2010. EEOC offices participated in 3,766 educational, training, and outreach events (a decrease in the number of events over the same period in FY 2009, when there were 4,420 events). In addition, in FY 2010 the EEOC Training Institute (formerly the Revolving Fund) trained over 20,000 individuals from the private sector, local, state, and federal governments at more than 450 events.

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

In FY 2010, the Commission approved a Notice of Proposed Rulemaking (NPRM) and later submitted a final regulation to the Office of Management and Budget under Title II of the Genetic Information Nondiscrimination Act of 2008, which the EEOC began enforcing on November 21, 2009. The EEOC also approved a NPRM to implement the employment provisions of the Americans with Disabilities Act Amendments Act of 2008 and issued a NPRM to clarify Reasonable Factors Other Than Age (RFOA) under the Age Discrimination in Employment Act (ADEA), which was published in the Federal Register on February 18, 2010.

Finally, the Commission approved a December 2009 NPRM titled *Federal Sector Equal Employment Opportunity Complaint Processing*. This NPRM would, among other things, remind agencies of their obligation under Title VII to comply with specific management directives and other EEOC instructions, to provide a method for agencies to petition EEOC for a variance from the complaint processing procedures in order to perform innovative pilot programs for complaint processing, to amend certain grounds for dismissing complaints where the claim alleges retaliation, to require agencies to provide certain notifications to complainants when it fails to timely complete its investigation, to clarify the relief available for breach of a settlement agreement, and to amend several aspects of class complaint processing to improve efficiency.

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

The EEOC's management controls and financial management systems were sound during FY 2010, with the exception of 16 findings of financial non-conformances. Two financial non-conformances were carried over from FY 2009. The financial non-conformances were identified in several audit reports prepared by the Office of Inspector General: OIG Report No. 2007-09-FIN, January 16, 2008 and OIG Report No. 2007-08-FIN, November 14, 2007.

In FY 2010, the agency corrected nine of the 16 identified financial non-conformances—two non-conformances carried over from FY 2009 and the agency identified five non-conformances in FY 2010. The agency has implemented corrective action plans to resolve all uncorrected non-conformances in FY 2011.

Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during FY 2010 its financial and management controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). Forty-five percent of the identified non-conformances were resolved during the fiscal year, and it has plans in place to resolve the remaining financial non-conformances in FY 2011. The controls systems were effective; agency resources were used consistent with the agency's mission; the resources were used in compliance with laws and regulations; and, there was minimal potential for waste, fraud, and mismanagement of the resources.

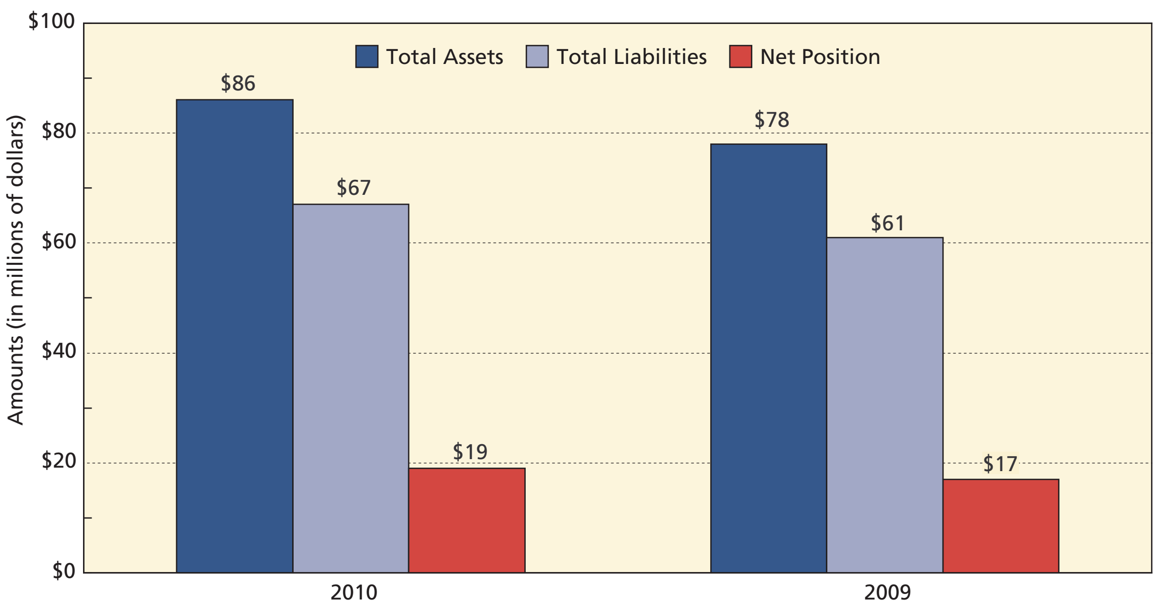
FINANCIAL HIGHLIGHTS

The Office of Management and Budget (OMB) Circular Number A-136 Revised dated September 29, 2010 was used as guidance for the preparation of the accompanying financial statements. EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statement of Changes in Net Position, and the Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

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

Equal Employment Opportunity Commission Balance Sheet



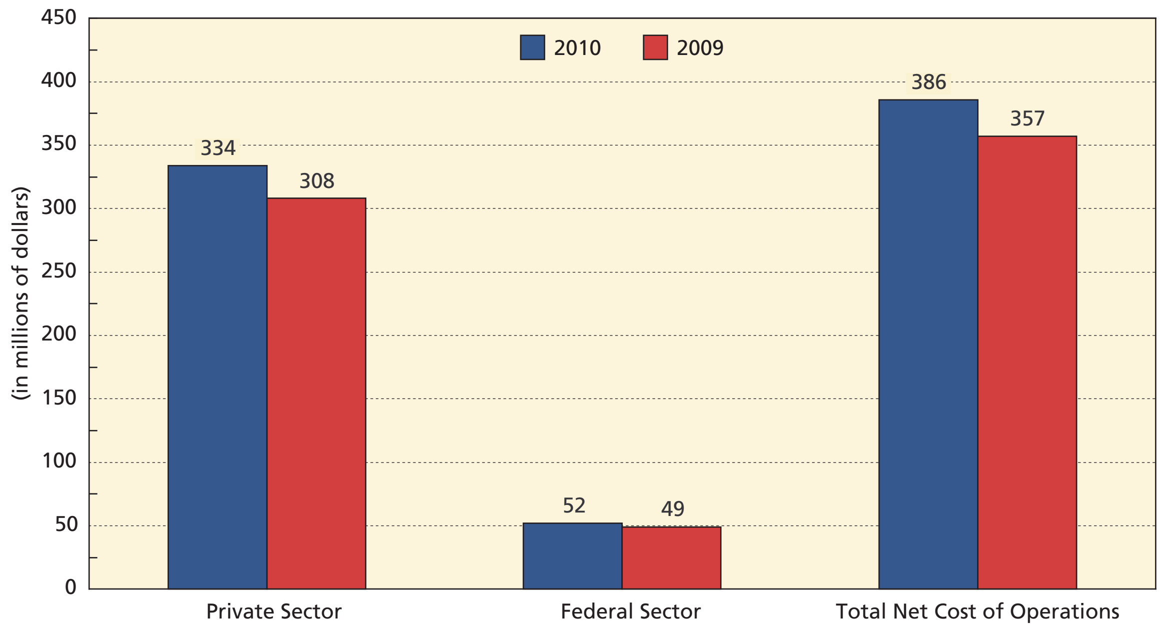
EEOC's balance sheets show total assets of $86 million at the end of FY 2010. This is an increase of $8 million, or approximately 10 percent, over EEOC's total assets of $78 million for FY 2009. This increase is due primarily to an increase in EEOC's Fund Balance with Treasury of $9 million offset by an increase in Total Liabilities of $6 million and an increase in Net Position of $2 million.

The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of FY 2010, EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position is $19 million, an increase of $2 million, or 12 percent, over the FY 2009 ending Net Position of $17 million. This increase is due primarily to a decrease in EEOC's Cumulative Results of Operations for FY 2010 and an offsetting increase in its Appropriations used the same year.

Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by major programs less any revenue earned. Overall, in FY 2010, EEOC's Consolidated Statements of Net Cost increased by $29 million or 8 percent. The allocation of costs for FY 2010 shows that Private Sector resources used for Enforcement and Litigation increased $26 million, or 8 percent, while the Federal Sector Programs increased by $3 million or 6 percent.

Consolidated Statement of Net Cost of Operations by Major Programs



Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for FY 2010 and FY 2009 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 $2 million, or 12 percent. EEOC's total assets exceeded total liabilities (funded and unfunded) by $19 million, or 28 percent.

Combined Statements of Budgetary Resources

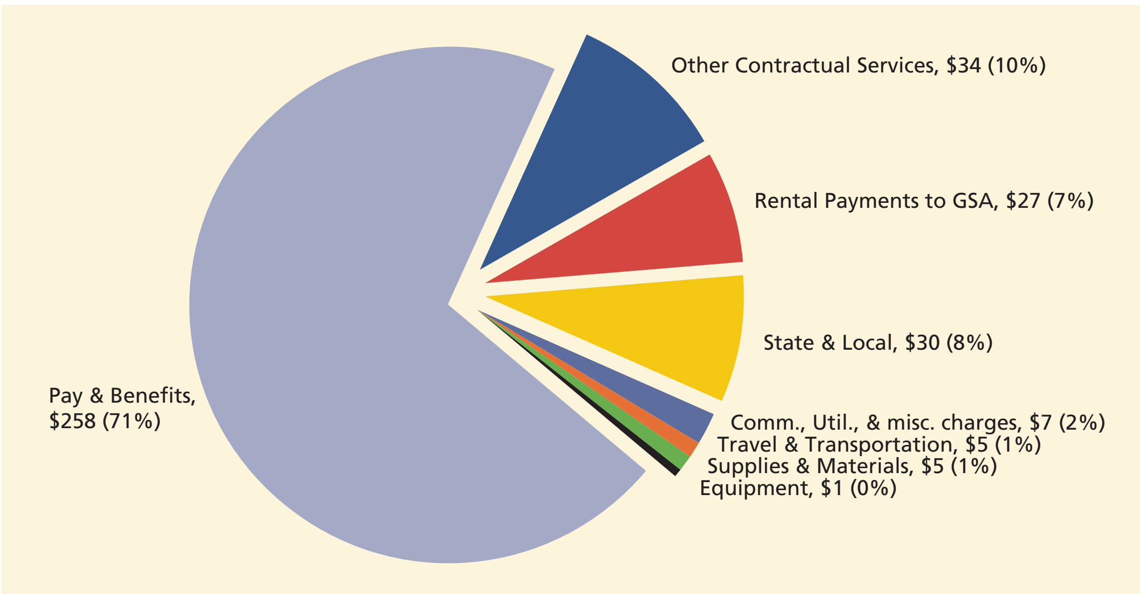
The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In FY 2010, EEOC received a $367.3 million appropriation, with no rescission.

EEOC ended FY 2010 with an increase in total budgetary resources of $24 million, or seven percent, over last year. Resources not available for new obligations at the end of the year totaled $10 million and $10 million in FY 2010 and FY 2009, respectively. The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

Use of Resources

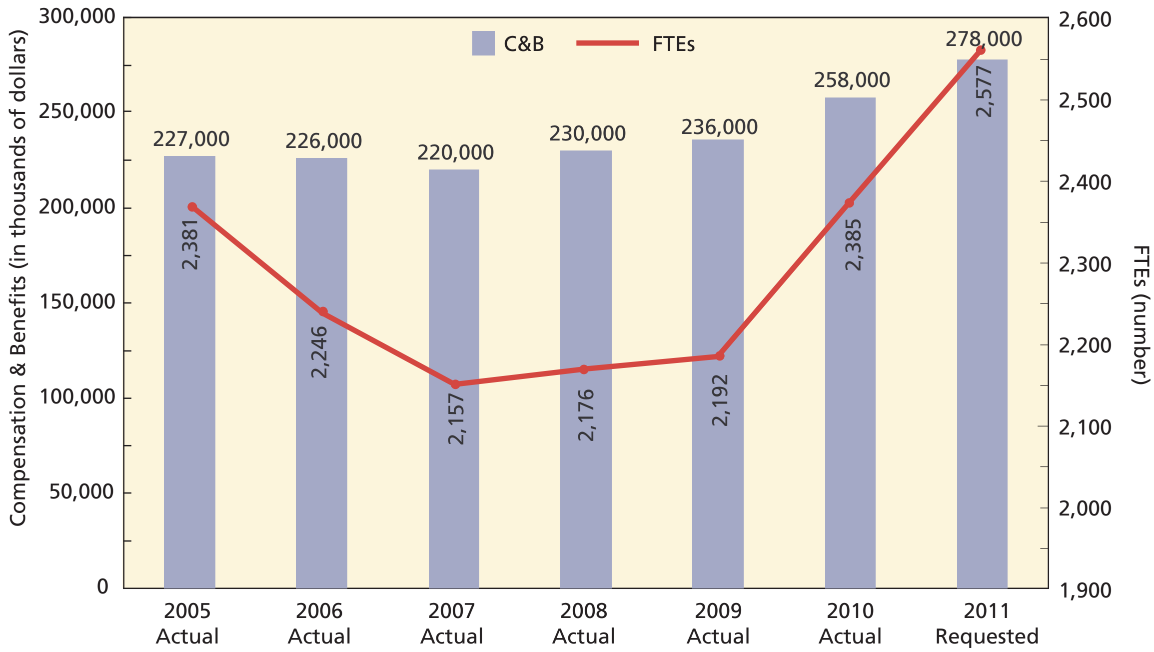
The pie chart displays EEOC's FY 2010 use of resources by major object class. The chart shows that Pay and Benefits, State & Local, Rent to GSA and Other Contractual Services consumed 96% of EEOC's resources, and other expenses (e.g., travel & transportation, equipment, supplies & materials, etc.) consumed less than 4% of EEOC's resources for FY 2010.

FY 2010 Obligations by Major Object Class (in millions)



The dual axis chart on the next page depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended FY 2010 with 2,385 FTEs, a net increase of 193, or nine percent, above FY 2009.

Compensation & Benefits (C&B) & FTEs for FY 2005 through 2011



Performance Results

RESULTS ACHIEVED IN FY 2010 UNDER STRATEGIC PLAN PERFORMANCE MEASURES

Overview of Strategic Plan and Performance Measures

This *Performance and Accountability Report* is based on the EEOC's current modified Strategic Plan for FY 2007 through FY 2012. The agency's Strategic Plan was first published on October 1, 2006. Over several years, the agency made interim modifications resulting in the current version of its Strategic Plan, which was approved by the Commission on July 28, 2008. A description of the specific modifications is available on the agency's website at www.eeoc.gov.

Because of the change of Administration and the arrival of a new Chair of the Commission, the EEOC intends to issue a new Strategic Plan for implementation in FY 2012. However, the results reported in this PAR are linked to the performance measures contained in the agency's current modified Strategic Plan, which were in effect during FY 2010.

The agency's current strategic plan provides one strategic objective: Justice, Opportunity and Inclusive Workplaces. The plan contains nine performance measures under this Strategic Objective. These measures were used to drive results and accountability throughout the agency.

The EEOC achieved or exceeded its targets for six measures and did not meet its targets for two measures. The multi-year measure is pending, following the completion of the Commission's strategic planning assessment. These performance measures, and the results the EEOC achieved under each measure for FY 2010, are analyzed in greater detail below.

EEOC FY 2010 Performance			
Measures	Targets Met or Exceeded	Targets Not Met	TBD Pending the EEOC's Strategic Planning Assessment
9	6	2	1

Strategic Objective:
JUSTICE, OPPORTUNITY AND INCLUSIVE WORKPLACES

**Long Term/
Annual Performance Measure 1**

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

Efficiency Measure

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

**Long Term/
Annual Performance Measure 2**

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

ANNUAL PERFORMANCE MEASURES

Annual Measure 2.1

Percent private sector charges resolved in 180 days

Annual Measure 2.2

Percent federal sector hearings resolved in 180 days

Annual Measure 2.3

Percent federal sector appeals resolved in 180 days

Annual Measure 2.4

Percent investigative files meeting quality criteria

Annual Measure 2.5

Percent parties confident in EEOC's mediation program

Annual Measure 2.6

Percent lawsuits successfully resolved

Collaborative FEPA Performance Measure Contributing to EEOC Goals

Results Achieved Under Specific Performance Measures

Long-Term/Annual Measure 1

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

Long-Term/Annual Measure 1 focuses on tracking the improvements that are made in the workplace as a direct result of EEOC's enforcement programs. It is important to measure the Commission's success by looking beyond the monetary relief secured through enforcement actions. When EEOC secures changes in employment policies, practices, and procedures through enforcement programs, the positive impact extends not only to the immediate victims of discrimination, but also to all individuals in the affected workplace. Through organization-wide changes, individuals benefit from a more diverse workplace and have greater equal employment opportunities. With the agency's renewed emphasis on combating systemic discrimination, the agency expects to make significant increases over time in the number of individuals who benefit from these enforcement activities.

Long-Term/Annual Measure 1 was developed to focus on all enforcement services provided to the public that result in workplace benefits. These results include benefits from administrative resolutions (including mediation), litigation resolutions, and federal sector hearings and appeals resolutions. The Commission established a baseline value for FY 2007 and the projected annual targets and a final goal for the remaining years of the Strategic Plan, based upon the agency's previous experience with data collection for the administrative charge processing program. It was important to include all enforcement programs in the measure, but it was difficult to estimate their effect on the final results. In addition, there was the strong possibility that one or two large enforcement actions against a nationwide entity could affect the results in a significant way in any one year.

The FY 2010 annual target for this measure was to increase the number of individuals benefiting from improvements to organizations' policies, practices, and procedures by 12.2 percent over the FY 2007 baseline. Although the result for FY 2008, 222.9 percent, was already substantially above the annual target established for FY 2009, 234.3 percent, the Commission retained the targets to collect an additional year of data to confirm the successful trend. The FY 2010 result was 326.3 percent above the baseline value, or over 6.9 million individuals who benefited from workplace improvements obtained through EEOC's enforcement programs, once again substantially surpassing the target level.

The Commission will reevaluate the utility of maintaining this performance measure and the associated targets established for FY 2011 in conjunction with its Strategic Plan review process.

Efficiency Measure

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

Approximately 72.2 percent of the agency's budget is dedicated to compensation and benefits. Linking the external impact of EEOC enforcement programs to the Full-Time Equivalent (FTE) number of positions is thus a measure of agency efficiency.

As of the end of FY 2010, the agency had 2,385 FTE positions. Over 6.9 million individuals benefited from EEOC's enforcement programs because of improvements to policies, practices, or procedures in their workplaces. Therefore, approximately 2,906.3 individuals benefited for every FTE. This was an increase of 285.7 percent over the FY 2007 baseline, compared to the 4.3 percent increase targeted for FY 2010. As with Long-Term/Annual Measure 1, EEOC retained its FY 2009 target until an additional year of data could be collected to confirm the successful trend.

The Commission will reevaluate the utility of maintaining this performance measure and the associated targets for FY 2011 in conjunction with its Strategic Plan review process.

Long-Term Measure 2

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

* A follow-up survey is pending the completion of the Commission's overall strategic planning assessment.

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

To measure the public's confidence in EEOC's enforcement of federal equal employment opportunity laws, the agency engaged a private organization to conduct a survey in FY 2007 of a representative sample of individuals nationwide. A follow-up survey is pending the Commission's Strategic Plan review process.

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

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

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

In recognition of the maxim that "justice delayed is justice denied," Annual Measures 2.1, 2.2, and 2.3 focus on the time it takes for the EEOC to resolve private sector charges, federal sector hearing requests, and federal sector appeals, respectively.

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

Under Annual Measure 2.1, by FY 2012, the EEOC is to resolve 54 percent of its private sector charges within 180 days. To move the agency toward that final goal, the target under Annual Measure 2.1 for FY 2010 requires the agency to resolve 48 percent of private sector charges within 180 days. As of the end of FY 2010, the Commission had processed 38.3 percent of charges in 180 days or less, which was short of our intended target. The EEOC's inability to meet this target was due to a large pending inventory, an increasing number of charge receipts, and a shortage of front-line staff. For the long-term, the agency believes that the multi-year approach to reducing the pending inventory will yield improved performance on processing charges in 180 days or less. The agency will continue its efforts to achieve target levels for timely service and to improve the quality of investigations while handling the charge inventory. Agency plans to address the pending inventory and concomitantly reduce the time it takes to process private sector charges, are described in greater detail in subsequent sections of this PAR.

Annual Measure 2.2 At least 54% of federal sector hearings are resolved in 180 days or fewer by FY 2012.						
	FY 2005	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**
Target	38.0%	50.0%	50.0%	50.0%	50.0%	52.0%
Result	51.3%	43.6%	42.8%	38.6%	40.6%	37.4%
						Target Not Met

Under Annual Measure 2.2, by FY 2012, the EEOC is to resolve 54 percent of its federal sector hearings within 180 days. To reach this final goal, the target under Annual Measure 2.2 for FY 2010 requires the agency to resolve 52 percent of federal sector hearings within 180 days. As of the end of FY 2010, the Commission had processed 37.5 percent of federal sector hearings in 180 days or less. Although the targets and final goal reflect the Commission's commitment to continue the timely handling of Federal Sector hearings, the agency's reported results remain significantly below the projected targets that were increased to 52 percent for this fiscal year. Over time, the EEOC's efforts to achieve this goal have become more difficult because of increasing workloads and a greater emphasis on enhancing the quality of hearings. Additionally, the Commission's efforts to achieve this goal have been compounded by the departure of a number of AJs who accepted ALJ positions at other agencies, which prompted the reassignment of their complaints, creating larger caseloads and further delays in complaint processing. However, the Hearings Program launched technological enhancement, HotDocs, which should streamline the decision writing phase of the Hearings process for the long-term and produce gains in the processing time for complaints. The Commission will continue to reinforce efforts to achieve the projected annual targets.

Annual Measure 2.3 At least 70% of federal sector appeals are resolved in 180 days or fewer by FY 2012.						
	FY 2005	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010**
Target	50.0%	55.0%	60.0%	62.0%	64.0%	66.0%
Result	52.0%	59.7%	60.7%	63.3%	65.0%	66.2%
						Exceeded Target

Under Annual Measure 2.3, by FY 2012, the EEOC is to resolve 70 percent of its federal sector appeals within 180 days or less. To reach the final goal, the target under Annual Measure 2.3 for FY 2010 requires the agency to resolve 66 percent of federal sector appeals within 180 days. The annual targets for this measure have consistently increased and the agency has been able to achieve them every year. For FY 2010, the EEOC continued this successful effort by resolving 66.2 percent of federal sector appeals within 180 days or less. Thus, the EEOC has exceeded its target for FY 2010.

Annual Measure 2.4: Quality of Private Sector Investigations

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

Annual Measure 2.4 ensures that investigative files meet quality standards. A large proportion of sampled investigative files are reviewed to determine whether they meet two critical quality criteria: (1) the appropriate charge categorization and file documentation support the actions taken; and (2) the resolution of the charge is supported. This measure is intended to ensure that we do not complete our work at the expense of performing our work well. The annual targets for this measure have increased since the baseline was established in FY 2005 and the agency has exceeded these targets each year. In FY 2010, 96 percent of investigative files met the requisite quality standards, exceeding the target established for FY 2010 of 91 percent.

Annual Measure 2.5: Confidence in Private Sector Mediation Program

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

Annual Measure 2.5 focuses on EEOC's mediation/ADR program. The agency recognizes that the public's confidence in its mediation program has a significant impact on the public's perception of the agency as a whole. Results for this measure were obtained by surveying participants in EEOC's mediation program and tabulating the responses relating to the confidence level they reported in using the program. Based on this methodology, the confidence level in this program is rated consistently high. The agency believes a high level of confidence helps to convince participants, particularly company representatives, of the value of alternative dispute resolution. At the end of FY 2010, 96.7 percent of all participants reported that they would return to EEOC's mediation program in the future.

Annual Measure 2.6: Success in Litigation

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

Annual Measure 2.6 places a premium on maintaining a high level of successful resolutions in the EEOC's litigation program. Successful resolutions include cases decided by favorable court order and those concluded through a consent decree or a settlement agreement in litigation. Achieving success on this measure ensures that the Commission has continued to exercise its prosecutorial discretion responsibly and has litigated cases skillfully. Based on the results of a three-year weighted average (FY 2008 to FY 2010) the EEOC's litigation success rate is 90.2 percent—slightly above the target.

Collaborative FEPA Measure Contributing to EEOC Goals

The EEOC recognizes the importance of working with its partners—the State and Local Fair Employment Practices Agencies (FEPAs). Therefore, the agency is considering a joint measure that would potentially assess FEPAs' contribution to EEOC's strategic goal and mission. The recommendation will be reviewed as part of the Commission's overall strategic planning evaluation.

RELATED PROGRAM RESULTS AND ACTIVITIES

Private Sector Enforcement

Successfully Managing the Private Sector Charge Inventory

Successfully Managing the Private Sector Charge Inventory

In FY 2010, the EEOC dramatically slowed the growth of the private sector charge inventory. A near-record number of receipts in FY 2009 left the agency with a pending inventory of 85,768 charges. Despite receiving the highest number of charges in our 45 year history in FY 2010, a total of 99,922 charges, the agency achieved 104,999 resolutions and was left with a pending inventory of 86,338 at the end of the fiscal year—an increase of 570 charges, or less than one percent. This is in stark contrast to the 15.9 percent increase between fiscal years 2008 and 2009.

Over the past decade, the EEOC's inventory has risen significantly, with annual increases ranging from 12–38 percent between FY 2004 and FY 2009. This growth in inventory has resulted from two primary causes: a 30 percent frontline staff attrition from FY 2000–FY 2008 and a substantial increase in charge receipts. However, with the hiring of front-line staff facilitated by recent increases in the agency's budget and a comprehensive approach to charge management, we have started a process that will control the inventory.

New Hires. In FY 2010, the agency authorized the hiring of 39 new investigators and 12 new mediators. Of the 198 net new hires, 66 investigators and 8 mediators were on-board by the end of the fiscal year. This is in addition to backfilling vacancies that had occurred. The agency expects that this new staff, when fully productive, will process an additional 6,000 charges a year, which will significantly impact the inventory.

Revitalizing PCHP. We continued to build on our efforts to reinvigorate our Priority Charge Handling Procedures (PCHP). Under PCHP, a triage process used to sort charges into three categories: A, B, or C. Category A charges are those where it appears that further investigation may result in a finding of discrimination. These charges have the highest priority. Category B charges initially appear to have some merit, but require additional investigation, as resources permit. Category C charges are suitable for immediate dismissal.

To provide for more consistent handling of charges under PCHP, we issued a memorandum to all of our field offices which outlined Backlog Reduction Best Practices. The resulting implementation of these best practices throughout the country is a key component of our success in reining in the inventory growth even during a fiscal year where we saw our largest increase in charge receipts.

Training and Guidance. We expanded our training efforts with a focus on a new PCHP training manual. The training provided an in-depth review of PCHP principles, a reemphasis on intake counseling of potential charging parties, and an interactive discussion. In FY 2010, we conducted nationwide training for our field enforcement staff that was directed to skill-building in the areas of Intake Counseling and Pre-Determination Interviews.

We also held two sessions of the highly successful, intensive, two-week training courses for new investigators. The courses also focused on the laws enforced by the EEOC as well as applying legal theory and implementing the investigative tools and techniques used by the EEOC. This training helps frontline enforcement staff to process new and existing charges more quickly and competently. In FY 2010, we also delivered the Investigator Support Assistant training, which provided skill development in customer service and intake to these critical support staff positions in our field offices.

Finally, in planning for the effective date of GINA on November 21, 2009, we provided training to all of our field staff on the implementation issues relating to enforcement of this new law. This included updating them on the changes to our Integrated Mission System and, the revisions made to forms and letters, as well as covering the nuanced differences between allegations under GINA and the ADA.

Long-term efforts to reduce the pending inventory will be dependent on the agency continuing to build resources and capacity. This will allow us to get beyond managing the inventory at its current level, and working aggressively to reduce the inventory of charges so that we can serve the public more efficiently while effectively enforcing the equal employment laws of this country.

Historic Monetary Recovery through Administrative Enforcement

In FY 2010, the EEOC, through its private sector administrative enforcement activities, secured more than $319.3 million in monetary benefits, the highest level of monetary relief ever obtained by the Commission through the administrative process. This is $25.2 million more than was recovered in FY 2009. Overall, the agency secured both monetary and non-monetary benefits for more than 18,898 people through administrative enforcement activities—mediation, settlements, conciliations and withdrawals with benefits.

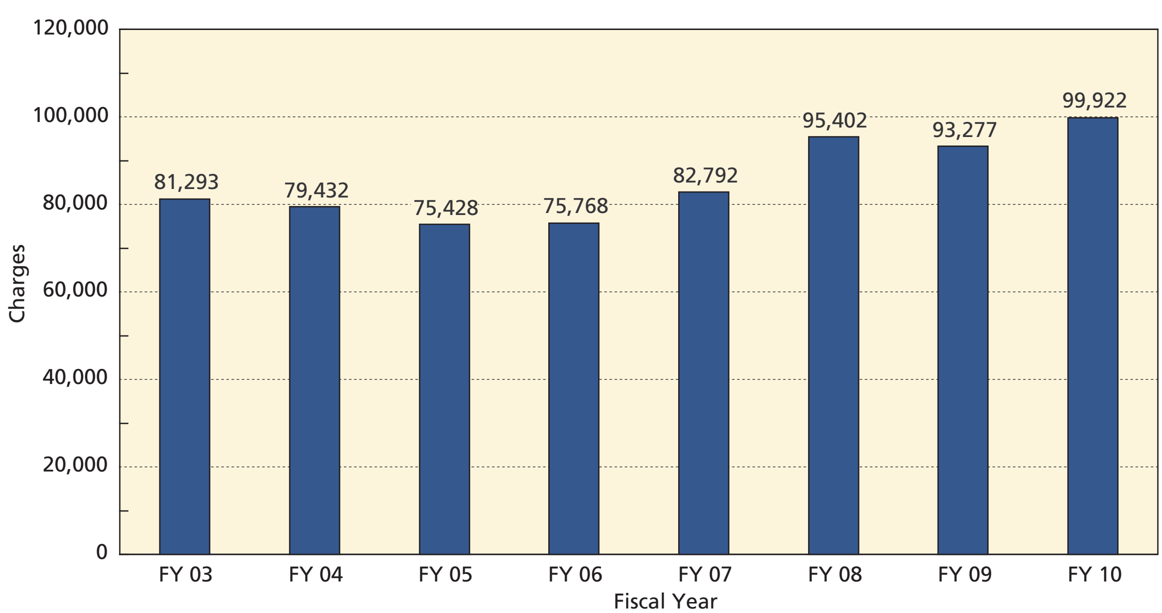
Managing More Charge Receipts, Investigations and Resolutions

Our FY 2010 charge receipt figures show that we have received more charges this year than in any of the prior 45 years of the agency's history. This surge in charge receipts is due in part to the expanded statutory authorities that EEOC has been given with the ADA Amendments Act (ADAAA) of 2008; the Genetic Information Nondiscrimination Act (GINA) of 2008; and the Lilly Ledbetter Fair Pay Act of 2009 (the Ledbetter Act).

We also attribute the rise in charge receipts to EEOC becoming more accessible, making charge filing easier and providing better, more responsive customer service. Our internal Intake Information Group expanded the agency's availability by phone and e-mail. Additionally, in the last four years, the EEOC has concentrated on revamping its charge intake services, expanding walk-in hours, and issuing a plain language brochure to assist potential charging parties in understanding their rights and the EEOC charge process. Individuals can now contact the agency by phone, by mail, by e-mail, by going to the EEOC website, or by visiting EEOC field offices. This accessibility, which is a positive development for the agency's stakeholders serves EEOC's law enforcement mission while fulfilling our customer service responsibilities.

Recent Growth in Charge Receipts

EEOC Charge Receipts FY 2003 to FY 2010



As noted on page 19, the EEOC achieved 104,999 resolutions, with 20,149 merit resolutions, resulting in a merit factor resolution rate of 19.2 percent. In comparison, the number of merit factor resolutions for FY 2009 was 17,428. Merit resolutions are charges with outcomes favorable to charging parties and/or charges with meritorious allegations. These include negotiated settlements, withdrawals with benefits, successful conciliations, and unsuccessful conciliations.

Expanding Mediation Program is a Win for both Employees and Employers

The EEOC's mediation program has been very successful. In FY 2010, the EEOC's private sector national mediation program secured the highest number of resolutions in the history of the program, with a total of 9,362 resolutions, 10 percent more than the 8,498 resolutions reported in FY 2009. The EEOC obtained more than $141.9 million in monetary benefits for complainants from mediation resolutions, which was also a record level.

Participants almost uniformly view the mediation program favorably, with 96.7 percent reporting confidence in the program this year. The agency continues to focus efforts on increasing the participation of employers. To that end, the agency encourages the employer community to enter into Universal Agreements to Mediate (UAMs). These agreements reflect employers' commitment to consider mediating charges. At the conclusion of FY 2010, the agency obtained a cumulative multi-year total of 1,787, which is an 11.5 percent increase from FY 2009.

Litigation

Challenging Discrimination in Federal Court

In FY 2010, EEOC field legal units filed 250 merits lawsuits including 154 individual suits and 96 multiple-victim suits. ("Merits" lawsuits include direct suits and interventions alleging violations of the substantive provisions of the statutes enforced by the Commission and suits to enforce administrative settlements.) Of these new filings, 192 contained Title VII claims, 40 contained Americans with Disability Act claims, 28 contained Age Discrimination in Employment Act claims, and 2 contained Equal Pay Act claims. (The total number of merits lawsuits is less than the sum of the suits based on each individual statute as some suits are filed under multiple statutes.) The Commission also filed 21 subpoena enforcement and other actions.

Legal staff resolved 285 merits lawsuits for a total monetary recovery of $85 million. Of these resolutions, 197 contained Title VII claims, 60 contained Americans with Disabilities Act claims, and 38 contained Age Discrimination in Employment Act claims. The Commission also resolved 28 subpoena enforcement and other actions during the fiscal year. In terms of dollars recovered in direct, indirect and intervention lawsuits by statute, EEOC recovered $73.9 million in Title VII resolutions, $5.2 million in ADEA resolutions, $2.8 million in ADA resolutions, and $2.9 million in resolutions involving more than one statute. At the end of FY 2010, EEOC had 457 cases on its active docket, and 212 (46.4%) involved multiple aggrieved parties or challenges to discriminatory employment policies.

Systemic Initiative

Maximizing Impact through Systemic Enforcement

Launched in April 2006, the EEOC's Systemic Initiative prescribes comprehensive measures to improve all aspects of the agency's work in combating systemic discrimination. The Commission's objective is to strengthen and modernize its nationwide approach to identifying, investigating, and litigating systemic cases, which the systemic task force report defined as "pattern or practice, policy and/or class cases where the alleged discrimination has a broad impact on an industry, profession, company, or geographic location." More details about the Systemic Initiative can be found at http://www.eeoc.gov/eeoc/task_reports/systemic.cfm.

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

The systemic initiative is one of the EEOC's top priorities because cases of systemic discrimination examine employer practices that impact large numbers of individuals. Thus, increased resources devoted to systemic work benefit a greater number of persons in the workforce. These benefits can occur during the investigative process when the EEOC secures voluntary compliance with the law or through EEOC litigation when the employer is unwilling to comply voluntarily. Oftentimes, systemic investigations resolve a number of individual charges that have been filed, and the resolution benefits the entire workplace so that individual charges do not need to be filed in the future.

At the end of FY 2010, 465 systemic investigations, involving more than 2,000 charges, were being undertaken. (Statutory confidentiality generally prohibits the Commission from identifying employers which are subject to EEOC investigations.) Included among the systemic investigations were 39 Commissioner-initiated charges, a considerable increase from the 15 Commissioner charges being investigated in 2006, when the Systemic Task Force Report was issued. In FY 2010, EEOC field offices completed work on 165 systemic investigations resulting in 29 settlements or conciliation agreements, recovering $6.7 million. In addition, 50 systemic investigations were resolved with reasonable cause determinations and have been referred to field legal divisions for consideration of litigation.

In FY10, the Commission filed 20 lawsuits with at least 20 known or expected class members. This comprises 8% of all merits filings, and is the largest volume of systemic suit filings since we started tracking in FY 2006. We filed 19 such suits filed in FY 2009, 17 in FY 2008, 14 in FY 2007 and 11 in FY 2006. Expressed differently, 60 cases on our active docket at the end of FY10 were systemic cases, accounting for 13% of all active merits suits. This is comparable to the volume of systemic cases in our active docket at the end of FY09. Based on the large volume of systemic charges currently in investigation, we expect the quantity of systemic lawsuits and their representation on our total docket to continue to steadily increase. This past year, we resolved 16 systemic cases, twelve with between 20 and 99 class members and four with over at least 100 class members.

Below is a sampling of significant resolutions of systemic discrimination lawsuits in FY 2010:

EEOC v. Outback Steakhouse of Florida, Inc., and OS Restaurant Partners, Inc. d/b/a Outback Restaurants—In this case against a nationwide restaurant chain, the EEOC alleged that the company engaged in a pattern or practice of discrimination against women by failing to hire and promote them into management positions and by providing them inferior job assignments, fewer training opportunities, and less opportunity for advancement. A consent decree provides a $19 million settlement fund for around 3,000 class members. Among various forms of equitable relief, the restaurant is adopting objective promotion procedures to ensure that selections for the positions are gender-neutral.

EEOC v. Albertson's LLC fka Albertson's, Inc.—The EEOC filed three Title VII lawsuits (subsequently consolidated) against Albertson's, a national grocery chain, involving discrimination on the bases of race (black), color, national origin (Hispanic), and retaliation at Albertson's distribution center in Aurora, Colorado. The parties entered into a 4-year consent decree resolving the three suits for $8.9 million, to be distributed to 168 eligible class members.

EEOC v. Wal-Mart Stores, Inc.—The EEOC filed this Title VII lawsuit alleging that Wal-Mart, an international discount retailer, failed to hire women for order-filler positions in its London, Kentucky, distribution center because of their sex. The 5-year consent decree provides for $11.7 million in backpay and compensatory damages to approximately 4,000 eligible claimants. The decree enjoins defendant from sex discrimination in hiring for the order-filler position at the facility, and prohibits retaliation.

EEOC v. Republic Services—In this ADEA suit, the EEOC alleged that Republic discharged and denied job transfer opportunities to 20 employees over the age of 40 at its facilities in southern Nevada because of their age. The list of fired employees included garbage collectors, drivers, and supervisors, some of whom were employed by the company for more than 25 years. The parties entered into a 3-year consent decree under which Republic will pay $2.98 million and provide other relief to a class of older workers.

EEOC v. ABM Janitorial Services—The EEOC alleged that ABM engaged in egregious sexual harassment of Hispanic female janitorial workers and failed to respond to the employees' repeated complaints of harassment in violation of Title VII. The EEOC obtained monetary relief of $5.8 million for 21 employees and a three year consent decree.

EEOC v. GMRI, Inc., d/b/a Bahama Breeze—In this Title VII lawsuit, the EEOC alleged that defendant, which operates 23 Caribbean-inspired casual restaurants subjected a class of black employees at its Beachwood, Ohio restaurant to a racially hostile work environment and constructively discharged one individual. The 3-year consent decree provides $1.26 million in compensatory damages to 37 class members and enjoins defendant from racially harassing employees and from retaliating against them if they complain.

Federal Sector Enforcement

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

Effectively Adjudicating Hearings and Appeals

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

In FY 2010, EEOC secured more than $63 million in relief for parties who requested hearings. There were a total of 7,707 requests for hearings, more than the 7,277 received in FY 2009. Additionally, the Commission's hearings program resolved a total of 7,213 complaints.

During FY 2010, the Commission continued to pursue technology to make the Federal Hearings process faster and more effective. The agency rolled out to all Hearings Units new HotDocs software that runs automated document processing, and provides AJs with standardized templates for orders, decisions and letters. HotDocs ensures uniformity in the style, format and appearance of Commission documents, consistency in use of the same common legal principles by all AJs in Orders and Decisions, and efficiency in document preparation thus allowing EEOC staff to devote more time to focus on substantive legal analysis.

Additionally, in FY 2010, the agency refined HECAPS (Hearings Electronic CAse Processing System) in five pilot offices—San Antonio, Dallas, Miami, Philadelphia, and New York. The Hearings Units in these offices now have the ability to process a hearings case nearly paper-free. The parties to a Federal EEO dispute send their submissions to the AJ electronically either via e-mail or CD. The EEOC plans to implement HECAPS in all Hearings Units in FY 2011 and is developing systems so that the parties to a Federal EEOC dispute can send all their submissions to an EEOC Hearings Unit via the web.

The Commission adjudicates appeals of federal agency actions on discrimination complaints, and ensures agency compliance with decisions issued on those appeals. During FY 2010, the EEOC received 4,545 appeals of final agency actions in the federal sector, fewer than the 4,745 such appeals received in FY 2009. In FY 2010, the agency resolved 4,607 appeals, 66.23 percent of them within 180 days of their receipt. This compares with 4,207 appeals resolved in FY 2009 (65 percent of which were resolved within 180 days of receipt). The agency achieved these results by leveraging technology and successfully managing the appellate inventory.

Continued Emphasis on Federal Sector Mediation Program

Using Alternative Dispute Resolution (ADR) techniques to resolve workplace disputes throughout the federal government can have a powerful impact on agencies' EEO complaint inventories and, in turn, the Commission's hearings and appeals inventories. Resolving disputes as early as possible in the federal sector EEO process improves the work environment and reduces the number of formal complaints, allowing all agencies, including the EEOC, to redeploy resources that otherwise would be devoted to these activities. In addition, a growing number of agencies have incorporated dispute prevention techniques into their ADR programs, further increasing productivity and reducing the overall number of employment disputes.

Data submitted by federal agencies at the close of FY 2009, the most recent data available, indicate that there were 39,038 instances of pre-complaint EEO counseling across the federal government. Of that number, the parties participated in ADR in 19,261 cases, or 49.3 percent of the time, a slight decrease from FY 2008's 49.5 percent ADR participation rate.

The EEOC continues to actively pursue a variety of ways to assist federal agencies in improving ADR, such as identifying and sharing best practices; providing assistance in program development and improvements; training federal employees and managers on the benefits of ADR; and maintaining a web page that serves as a clearinghouse for information related to federal sector ADR. The Commission will continue to expand its technical assistance to agencies to encourage the development of effective ADR programs and promote ADR training among government managers and staff.

Outreach, Education and Technical Assistance

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

Agency Outreach Continues to Reach Diverse Audiences

The agency's no-cost outreach programs reached 229,191 persons in FY 2010. EEOC offices participated in 3,766 no-cost educational, training, and outreach events. Additionally, in FY 2010, the Training Institute trained over 20,000 individuals at more than 450 events, including 300 field Customer Specific Training events with about 10,200 attendees.

Specific outreach events included 1,561 oral presentations, 298 training sessions and 248 stakeholder input meetings. These three major types of educational events reached 117,089 people. Offices represented the Commission at 734 public events that reached 52,870 people. These events included information meetings with community organizations and professional associations. Informational materials were distributed to 55,231 people through participation in job fairs, ethnic and cultural festivals, expositions and conventions. Commission employees also made 539 media presentations, including newspaper, radio and TV interviews, talk shows, and press conferences that provided substantive equal employment opportunity (EEO) information to millions of stakeholders.

Small Business Outreach. The Commission worked collaboratively with the small business community to prevent employment discrimination and promote voluntary compliance. EEOC offices conducted 451 no-cost outreach events directed toward small businesses in FY 2010, reaching over 30,192 small business representatives. The most popular topics for small business audiences were an overview of the laws enforced by EEOC, charge processing procedures, sexual harassment, Title VII and the ADA.

ADAAA and GINA Outreach. Civil rights laws are dynamic and constantly evolving. With new legislation such as the ADA Amendments Act and GINA, the EEOC conducted outreach to provide comprehensive training to ensure that employers were kept abreast of the status of the laws in order to prevent unconscious violations. The ADA was the main topic at 635 no-cost events in FY 2010 reaching nearly 40,000 people; GINA was the main topic at 293 no-cost events that reached just over 18,000 people.

Outreach to Under Served Geographic Areas and Communities. To extend the reach of the agency, it is important that the Commission develop outreach and partnership opportunities outside of the usual areas. In FY 2010, the Commission conducted 921 events in areas beyond the usual reach of our office locations, reaching over 55,500 individuals. Offices traveled to States and communities where no EEOC office is located, partnering with local community organizations to conduct town hall meetings and training sessions beyond the normal hours of operation. The Commission also provided over 130 off-site intake and counseling services in neighborhoods where persons with limited English proficiency may be less likely to come to our offices.

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

A discrimination-free work environment, characterized by an atmosphere of inclusion and free and open competition for employment opportunities, is the ultimate goal of MD-715 and the federal government. MD-715 provides a roadmap for creating effective EEO programs for all federal employees as required by Title VII, as amended, 42 U.S.C. § 2000e et seq., and Section 501 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 791 et seq.

To assist agencies in reporting under MD-715, EEOC provides tools and assistance to agencies to help them analyze their work forces and uncover barriers to equal employment opportunities. Once barriers are identified by agencies, Commission staff collaborate with them to develop creative strategies to eliminate or reduce the impact of identified obstacles. Further, we work 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.

The six Essential Elements for maintaining model Title VII and Rehabilitation Act programs are: (1) Demonstrated commitment from agency leadership; (2) Integration of EEO into the agency's strategic mission; (3) Management and program accountability; (4) Proactive prevention of unlawful discrimination; (5)Efficiency; and (6) Responsiveness and legal compliance.

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

In FY 2010, the Commission provided 35 three-year trend analysis letters to reporting agencies under MD-715. In addition, staff provided in-person technical assistance to another 53 federal agencies. In their role as consultants, EEOC staff provided guidance and recommendations related to the agencies' organizational structures, EEO policies, procedures, and practices, workforce policy, and inclusion.

Training Institute Provides Employers and Employees with Education and Technical Assistance

The EEOC Training Institute is a separate statutory authority that enables the Commission to offer in-depth and specialized programs on a fee basis to supplement free general informational and outreach activities that are an ongoing aspect of the agency's mission. The Training Institute offers diverse, high quality, reasonably priced EEO expertise and training products to private sector employers, state and local government personnel, and employees of federal agencies. In

FY 2010, the Institute trained over 20,000 individuals at more than 450 events. The Training Institute offered the following products/service lines:

Technical Assistance Program Seminars (TAPS). The one- and two-day TAP Seminars offered by the Training Institute are responsive to employers' information and training needs and allow EEOC to educate employers and employees about how to identify, prevent and eliminate workplace discrimination. In FY 2010, 34 TAPS were conducted throughout the country with over 5,000 participants. Offices did well attracting customers; attendance averaged about 147 participants per event, which was an increase from the 2009 average.

National Federal Sector Conference. An annual national federal sector conference, the Examining Conflicts in Employment Laws (EXCEL) Conference, has become a widely anticipated and highly acclaimed event for federal EEO managers, attorneys, union officials, and other EEO professionals. This year's conference marked the 13th anniversary of this event and attracted more than 900 attendees.

Customer Specific Training. The Customer Specific Training (CST) program trains employees, managers, supervisors and human resource professionals from large, mid-size and small employers on their EEO responsibilities and how to prevent and correct workplace discrimination. Standardized courses are available, or the Institute can design customized courses to be delivered at employers' worksites. In FY 2010, the Training Institute held 300 field CST events that reached approximately 10,200 attendees.

Regulations, Enforcement Guidance and Technical Assistance Documents

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

EEOC regulations and enforcement guidance represent the Commission's official positions on a range of issues that arise under the employment discrimination laws enforced by the agency. These documents aid EEOC employees in conducting investigations and litigation, serve as references for the courts when resolving novel legal issues, and inform individuals and employers of their legal rights and responsibilities. EEOC also publishes technical assistance documents, which provide the public with explanations of EEO laws and policy that avoid excessively legalistic language and are easy to understand. Technical assistance documents do not establish new EEOC legal interpretations, but rather apply existing policy in specific contexts and, often, identify employer best practices.

In FY 2010, the agency initiated or issued the following:

Regulations under the Genetic Information Nondiscrimination Act of 2008 (GINA). The EEOC began enforcing Title II of GINA on November 21, 2009. GINA requires the Commission to issue implementing regulations. In March 2009, the Commission issued a Notice of Proposed Rulemaking (NPRM) to address substantive matters covered by GINA, such as what constitutes "genetic information," the prohibition against using genetic information in employment decisions, and the limited circumstances in which employers may acquire this information. The NPRM also details employers' obligation to keep genetic information confidential and explains when claims should be raised under Title I of GINA (covering health insurers and enforced by other federal agencies), instead of under Title II (the employment title). To help the public better understand this NPRM, the Commission contemporaneously issued a plain-language technical assistance document titled, *Background Information for EEOC Notice of Proposed Rulemaking on Title II of the Genetics Information Nondiscrimination Act of 2008*.

After considering public input about the proposed rule, the Commission approved a final regulation, and in September 2009, sent it to the Office of Information and Regulatory Affairs (OIRA) in the Office of Management and Budget for review and clearance. Between September 2009 and April 2010, the Commission engaged in discussions with OIRA and other interested federal agencies regarding potential revisions to the final regulation. In April 2010, OIRA cleared a revised version of the final rule. This revised final rule currently was the subject of internal discussions and further revisions, in part because three of the Commission's five current members joined the Commission in April 2010. It was ultimately approved by the full Commission early in FY 2011.

The Commission also issued a final rule to amend its procedural and administrative regulations to reflect the Commission's charge-processing responsibilities under GINA, which was published in the Federal Register on December 7, 2009. These amended regulations clarify for the public how, administratively, the Commission will process private sector charges and federal sector complaints of discrimination alleging violations of GINA. This regulation was drafted after consideration of public comments to a NPRM that was published in the Federal Register on May 20, 2009.

Regulations under the Americans with Disabilities Act Amendments Act of 2008 (ADAAA). Congress passed the ADAAA in response to a series of Supreme Court decisions that interpreted the ADA's definition of "disability" very narrowly. With the ADAAA's passage, Congress also explicitly expressed its expectation that the EEOC would revise its regulations implementing Title I of the Americans with Disabilities Act (ADA) in accordance with the ADAAA's much broader interpretation of "disability." In September 2009, the Commission approved the NPRM titled *Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act, as Amended*. Among other things, this NPRM broadly construes the term "substantially limits" to allow coverage for lesser limitations than that required by the Supreme Court and by the EEOC's 1991 ADA regulations, expands "major life activities" to include "major bodily functions," considers impairments that are episodic or in remission as substantially limiting if they would be so when active, and requires evaluation of whether an impairment substantially limits a major life activity without regard to mitigating measures (except for ordinary eyeglasses and contact lenses). The NPRM also incorporates the ADAAA's expanded definition of what it means to be "regarded as" an individual with a disability. To aid the public's understanding of the NPRM, EEOC published a 10-page, plain language explanation in question and answer format.

The Commission received over 600 comments on the proposed rule. In October and November of 2009, the Commission also held four "Town Hall Listening Sessions," together with representatives of the U.S. Department of Justice, in Oakland, Philadelphia, Chicago, and New Orleans. The Commission is considering a final rule.

Regulations under the Age Discrimination in Employment Act of 1967, as amended (ADEA). In light of a 2005 Supreme Court decision holding that disparate impact claims are available under the ADEA, the Commission issued a 2008 NPRM, titled *Disparate Impact under the Age Discrimination in Employment Act*, to reiterate the availability of disparate impact claims, and to propose that the burden of proving the defense of "reasonable factor other than age" (RFOA) is on the employer. The 2008 NPRM requested public comments about whether the Commission should provide additional guidance on how the RFOA standard should be evaluated.

After considering the public comments, several of which encouraged the Commission to explain the scope of the RFOA defense, the Commission issued a companion NPRM, *Reasonable Factors Other Than Age Under the Age Discrimination in Employment Act*, which was published in the Federal Register on February 18, 2010. The Commission currently is considering the public comments received in response to this NPRM, and preparing a single final rule for both the 2008 and 2010 proposals. This final rule must be approved by a majority vote of the Commission and then sent to OIRA for review and clearance prior to publication.

Regulations that Govern the Federal Sector Discrimination Complaint Process. EEOC regulations control the processing of employment discrimination claims raised by federal government employees under Title VII of the Civil Rights Act of 1964 (Title VII), the ADEA, Section 501 of the Rehabilitation Act, the Equal Pay Act, and/or Title II of GINA. In response to concerns raised by participants and other stakeholders, a Commissioners' Federal Sector Workgroup considered changes to improve the efficiency and effectiveness of this complaint process. The Workgroup proposed several discrete changes to the existing process, which are reflected in the Commission's December 2009 NPRM titled *Federal Sector Equal Employment Opportunity Complaint Processing*. This NPRM would, among other things:

- Remind agencies of their obligation under Title VII to comply with specific management directives and other EEOC instructions,
- Provide a method for agencies to petition the EEOC for a variance from the complaint processing procedures in order to perform innovative pilot programs for complaint processing,
- Amend certain grounds for dismissing complaints where the claim alleges retaliation, to require agencies to provide certain notifications to complainants when it fails to timely complete its investigation, to clarify the relief available for breach of a settlement agreement, and
- Amend several aspects of class complaint processing to improve efficiency.

Prior to publishing the NPRM, the Commission, pursuant to Executive Order 12067's interagency coordination requirement, circulated this NPRM to the 170 federal agencies that it would affect. The public comment period closed on February 19, 2010.

Technical Assistance on H1N1 Flu Virus and the ADA. Replacing basic guidance posted on its web site during the initial H1N1 outbreak in FY 2009, EEOC issued a more comprehensive technical assistance document in early FY 2010 titled *Pandemic Preparedness in the Workplace and the Americans with Disabilities Act*. This document provides information about what sort of actions fall within the ADA's limitations on employer-initiated medical inquiries or examinations; how the ADA's allowance for employer actions that avoid a "direct threat" may apply in a pandemic; what actions employers may take with workers who have flu-like symptoms during a pandemic, such as requiring them to go home, wear personal protective equipment, or take certain medications; and whether special considerations must be made for workers who request a reasonable accommodation.

Compliance with FOIA and Section 83

Promoting Transparency through Disclosure

Access to EEOC records may be requested under two separate disclosure systems—the Freedom of Information Act (FOIA), and a simpler, internal system found at Section 83 of the EEOC Compliance Manual (Section 83). Historically, 95% of all disclosure requests made under both systems are for closed charge files. That pattern is expected to continue.

Based upon an anticipated increase in charge resolutions, the number of FOIA requests received by EEOC is projected to increase in FY 2011 to the low to mid-16,000s, rising by FY 2013 to the mid-18,000s. Despite this growth, the EEOC anticipates that the pending inventory of FOIA requests will continue to decline. This is due to the addition of 31 dedicated records disclosure positions at EEOC; the implementation of training for these and other employees with disclosure duties; the acquisition of Adobe Pro redaction software; and implementation of a comprehensive, unified FOIA tracking system that captures FOIA data and allows the public to file information requests via the internet and to check the status of those requests on-line. Through these measures, EEOC already has drastically reduced its pending inventory of information requests in FY 2010.

The data also suggests that the number of Section 83 disclosure requests for closed charge files similarly will increase, to over 7,000 requests in 2011 and to the high 7,000 range by FY 2013. In part, this can be attributed to broadening the scope of Section 83 in 2009 so that it now applies not only to charges filed under Title VII and the ADA, but also to claims alleging violations of the ADEA, the Equal Pay Act, and Title II of GINA.

AGENCY INFRASTRUCTURE AND OPERATIONS

The EEOC is continually seeking ways to achieve organizational excellence through sound management of its resources—human, financial and technological.

Human Resources

Hiring and Hiring Reform

While continuing to backfill vacancies that occurred during the fiscal year, the agency hired an additional 198 new employees. In addition to the positions the agency set out to hire in FY 2009, 39 Investigators, 12 Mediators, 9 Trial Attorneys, and support staff were authorized in FY 2010. The agency anticipates using its automatic backfill process in FY 2011.

Pursuant to initiatives from the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB), EEOC's Office of Human Resources worked together with agency hiring managers and senior officials to develop a new hiring reform action plan designed to improve the agency's hiring process. The goal is to hire new employees within 80 calendar days.

Increasing Employee Recognition and Development

Employees are recognized through the Commission's Awards and Recognition Program for significant achievements and ideas that benefit the EEOC. In FY 2010 EEOC employees received 1,622 monetary awards totaling over $1.3 million, and 1,107 time-off awards totaling 18,288 hours.

In the area of employee development, the agency dedicated the bulk of its $2.8 million training budget to addressing critical gaps in knowledge and skills needed by managers, supervisors, and employees, particularly those occupying Mission Critical Occupations (Investigators, Trial Attorneys, Mediators, and Administrative Judges). Training efforts were focused on expanding the skills and knowledge necessary to carry out new enforcement responsibilities and maintaining a high level of performance and customer service.

More than $500,000 was dedicated to providing new Investigators with the core essentials for successful integration into their operational roles. Another $400,000 was spent to provide training on enforcement of new laws and enhanced enforcement strategies and workload management skills that will lead to improved performance and service delivery.

In addition, the agency delivered training designed to ensure that experienced managers possessed the talent and skills necessary to elicit optimum performance, and provided new and prospective leaders with core transition competencies and skills. More than $250,000 was devoted to 1) assisting new managers in moving from line staff to supervisor and/or transitioning into EEOC's management culture; 2) enhancing or refreshing performance management skills and competencies; and 3) providing prospective supervisors with information and insight into the world of supervision and management at EEOC.

Improving Employee Satisfaction and Wellness

The EEOC has consistently demonstrated its commitment to employee wellness by promoting healthy practices and related workplace initiatives. The Agency operates comprehensive health unit services through the Department of Health and Human Service's Federal Occupational Health at headquarters and most field offices. These health units provided flu shots, including the H1N1 vaccine, to all EEOC employees at no cost to the employee. The Agency's headquarters location houses a fitness center with showers and locker rooms, secured bike room and outside bicycle rack, hand sanitizing stations, indoor/outdoor tobacco free areas, and a lactation room in the health unit. The Agency also continued a contract that provided defibrillators throughout the workspace and training on their use.

Yearly health fairs are held to assist employees in navigating among the myriad of health options available to them. For example, this year's health fair offered blood pressure screening, body mass index assessment, and healthy cooking demonstrations, all part of a one stop health educational market place.

Information Technology

Helping to Transform Agency Operations

In FY 2010, the EEOC Office of Information Technology developed new strategic direction for leveraging the power of technology to transform agency operations. This IT vision was created through multiple working sessions with EEOC staff representing all of the agency's major program areas—ensuring a strong, direct alignment to EEOC's business needs, mission goals, and priorities. Accordingly, each of the FY 2010 IT initiatives described herein directly support this vision, providing fundamental components necessary to meet the long-term goals.

Modernization—A key component required to achieve the IT strategic vision is the modernization of IT infrastructure. This year we completed an enterprise-wide refresh of desktop computers within budget and on schedule. Outdated CPUs were replaced with new powerful laptops, docking stations, and extended desktop (dual monitor) capability—providing users with six times more memory and two times more storage capacity, for a more efficient and responsive working environment. The new laptops also enhance security and telework capability with whole disk encryption, CompuTrace monitoring, and standard locked-down FDCC-compliant images. In addition to providing new laptops, the EEOC doubled the number of mobile BlackBerry devices deployed to staff working in the field.

Customer Support—Support for new technology was augmented by the implementation of a new Nationwide IT Help Desk, expanding internal customer support hours and providing local support to EEOC field offices that do not have an onsite IT staff presence. EEOC also filled critical IT workforce gaps at six district offices.

Reliability—In order to ensure reliable file sharing and print services for headquarters and field offices, EEOC also completed analysis, planning and acquisition tasks necessary to replace and upgrade obsolete network server hardware and operating systems (OS) nationwide. Pilot deployments of the new network servers will initiate in early FY 2011.

Security—The efficient and effective use of our networks is important to promote a more citizen-centered and results-oriented government. To decrease security risks associated with potential unauthorized use or compromise, EEOC implemented a Secure Domain Name System (DNS) in FY 2010 to provide top level security for our .gov domain space. We additionally implemented Internet Port 80 protection to prevent access to malicious websites and to protect against malicious code that might be inadvertently introduced by browsing the internet. EEOC also introduced new anti-malware software at the desktop level, to automatically protect not only against viruses, but also adware and spyware.

Litigation Support—Although infrastructure modernization is critical, expansion of our data systems to meet growing mission and program requirements was also a priority for EEOC in FY 2010. Based on the success of our FY 2009 pilot of "CaseWorks" (which integrated remote access technology with litigation support software and electronic documents/discovery in a centralized environment), in FY 2010 we expanded these capabilities by providing a second server at our headquarters location, integrating the litigation case analysis tools with our Document Management System (DMS), and introducing new discovery management software. Through the CaseWorks environment, attorneys from multiple offices can access the software remotely and work collaboratively on systemic and litigation activity. We additionally introduced a new Systemic Web Portal to enhance communication and collaboration for our National Systemic Program. This portal provides systemic investigators and attorneys with access to an online library which contains manuals and guidance, sample documents, contact information, reports, focus areas, and other analysis and information to support national investigations. It also provides capabilities for subject-specific discussion groups.

Systems—New legislative requirements associated with the Genetic Information Nondiscrimination Act were implemented in the Integrated Mission System (IMS) to better manage and report on enforcement and outreach activities related to employment discrimination based on genetic information. EEOC also supported transparency and public access to information by posting 23 data sets to the OMB data.gov site.

Through the modernization of our IT infrastructure, use of innovative web and integration technologies, transformation of our business processes, and continued application of best practices, EEOC will continue to leverage the power of technology to transform agency operations in alignment with our strategic goals and mission priorities.

PROGRAM EVALUATIONS

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

A final report with recommendations to the Commission, concluding a nationwide program evaluation that was started in FY 2008 of the Priority Charge Handling Procedures, is expected in 1st Quarter FY 2011.

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

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

VERIFICATION AND VALIDATION OF DATA

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

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

The EEOC has implemented approaches that enable the agency to collect information more rapidly and accurately by eliminating the need to enter information multiple times before it can be reviewed and analyzed. For example, the agency implemented a secure, Web-based system that enabled all federal agencies to electronically submit annual equal employment opportunity statistics (Form 462). This system continues to improve the quality and timeliness of the information EEOC receives.

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

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

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

Inspector General's Statement

SUMMARY OF SIGNIFICANT MANAGEMENT CHALLENGES

The following is a summary of the four issues the Office of Inspector General considers the most significant management challenges facing the U.S. Equal Employment Opportunity Commission (EEOC). All of these challenges were included in earlier OIG reports. They include the Private-Sector Charge Inventory, Budget and Performance Integration, Strategic Management of Human Capital, and State and Local Partner Performance Management.

On July 22, 2010, the Senate Appropriations Committee, in its recommendation for the EEOC's Fiscal Year 2011 appropriation, stated, "The Committee remains concerned at the rising backlog in charges of employment discrimination at the EEOC…The Committee is disturbed that this issue has not been addressed in a systematic or strategic manner. The Committee is concerned that there is a lack of leadership response and will at the EEOC to adequately address this problem and it could affect the ability of the EEOC to meets its mission and mandate to promote equal opportunity at the workplace."

In both fiscal years 2009 and 2010, the EEOC received funding increases to its annual appropriation. In our view, the Agency needs to show congressional appropriators that the EEOC is using the increased funding from 2009 and 2010 to achieve improved performance, especially in reducing the private-sector case inventory.

In April 2010, Jacqueline A. Berrien was sworn in as Chair of the EEOC. The new Chair possesses an opportunity to convert the EEOC to a performance management culture, but will need to overcome the resistance of some senior agency leaders. As we stated in previous reports, the Agency must fundamentally change its management culture to effectively meet major challenges—including the reduction of the case inventory. While pursuing such change carries risk, without it, the EEOC cannot become a high-performing organization better positioned to succeed in its efforts to overcome these challenges.

PRIVATE-SECTOR CHARGE INVENTORY

The EEOC continues to face a major challenge in adequately addressing the large backlog of private-sector discrimination charges. According to preliminary data, the charge inventory at the end of FY 2010 was 86,338, charge receipts numbered 99,922. The inventory at the end of FY 2009 was 85,768, and 73,951 at the end of FY 2008. In FY 2009, the EEOC received 93,277 new private-sector charges.

The primary negative effect of a large inventory is the delay in charge resolution for thousands of EEOC customers and stakeholders. To help address the backlog, The EEOC invested some of its additional funding in FY 2009 and 2010 to hire new staff, including investigators and mediators. For example, EEOC hired about 100 investigators in the June-August, 2010 period.

The Office of Field Programs indicated that the hiring and other efforts resulted in more resolutions, but the increased charge filings diluted the impact of the resolutions on reducing the charge inventory. Regardless of whether these efforts were successful, the EEOC needs to introduce case processing efficiencies in order to make major inroads on the inventory.

The EEOC has not implemented any major program initiatives to reduce the inventory or to reduce the growth of the inventory in over 10 years. The last major initiative was the Priority Charge Handling Process (PCHP), instituted in 1995. Most recently, in its FY 2011 budget justification, the EEOC failed to propose major improvements in charge processing.

BUDGET AND PERFORMANCE INTEGRATION

Budget and performance integration remains a key challenge. Without better performance measures and corresponding data, Agency managers cannot know how well the EEOC performs given the resources it expends. As we have previously stated, until the EEOC's senior managers, particularly those responsible for private-sector case processing, accept the need to gather and use performance data to improve charge processing, this challenge is likely to remain.

The EEOC lacks, in key areas, performance measures and/or adequate performance data. For example, the EEOC still lacks solid performance data to adequately support target performance levels for the private-sector charge inventory. Therefore, the EEOC will continue to face challenges in determining and justifying performance targets. The EEOC also does not use performance measures and accompanying data to manage the performance of its state and local partners.

STRATEGIC MANAGEMENT OF HUMAN CAPITAL

Although the EEOC made progress in this area, it did not commence implementation of two key elements in the strategic management of human capital. An example of EEOC's progress is the July 2010, launch of its Mentoring Program. The EEOC Mentoring Program partners a group of 25 established EEOC employees (mentors) who understand the Agency and its culture with junior employees (mentees) to provide opportunities for mentees to learn more about the organization and develop and broaden core competencies and leadership skills to enhance their professional growth and development. Due to demand for the program, OHR expanded the number of mentors/mentees relationships to 40.

The Office of Human Resources finalized the EEOC's draft human capital plan and, after obtaining input and approval from the U.S. Office of Personnel Management, completed its draft leadership succession plan. While the EEOC has made progress on both of these initiatives, it has failed to commence implementation of either plan. These plans are being reviewed by senior Agency officials.

STATE AND LOCAL PARTNER PERFORMANCE MANAGEMENT

The EEOC provides substantial annual funding, ($30,000,000 for FY 2010) to state and local partners, known as Fair Employment Practice Agencies (FEPAs), through its State and Local Programs office, to conduct investigations and resolutions of employment discrimination charges. Work performed by FEPAs, both the EEOC funded and non-EEOC funded, is critical to fighting employment discrimination.

In 2007, the EEOC agreed with OMB to adopt such a measure, but has not done so, despite a workgroup report and accompanying recommendations for a performance measure.

In September 2010, the OIG began a review of the EEOC's oversight of its State and Local Programs. The firm of Williams, Adley & Company-DC, LLP, will conduct the review. The OIG plans to issue draft and final reports in the second quarter of FY 2011.

MANAGEMENT RESPONSE TO THE INSPECTOR GENERAL'S SUMMARY OF SIGNIFICANT MANAGEMENT CHALLENGES

Private Sector Charge Inventory

We agree that managing the private sector charge inventory continues to be a significant challenge for the EEOC. However, the focus of the Office of the Inspector General (OIG) on "major program initiatives" is far too narrow. The Commission has, in fact, taken significant steps in the last few years to address charge resolutions. Initially, however, it is helpful to recognize a few important factors that led to the growth in the pending inventory. As noted by the OIG, our charge receipts have been increasing significantly for several years—rising from just over 75,000 in FY 2005 to nearly 100,000 in FY 2010. Additionally, and most importantly, between FY 2004 and FY 2008 the EEOC lost 25% of our investigators without the ability to backfill those positions.

As noted earlier in this report, the EEOC launched an effort in FY 2009 to rebuild resources and capacity and focus on managing the pending inventory. This initiative included working to hire front-line staff, revitalizing our Priority Charge Handling Procedures (PCHP) using best practices from our field offices and investing in training for new and existing employees. As a result of these efforts, at the close of FY 2010 EEOC was able to resolve 105,000 charges. In contrast, in FY 2007 there were 72,000 charge resolutions. The end result is that EEOC was able to end the fiscal year adding fewer than 600 charges to the pending inventory—a dramatic success. We believe that this sustained effort constitutes a major program initiative.

One of the most important lessons from the past, however, is that charge processing backlogs are not a transitory operational challenge addressed by short-term redirection of resources or temporary increases in staffing or funding; rather, they require sustained management attention and commitment of resources and consistent implementation of systems developed to ensure that charges are processed fairly and efficiently. There must be sustained attention to case management and implementation of systems that facilitate efficient charge processing. We are committed to finding long-term answers for inventory management. However, this process must, out of necessity, be thoughtful and thorough. Accordingly, as the IG notes, we have set aside funds in the FY 2011 and FY 2012 budgets to address the backlog. We have also launched a series of "benchmarking" conversations with several federal and state agencies to learn as much as possible about strategies we might employ to address our charge processing challenges.

Budget and Performance Integration

We recognize the OIG concern about budget and performance integration and are deeply committed to ensuring that the Commission is effective as a law enforcement agency and, at the same time, a good steward of public funds. Senior leadership in both our field offices and headquarters have worked diligently to ensure that the Commission achieves the agency's strategic goals. The Commission has had remarkable achievements in many of our measures, including maintaining a high quality in our charge investigations, in our mediation satisfaction and most demonstrably, in our Workplace Impact changes, where more than six million individuals have benefitted from our enforcement actions in just the past year.

While targets for private sector charge processing were lowered in FY 2008, those responsible for private sector enforcement have incorporated the strategic goals under the current Strategic Plan into its data collection and management practices. As we move forward on the development of a new Strategic Plan we will work to establish a robust data collection and verification process, as well as the establishment of challenging and realistic targets.

Strategic Management of Human Capital

The greatest resource the EEOC has is our employees—their dedication to the mission of the agency and their institutional knowledge are invaluable. Because of this, the ability to manage our workforce in a strategic manner and provide for appropriate succession planning is both important and a challenge. Since Chair Berrien was sworn in as Chair in April 2010 we have been working with the Office of Human Resources on the EEOC's Human Capital Plan and Leadership Succession Plan. We look forward to the approval and implementation of these plans; however, we already have launched a number of activities to strengthen our human capital efforts.

State and Local Partner Performance Management

The EEOC partners with 96 state and local agencies, called Fair Employment Practices Agencies (FEPAs) to enforce laws prohibiting employment discrimination. In FY 2007 we began the process of working with the FEPAs to explore an appropriate and accurate way to measure their performance. This work has resulted in the establishment of a workgroup and the development of a set of recommendations. As we conduct a full evaluation of our Strategic Plan in FY 2011 we will consider the recommendations of the workgroup as we move toward establishing a shared performance measure with our state and local partners.

CONCERNING AGENCY COMPLIANCE WITH FMFIA

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

Office of
Inspector General

November 10, 2010

MEMORANDUM

TO : Jacqueline A. Berrien
Chair

FROM : Milton A. Mayo, Jr.
Acting Inspector General

SUBJECT : FY 2010 Agency Compliance with the Federal Managers' Financial Integrity Act (OIG Report No. 2010-08-AIC)

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

EEOC Order 195.001, Internal Control Systems requires the Office of Inspector General (OIG) to annually provide a written advisory to the Chair on whether the management control evaluation process complied with OMB guidelines. On November 5, 2010, the Office of Research, Information and Planning (ORIP) submitted EEOC's Fiscal Year 2010 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 2010 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 2010, OIG concurs with ORIP's assertion that the Agency had no material weaknesses during this reporting cycle.

OIG concurs with ORIP's reporting of sixteen instances of financial non-conformances. One of the financial non-conformances was identified in FY 2009 and two were identified in FY 2008. The Agency has or is in the process of implementing corrective action plans to resolve the remaining non-conformances during FY 2011.

Financial Statements

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

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

Our FY 2010 financial statements received an unqualified opinion through the hard work of the dedicated financial and administrative staff in the agency. This is the seventh consecutive year that the EEOC has received an unqualified opinion and represents our continuing successful efforts to improve the financial management of the agency. We will re-compete the requirements for the agency's financial business software, hosting, and applications and accounting operations support in FY 2011 for implementation effective October 1, 2011, FY 2012. The Department of the Interior's National Business Center currently supports CGI's Momentum® software package, hosting and transaction processing through an inter-agency agreement which expires September 30, 2012.

For FY 2010, the agency received a $367.3 million budget. We completed the fiscal year within budget and improved financial management. Compensation and benefit costs continue to consume a substantial portion of the budget. Office space rent costs are rising consistent with housing the number of employees onboard and approved vacancies. Rent costs remained just under 7% of our total budget. With 8% of the budget dedicated to the State and local program, only 14% of the budget is available for technology, programs, travel, and other general expenses.

The agency is faced with growing workloads. We continue with our hiring program to rebuild staffing levels which were at a historically low level. Beginning at mid year of FY 2009, we began the process to hire investigators, trial attorneys, and other staff to support our systemic enforcement and litigation programs. We continued new hire efforts in FY 2010 as well as automatically backfilling positions as staff retire or leave for other reasons. Also, we dedicated $2.9 million to address training for our investigators, attorneys, program analysts, and other employees.

Working with the General Services Administration, the agency is relocating our Washington Field Office (WFO) from our Headquarters office at 131 M Street, NE in Washington, D.C. New hiring for both Headquarters human resource functions and the WFO drove the expansion requirements. The WFO will relocate to an area building in the Spring of 2011. The location will be close to our Headquarters in the same area called NoMa (North of Massachusetts Avenue). The agency is pleased to continue to be at the forefront of an area for economic re-development within the District of Columbia.

Working with our Office of Information Technology, the agency competed and awarded two important orders in this past fiscal year. The first order is for Enterprise Applications Support through the GSA Small Business Alliant Government-wide Acquisition Contract (GWAC). The potential contract value is close to $10 million if all the option periods and optional contract line items are funded. The scope of the contract provides for all applications support throughout the agency. The second order is for Enterprise Operations Support through the GSA Small Business Alliant Government-wide Acquisition Contract (GWAC). The potential contract value is close to $10 million if all the option periods and optional contract line items are funded.

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

- **Execute a disciplined analysis of future workforce and infrastructure requirements.** Unfortunately for many years, the Agency has been unable to slow the growth of the current and future cost of compensation and benefits for current employees, which are on a path to increase to over 71% of the EEOC's budget. These costs include salary, health and life insurance, agency contributions for retirement plans, social security, Medicare, worker's compensation, unemployment insurance, reasonable accommodations, and transit subsidies. The continuing delay in the agency implementing position management means that it will be very difficult to substantially change the cost of the compensation and benefits in future years.

  Three years ago the agency contracted for an independent top-down study of the information technology infrastructure and staffing. The report called for substantial changes in the governance, organization, use of contracts, server and network operations, desktop management, and the skill mix of staff in order to more effectively spend the $23 million annual budget for the information technology function. An independent cost/benefit study will be undertaken in FY 2011/2012 for the current data center operating in the Headquarters building. Special emphasis will be placed on comparing energy consumption, cost of labor, risk factors for the location in Washington, DC, disaster recovery and the economies of scale that could be achieved through a competitive acquisition process.

- **Recognize and manage competing budget priorities.** We continue to manage discretionary budget line items. However, non-payroll costs continue to increase for homeland security, rent, facility services, and Government-wide programs such as financial management services with a shared service provider. The Inspector General began a program evaluation of the EEOC's State and Local Program, which consists of about 8% of the annual budget, in the fourth quarter. The evaluation will analyze the overall adequacy, effectiveness, and efficiency of the EEOC's management of its State and Local Program. The scope of the review includes EEOC's management of financial controls over its transactions with Fair Employment Practice Agencies, and EEOC's performance management of its State and Local Programs (e.g., establishing and periodically evaluating State and Local program performance goals, measures and standards, etc.).

- **Formulate a long-term performance budget strategy.** The agency continues to look into improved information approaches for annual budget justifications because of the workload by activity and the backlog of casework. More attention is needed on how we communicate our various workload metrics. Substantial work is required to update a Strategic Plan which expires in FY 2012.

In FY 2011, we will continue the focus on accountability, financial transparency, and results through improved budget planning, performance metrics and financial management.

Jeffrey A. Smith

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

November 15, 2010

INSPECTOR GENERAL'S AUDIT REPORT

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

Office of
Inspector General

November 12, 2010

MEMORANDUM

TO: Jacqueline Berrien
Chair

FROM: Milton A. Mayo, Jr.
Acting Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2010 Financial Statements (OIG Report No. 2010-03-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 2010. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards; Office of Management and Budget's Bulletin 07-04, *Audit Requirements for Federal Financial Statements,* and the Government Accountability Office/President's Council on Integrity and Efficiency's *Financial Audit Manual.*

HRK issued an unqualified opinion on EEOC's FY 2010 financial statements. In its Report on Internal Control, HRK noted two areas involving internal control and its operation that were considered to be significant deficiencies. These included time and attendance controls and controls over revenue and receivables. In its Report on Compliance with Applicable Laws and Regulations, HRK noted no instances of non compliance with certain laws and regulations applicable to the agency.

In connection with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls or on whether EEOC's financial management systems substantially complied with FFMIA; or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 10, 2010 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 with the report as an attachment.

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

INDEPENDENT AUDITOR'S REPORT

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

Report of Independent Auditors

Inspector General
Equal Employment Opportunity Commission

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of the U.S. Equal Employment Opportunity Commission (EEOC), as of September 30, 2010, and the related consolidated statements of net cost and changes in net position, and combined statement of budgetary resources, for the year then ended. These financial statements are the responsibility of EEOC management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of EEOC as of September 30, 2009 were audited by other auditors whose report, dated November 13, 2009, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements,* as amended. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of EEOC as of September 30, 2010, and its net cost of operations, changes in net position, and budgetary resources for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

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

Harper, Rains, Knight & Company, P.A. • Certified Public Accountants • Consultants
One Hundred Concourse • 1052 Highland Colony Parkway, Suite 100 • Ridgeland, Mississippi 39157
Telephone 601.605.0722 • Facsimile 601.605.0733 • www.hrkcpa.com

need to improve certain internal controls, as defined above, they are described in Exhibit 1. These deficiencies in internal control, although not considered material weaknesses, represent significant deficiencies in the design or operation of internal control, which adversely affect the entity's ability to meet their internal control objectives or meet OMB criteria for reporting matters under FMFIA.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. Our consideration of the internal control over financial reporting would not necessarily disclose all deficiencies that might be a significant deficiency. A significant deficiency is a deficiency in internal control, or a combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected. Our consideration of the internal control over financial reporting would not necessarily disclose all significant deficiencies that might be a material weakness. A material weakness is a significant deficiency, or combination of significant deficiencies, that result in a more than remote likelihood that a material misstatement of the financial statements will not be prevented or detected. Because of inherent limitations in internal controls, misstatements, losses, or non-compliance may nevertheless occur and not be detected.

Report on Compliance with Applicable Laws and Regulations

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

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

Other Information

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

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

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

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

November 10, 2010

Exhibit 1
Significant Deficiencies

---

1. Lack of Adequate Controls over Time and Attendance

In fiscal years (FY) 2008 and 2009, a significant deficiency relating to the lack of adequate controls over time and attendance was reported.

The following recommendations were made to management:

- The EEOC Office of Human Resources (OHR) should review and refine controls in place over time and attendance reporting to ensure all employees report accurate and complete information to time keepers.
- OHR should implement a policy requiring timesheets with incorrect or incomplete information to be returned to employees for correction before certifying time and attendance information in EEOC's online timekeeping system.

In response to the prior year finding, OHR indicated the updated Time Attendance Guidance included policy and procedures to address the deficiencies and that follow-up with timekeepers and certifiers was performed. In addition, OHR's response indicated EEOC had purchased a web based time and attendance system with a planned implementation of January 2011.

During FY 2010, EEOC continued to experience difficulties in providing support for recorded time and attendance, including providing time and attendance support that was incomplete, for the incorrect pay period and not properly approved.

We noted the following during our testing:

- 3 instances in which no information was provided for the employee
- 7 instances in which the Bi-weekly Labor Hours Distribution Worksheets provided were for the wrong pay period
- 5 instances in which Bi-weekly Labor Hours Distribution Worksheets did not indicate pay period end date
- 20 instances in which the SF-71 Request for Leave forms were not properly approved.

Based on the knowledge OHR is implementing a new system in FY2011, we make the following recommendations:

- Integrate and document the existence of controls in the web based time and attendance system, set for implementation in January 2011, which address and mitigate the time and attendance deficiencies identified in the current year and two previous years.
- Establish a policy and procedure to perform internal audits of the EEOC time and attendance system for proper implementation and application of all EEOC policies and procedures over the recording and maintaining of time and attendance.

Management's Response: Management concurs with the finding and recommendation. See appendix B for management's detailed response.

2. Lack of Adequate Controls over Revenue and Receivables

In fiscal years (FY) 2008 and 2009, a significant deficiency relating to the lack of adequate controls over revolving fund (RF) revenue and receivables was reported.

It was recommended to management that the Revolving Fund Division (RFD) ensure documentation is maintained to support all transactions recorded in the general ledger.

During fiscal year (FY) 2010, EEOC continued to experience difficulties providing complete and timely documentation supporting RF transactions recorded in the general ledger.

We noted the following during our testing:

- 4 instances in which the project code on the invoice does not match the document number recorded in Momentum.
- 24 instances in which the invoices provided do not provide complete support for the recorded transaction in Momentum.

Per interviews with RFD personnel, we were informed that due to systems limitations with the contracted systems to record on-line registrations and payment and the core accounting system, additional manual processes were required to be performed by RFD personnel on a daily basis in order to maintain accurate accounting records over the RF revenue and accounts receivable activity.

Recognizing the manual nature of certain RF revenue and accounts receivable activities, we make the following recommendations:

- RFD and CFO management should work with the third party contractors of EEOC's on-line registration and payment and core accounting systems to identify potential solutions to systems limitations regarding the recording of RF revenue and accounts receivable transactions.
- RFD management should continue working with the third party contractor of EEOC's on-line registration and payment system to ensure accurate and complete documentation is maintained and readily available to support all RF transactions recorded in the general ledger.
- RFD management should document all manual procedures performed to maintain proper RF revenue and accounts receivable balances.
- RFD management should maintain complete documentation and justifications for all manual RF transactions entered in Momentum by RFD personnel.

Management's Response: Management generally concurs with the finding and recommendation. See appendix B for management's detailed responses. While the OCFO concurs with the overall finding, they take exception to their inclusion, as well as the inclusion of the core accounting system, Momentum, in the recommendation and request "the recommendation in the first bullet needs to drop the reference to CFO management and core accounting system limitations."

Auditor Response: Ultimately the OCFO is responsible for all transactions recorded in Momentum and therefore their inclusion in the recommendation is considered necessary to resolve the finding.

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

Recommendation	Status as of 11-10-2010
OHR should review and refine controls in place over time-and-attendance reporting to ensure that all employees report accurate and complete information to timekeepers. Additionally, OHR should implement a policy requiring return of timesheets with incorrect or incomplete information to employees for correction before certification of time-and-attendance information in EEOC's online timekeeping system.	Unresolved: Repeat Condition
The CFO, along with the Director of the RFD, should review accrual procedures in place and refine these procedures to ensure that all revenue not earned at yearend is properly classified as deferred in the financial statements.	Resolved
The CFO should work with the Director of RFD to ensure that documentation is maintained to support all transactions recorded in the general ledger.	Unresolved: Repeat Condition
The CFO should coordinate with the Director of RFD to ensure that timely, complete, and accurate reconciliations are performed between the general ledger and the subsidiary ledger and the differences identified are researched and resolved.	Resolved

Appendix B

Management's Response

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

Office of
Human Resources

November 9, 2010

MEMORANDUM

TO: Milton A. Mayo, Jr.
Acting Inspector General

FROM: Lisa M. Williams /s/
Chief Human Capital Officer

SUBJECT: Transmittal of Draft FY 2010 Financial Statement Audit Report of the EEOC

In response to Exhibit 1, Number 1, Lack of Adequate Controls over Time and Attendance, we understand the listed findings.

To improve control over our time and attendance (T&A) system, in January 2011, the EEOC is transitioning to Quicktime which is an automated web-based T&A system that allows employee entry of time, as well as traditional timekeeper data entry. The system provides for extensive editing to ensure that data meets relational edits and regulatory requirements. T&A's must be validated and certified through electronic signatures before updating and producing payroll interface files. Quicktime currently provides payroll interfaces for our existing Federal Personnel and Payroll System (FPPS).

We are providing mandatory training sessions, webinars, and workshops for all timekeepers and certifiers. Web-based training is currently available on inSite for all Agency end users.

As a result of this new T&A system, we hope to improve the internal controls and provide more integrity to the overall T&A process.

If you have any questions regarding the above, you may contact me or Tonya Williams at ext. 4341.

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

Office of the Chief Financial Officer

November 9, 2010

MEMORANDUM

TO: Milton A. Mayo, Jr.
Acting Inspector General

FROM: Jeffrey A. Smith
Chief Financial Officer

SUBJECT: November 5, 2010 Transmittal – Draft FY 2010 Financial Statement Audit of the EEOC

We have no comments on the draft for the "Opinion on the Financial Statements" and "Report on Compliance with Applicable Laws and Regulations."

For the draft "Report on Internal Control over Financial Reporting" we have no comments on "1. Lack of Adequate Controls over Time and Attendance" notes and recommendations.

For the draft internal control report, we have comments on "2. Lack of Adequate Controls over Revenue and Receivables." Our comments deal with the RFD personnel interviews and the recommendation in the first bullet. RFD personnel are incorrect by suggesting there are system limitations with the core accounting system that cause additional manual processes. The facts are that the contracted system sends over invalid project codes to the core accounting system. The core accounting system correctly rejects them in the edit process. Also, the contracted system sometimes sends over incorrect collections and refunds. There would be no manual intervention if valid project codes and collections and refunds were correctly interfaced to the core accounting system from the contracted system. To allow incorrect data into the core accounting system would compromise financial data quality. As a result, the recommendation in the first bullet needs to drop the reference to CFO management and core accounting system limitations.

As noted, similar revolving fund findings and recommendations carried forward without resolution from the fiscal year 2008 and 2009 internal control reports. As we recommended in 2009, we again recommend an independent third party professional services firm conduct a detail evaluation of the revolving fund accounting processes and procedures as well as the third party accounts receivable and collection system. Hopefully, an evaluation coupled with system and procedure changes will eliminate these findings for the fiscal year 2011 financial audit.

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

Office of
Field Programs

November 9, 2010

MEMORANDUM

TO: Milton A. Mayo, Jr.
Acting Inspector General

FROM: Nicholas M. Inzeo
Director, Office of Field Programs

SUBJECT: Management's Comments Regarding Auditor's Draft Report on Internal Controls

In the November 5, 2010, report from Harper, Rains, Knight & Co., P.A., the auditors noted a lack of adequate controls over revenue and receivables in the Revolving Fund.

We agree with the auditor's finding. While the Revolving Fund staff has worked closely with the contractor responsible for the registration process and the agency's financial management staff, we agree that there is more to be done in this area. However, during the audit process there appeared to be some instances in which there existed uncertainty with respect to what the auditor required in the form of support for some of the samples provided.

Further, just prior to completion of the audit of the Revolving Fund controls, a new Program Director was selected and after being briefed by staff directly involved in this process agrees that additional steps are warranted to ensure this finding is not repeated in the future. Over the next year, the Director will work to identify what changes are warranted in the existing process and to implement those changes as quickly as possible. She also plans to work with the registration contractor to ensure that information required for future audits is available in a timely manner and format to satisfy audit requirements.

LIMITATIONS OF THE FINANCIAL STATEMENTS

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

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

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

Equal Employment Opportunity Commission

CONSOLIDATED BALANCE SHEETS

As of September 30, 2010 and 2009

(in dollars)

	FY 2010	FY 2009
ASSETS		
Intragovernmental:		
Fund balance with treasury (Note 2)	$ 75,935,795	$ 67,020,955
Accounts receivable (Note 3)	198,677	35,446
Advances	24,454	30,475
Total intragovernmental assets	76,158,926	67,086,876
Accounts receivable, net (Note 3)	161,213	242,277
General property and equipment, net (Note 4)	9,398,382	10,721,177
Advances and prepaid expenses	28,047	192,407
TOTAL ASSETS	85,746,568	78,242,737
LIABILITIES		
Intragovernmental		
Accounts payable (Note 6)	135,502	2,136,357
Employer payroll taxes	2,939,399	2,463,234
Worker's compensation liability (Note 7)	3,067,745	2,448,172
Amounts due to Treasury for non-entity assets (Note 5)	11,294	158
Other	—	65
Total intragovernmental liabilities	6,153,940	7,047,986
Accounts payable	17,209,182	15,035,936
Accrued payroll	11,798,293	10,521,260
Accrued annual leave (Note 7)	19,129,396	18,254,091
Future worker's compensation liability (Note 7)	12,130,585	10,416,049
Capital lease liability (Note 10)	53,229	97,967
Amounts Collected for Restitution	5,647	13,629
Deferred revenue	166,385	92,961
TOTAL LIABILITIES	66,646,657	61,479,879
NET POSITION		
Unexpended appropriations	40,758,839	33,679,695
Cumulative results of operations—earmarked funds (Note 14)	3,225,285	3,501,721
Cumulative results of operations—other funds	(24,884,213)	(20,418,558)
Total net position	19,099,911	16,762,858
TOTAL LIABILITIES AND NET POSITION	**$ 85,746,568**	**$ 78,242,737**

The accompanying notes are an integral part of these statements.

Equal Employment Opportunity Commission

CONSOLIDATED STATEMENTS OF NET COST

For the Periods Ended September 30, 2010 and 2009

(in dollars)

	FY 2010	FY 2009
JUSTICE, OPPORTUNITY, AND INCLUSIVE WORKPLACES		
Private Sector:		
Enforcement	$ 188,434,637	$ 174,642,554
Mediation	26,620,822	23,511,571
Litigation	72,348,736	65,684,810
Outreach	10,670,284	10,944,770
Training	2,350,087	2,979,274
State and Local	35,597,007	32,395,350
Total program costs—Private Sector	336,021,572	310,158,329
Revenue	(1,874,875)	(2,068,152)
Net cost—Private Sector	334,146,698	308,090,177
Federal Sector:		
Hearings	29,714,117	28,672,078
Appeals	15,562,283	14,788,592
Mediation	426,109	635,200
Oversight	5,740,544	4,227,175
Training	3,003,186	2,750,099
Total Program costs—Federal Sector	54,446,239	51,073,144
Revenue	(2,390,861)	(2,094,083)
Net cost—Federal Sector	52,055,378	48,979,061
Totals all programs		
Program costs	390,467,812	361,231,473
Revenue (Note 11)	(4,265,736)	(4,162,235)
Net Cost of Operations	**$ 386,202,076**	**$ 357,069,238**

The accompanying notes are an integral part of these statements.

Equal Employment Opportunity Commission

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2010 and 2009

(in dollars)

	FY 2010			FY 2009		
	Earmarked Funds (Note 14)	All Other Funds	Consolidated	Earmarked Funds (Note 14)	All Other Funds	Consolidated
CUMULATIVE RESULTS OF OPERATIONS						
Beginning Balances:	$ 3,501,721	$ (20,418,558)	$ (16,916,837)	$ 4,248,975	$ (28,935,511)	$ (24,686,536)
Budgetary Financing Sources:						
Unexpended appropriations—used	—	358,051,143	358,051,143	—	346,903,037	346,903,037
Other Financing Sources:						
Imputed financing sources (Note 15)	—	23,408,842	23,408,842	—	17,935,900	17,935,900
Total Financing Sources	—	381,459,985	381,459,985	—	364,838,937	364,838,937
Net Cost of Operations	(276,436)	(385,925,640)	(386,202,076)	(747,254)	(356,321,984)	(357,069,238)
Net Change	(276,436)	(4,465,655)	(4,742,091)	(747,254)	8,516,953	7,769,699
Cumulative Results of Operations	3,225,285	(24,884,213)	(21,658,928)	3,501,721	(20,418,558)	(16,916,837)
UNEXPENDED APPROPRIATIONS						
Beginning Balances:	$ —	$ 33,679,695	$ 33,679,695	$ —	$ 38,806,307	$ 38,806,307
Budgetary Financing Sources:						
Appropriations received (Note 12)	—	367,303,000	367,303,000	—	343,925,000	343,925,000
Recissions and canceled appropriations	—	(2,172,713)	(2,172,713)	—	(2,148,575)	(2,148,575)
Unexpended appropriations—used	—	(358,051,143)	(358,051,143)	—	(346,903,037)	(346,903,037)
Total Budgetary Financing Sources	—	7,079,144	7,079,144	—	(5,126,612)	(5,126,612)
Total Unexpended Appropriations	—	40,758,839	40,758,839	—	33,679,695	33,679,695
Net Position	**$ 3,225,285**	**$ 15,874,626**	**$ 19,099,911**	**$ 3,501,721**	**$ 13,261,137**	**$ 16,762,858**

The accompanying notes are an integral part of these statements.

Equal Employment Opportunity Commission

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Periods Ending September 30, 2010 and 2009

(in dollars)

	FY 2010	FY 2009
Budgetary Resources		
Unobligated balance, brought forward, October 1:	$ 10,955,899	$ 10,036,948
Recoveries of prior year unpaid obligations	2,729,962	2,617,976
Budget authority:		
Appropriation (Note 12)	367,303,000	343,925,000
Spending authority from offsetting collections:		
Earned:		
Collected	4,311,567	4,357,071
Change in receivables from Federal sources	32,130	(2,437)
Change in unfilled customer orders:		
Advance received	73,424	92,961
Subtotal	371,720,121	348,372,595
Permanently not available	(2,172,713)	(2,148,575)
Total Budgetary Resources	$ 383,233,269	$ 358,878,944
Status of Budgetary Resources		
Obligations incurred		
Direct obligations (Note 13)	367,077,775	343,332,356
Reimbursable obligations	4,405,598	4,590,689
Subtotal	371,483,373	347,923,045
Unobligated balance		
Apportioned	1,545,207	1,112,688
Unobligated balance not available	10,204,689	9,843,211
Total Status of Budgetary Resources	$ 383,233,269	$ 358,878,944
Change in Obligated Balance:		
Obligated balance, net		
Unpaid obligations brought forward October 1	56,333,363	66,139,861
Less: Uncollected customer payments from Federal sources, brought forward, October 1	(282,002)	(284,438)
Total unpaid obligated balance	56,051,361	65,855,423
Obligations incurred, net	371,483,373	347,923,045
Less: Gross outlays	(360,592,371)	(355,111,568)
Less: Recoveries of prior year unpaid obligations, net	(2,729,962)	(2,617,976)
Change in uncollected customer payments from Federal sources	(32,130)	2,437
Obligated balance, net, end of period		
Unpaid obligations	64,494,402	56,333,363
Less: Uncollected customer payments from Federal sources	(314,131)	(282,002)
Total, unpaid obligation balance, net, end of period	64,180,271	56,051,361
Net Outlays:		
Net Outlays:		
Gross outlays	360,592,371	355,111,568
Less: Offsetting collections	(4,384,991)	(4,450,032)
Net Outlays	**$ 356,207,380**	**$ 350,661,536**

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2010 and 2009

(In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

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

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

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

(b) Basis of Presentation

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

(c) Basis of Accounting

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

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

(d) Revenues, User Fees and Financing Sources

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

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

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

(e) Assets and Liabilities

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

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

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

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

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

(g) Accounts Receivable

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

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

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

(h) Property, Plant and Equipment

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

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

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

During fiscal year 2009, the capitalization threshold for equipment and software and repairs and maintenance meeting the criteria was $25,000 and Leasehold improvements was $100,000.

Depreciation or amortization of equipment is computed using the straight-line method over the assets' useful lives ranging from 5 to15 years. Copiers are depreciated using a 5-year life. Computer hardware is depreciated over 10 to 12 years. Capitalized software is amortized over a useful life of 2 years. Amortization of capitalized software begins on the date it is put in service, if purchased, or when the module or component has been successfully tested if developed internally. Leasehold improvements are amortized over the remaining life of the lease.

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

(i) Advances and Prepaid Expenses

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

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

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

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

(k) Retirement Benefits

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

For employees under FERS, the EEOC contributes an amount equal to 1% of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional 4% of pay. FERS and CSRS employees can contribute $16,500 of their gross earnings to the plan, for the calendar years 2010 and 2009. 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 2010 and 2009.

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

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

(l) Workers' Compensation

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

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

(m) Contingent Liabilities

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

(n) Amounts Collected for Restitution

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

(o) Cost Allocations to Programs

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

(p) Unexpended Appropriations

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

(q) Income Taxes

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

(r) Use of Estimates

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

(2) Fund Balance with Treasury

Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the EEOC to draw down funds from Treasury for expenses and liabilities. Fund Balance with Treasury by fund type as of September 30, 2010 and 2009 consists of the following:

		FY 2010		FY 2009
Fund Type				
Revolving funds	$	3,194,351	$	3,698,564
Appropriated funds		72,735,817		63,308,696
Other fund types		5,627		13,695
Totals	**$**	**75,935,795**	**$**	**67,020,955**

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

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

The undelivered orders at the end of the period consist of $32,464,528 and $26,399,459 for FY 2010 and FY 2009, respectively.

For fiscal years ended September 30, 2010 and 2009, funds in closed accounts of $2,172,713 and $2,148,575 were returned to Treasury.

Status of Fund Balance with Treasury as of September 30, 2010 and 2009 consists of the following:

		FY 2010		FY 2009
Status of Funds				
Unobligated balance:				
Available	$	1,545,207	$	1,112,688
Unavailable		10,204,689		9,843,211
Obligated balance not yet disbursed		64,180,271		56,051,361
Non-budgetary Fund Balance with Treasury		5,628		13,695
Totals	**$**	**75,935,795**	**$**	**67,020,955**

(3) Accounts Receivable, Net

Intra-governmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services. While all receivables from federal agencies are considered collectible, an allowance for doubtful accounts is sometimes used to recognize the occasional billing dispute. In FY 2010 and FY 2009, this was not deemed necessary.

Accounts receivable due to EEOC from the public arise from enforcement or prevention and training services provided to public and private entities or state and local agencies. An analysis of accounts receivable is performed to determine collectibility and an appropriate allowance for uncollectible receivables is recorded. The allowance for accounts receivable is computed as follows: Accounts receivable between 365 days and 720 days old are computed at 50% and those older than 720 days years are calculated at 100%. Accounts receivable as of September 30, 2010 and 2009 are as follows:

		FY 2010		FY 2009
Intra-governmental:				
Accounts receivable (see detail below)	$	198,677	$	35,446
Allowance for uncollectible receivables		—		—
Totals	**$**	**198,677**	**$**	**35,446**

		FY 2010		FY 2009
With the public:				
Accounts receivable	$	298,798	$	487,942
Allowance for uncollectible receivables		(137,585)		(245,665)
Totals	**$**	**161,213**	**$**	**242,277**

Amounts due from various federal agencies are for accounts receivable as of September 30, 2010 and 2009. These are related to registered participants' training fees due to the revolving fund and appropriated interagency agreements as shown in the table below:

Agency	FY 2010	FY 2009
Defense Agencies	$ 48,286	$ —
Social Security Administration	25,710	—
International Trade Commission	19,200	—
Department of Energy	18,558	—
Department of Homeland Security	17,928	300
Department of the Interior	15,692	—
Environmental Protection Agency	9,495	1,395
Department of Agriculture	8,060	4,690
National Aeronautics and Space Administration	7,775	—
Department of Education	7,425	—
Department of Health and Human Services	4,249	874
The Judiciary	3,500	698
Department of Justice	2,550	—
General Services Administration	2,550	—
Department of State	2,000	1,095
Department of Treasury	1,725	9,690
Architect of the Capitol	1,725	350
Department of Labor	950	—
Office of Personnel Management	350	—
Department of Transportation	349	—
Office of Special Counsel	300	—
National Science Foundation	300	—
Department of the Army	—	8,069
Selective Service System	—	3,000
Department of the Navy	—	1,945
Department of Veterans Affairs	—	1,095
Department of Housing and Urban Development	—	1,095
Agency for International Development	—	850
Executive Office of the President	—	300
Totals	**$ 198,677**	**$ 35,446**

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

As of September 30, 2009		**Cost**		**Accumulated Depreciation**		**Net Book Value**
Equipment	$	911,642	$	(744,927)	$	166,715
Capital leases		286,857		(207,855)		79,002
Internal use software		4,134,204		(4,026,147)		108,057
Leasehold improvements		11,772,261		(1,404,858)		10,367,403
Totals	**$**	**17,104,964**	**$**	**(6,383,787)**	**$**	**10,721,177**

Depreciation expense for the periods ended September 30, 2010 and 2009 is:

	FY 2010		**FY 2009**
$	**1,321,405**	**$**	**1,134,782**

(5) Non-Entity Assets

The EEOC has $11,314 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2010 and $158 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2009. Cash collections of $80,815 were returned to Treasury as of September 30, 2010 and $236,055 were returned to Treasury as of September 30, 2009 as instructed by Treasury.

(6) Liabilities Owed to Other Federal Agencies

As of September 30, 2010 and 2009, the following amounts were owed to other federal agencies:

		FY 2010		FY 2009
Agency				
Department of Interior	$	69,554	$	86,000
General Services Administration		56,638		825,400
National Archives and Records		9,000		12,051
Department of Health and Human Services		310		762
Department of Homeland Security		—		1,179,392
Department of the Treasury		—		16,125
Office of Personnel Management		—		15,047
Department of Agriculture		—		1,580
Totals	**$**	**135,502**	**$**	**2,136,357**

(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, 2010 and 2009 are shown in the following table:

		FY 2010		FY 2009
Intra-governmental:				
Accrued worker's compensation	$	3,067,745	$	2,448,172
Total intra-governmental		3,067,745		2,448,172
Accrued annual leave		19,129,396		18,254,091
Worker's compensation due in the future		12,130,585		10,416,049
Capital lease liability		53,229		97,967
Total liabilities not covered by budgetary resources		34,380,955		31,216,279
Total liabilities covered by budgetary resources		32,265,702		30,263,600
Total liabilities	**$**	**66,646,657**	**$**	**61,479,879**

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

(8) Liabilities Analysis

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

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

Current and non-current liabilities as of September 30, 2009 are shown in the following table:

	Current	Non-Current	Totals
Covered by budgetary resources:			
Intra-governmental:			
Accounts payable	$ 2,136,357	$ —	$ 2,136,357
Payroll taxes	2,463,234	—	2,463,234
Due to Treasury	158	—	158
Other	65	—	65
Total Intra-governmental	4,599,814	—	4,599,814
Accounts payable	15,035,936	—	15,035,936
Accrued payroll	10,521,260	—	10,521,260
Amounts collected for restitution	13,629	—	13,629
Unearned revenue	92,961	—	92,961
Liabilities covered by budgetary resources	30,263,600	—	30,263,600
Liabilities not covered by budgetary resources:			
Intra-governmental:			
Worker's compensation	866,464	1,581,708	2,448,172
Total Intra-governmental	866,464	1,581,708	2,448,172
Accrued annual leave	18,254,091	—	18,254,091
Actuarial worker's compensation		10,416,049	10,416,049
Capital lease liability	53,229	44,738	97,967
Liabilities not covered by budgetary resources	19,173,784	12,042,495	31,216,279
Total liabilities	**$ 49,437,384**	**$ 12,042,495**	**$ 61,479,879**

(9) Contingent Liabilities

EEOC is a party to various administrative proceedings, legal actions and claims that may eventually result in the payment of substantial monetary claims to third parties, or in the reallocation of material budgetary resources. Any financially unfavorable administrative or court decision could be funded from either the various claims to judgment funds maintained by Treasury or paid by EEOC. In FY 2010 and FY 2009 $0 was recorded for contingent liabilities, which are the amounts considered probable and measurable by EEOC's management and legal counsel. In addition, for FY 2010, there is one claim for which it is reasonably possible that damages will be paid. This pending claim is for overtime to which employees claim they were entitled. The estimated amount of this claim is between three million ($3,000,000) and five million ($5,000,000). The chance of this claim succeeding is less than probable, but more than remote. The agency has and will continue to vigorously contest these claims. In the opinion of EEOC's management, the ultimate resolution of pending litigation will not have a material effect on the EEOC's financial statements.

(10) Leases

Capital Leases

The EEOC has several capital leases for copiers in the amount of $193,910 for FY 2010. These leases can be canceled without penalty. The future lease payments and net capital lease liability as of September 30, 2010 is as follows:

Fiscal Year	Future Payments
2011	$ 58,423
2012	—
2013	—
2014	—
2015	—
Thereafter	—
Total future lease payments	58,423
Less: imputed interest	(5,194)
Net capital lease liability	$ 53,229

None of the future lease payments are covered by budgetary resources.

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 2010 and 2009 are $26,761,804 and $28,249,730, respectively. The EEOC has estimated its future minimum liability on GSA operating leases by adding inflationary adjustments to the FY 2010 lease rental expense. Future estimated minimum lease payments, for 5 fiscal years under GSA as of September 30, 2010 are:

Fiscal Year	Estimated Payments
2011	$ 31,498,282
2012	31,714,518
2013	32,157,936
2014	32,388,667
2015	32,626,320
Total	**$ 160,385,723**

(11) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and to some State and Local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The Commission also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the Commission as of September 30, 2010 and 2009 was as follows:

		FY 2010		FY 2009
Reimbursable revenue	$	72,000	$	54,000
Fees from services		4,193,736		4,108,234
Total Revenue	**$**	**4,265,736**	**$**	**4,162,234**

(12) Appropriations Received

Warrants received by the Commission as of September 30, 2010 and 2009 are:

	FY 2010		FY 2009
$	**367,303,000**	**$**	**343,925,000**

There was no rescission for the warrant received by the EEOC for fiscal years 2010 and 2009.

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

Direct and Reimbursable obligations as of September 30, 2010 and 2009 are:

Obligations		**FY 2010**		**FY 2009**
Direct A	$	337,357,195	$	317,633,031
Direct B		29,720,580		25,699,325
Subtotal Direct Obligations		367,077,775		343,332,356
Reimbursable—Direct A		4,405,598		4,590,689
Total Obligations	**$**	**371,483,373**	**$**	**347,923,045**

(14) Earmarked Funds (Permanent Indefinite Appropriations)

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

Balance Sheet as of September 30, 2010 and 2009		**2010**		**2009**
ASSETS				
Fund balance with Treasury	$	3,194,351	$	3,698,564
Accounts receivable (net of allowance)		250,216		201,021
Advances and prepaid expenses		34,822		53,271
TOTAL ASSETS	$	3,479,389	$	3,952,856
LIABILITIES				
Accounts payable		87,719		358,174
Deferred revenue		166,385		92,961
TOTAL LIABILITIES	$	254,104	$	451,135
NET POSITION				
Cumulative results of operations		3,225,285		3,501,721
TOTAL LIABILITIES AND NET POSITION	$	3,479,389	$	3,952,856

Statement of Net Cost for the Period Ended September 30, 2010 and 2009		**2010**		**2009**
Program Costs		4,470,171		5,098,263
Revenue		(4,193,736)		(4,351,009)
Net Cost (Revenue)	**$**	**276,435**	**$**	**747,254**

The Revenue includes $— and $242,774 of intra-agency revenue for fiscal years ended September 30, 2010 and 2009, respectively that is eliminated in the Principal Statements.

(15) Imputed Financing

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. The U.S. Treasury's Judgment Fund paid certain judgments on behalf of the EEOC. Expenses of the EEOC paid or to be paid by other federal agencies at September 30, 2010 and 2009 consisted of:

	FY 2010	FY 2009
Office of Personnel Management:		
Pension expenses	$ 11,516,849	$ 7,151,267
Federal employees health benefits (FEHB)	11,857,772	10,753,053
Federal employees group life insurance (FEGLI)	34,221	31,580
Total Imputed Financing	**$ 23,408,842**	**$ 17,935,900**

(16) Intragovernmental Costs and Exchange Revenue:

	FY 2010	FY 2009
Costs		
Office of Personnel Management	$ 58,277,450	$ 49,023,789
General Services Administration	32,005,834	48,444,292
Social Security Administration	11,822,271	10,560,337
Federal Retirement Thrift Investment Board	6,184,892	5,462,791
Department of the Interior	3,705,328	3,719,215
Department of Homeland Security	2,669,509	3,186,614
Department of Labor	1,597,932	1,431,707
Department of Transportation	1,263,758	1,080,592
Department of Health and Human Services	427,997	284,370
Department of Commerce	100,750	39,000
National Archives and Records Administration	70,910	72,581
Government Printing Office	62,122	146,962
Library of Congress	58,687	92,966
Department of the Treasury	39,796	183,536
Other agencies	102,227	41,202
Intragovernmental Costs	118,389,463	123,769,954
Public costs	272,078,349	237,461,519
Total Program costs	**$ 390,467,812**	**$ 361,231,473**

	FY 2010	FY 2009
Revenue		
Defense Agencies	$ 576,127	$ 492,130
Other Agencies	383,966	365,615
Department of Homeland Security	141,207	261,371
Department of Labor	81,716	54,000
Department of Veterans Affairs	79,796	72,995
Department of Justice	75,931	77,705
Department of the Treasury	75,357	134,217
Department of Agriculture	61,252	117,735
Social Security Administration	61,100	82,414
Department of Transportation	50,863	66,873
Department of Energy	48,199	35,556
Department of Commerce	42,480	37,675
Office of Personnel Management	28,810	—
Department of Interior	26,609	0
United States Postal Service	25,501	24,253
Department of Health and Human Services	21,402	91,833
Department of Education	17,059	—
General Services Administration	16,222	—
Tennessee Valley Authority	13,759	—
Environmental Protection Agency	12,659	202,503
Department of State	12,262	—
National Labor Relations Board	10,296	—
Department of Housing and Urban Development	10,010	23,547
Department of the Air Force	—	37,675
Department of the Army	—	35,320
U.S. Nuclear Regulatory Commission	—	30,611
Department of the Navy	—	14,128
Intragovernmental earned revenue	1,872,583	2,319,613
Public earned revenue	2,393,153	1,842,622
Total Program earned revenue (Note 11)	**4,265,736**	**4,162,235**
Net Cost of Operations	**$ 386,202,076**	**$ 357,069,238**

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

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

Information from the President's Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2009 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2010, since the President's Budget for this period has not been issued by Congress.

Dollars in millions		President's Budget FY 2009 actual as of 9/30/09		Statement of Budgetary Resources FY 2009 as of 9/30/09		Estimated FY 2010		Estimated FY 2011
Budgetary resources	$	344	$	359	$	367	$	385
Total new obligations		343		348		367		385
Total outlays		350		351		363		393

The differences between the President's 2009 budget and the Combined Statement of Budgetary Resources for 2009 are shown below:

Dollars in millions			Budgetary Resources		Obligations		Outlays (g)
As reported on the Combined Statement of Budgetary Resources for FY 2009		$	359	$	348	$	351
Revolving fund collections not reported in the budget	(a)		(4)				4
Obligations in the revolving fund and no-year fund not included in the President's budget	(b)				(5)		(5)
Carry-forwards and recoveries in the revolving fund and no-year fund not included in the President's Budget	(c)		(3)				
Carry-forwards and recoveries in expired funds	(d)		(10)				
Obligations in expired funds	(e)						
Canceled appropriations	(f)		2				
Rounding differences	(g)						
As reported in the President's Budget for FY 2009		**$**	**344**	**$**	**343**	**$**	**350**

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

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

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

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

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

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

(g) Difference due to rounding by millions.

(18) Reconciliation of Net Cost of Operations to Budget

Equal Employment Opportunity Commission
Reconciliation of Net Cost of Operations (Proprietary) to Budget
For the Month Ended September 30, 2010 and 2009

	FY 2010	FY 2009
Resources Used to Finance Activities		
Current Year Gross Obligations	$ 371,483,373	$ 347,923,045
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Earned		
Collected	(4,311,567)	(4,357,071)
Change in Receivable from Federal Sources	(32,130)	2,437
Recoveries of Prior Year Unpaid Obligations	(2,729,962)	(2,617,976)
Other Financing Resources		
Imputed Financing Sources	23,408,842	17,935,900
Total Resources Used to Finance Activity	$ 387,818,556	$ 358,886,335
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	73,424	92,961
Change in Undelivered Orders	(6,065,069)	6,716,453
Current Year Capitalized Purchases	(44,738)	(11,282,666)
Deferred Revenue	(166,385)	(92,961)
Components of the Net Cost of Operations which do not Generate or Use Resources in the Reporting Period Revenues without Current Year Budgetary Effect		
Other Financing Sources Not in the Budget	(23,408,842)	(17,935,900)
Costs without Current Year Budgetary Effect		
Depreciation and Amortization	1,321,405	1,134,782
Disposition of Assets	1,389	34,740
Future Funded Expenses	1,494,878	1,145,815
Imputed costs	23,408,842	17,935,900
Bad Debt Expense	(99,691)	122,290
Other Expenses Not Requiring Budgetary Resources	1,868,307	311,489
Net Cost of Operations	**$ 386,202,076**	**$ 357,069,238**

Appendixes

APPENDIX A: ORGANIZATION AND JURISDICTION

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

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

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

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

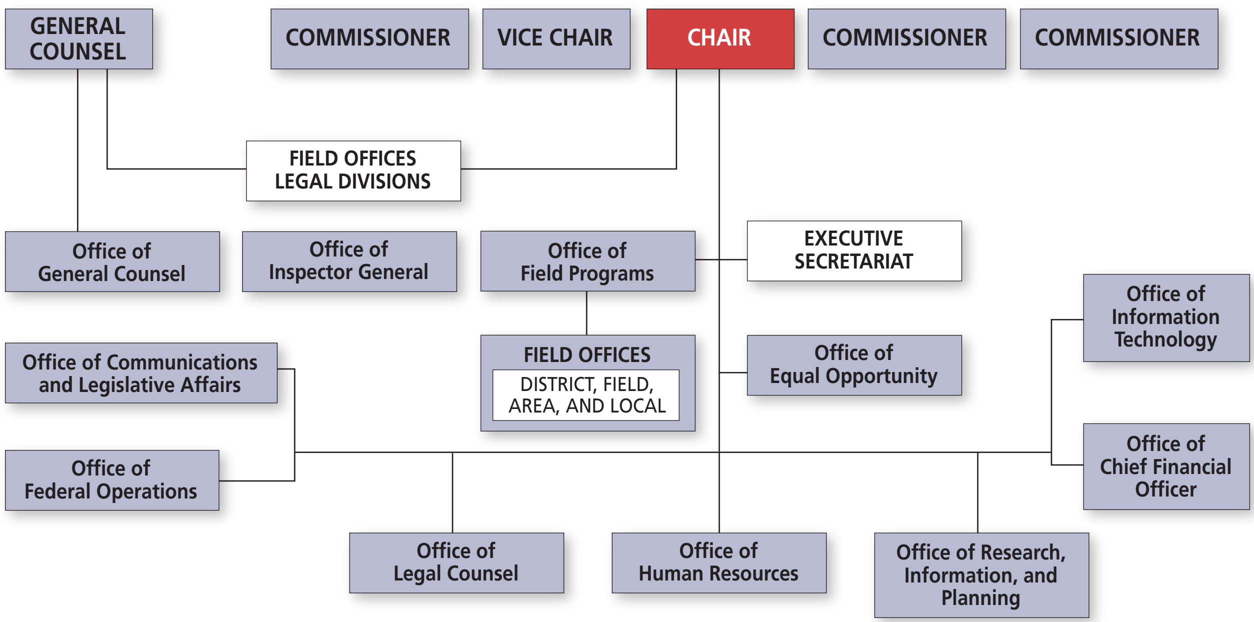
Additionally, through the **Office of Field Program's State and Local Program**, the EEOC maintains work sharing agreements and a contract services program with 94 state and local Fair Employment Practices Agencies (FEPAs) for the purpose of coordinating the investigation of charges dual-filed under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

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

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

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

EEOC Organization



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

Jacqueline A. Berrien, Chair

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

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

From 2001 to 2004, Berrien was a Program Officer in the Governance and Civil Society Unit of the Ford Foundation's Peace and Social Justice Program, where she administered more than $13 million in grants to promote greater political participation by underrepresented groups and remove barriers to civic engagement. During her tenure with the Ford Foundation, Berrien also co-chaired the Funders' Committee for Civic Participation, a philanthropic affinity group affiliated with the Council on Foundations.

Before joining the Ford Foundation, Berrien practiced civil rights law for more than 15 years. Between 1994 and 2001, she was an Assistant Counsel with LDF, where she coordinated all of LDF's work in the area of voting rights and political participation and represented voters in proceedings before the U.S. Supreme Court and federal and state appellate and trial courts. Between 1987 and 1994, Berrien worked as an attorney with the Voting Rights Project of the Lawyers' Committee for Civil Rights in Washington, D.C., and with the National Legal Department and Women's Rights Project of the American Civil Liberties Union in New York. She began her legal career in 1986, working as a law clerk to the Honorable U.W. Clemon, the first African-American U.S. District Court Judge in Birmingham, Ala. She has published several articles on race and gender discrimination issues and was appointed to the adjunct faculty of New York Law School in 1995. Berrien also taught trial advocacy at Harvard and Fordham law schools.

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

Stuart J. Ishimaru, Commissioner

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

During his tenure as Acting Chairman, Mr. Ishimaru worked to rebuild the EEOC, which had become under-funded and under-staffed. Under his leadership, the agency obtained record budgets from the Congress, and embarked on an aggressive hiring initiative to significantly increase its front-line enforcement staff. He also dedicated substantial agency resources to a multi-million dollar training effort—the largest the agency had conducted in at least a decade—to equip EEOC employees with essential skills and knowledge they need to investigate and litigate large and complex discrimination cases.

Mr. Ishimaru emphasized the EEOC's critical role as a law enforcement agency, encouraging the Commission's employees to carry out the agency's mission fairly and vigorously. He committed agency resources to investigating and litigating systemic cases—larger cases with the potential to provide relief for numerous victims of discrimination and to bring about positive change in entire companies and industries. Under his leadership, during fiscal year 2009, the Commission recovered a total of $376 million in relief for victims of discrimination (including a record $294 million in monetary relief obtained by the Commission in its administrative enforcement process, and an additional $82 million secured through Commission litigation).

Mr. Ishimaru worked to reinvigorate the agency's emphasis on race discrimination issues. He also was instrumental in the Commission's adoption of ground-breaking guidance and "best practices" to help employers avoid engaging in gender and disability discrimination against workers who have caregiving responsibilities. In addition, Mr. Ishimaru spearheaded the first public Commission meeting in years to focus on age discrimination, examining the effect of the recent recession and of adverse Supreme Court decisions on the rights of older workers to secure equal employment opportunity.

During Mr. Ishimaru's tenure as Acting Chairman, the Commission published proposed regulations to implement the employment provisions of the Americans with Disabilities Act Amendments Act of 2008 and the Genetic Information Nondiscrimination Act of 2008. He was the first Administration official to testify before Congress in support of the Employment Nondiscrimination Act, which would prohibit employment discrimination based on sexual orientation and gender identity. He also testified before the Senate in support of the Paycheck Fairness Act (an Act to reinvigorate and bolster the protections against gender-based wage discrimination provided by the Equal Pay Act of 1963).

While he was Acting Chairman, Ishimaru's other priorities included improving access to the EEOC and its services. He had pressed agency staff across the country to reach out to underserved populations and communities. Further, during his time at the Commission, Mr. Ishimaru has worked with former EEOC Acting Vice Chair Christine Griffin to increase diversity and equal employment opportunities in the federal sector. He led a Commission workgroup that developed consensus recommendations to improve the federal sector complaint process, many of which have been implemented or serve as the basis for current proposed regulatory changes.

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

In 1993, Mr. Ishimaru was appointed by President Clinton to be the Acting Staff Director of the U.S. Commission on Civil Rights, and from 1984–1993 he served on the professional staffs of the House Judiciary Subcommittee on Civil and Constitutional Rights and two House Armed Services Subcommittees of the U.S. Congress.

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

Constance S. Barker, Commissioner

Constance Smith Barker was sworn in as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) on July 14, 2008. Commissioner Barker 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.

As a former employment litigator representing primarily small businesses in Alabama, Commissioner Barker is sensitive to the challenges and frustrations of small businesses in the current economy. It is for this reason that she continually stresses the EEOC's obligation to help small businesses apply the complex legal requirements of the employment laws and regulations to real-life work situations.

Commissioner Barker is also focused on the occurrence of worksite rape and sexual assault against young women and girls (particularly seasonal farm workers) who work in isolated locations and are vulnerable to sexual abuse by supervisors. She is working to raise awareness of the problem and to coordinate efforts to protect these young women under the laws enforced by the EEOC.

Commissioner Barker brings to the Commission extensive experience in labor and employment law, including experience in both the private and public sectors. Prior to her appointment to the Commission, she 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. Commissioner Barker also served for 11 years as General Counsel to the Mobile County Public School System, a large city and county school system. Commissioner Barker also served as a part-time municipal judge for two municipalities in Mobile, Alabama and was actively involved in Mobile's juvenile justice system.

Commissioner Barker was awarded the Alabama State Bar's Award of Merit for outstanding constructive service to the legal profession in 2007. She was cited by the Bar for her work as Co-Chairman of the Alabama Judicial Campaign Oversight Committee. While serving on the board of the Mobile Area YWCA she also co-chaired the YWCA's widely attended annual empowerment conference for Alabama women—the Bay Area Women's Conference. Commissioner Barker is also an avid supporter of the arts and served as President of the Montgomery Symphony Orchestra.

A native of Florence, Alabama, Commissioner 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.

Chai Feldblum, Commissioner

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

Prior to her appointment to the EEOC, Ms. Feldblum was a Professor of Law at the Georgetown University Law Center where she had taught since 1991. At Georgetown, she founded the Law Center's Federal Legislation and Administrative Clinic, a program designed to train students to become legislative lawyers. As Co-Director of Workplace Flexibility 2010, Ms. Feldblum has worked to advance flexible workplaces in a manner that works for employees and employers.

Ms. Feldblum 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.

Chai 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.

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 both a term ending on July 1, 2010, and a second term ending on July 1, 2015. On March 27, 2010, she was given a recess appointment to that position.

Immediately before coming to the EEOC, Ms. Lipnic was of counsel to the law firm of Seyfarth Shaw LLP in its Washington, DC, office.

Ms. Lipnic 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, she 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.

In addition to her work with the Department of Labor, Ms. Lipnic's government experience includes service as Workforce Policy Counsel to the then-Majority (Republican) members of the Committee on Education and the Workforce in the U.S. House of Representatives. Before her work for Congress, Ms. Lipnic acted as in-house counsel for labor and employment matters to the U.S. Postal Service for six years. She also served as a special assistant for business liaison to the then U.S. Secretary of Commerce, Malcolm Baldrige.

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.

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, pending confirmation by the full Senate. Mr. Lopez is the first field staff attorney to be appointed as General Counsel.

David Lopez has served in the Commission for 15 years in the field and at headquarters. Prior to this, 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. He also represented the EEOC in an inter-agency working group commissioned by the Clinton White House to monitor potentially discriminatory immigration legislation. In addition, as Special Assistant, he oversaw the development and coordinated the implementation of the Commission's National Enforcement Plan, which is still in effect today.

In 1998, he joined the Phoenix District Office as a Senior Trial Attorney, later becoming a Supervisory Trial Attorney, fulfilling a long-held dream to practice civil rights law in his beloved hometown. During his tenure, Mr. Lopez has successfully tried several cases on behalf of the EEOC and its charging parties. These trials represent litigation on a wide variety of legal bases. He has won significant jury verdicts against Alamo Rent-a-Car (CV 02-1908-PHX-ROS, the first post-9/11 backlash religious accommodation case brought by the EEOC), GoDaddy (CV 04-2062-PHX-DGC, a national origin, religion, and retaliation case), and AutoZone (CV 06-926-PHX-SMM, an egregious sexual harassment case), to name a few.

In addition, Mr. Lopez has extensive experience developing large, high-impact systemic cases. Most notably, his involvement was pivotal in settlements reached in *EEOC v. WalMart* (CV 98-276-TUC-WDB, hearing impairment/disability), *EEOC v. United Parcel Service* (CV 98-1015-PHX-RGS, return to work policy/disability), *EEOC v. Lennar Homes* (CV 03-1827-PHX-DGC, age discrimination/RIF), *EEOC v. AutoZone* (CV 06-1767-PCT-PGR, visual impairment/reasonable accommodation) *EEOC v. Pinnacle Nissan* (CV 00-1872-PHX-LOA, race and national origin harassment), *EEOC v. Blockbuster* (CV 04-2007-PHX-FJM, religious accommodation) and *EEOC v. University of Phoenix* (CV 06-2303-PHX-MHM, religion disparate treatment case). In all of these settlements, large-scale monetary relief and extensive injunctive relief were obtained on behalf of the Commission and the victims of discrimination.

During his tenure in Phoenix, Mr. Lopez exhibited an eye for systemic litigation in novel issue areas, thereby contributing to the realization of the targeted National Enforcement Plan he helped create while serving as Special Assistant. Mr. Lopez has also done extensive speaking and outreach to bar associations, schools, and community based groups.

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.

Mr. Lopez has been married 19 years to Maria Leyva. They have three children, Javier David, Julian Diego and Luis Andres.

Christine M. Griffin, Former Acting Vice Chair and Commissioner

Christine M. Griffin, nominated by former President George W. Bush on July 28, 2005, and unanimously confirmed by the U.S. Senate, was sworn in on January 3, 2006. She served as Acting Vice Chair from January 2009 until her resignation from the Commission on January 2, 2010. She is currently serving as the Deputy Director of the U.S. Office of Personnel Management.

While at the Commission, Ms. Griffin was vocal in her support of increasing diversity in the federal workforce, as well as promoting greater efficiency and fairness in the federal EEO process. She has also been a strong advocate for women's rights and the rights of individuals with disabilities. Notably, in June 2006 Ms. Griffin launched the LEAD Initiative—Leadership for the Employment of Americans with Disabilities—to address the significant under-employment of individuals with severe disabilities in the federal government.

APPENDIX C: GLOSSARY OF ACRONYMS

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

APPENDIX D: INTERNET LINKS

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

EEOC FY 2010 Performance and Accountability Report: http://www.eeoc.gov/eeoc/plan/2010par.cfm

EEOC FY 2009 Performance and Accountability Report: http://www.eeoc.gov/eeoc/plan/archives/annualreports/par/2009/index.html

EEOC FY 2008 Performance and Accountability Report: http://www.eeoc.gov/eeoc/plan/archives/annualreports/par/2008/index.html

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

EEOC FY 2011 Performance Budget: http://www.eeoc.gov/eeoc/plan/2011budget.cfm

EEOC FY 2010 Performance Budget: http://www.eeoc.gov/eeoc/plan/2010budget.cfm

EEOC FY 2009 Performance Budget: http://www.eeoc.gov/eeoc/plan/archives/budgets/2009budget/index.cfm

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

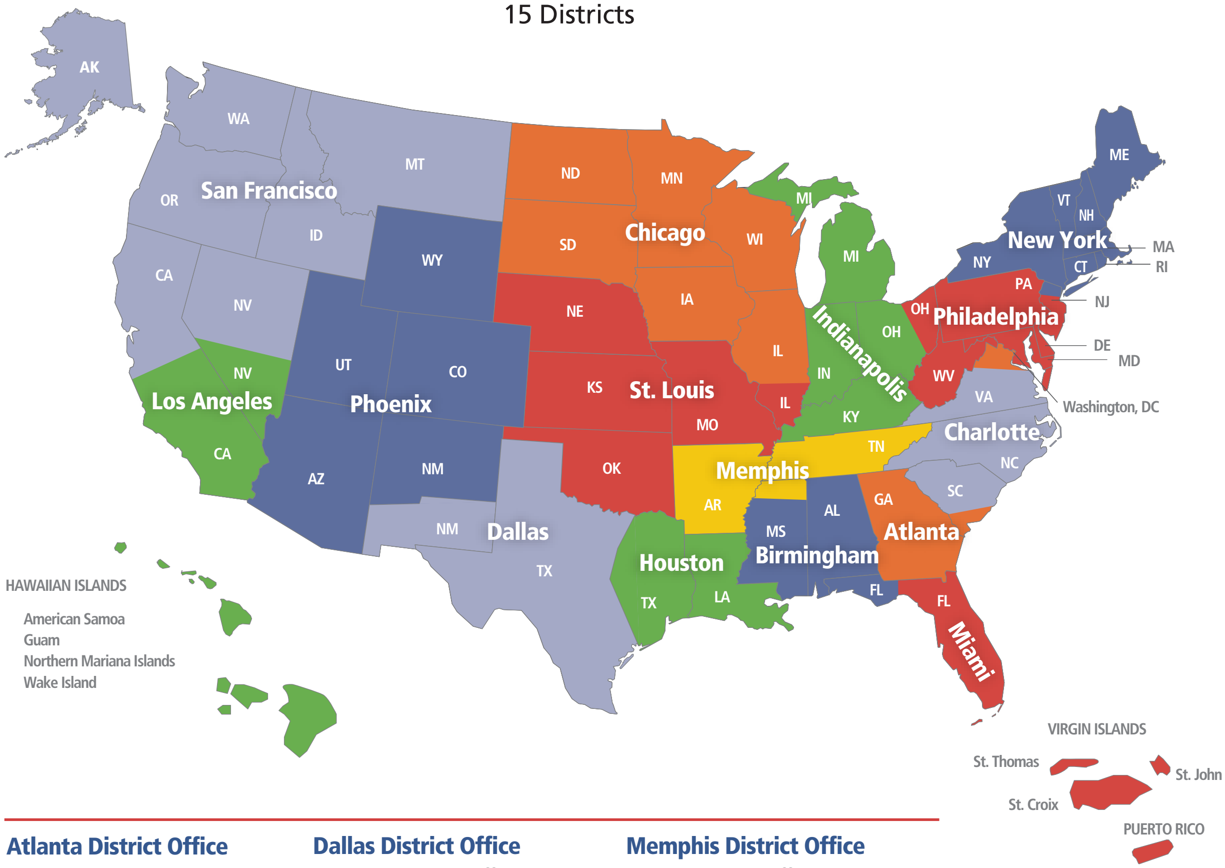
Youth@Work Initiative: http://www.eeoc.gov/eeoc/initiatives/youth/index.cfm

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

APPENDIX E: EEOC FIELD OFFICES

Equal Employment Opportunity Commission

15 Districts



Atlanta District Office
Savannah Local Office

Birmingham District Office
Jackson Area Office
Mobile Local Office

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

Chicago District Office
Milwaukee Area Office
Minneapolis Area Office

Dallas District Office
San Antonio Field Office
El Paso Area Office

Houston District Office
New Orleans Field Office

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

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

Memphis District Office
Little Rock Area Office
Nashville Area Office

Miami District Office
Tampa Field Office
San Juan Local Office

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

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

Phoenix District Office
Albuquerque Area Office
Denver Field Office

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

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

Washington Field Office

Acknowledgments

The EEOC's FY 2010 Performance and Accountability Report is a collaborative endeavor on the part of many EEOC employees and contractors. We would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

WE WELCOME YOUR COMMENTS

Thank you for your interest in the EEOC's FY 2010 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

SERVING THE NATION FOR 45 YEARS

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