PERFORMANCE AND ACCOUNTABILITY REPORT

FISCAL YEAR 2016

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

How This Report Is Organized

This *Fiscal Year 2016 Performance and Accountability* Report (PAR) presents the U.S. Equal Employment Opportunity Commission's ("EEOC" or "the agency") program results and financial management and identifies management challenges. Agency efforts in each of these areas are summarized below.

- **Management Discussion and Analysis (MD&A):** is an overview of the entire report. The MD&A presents performance and financial highlights as well as EEOC's operational highlights for fiscal year 2016. The MD&A also contains a discussion of compliance with legal and regulatory requirements, such as the Federal Managers' Financial Integrity Act (FMFIA).

- **Performance Results:** highlights the progress made in meeting the agency's performance measures, which are articulated in EEOC's Strategic Plan for Fiscal Years 2012 through 2016; and authorized by the U.S. Office of Management and Budget (OMB) to extend through fiscal year 2018.[1]

- **The Inspector General's Statements:** presents key management challenges identified by the Inspector General, the agency's progress and plans to address them, and a statement of compliance with FMFIA.

- **The Consolidated Financial Statements:** demonstrates efforts to be good stewards over the funds the agency receives to carry out its mission. Included is an independent auditor's opinion on the agency's financial statements.

- **Appendices:** contains a glossary of the acronyms and definitions of terms used in the report as well as performance information specifically requested by Congress.

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

FISCAL YEAR 2016

PERFORMANCE AND ACCOUNTABILITY REPORT

OUR VISION

JUSTICE AND EQUALITY IN THE WORKPLACE

OUR MISSION

STOP AND REMEDY UNLAWFUL EMPLOYMENT DISCRIMINATION

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CHAIR'S MESSAGE

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Performance and Accountability Report (PAR) for fiscal year (FY) 2016. The EEOC is dedicated to advancing equal opportunity in all workplaces across America. This report highlights the agency's achievements in meeting our goals over the past year.

For over 50 years, EEOC has worked to fulfill our nation's shared vision of equality and justice for all. To achieve this vision, EEOC has undertaken a comprehensive effort to strategically deploy its resources to matters where government focus is most needed and to provide excellent service to the public. Guided by the Commission's Strategic Plan and Strategic Enforcement Plan (SEP), EEOC has focused its efforts on addressing persistent and emerging barriers to opportunity and fostering constructive solutions that promote prosperity for all our workers, employers, and communities.

EEOC made significant progress in fiscal year 2016, despite substantial budgetary and human capital challenges. EEOC pursued a targeted and coordinated effort to more effectively address persistent retaliation, pay discrimination, and harassment. EEOC issued comprehensive guidance on retaliation — the most frequent complaint raised by workers across the private, public, and federal workplaces. This guidance was informed by a new process that promotes transparency and provides members of the public with an opportunity to submit feedback on proposed guidance documents.

To address illegal discrimination in pay more effectively, the Commission revised its annual reporting requirements to collect summary pay data from employers with 100 or more employees, which will help employers examine their own practices and take proactive steps to ensure equal pay. To promote solutions to persistent harassment in the workplace, which is alleged in over 30 percent of all charges of discrimination, Commissioners Chai R. Feldblum and Victoria A. Lipnic, the co-chairs of the Select Task Force on the Study of Harassment, issued a report that recommends tools to aid employers in preventing harassment and reducing the significant costs it imposes on employees and the workplace.

EEOC provided resources on areas of frequent challenge for employers and employees, including reasonable accommodations for workers with disabilities or with pregnancy-related limitations. To strengthen our service to the public and enable staff to work more efficiently, EEOC launched digital systems to facilitate the online exchange of documents and other communications with the agency.

As Chair of the Commission, it is an honor and a privilege to work with my fellow Commissioners, the General Counsel, and our over 2,200 agency colleagues to advance equal opportunity and ensure freedom from discrimination in the workplace. We have appreciated the commitment of the Administration, Congress, our federal, state, and local government enforcement partners, workers, advocates, and the many others in supporting these shared objectives.

Jenny R. Yang

Jenny R. Yang
Chair
November 15, 2016

The Equal Employment Opportunity Commission's (EEOC or agency) annual Performance and Accountability Report (PAR) provides fiscal data and summary performance results that enable the President, Congress, and American people to assess EEOC's accomplishments for each fiscal year (October 1 through September 30). This report provides an overview of programs, accomplishments and challenges, as well as the agency's accountability for the resources entrusted to the EEOC. The report is prepared in accordance with the requirements of the Office of Management and Budget (OMB) Circular No. A-136, Financial Reporting Requirements.

OUR VISION

JUSTICE AND EQUALITY IN THE WORKPLACE

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STOP AND REMEDY UNLAWFUL EMPLOYMENT DISCRIMINATION

AGENCY OVERVIEW

More than 50 years ago, Title VII of the Civil Rights Act of 1964 (Title VII) created EEOC to enforce protections against employment discrimination on the basis of race, color, national origin, religion, and sex. Since that time, the agency's responsibilities and workload have expanded considerably. Congress subsequently vested EEOC with responsibility to enforce the Equal Pay Act of 1963 (EPA), the Age Discrimination in Employment Act of 1967 (ADEA), Section 501 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), and Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA). In addition, Congress further expanded the agency's responsibilities by providing federal government employees the protections of the laws enforced by EEOC, authorizing EEOC to issue orders in cases of discrimination brought by federal employees and applicants, and providing EEOC with independent litigation authority against private employers under Title VII.

STATUTORY STRUCTURE

EEOC leadership consists of six presidential appointees – five Commissioners (including the Chair) who serve staggered five-year terms and the General Counsel. No more than three Commissioners (including the Chair) may be from the same political party. The Chair is responsible for the administration and implementation of policy and the enforcement program, financial management and day-to-day operations of the Commission. The Commissioners participate in the development and approval of Commission policies, issue charges of discrimination where appropriate, and authorize the filing of lawsuits. The General Counsel supports the Commission and provides direction, coordination, and supervision to EEOC's litigation program.

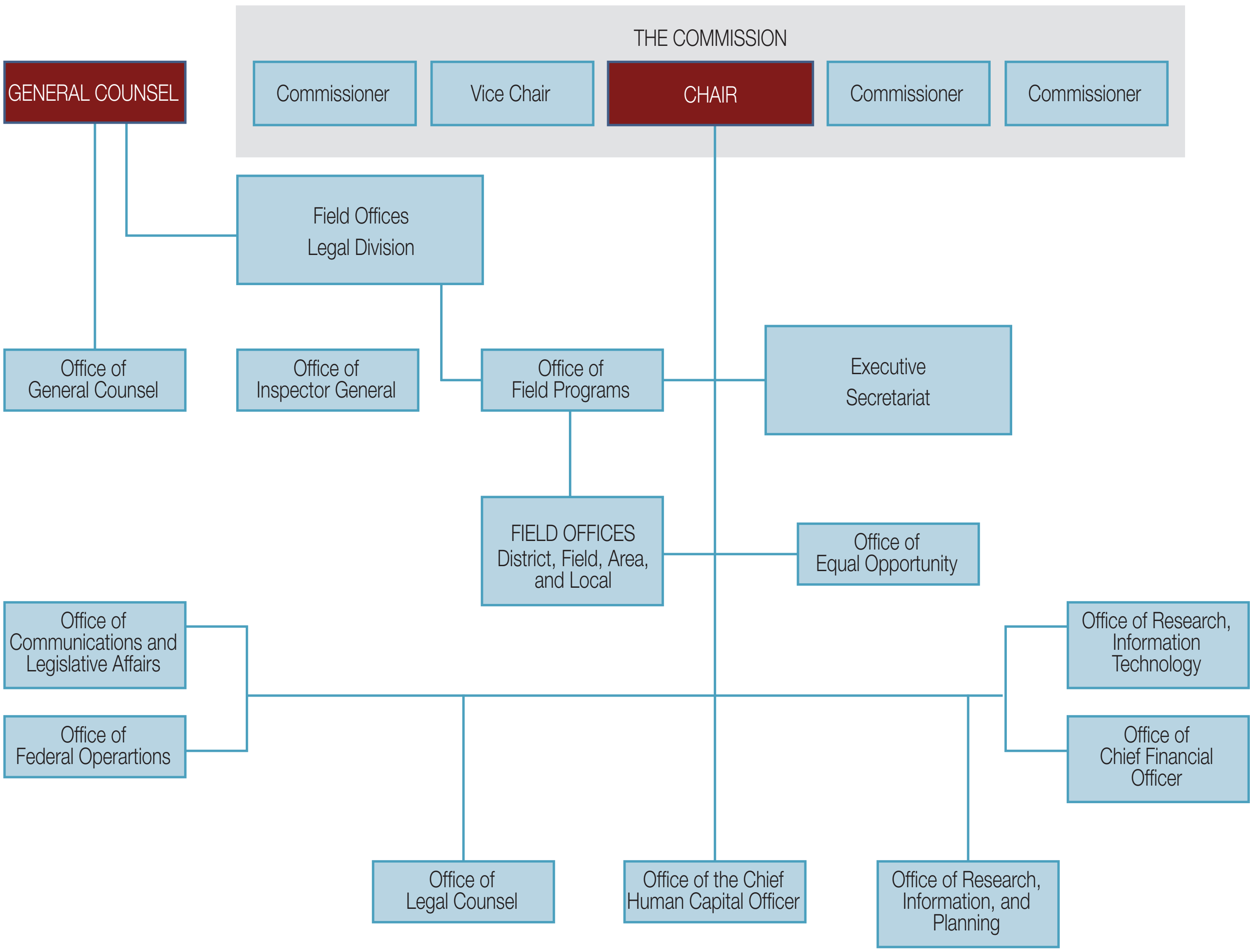
	Sworn In	Term to Expire
Jenny R. Yang, Chair	4/2013	7/2017
Constance S. Barker, Commissioner	6/2008	7/2016*
Chai R. Feldblum, Commissioner	4/2010	7/2018**
Victoria A. Lipnic, Commissioner	4/2010	7/2020***
Charlotte S. Burrows, Commissioner	12/2014	7/2019
P. David Lopez, General Counsel	4/2010	4/2018

*Re-nominated and currently in hold-over status until reconfirmed or Senate adjourns sine die.
**Confirmed for a second term on 12/2013.
***Confirmed for a second term on 11/2015.

ORGANIZATION

EEOC accomplishes its mission through component offices that administer various programs.

EEOC Organization



For more information about specific EEOC offices, please see Appendix A.

These programs are carried out through a network of 53 district, field, area, and local offices. For more information about EEOC Field Offices across the nation please see Appendix F.

AGENCY RESULTS UNDER THE STRATEGIC PLAN PERFORMANCE MEASURES

The Government Performance and Results Modernization Act, enacted on January 4, 2011, (5 U.S.C. 306, as amended), requires federal agencies to prepare a Strategic Plan every four years, beginning in 2012. . The Commission approved EEOC's Strategic Plan for Fiscal Years 2012-2016 ("Strategic Plan," "Plan") on February 22, 2012 (as modified on February 2, 2015).[2]

EEOC's Strategic Plan established a national framework to achieve the agency's mission. To that end, EEOC has committed to pursuing the following three strategic objectives and goals:

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

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

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

The Plan also identified strategies for achieving each outcome goal and identified 14 performance measures for gauging EEOC's progress each year through fiscal year 2017. The agency's progress in meeting these measures is displayed below and discussed in detail in the Performance Results section of this report.

EEOC FY 2016 Performance

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2016
14	8	5	0	1

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

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

FISCAL YEAR 2016 PERFORMANCE HIGHLIGHTS

Increased Resolutions of Workplace Disputes

Through strategic law enforcement, coordinated outreach and education, and enhanced service to the public, EEOC helped thousands of workers and employers resolve and prevent discrimination in the workplace. Significantly, EEOC secured substantial changes to discriminatory practices to remedy violations of equal employment opportunity laws and prevent future discriminatory conduct in the workplace.

EEOC increased the number of charges staff resolved to 97,443 charges, 6.5 percent more than the 91,503 charges the agency received. Staff also worked diligently to reduce the charge workload by 3.8 percent to 73,508, a 2,900 reduction compared with fiscal year 2015. In addition, the agency responded to over 585,000 calls to the toll-free number and more than 160,000 inquiries in field offices, reflecting the significant public demand for EEOC's services.

EEOC secured more than $482.1 million for victims of discrimination in private, state and local government, and federal workplaces. This included:

- $347.9 million for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation, and settlements;
- $52.2 million for workers harmed by discriminatory practices through litigation; and
- $82 million for federal employees and applicants.

Importantly, in each of these categories, the agency obtained substantial changes to discriminatory practices to remedy violations of equal employment opportunity laws and prevent future discriminatory conduct in the workplace.

EEOC helped workers obtain relief by resolving over 15,800 charges of discrimination through the agency's administrative processes—settlements, mediations, and conciliations. This included 273 resolutions of systemic investigations, obtaining more than $20.3 million in remedies. The agency's mediation program achieved a success rate of over 76 percent—saving time and resources for workers, their employers, and the agency. EEOC continued its commitment to work with employers to resolve charges voluntarily in conciliation, maintaining a success rate of 44 percent for the past two fiscal years.

In the federal sector program, the agency resolved 6,792 hearings complaints and secured more than $76.9 million in relief for federal employees. EEOC also resolved 3,751 appeals of agency decisions, including 47.3 percent of them that were resolved within 180 days of receipt, and secured more than $5.1 million in relief.

EEOC provided training on rights and responsibilities under its statutes to more than 315,000 workers, employers, and their representatives and advocates through the agency's outreach and education program. EEOC also revamped its Youth@Work website to provide updated resources for America's next generation of workers. To help small businesses, EEOC launched the online Small Business Resource Center to provide a one-stop shop to help small businesses access information about employer responsibilities.

EEOC legal staff resolved 139 lawsuits and filed 86 lawsuits alleging discrimination in fiscal year 2016. The filed lawsuits included 58 individual suits and 29 suits involving multiple victims or discriminatory policies. At the end of the fiscal year, EEOC had 165 cases on its active docket, of which 47 (28.5 percent) involve challenges to systemic discrimination and 32 (19.4 percent) are multiple-victim cases.

Promoting Compliance Through Outreach and Education

The Commission integrated its enforcement and prevention strategies to coordinate guidance, education and outreach, along with robust enforcement.

The Commission held two public meetings in fiscal year 2016 and one public hearing to educate the public about persistent and emerging areas of discrimination in the workplace and EEOC's efforts to address them. The Commission hearing and meetings focused on:

- Gathering public input on a proposed revision to the EEO-1 report to collect pay data https://www.eeoc.gov/eeoc/meetings/3-16-16/index.cfm;

- Promoting diverse and inclusive workplaces in the technology sector https://www.eeoc.gov/eeoc/meetings/5-18-16/index.cfm; and

- Rebooting workplace harassment prevention and elimination. https://www.eeoc.gov/eeoc/meetings/5-18-16/index.cfm

To address the pressing issue of harassment — which spans industries and impacts the nation's most vulnerable workers — Commissioners Chai R. Feldblum and Victoria A. Lipnic, the co-chairs of the agency's Select Task Force on the Study of Harassment in the Workplace, released their report in June 2016. The report includes detailed recommendations for harassment prevention, including a chart of risk factors that may permit harassment to occur; effective policies and procedures to reduce and eliminate harassment; recommendations for future research and funding; and targeted outreach.

Investments in the agency's technology has made accessing EEOC's services easier and more efficient for employers and employees. EEOC now digitally provides several services, including notices to employers of a charge filing and invitations to mediate, as well as enabling employers to submit online responses to charges of discrimination. Another innovation allows federal agencies to transmit hearings and appeals files securely to EEOC through the Federal Sector EEO Portal (FedSEP). In addition, charging parties and employers can confidentially check the status of charges online and members of the public can now make online requests for information under the Freedom of Information Act.

In fiscal year 2016, EEOC consistently ranked among the top medium-sized agencies in OPM's Federal Employee Viewpoint Survey (FEVS). EEOC garnered some of the largest score increases on both the Employee Engagement Index and the Inclusiveness Quotient (IQ) Index. This included significant gains in "Leaders Lead," "Open," "Cooperative," and "Supportive." Agency leadership has undertaken a comprehensive effort to heighten communication and transparency, invest in employees, foster inclusive workplaces, and strengthen the engagement and productivity of EEOC's employees

EEOC wrapped up fiscal year 2016 by updating and approving its Strategic Enforcement Plan for Fiscal Years 2017-2021—a critical blueprint that will guide the agency's work for the next five years.

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

Office of
Inspector General

November 14, 2016

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

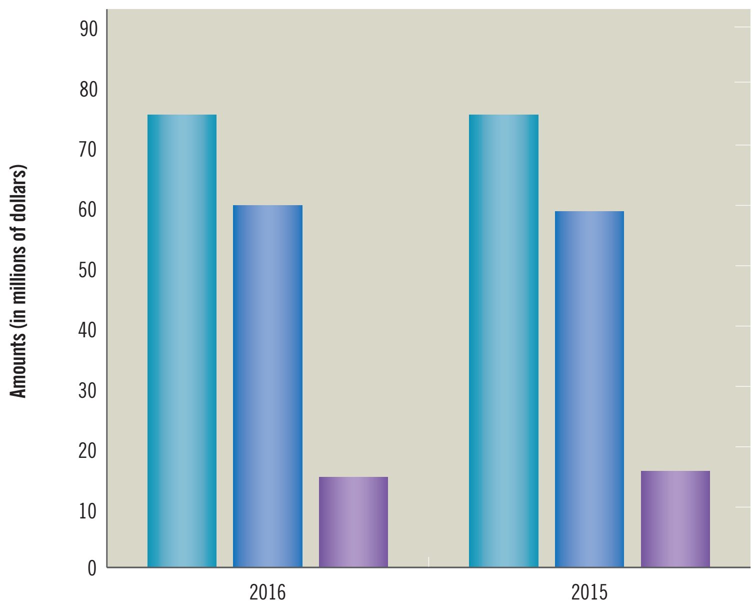
SUBJECT: FY 2016Agency Compliance with the Federal Managers' Financial Integrity Act (OIG Report No. 2016-08-AOIG)

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

EEOC Order 195.001, Internal Control Systems requires the Office of Inspector General (OIG) to annually provide a written advisory to the Chair on whether the management control evaluation process complied with OMB guidelines. On November 9, 2016, the Office of Research, Information and Planning (ORIP) submitted EEOC's Fiscal Year 2016 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 2016 Federal Managers' Financial Integrity Act Assurance Statement, and Assurance Statement Letter, and attachments. Based on our limited independent assessment of this year's process, the Agency's management control evaluation was conducted in accordance with FMFIA and OMB regulations in effect prior to the issuance of OMB M-16-17, *OMB Circular No A-123, Management's Responsibility for Enterprise Risk Management and Internal Control* (July 15, 2016).

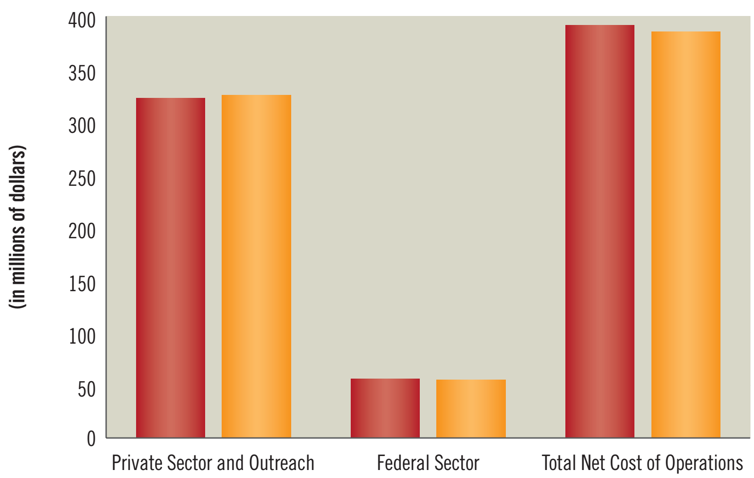
OMB M-16-17, requires management to conduct its evaluation of internal controls based on Standards for Internal Control in the Federal Government (the Green Book) for each of the entity objectives. We recommend that the agency take the necessary steps to ensure that future internal control evaluations are performed in accordance with the latest OMB guidance. This will require a re-engineering to the FMFIA internal control process and ensuring that those having FMFIA responsibilities possess the necessary skill set and an understanding of internal controls and enterprise risk management.

Equal Employment Opportunity Commission Balance Sheet



	2016	2015
Total Assets	$75	$75
Total Liabilities	$60	$59
Net Position	$15	$16

Consolidated Statement of Net Cost of Operations by Major Programs



	Private Sector and Outreach	Federal Sector	Total Net Cost of Operations
2016	$326	$56	$382
2015	$325	$55	$380

The Office of Management and Budget (OMB) Circular Number A-136 Revised dated October 7, 2016 was used as guidance for the preparation of the accompanying financial statements. EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements of Changes in Net Position, and the Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

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

EEOC's balance sheets show total assets of $75 million at the end of FY 2016 and $75 million at the end of FY 2015.

The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of FY 2016, EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position show $15 million at the end of FY 2016 and $16 million at the end of FY 2015.

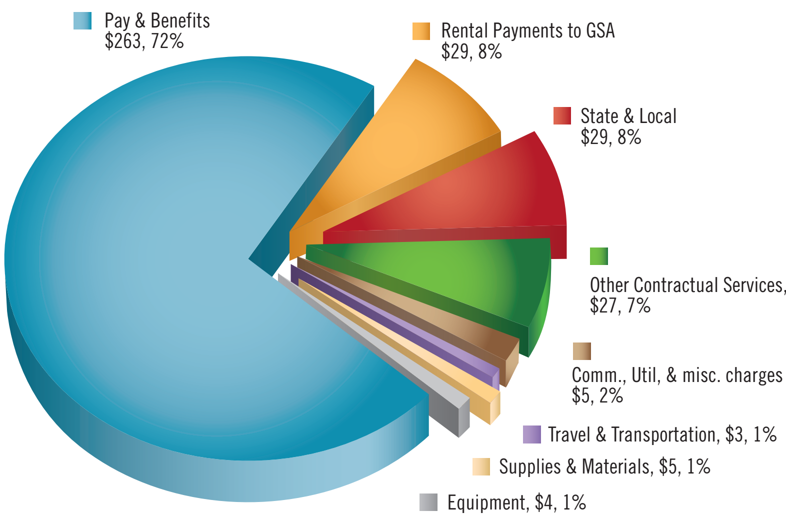
Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in FY 2016, EEOC's Consolidated Statements of Net Cost of Operations increased by $2 million or 1 percent. The for the allocation of costs for FY 2016 for the net cost for the private sector and outreach increased by $1 million or less than 1 percent, while the net cost for Federal Sector Programs increased by $1 million or 2 percent.

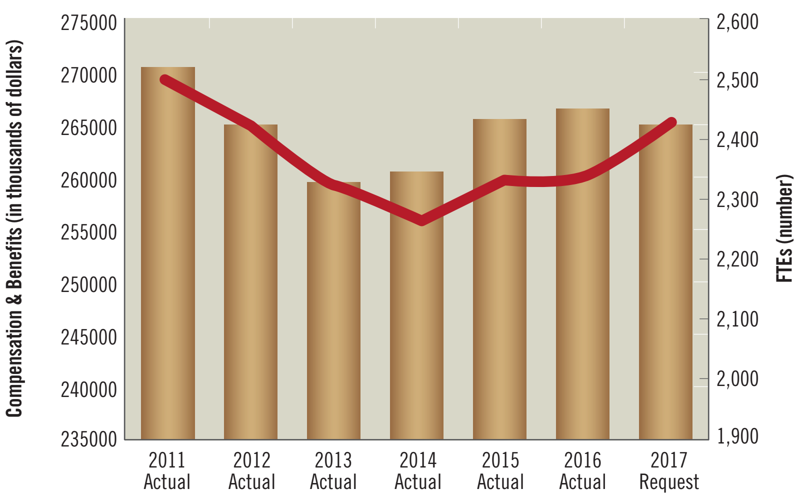
Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for FY 2016 and FY 2015 from the cost of operations, appropriations received and used and the financing of some costs by other government agencies. The

FY 2016 Obligations by Major Object Class (in millions)



Compensation & Benefits (C&B) & FTEs for FY 2011 through FY 2017



	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Request
C&B	$271,000	$260,000	$249,000	$251,000	$261,000	$262,000	$260,000
FTEs	2,505	2,346	2,147	2,098	2,190	2,202	2,348

Consolidated Statement of Changes in Net Position decreased by $1 million for FY 2016 when compared to FY 2015.

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 2016, EEOC received a $364.5 million in budget authority. EEOC ended FY 2016 with an increase by $4 million in total budgetary resources. Resources not available for new obligations at the end of the year totaled $6 million and $4 million in FY 2016 and FY 2015, 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 2016 use of resources by major object class. The chart shows that Pay and Benefits, State & Local, Rent to GSA and Other Contractual Services consumed 95 percent of EEOC's resources, and other expenses (e.g., communication, utilities and miscellaneous charges, travel & transportation, equipment, supplies & materials, etc.) consumed 5 percent of EEOC's resources for FY 2016.

The dual axis chart below depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended FY 2016 with 2,202 FTEs, a net increase of 12, or 1 percent, above FY 2015.

RESULTS ACHIEVED IN FISCAL YEAR 2016 UNDER STRATEGIC PLAN PERFORMANCE MEASURES

Overview of the Strategic Plan and Performance Measures

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

- **Strategic Objective I:** To combat employment discrimination through strategic law enforcement. This objective reflects the agency's primary mission of preventing unlawful employment discrimination through the use of: 1) administrative (investigation, mediation and conciliation) and litigation enforcement with regard to private employers, labor organizations, employment agencies, and state and local government employers; and 2) adjudicatory and oversight responsibilities for federal employers. The seven performance measures developed for Strategic Objective I and the fiscal year 2016 results for these measures are more fully described below.

- **Strategic Objective II:** To prevent employment discrimination through education and outreach. This objective reflects the importance of EEOC's efforts to prevent employment discrimination before it occurs. The Commission is authorized to engage in education and outreach activities, including providing training and technical assistance, for those with rights and responsibilities under employment antidiscrimination laws. The four performance measures developed for Strategic Objective II and the fiscal year 2016 results for these measures are more fully described below.

- **Strategic Objective III:** To deliver excellent and consistent service through a skilled and diverse workforce and effective systems. This objective recognizes that EEOC's capacity to deliver excellent and consistent service is dependent upon a qualified and well-trained workforce and the use of effective systems such as innovative technology and streamlined agency processes. The two performance measures developed for Strategic Objective III and the fiscal year 2016 results for these measures are more fully described below.

The agency's progress on the 14 performance measures tied to the strategic objectives, outcome goals, and related performance measures are discussed more fully below.

Strategic Objective I Performance Summary

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2015
7	5	2	0	0

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

[3] Id.

RESULTS ACHIEVED IN FISCAL YEAR 2016 UNDER STRATEGIC PLAN PERFORMANCE MEASURES

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

The agency adopted two outcome goals to further the objective of strategic law enforcement:

1. **To have a broad impact in reducing employment discrimination at the national and local levels; and**
2. **To remedy discriminatory practices and secure meaningful relief for victims of discrimination.**

EEOC also identified and is implementing four key strategies:

- Develop and implement a Strategic Enforcement Plan that: 1) establishes EEOC priorities; and 2) integrates EEOC's investigation, conciliation, and litigation responsibilities in the private and state and local government sectors; adjudicatory and oversight responsibilities in the federal sector; and research, policy development, and education and outreach activities;
- Implement charge and case management systems consistently to focus resources and enforcement on agency priorities;
- Use administrative means and litigation to identify and attack discriminatory policies and other instances of systemic discrimination; and
- Use agency decisions and oversight activities to target discriminatory practices and policies in federal agencies.

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

STRATEGIC ENFORCEMENT PLAN

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

FY 2016	
TARGET	The Commission revises and votes on a new Strategic Enforcement Plan, as necessary.
RESULTS	The Commission held quarterly briefings with program staff to evaluate the progress of the SEP, with one briefing focused on feedback about implementation. The SEP evaluation was completed in July of 2016 to inform the Commission on potential revisions for consideration. The Commission approved an updated Strategic Enforcement Plan for Fiscal Years 2017-2021 on September 30, 2016.
☐	**Target Met**

The Strategic Plan directed the agency to develop a Strategic Enforcement Plan (SEP), which was approved on December 17, 2012. The SEP: 1) establishes EEOC's national priorities and 2) integrates the agency's investigation, conciliation and litigation responsibilities in the private and public sectors; adjudicatory and oversight responsibilities in the federal sector; and research, policy development, and education and outreach activities.

The six SEP priorities are: 1) eliminating barriers in recruitment and hiring; 2) protecting immigrant, migrant and other vulnerable workers; 3) addressing emerging and developing issues; 4) enforcing equal pay laws; 5) preserving access to the legal system; and 6) preventing harassment through systemic enforcement and targeted outreach. Implementation of the SEP is designed to ensure a targeted, concentrated, and deliberate effort to pursue priority issues and practices that significantly affect applicants, employees, and employers. For fiscal year 2016, the Commission's goal was to revise and vote on a new Strategic Enforcement Plan (SEP) for the years 2017 through 2021. To that end, a formal evaluation with a survey and analysis of program data was conducted from September 2015 through June 2016. The Commission also convened a quarterly briefing focused on input from field and headquarters staff about their implementation steps, progress, and challenges.

A revised SEP was shared with program and field staff for their review and feedback during the fourth quarter of fiscal year 2016. It was approved by Commission vote on September 30, 2016.

QUALITY CONTROL PLAN

PERFORMANCE MEASURE 2: By FY 2018, TBD% of investigations and conciliations meet the criteria established in the new Quality Enforcement Practices (QEP) Plan.	
FY 2016	
TARGET	TBD% of investigations and conciliations meet targets for quality.
RESULTS	Quality elements were included in the technical assistance file reviews conducted in the 4th quarter; files were selected for review, and reviews were completed in FY 2016 that will establish the baseline for the quality targets in coming years, beginning in FY 2017.
◆	**Target Partially Met***

The fiscal year 2016 target for Performance Measure 2 was to have a to-be-determined percentage of investigations and conciliations meet the elements of quality established in the new Quality Practices for Effective Investigations and Conciliations (formerly the Quality Control Plan) and known as the QCP, approved by the Commission on September 30, 2015. The QEP provides effective enforcement practices to promote quality investigations and conciliations with progress goals for fiscal years 2017 through 2018. To meet the end goal, EEOC will be required to conduct file reviews to assess quality so that this data can be used to set a baseline and targets for future years.

In fiscal year 2016, the agency developed procedures to help apply the criteria established under the QEP to a sample of investigations and conciliations. These included enhanced file review and scoring instruments to capture quality characteristics central to the QEP. Next, the agency selected a representative sample of case files for review from each field office. File reviews, using the new QEP standards, were completed at the end of fiscal year 2016 and will provide percentages as measures for offices to use in fiscal year 2017. Initially, EEOC's charge system did not track or collect the data Priority Charge Handling Procedures (PCHP) reassessment, which is one of the critical elements of the QEP. In response, the agency developed a reassessment tool--its Integrated Management System IMS. In June, the tool was deployed and field staff were trained to use it.

An agency work group will examine the baseline data early in fiscal year 2017 and propose benchmark percentages as the measures for offices to use in fiscal year 2017.

CASE MANAGEMENT SYSTEM

PERFORMANCE MEASURE 3: By FY 2018, 100% of federal sector case inventory is categorized according to a new case management system and 50% of hearings and appeals meet the criteria established in the new federal sector Quality Control Plan (renamed Federal Sector Quality Practices (FSQP) Plan).	
FY 2016	
TARGET	100% of incoming and old case inventory are categorized. TBD% of hearings and appeals meet targets for quality.
RESULTS	100% of the agency's pending appellate case inventory and 100% of new inventory were categorized as of September 30, 2016. The 1st and 2nd phases of the case management system related to the hearings program have been implemented nationwide. A Federal Sector Quality Practices Plan necessary to establish criteria and baselines for quality standards has been developed and is under review by the Commission.
◆	**Target Partially Met***

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

The Case Management Plan, under Performance Measure 3, was designed to improve efficiencies in cases processed in the federal sector by integrating the federal sector adjudicatory process from receipt of a hearing request through issuance of an appellate decision. In the Hearing Units, this was accomplished by having administrative judges conduct initial conferences early in the process, as well as identifying the needed resources to process cases. Conducting initial conferences early in the process has been instrumental in increasing settlement rates, reducing the motions practice, providing customer service by informing the parties about the hearings process, and allowing greater time for more complicated cases.

As a result of the Case Management System, the agency now has a complete understanding of its federal sector hearings and appeals inventories and can track those cases that implicate priorities under the SEP or Federal Complement Plan (FCP). This, in turn, provides EEOC federal sector management the ability to better allocate resources in a manner consistent with EEOC's Strategic Plan and federal sector priorities.

For fiscal year 2016, Performance Measure 3 required the agency to have 100 percent of all incoming hearings requests and appeals, as well as 100 percent of old case inventory categorized according to the new case management system (excluding hearings cases where an initial conference is not appropriate). In addition, the measure required the agency to apply the new criteria to a statistically significant sample of federal sector decisions (hearings and appeals) in order to formulate a baseline of quality for EEOC's federal sector hearings and appeals and set targets for improved quality.

With respect to federal sector appeals, at the start of fiscal year 2016, the agency's appellate inventory consisted of 4,340 appeals. As of September 30, 2016, the agency had categorized under the new case management system 4,332, or 100 percent, of EEOC's old appeals where the records were complete. The 4,332 categorized appeals consisted of 2,351 pre-fiscal year 2016 appeals that were closed in fiscal year 2016, and 1,981 pre-fiscal year 2016 appeals that were pending as of September 30, 2016.

Regarding the new inventory, the agency received 2,748 appeals in the first three quarters of fiscal year 2016, and, of those receipts, the agency categorized 2,474, or 100 percent, of the new appeals where the records were complete. The 2,474 categorized appeals consisted of 1,337 fiscal year 2016 appeals resolved that year, and 1,137 fiscal year 2016 appeals docketed in the first three quarters of fiscal year 2016 with complete records by the end of the fiscal year.

Four pilot offices launched the case management categorization for EEOC's hearings program with a focus on conducting initial conferences for new hearing requests. Given the positive results achieved by the pilot offices, all offices began conducting initial conferences on incoming cases in April of fiscal year 2015. As offices started adopting the Case Management Plan, EEOC has seen marked improvements in settlement rates nationwide from 31.2 percent in fiscal year 2014, to 37.7% percent in fiscal year 2016.

Conducting initial conferences is the first step in the agency's case management system, and as the pilot was implemented nationwide, all offices started conducting initial conferences where appropriate. In some instances, not all cases were processed immediately resulting in "old inventory" for the purpose of tracking the categorization of cases. By year end fiscal year 2016, Administrative Judges held initial conferences in 45 percent of the 2,153 complaints resolved categorized as "old inventory."

Offices also started incorporating the second phase of the hearings case management system by sorting cases according to their processing category. EEOC has achieved marked improvement in this area —72 percent of the old inventory and 84 percent of all agency resolutions have been categorized according to their action processing category. The agency anticipates that the number of cases categorized both for the initial conference and the processing category will continue to increase.

While appeals can achieve the 100 percent target, that may not be the case for the hearings program. EEOC offices have been diligent in implementing initial conferences where appropriate, but since initial conferences are not appropriate in all cases, the agency does not expect to see 100 percent categorization for initial conferences.

EEOC's Federal Sector Quality Practices Plan that sets criteria for measuring the quality of hearings decisions and appeals has been drafted and is under consideration by the Commission. Once approved, the agency will begin applying the new criteria to hearings and appeals in fiscal year 2017.

SYSTEMIC CASES

PERFORMANCE MEASURE 4: By FY 2018, 22-24% of the cases on the agency's active litigation docket are systemic cases.	
FY 2016	
TARGET	Increase targets (i.e., the percentage of systemic cases on the active docket) to 22-24%.
RESULTS	The percentage of systemic cases on the active docket increased to 28.5%.
☐	**Target Exceeded**

The fiscal year 2016 target for Performance Measure 4 is to increase the proportion of systemic cases on the agency's litigation docket to approximately 22-24 percent of all active cases. Under EEOC's Strategic Plan, systemic cases are defined as pattern or practice, policy, or class cases where the alleged discrimination has a broad impact on an industry, occupation, or geographic area. The agency established a baseline of 20 percent in fiscal year 2012, which represented the proportion of systemic cases on the active litigation docket at the end of the fiscal year. At the end of fiscal year 2016, the agency reported that 47 out of 165, or 28.5 percent, of the cases on its litigation docket were systemic, exceeding the annual target.

FEDERAL SECTOR WORKFORCE ANALYSIS

PERFORMANCE MEASURE 5: By FY 2018, EEOC uses an integrated data system to identify potentially discriminatory policies or practices in federal agencies and has issued and evaluated TBD number of compliance plans to address areas of concern.	
FY 2016	
TARGET	Review compliance plans to determine if they have been implemented, and if not, determine what corrective action should be taken.
RESULTS	Reviewed a compliance plan for one agency. EEOC continues to monitor the agency's EEO program improvements. EEOC is currently conducting additional onsite program evaluations on two cabinet level agencies. Several critical evaluations on priority initiatives have been completed with two resulting reports slated for issuance in FY 2017.
☐	**Target Met**

The federal government is the largest employer in the United States. Therefore, reducing unlawful employment discrimination in the federal sector is an integral part of achieving Strategic Objective I and fulfilling the mission of the agency.

The fiscal year 2016 target for Performance Measure 5 required the agency to review all compliance plans issued during the fiscal year that correspond to federal sector priorities to determine whether they have been implemented or require corrective action. The initiative that began in fiscal year 2013 required EEOC to create and implement a data system of complaint, hearing, appeal and statistical employee data in order to establish priorities in the federal sector; i.e., an integrated data system that can identify discriminatory policies or practices in those agencies and help set priorities for preventing discrimination in the federal government. Development of a fully operational, integrated data system is expected to continue through fiscal year 2017.

EEOC's final program evaluation report of the Social Security Administration's (SSA) EEO program, which addressed compliance issues with SSA's complaint process and anti-harassment program, required SSA to: 1) provide a Corrective Action Plan containing activities and timelines for implementing the recommendations identified in the report; and 2) submit quarterly progress reports showing continual progress in implementing the plan's activities. During fiscal year 2016, EEOC received post-evaluation compliance reports and continues to monitor SSA's progress in improving its EEO program.

Currently, EEOC is conducting two additional agency onsite program evaluations. In the first evaluation, EEOC held an entrance conference with a cabinet-level agency, conducted numerous and extensive interviews, and analyzed volumes of documentation. EEOC expects to issue a final report with findings and recommendations in fiscal year 2017. The second program evaluation focuses on the administration of another cabinet-level agency. EEOC has requested and reviewed voluminous documents and conducted an entrance conference in September 2016. This program evaluation is in the pre-onsite phase.

Under the auspices of Performance Measure 5, EEOC conducted 74 technical assistance visits with other federal agencies to assess their EEO program compliance with applicable laws, regulations, and directives. EEOC also timely issued 68 feedback letters to agencies that addressed the following issues: 1) conversion for Schedule A employees with disabilities; 2) affirmative action plans for employees with targeted disabilities; 3) compliance of reasonable accommodation programs; 4) compliance of anti-harassment programs; 5) diversity within the Senior Executive Service (SES); and 6) other types of non-compliant EEO programs (e.g., improper reporting structure, lack of applicant flow data, etc.).

EEOC used this information to compile two government-wide reports: One assessed the state of federal agency anti-harassment programs and presents recommendations for agency improvement and enhanced EEOC federal sector oversight. The other report examined barriers in recruiting and hiring in the SES. Both reports are in the final review process and are expected to be issued early in fiscal year 2017.

ADMINISTRATIVE AND LEGAL RESOLUTIONS WITH TARGETED RELIEF

PERFORMANCE MEASURE 6: By FY 2018, 65-70% of EEOC's administrative and legal resolutions contain targeted, equitable relief.	
FY 2016	
TARGET	Increase targets to 65-70% or maintain targets.
RESULTS	The proportion of administrative and legal resolutions containing Targeted Equitable Relief increased to 84.5%.
☐	**Target Exceeded**

The fiscal year 2016 target for Performance Measure 6 was to increase the proportion of administrative and legal resolutions currently containing targeted, equitable relief (TER) to within a range of 65-70 percent. Targeted, equitable relief means any non-monetary and non-generic relief (other than the posting of notices in the workplace about the case and its resolution), which explicitly addresses the discriminatory employment practices at issue in the case, and which provides remedies to the aggrieved individuals or prevents similar violations in the future. As of fiscal year-end 2016, the agency had far exceeded the targeted range; reporting 1,253 administrative and legal resolutions with TER out of a total of 1,483 resolutions, or 84.5 percent. EEOC will continue to promote the inclusion of TER benefits in agency resolutions.

FEPA RESOLUTIONS WITH TARGETED RELIEF

PERFORMANCE MEASURE 7: By FY 2018, 15-17% of resolutions by FEPAs contain targeted, equitable relief.	
FY 2016	
TARGET	FEPAs increase targets to 15-17% or maintain targets.
RESULTS	The proportion of FEPA reported resolutions containing Targeted Equitable Relief increased to 20.2%.
☐	**Target Met**

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

In fiscal year 2016, the FEPAs had met the targeted range of 15-17 percent; reporting 1,263 FEPA merit resolutions with TER out of 6,243 merit resolutions, or 20.2 percent. EEOC will continue to review data and monitor TER activity for the FEPAs while promoting the inclusion of FEPA-reported TER benefits in agency resolutions.

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

In fiscal year 2016, the agency engaged in increased outreach efforts to meet the needs of the diverse audiences served across the nation. EEOC continued its partnerships with employers, colleges and universities, advocacy groups, immigrant and farm worker communities, governmental entities, and other stakeholders to foster strategies to recognize and prevent discrimination in the workplace.

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

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

- Target outreach to vulnerable workers and underserved communities;

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

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

- Target outreach to small and new businesses; and

- Provide up-to-date and accessible guidance on the requirements of employment antidiscrimination laws.

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

Strategic Objective II Performance Summary

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2016
4	3	0	0	1

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

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

VULNERABLE AND UNDERSERVED COMMUNITIES

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

FY 2016	
TARGET	The number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities is maintained, nationally.
RESULTS	The agency increased the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities to 140.
	Target Exceeded

The baseline established in fiscal year 2012 identified approximately 90 significant partnerships within the vulnerable worker and underserved communities for Performance Measure 8. In fiscal year 2015, the agency exceeded its target of 116 significant partnerships and established a new fiscal year total of 130 partnerships. The fiscal year 2016 target for this measure was to maintain the number of significant partnerships with organizations that represent vulnerable workers and/or underserved communities.

At the end of fiscal year 2016, the agency had increased the number of significant partnerships to 140, which reflects 9 new partnerships achieved during the fiscal year. This includes the addition of the national Memorandum of Understanding (MOU) signed by EEOC and the Embassy of Ecuador on November 10, 2015. This MOU is designed to further strengthen collaborative efforts to provide immigrant, migrant, and otherwise vulnerable Ecuadorian workers and their employers with guidance, information, and access to education about their rights and responsibilities under the laws enforced by EEOC. Under the national framework of the MOU, the two entities will cooperate to provide outreach and training, as well as assist with enforcement efforts as needed. The agency continues to provide support and guidance to outreach efforts and partnership development strategies within the vulnerable worker and underserved communities.

SMALL AND NEW BUSINESSES

PERFORMANCE MEASURE 9: By FY 2018, EEOC is maintaining the number of significant partnerships with organizations that represent small or new business (or with businesses directly).	
FY 2016	
TARGET	The number of significant partnerships with organizations that represent small or new businesses (or with businesses directly) is maintained nationally.
RESULTS	The agency increased the number of significant partnerships with organizations that represent small or new businesses (or with businesses directly) to 111.
☐	**Target Exceeded**

In fiscal year 2012, the agency established a baseline of approximately 71 significant partnerships with organizations that represent small or new businesses (or with businesses directly), which contributes to the agency's objective of preventing employment discrimination through education and outreach to employers. In fiscal year 2015, the agency exceeded its target of 92 significant partnerships and established a new fiscal year total of 109 partnerships. The fiscal year 2016 target for this measure was to maintain the number of significant partnerships with organizations that represent small or new business communities (or with businesses directly).

At the end of fiscal year 2016, the agency had increased its relationship with the number of significant partnerships representing business communities to 111, which is an increase of two new partnerships for the fiscal year.

SOCIAL MEDIA PLAN

PERFORMANCE MEASURE 10: By FY 2013, EEOC implements a social media plan.	
FY 2016	
TARGET	N/A****
RESULTS	N/A****.
☐	**Target Met**

**** N/A – Not applicable in FY 2016; Measure completed by Commission vote in September 2015.

Performance Measure 10 was designed to ensure that the agency used social media technologies to provide information to reach EEOC's stakeholders effectively. By extension, the measure would insure that EEOC's social media strategies were consistent with the agency's Strategic Enforcement Plan, the Chair's priorities, and other appropriate directives.

On September 30, 2015, the Commission approved the agency's Outreach and Communications plan, which included the social media plan, and set out the overall communications strategy.

SUB-REGULATORY GUIDANCE REVIEW AND REVISION

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

FY 2016	
TARGET	Consistent with Commission priorities, submit at least two plain language revisions of substantive policy documents to replace at least two other outdated guidance documents.
RESULTS	Two substantive policy documents and additional materials were approved and provided to the public during the fiscal year.
☐	**Target Exceeded**

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

In fiscal year 2016, the agency exceeded the target for performance under this measure and approved and released two sub-regulatory guidance documents and other resource documents to the public.

Sub-regulatory guidance documents:

- *Proposed Enforcement Guidance on National Origin Discrimination (June 2, 2016) https://www.regulations.gov/docket?D=EEOC-2016-0004;*
- *Proposed Enforcement Guidance on Retaliation and Related Issues (January 1, 2016).*

Resource documents:

- *Legal Rights for Pregnant Workers Under Federal Law and Helping Patients Deal with Pregnancy-Related Conditions and Restrictions at Work. (June 14, 2016);*
- *Employer-Provided Leave and the Americans with Disabilities Act (May 8, 2016);*
- *Fact Sheet: Bathroom Access Rights for Transgender Employees Under Title VII of the Civil Rights Act of 1964 (May 2, 2016);*
- *Questions and Answers for Employees: Responsibilities Concerning the Employment of Individuals Who Are, or Are Perceived to Be, Muslim or Middle Eastern and*
- *Questions and Answers for Employers: Responsibilities Concerning the Employment of Individuals Who Are, or Are Perceived to Be, Muslim or Middle Eastern (December 23, 2015);*
- *Living with HIV Infection: Your Legal Rights in the Workplace under the ADA and*
- *Helping Patients with HIV Infection Who Need Accommodations at Work (December 1, 2015).*

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

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

The goal of this strategic objective is that all interactions with the public are timely, of high quality, and are informative. As noted in Strategic Objective I, it is a significant agency priority to enhance the timeliness and ensure the continued quality of enforcement activities in the private, state and local government, and federal sectors. In addition, the agency is committed to meeting the evolving needs of the 21st century workplace and responding to developments in the interpretation of anti-discrimination law.

Moreover, given the agency's mission, it is critical that the agency foster a diverse and inclusive workplace to better serve the rich diversity of America. EEOC strives to serve as an example to other employers by fostering an inclusive workplace that values the diverse backgrounds, experiences, and perspectives of its workforce. Finally, to improve the agency's customer service, EEOC must ensure the effectiveness of its systems by using technology to streamline, standardize, and expedite critical functions.

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

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

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

Strategic Objective III Performance Summary

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2016
3	1	2	0	0

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

WORKFORCE QUALITY, DIVERSITY, AND SKILLS

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

		FY 2016
TARGET (a)	Number of employees with disabilities.	500
RESULTS		468
◆		**Target Partially Met**

		FY 2016
TARGET (b)	Number of employees with targeted disabilities.	123
RESULTS		96
◆		**Target Partially Met***

		FY 2016
TARGET (c)	Percentage of hires made within 78 days.	85%
RESULTS		84%
◉	**Target Not Met**	
◆	**Overall Targets Partially Met***	

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

The fiscal year 2016 target for Performance Measure 12, Subpart (a) is to increase the number of persons hired with disabilities by 20 percent over 5 years, or at least 29 employees with disabilities each year over the fiscal year 2015 target of 471. Successful performance under Subpart (b) is to increase the number of employees with targeted disabilities by 5 percent, or at least 11 individuals each year over the fiscal year 2015 target of 112 employees. And finally, Subpart (c) required the agency to improve and streamline the hiring process to increase the percentage of all hires made within 78 days to 85 percent in fiscal year 2016.

By fiscal year-end, the agency had partially met its targets for Performance Measure 12. Due to budget limitations, the total number of new employees hired during the fiscal year was 62—25 external hires and 37 internal selections. There were also four Schedule A hires of individuals with disabilities not counted in the total of 62. This limited hiring meant EEOC did not meet the administrative target it set to bring on board at least 29 employees with disabilities in fiscal year 2016 under Subpart (a). The new hires raised the total to 468 staff with disabilities at the end of the year, which was short of the fiscal year 2016 strategic goal of 500.

Under Subpart (b), the agency did not meet its administrative target of hiring at least 11 persons with targeted disabilities – bringing on board only 2 new staff members. The resulting total of 96 persons hired with targeted disabilities was less than the 123 fiscal year 2016 strategic goal.

In fiscal year 2016, the agency continued to implement strategies to increase the number of employees with disabilities, and help EEOC move closer to meeting its annual human capital goals under Subparts (a) and (b). These strategies included creating a repository of Schedule A applications and allowing easier access to them. Additionally, specialized training initiatives, such as webinars that focused on "best practices" and "lessons learned" for increasing the number of individuals with disabilities, including those with targeted disabilities formed part of the strategy.

A number of factors both internal and external to the agency had an impact on timely hires under Subpart (c). A top priority for the agency has been to hire necessary staff and create efficient procedures to ensure more timely hires. Of the reported 62 new hires-to-date, 52, or approximately 84 percent, were made within 78 days. In addition EEOC coordinated with Office of Personal Management (OPM) to migrate an upgraded version of USASTAFFING which will provide a full range of features. The agency anticipates improving its time-to-hire response as a result of streamlined procedures and investments in increased staffing. Meeting these aggressive targets will continue to be a priority for the agency for fiscal year 2017.

STREAMLINING AND INCREASING AGENCY RESPONSIVENESS IN THE CHARGE SYSTEM THROUGH TECHNOLOGY

PERFORMANCE MEASURE 13: EEOC improves the private sector charge process to streamline services and increase responsiveness to customers throughout the process.	
FY 2016	
TARGET	Meet targets determined in FY 2012.
RESULTS	The Digital Charge Systems was launched in all 53 offices in January 2016, allowing employers to receive and transmit charge-related documents. The Online Charge Status system was launched on March 23, 2016. The Online Intake System and Charging Party Portal are expected to be launched in 1st Quarter FY 2017.
◆	**Target Partially Met***

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

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

Digital Charge System: Launched as a pilot in May 2015, the Digital Charge System (DCS) allows EEOC and employers to transmit charge documents electronically to each other. In January 2016, all 53 EEOC offices had implemented DCS with respondents, which will improve customer service, ease the administrative burden on staff, and reduce the use of paper submissions and files. This initiative will also provide long-term benefits of improving collaboration and knowledge sharing, enhancing data integrity, reducing paper file storage and manual archiving/destruction requirements, and enabling a more mobile workforce.

In fiscal year 2016, the second phase of the Digital Charge System focused on providing online communications with EEOC's charging parties. Additional features provided to employers using the DCS in fiscal year 2016 allowed employers to include attachments to their position statements, easily change their passwords, designate multiple contacts, and upload responses to Requests for Information (RFI) from EEOC. In addition to the benefits listed above, respondents can now receive other correspondence from EEOC, including RFIs through the portal. They can transmit their decision on accepting mediation, their position statements, their responses to RFIs, Requests for Extension of Time to File their position statement, and other correspondence. EEOC also delivered training to the field and to the Respondent community on how to use these features.

Online Intake System: During fiscal year 2016, EEOC also worked to develop technology to provide the public with the option to perform self-screening, submit a pre-charge inquiry, and use an online calendar to schedule an appointment for an intake interview. This technology will reduce calls and wait times for charging parties seeking information about the charge process, increase electronic communication, and reduce agency staff time spent on administrative tasks. The roll-out of this system is projected for early fiscal year 2017, along with the launch of the Charging Party Portal. This will complement the portal for Respondents.

Online Charge Status: The Online Charge Status system was launched on March 23, 2016. The system provides up-to-date status on individual charges, as well as an overview of the steps that charges follow from intake to resolution. Additionally, the system provides contact information for EEOC staff assigned to the charge. With the new system, charging parties can access information about their charge at their convenience, while allowing EEOC staff to focus on investigating charges. Companies or other entities that have charges of employment discrimination filed against them also can access the system and receive the same information on the status of the charge. Since the release of the Online Charge Status system at the end of March 2016, it has been used 147,575 times to look up the status of charges.

BUDGETARY RESOURCE ALIGNMENT

PERFORMANCE MEASURE 14: EEOC's budgetary resources for FY 2014-2018 align with the Strategic Plan.	
FY 2016	
TARGET	Prepare EEOC's FY 2018 Performance (OMB) Budget that aligns resources with the Strategic Plan. Prepare EEOC's FY 2017 Congressional Budget. Develop a final FY 2016 Operating Plan based on approved FY 2016 appropriations.
RESULTS	EEOC issued its final FY 2016 Operating Plan on January 14, 2016. EEOC timely submitted its FY 2017 Congressional Budget to Congress on February 9, 2016. EEOC's FY 2018 Performance Budget, although prepared for September 2016 submission, was not required pursuant to OMB Memorandum M-16-10.
☐	**Target Met**

BUDGETARY RESOURCE ALIGNMENT:

The Commission has worked to communicate across the agency a common understanding of how the strategic priorities focus the efforts of staff. Accordingly, with direction from the Chair, each program office prepares a budget submission to explain how the allocated resources implement the strategies and goals of the Strategic Plan. The Chair examines the budget requests and allocates or re-allocates resources, as needed, to align the agency's budget with the Strategic Plan and Strategic Enforcement Plan in each fiscal year.

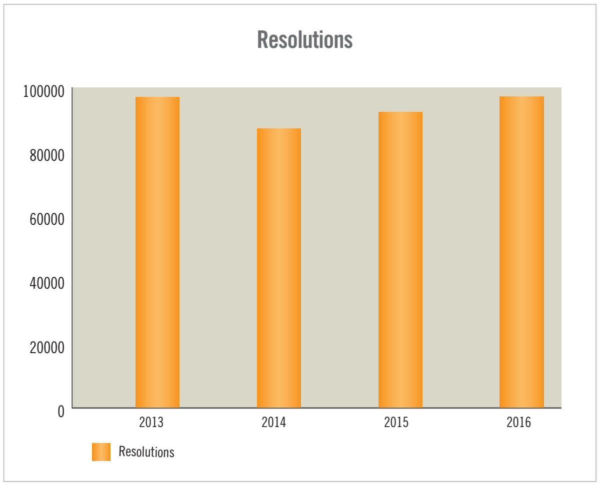
The fiscal year targets for Performance Measure 14 were to prepare EEOC's Fiscal Year 2017 Congressional Budget Justification (CBJ) and EEOC's Fiscal Year 2018 Performance (OMB) Budget that aligns with the agency's Strategic Plan for Fiscal Years 2012-2016 (as modified on February 2, 2015 – See Section X, Interim Adjustments to the Strategic Plan).

As part of the annual budget formulation cycle, the agency's final fiscal year 2016 Operating Plan was approved and signed by the Chair on January 14, 2016 and EEOC's Fiscal Year 2017 CBJ was submitted to Congress on time on February 9, 2016. A Fiscal Year 2018 Performance Budget Data Call was issued to headquarters and field directors on July 13, 2016. OMB Memorandum M-16-10, directed all federal agencies to submit their FY 2018 Congressional Budgets Justifications to OMB after January 2017, following the inauguration of a new President based on the November 2016 Presidential election.

RELATED PROGRAM RESULTS AND ACTIVITIES

FOCUS RESOURCES ON ACTIVITES WITH STRATEGIC IMPACT

This past fiscal year, EEOC continued to focus efforts on those activities likely to have strategic impact in advancing equal opportunity in the workplace. EEOC's Strategic Plan and Strategic Enforcement Plan provide the direction for targeted and coordinated national enforcement on substantive national priorities. Strategic enforcement is essential to ensure that the agency's resources are used most effectively.



Significant Success in Securing Voluntary Resolutions

EEOC's mediation, pre-determination settlement, and post-determination conciliation efforts serve as prime examples of investment in strategies to resolve workplace disputes early, efficiently, and with lasting impact.

Mediation Benefits both Employees and Employers

Alternate Dispute Resolution (ADR) is an effective tool to resolve charges of discrimination quickly. Successful mediations resolve charges early in the process, benefiting both workers and employers, and removing them from EEOC's pending workload. In fiscal year 2016, the agency achieved 7,989 successful resolutions out of 10, 461 mediations conducted, resulting in over $163.5 million in benefits to charging parties. Mediations were completed in an average of 104 days.

Additionally, the program continues to receive overwhelmingly positive feedback from participants. In fiscal year 2016, 97 percent of all participants indicated that they would utilize the mediation process in a future charge filed with EEOC.

The success of the mediation program builds a persuasive case to encourage employers to participate. EEOC continued its attempts to increase the participation by employers through the use of Universal Agreements to Mediate (UAMs) and outreach materials and events that highlight the benefits of mediation for employers. UAMs are agreements between EEOC and employers to mediate all eligible charges filed against the employer, prior to an agency investigation or litigation. At the conclusion of fiscal year 2016, the agency secured a cumulative total of 2,675 UAMs, a 10 percent increase over the prior year.

Continued Success in Conciliating Private Sector Charges

EEOC's conciliation efforts are another vital means to promote voluntary compliance. If the EEOC determines there is reasonable cause to believe discrimination has occurred, the agency invites the parties to join EEOC in seeking to settle the charge through an informal and confidential process known as conciliation. Conciliation is a voluntary process for employers, and the parties must agree to the resolution. EEOC is required to attempt to resolve findings of discrimination on charges through conciliation before the agency considers the matter for litigation.

Managing the Charge Workload

The largest volume of work for EEOC is handling the hundreds of thousands of calls, inquiries, and charges from workers in the private and public sector seeking assistance with potential complaints of discrimination. In fiscal year 2016, EEOC handled over 585,000 calls to the toll-free number and more than 160,000 inquiries to field offices that resulted in 91,503 charges being filed. This compares to 89,385 charges received in fiscal year 2015. In addition, EEOC worked diligently to resolve charges, increasing the number of charges resolved by 5.1 percent to 97,443 and reducing the charge workload by 3.7 percent to 73,508. Front-line staff hired late in fiscal year 2015 contributed to this increase in resolutions; however some of the increased productivity of new staff was offset by additional staff losses in fiscal year 2016.

Recovery for Victims of Discrimination

EEOC secured more than $482.1 million for victims of discrimination in private, state and local government, and federal workplaces. This included:

- $347.9 million for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation, and settlements.
- $52.2 million for charging parties through litigation; and
- $82 million for federal employees and applicants.

Importantly, in each of these categories, the agency obtained substantial changes to discriminatory practices to remedy violations of equal employment opportunity laws and prevent future discriminatory conduct in the workplace.

Over the past five years, EEOC has worked with employers to voluntarily conciliate a greater percentage of cases than at any time in recent history – with successful conciliations rising from 27 percent in fiscal year 2010 to 44 percent in the past two years. The success rate for conciliation of systemic charges was 57 percent in fiscal year 2016, down from 67 percent in fiscal year 2015.

Adjudicating Federal Sector Hearings and Appeals

In the federal sector, EEOC has authority to hold hearings on complaints of discrimination by federal employees and applicants, and to adjudicate appeals of decisions on such claims. In fiscal year 2016, EEOC secured more than $76.9 million in relief for federal employees and applicants who requested hearings. Additionally, the agency's hearings program resolved a total of 6,792 complaints while the number of requests for hearings on federal sector complaints increased to 8,193 in fiscal year 2016 compared to 7,752 in fiscal year 2015.

EEOC also adjudicates appeals of federal agency final decisions on discrimination complaints, and ensures agency compliance with decisions issued on those appeals. During fiscal year 2016, EEOC received 3,523 appeals of final agency actions in the federal sector, a 3.45 percent decrease from the 3,649 appeals received in fiscal year 2015. In fiscal year 2016, EEOC focused its appellate resources on EEOC's Strategic Enforcement Plan priorities by resolving the oldest appeals, or those that that vindicate employees' EEO rights and/or preserve their access to the EEO process.

Using this approach, the EEOC resolved 3,751 appeals, including 47.3 percent within 180 days of their receipt, and 1,938 appeals from procedural dismissals that terminated complainants' participation in the EEO process. This resulted in 436 instances (22.5 percent) where the EEOC reversed a procedural dismissal and ordered the agency to continue processing the EEO complaint. In addition, EEOC resolved 1,810, or 54.4 percent of the 3,320 appeals that were already, or would become, 500 or more days old by the end of the fiscal year. Finally, EEOC issued 111 findings of discrimination in fiscal year 2016, a 22.7 percent increase from the prior year, and secured $5.14 million in monetary relief as ordered in EEOC's appellate decisions.

Behind these numbers, EEOC's federal sector appellate decisions state the Commission's position on the matters alleged in federal sector complaints. Moreover, some of these appellate decisions require legal interpretations of emerging and evolving EEO law with national import. Finally, they serve to educate federal sector complainants, agencies, and the public about the law, guide agencies in their efforts to become model workplaces, and vindicate the public interest in eradicating discrimination in federal employment.

Implementation of the Federal Case Management System (CMS) has allowed EEOC's federal sector staff to identify and categorize cases early in the hearings and appeals stages. This allowed EEOC's federal sector to identify priority cases and direct EEOC's resources toward adjudicating the matters determined to have significant impact. The framework in this regard has been the priorities identified in EEOC's Strategic Enforcement Plan, as implemented by the Federal Sector Complement Plan. For example, in fiscal year 2016 the EEOC's federal appellate program resolved 118 appeals that had implicated one or more of the priorities identified in the Commission's Strategic Enforcement Plan and/or Federal Complement Plan.

The following are summaries of the most notable appellate decisions in fiscal year 2016:

Harvey D.[4] v. Department of State, EEOC Appeal No.0120122385(Oct. 22, 2015) — After-acquired evidence pertaining to applicant's suitability for Foreign Service Officer position does not defeat Agency liability for non-selection, but may preclude Complainant from placement in the position at issue.

Taryn S. v. Selective Service System, EEOC Appeal No. 0120113421 (November 3, 2015) — Agency withdrew employment offer after learning of Complainant's criminal conviction, then hired individual of different race with same conviction. The complaint was remanded for supplementation of the record and consideration of disparate impact claim.

Amina W. v. Department of Energy, EEOC Appeal No. 0120113823 (November 17, 2015) — Commission imposed default judgment at appellate level as sanction for Agency's failure to provide the complete record on appeal or to show good cause. Agency did not provide the missing documents and did not respond to Show Cause Order.

Harry A., et al. v. Dept. of Justice (U.S. Marshals Service), EEOC Request No. 0520120575 (November 17, 2015) — Agency's request for reconsideration denied; prior decision did not clearly err when it found that the commonality requirement of certification was met, notwithstanding application of Supreme Court decision in Wal-Mart v. Dukes.

[4]To protect complainants' privacy, the Commission now randomly assigns pseudonyms to replace Complainants' names when the decisions are published to non-parties and the Commission's website.

Challenging Discrimination in Federal Court

In fiscal year 2016, EEOC's legal staff resolved 139 merits lawsuits in the federal district courts for a total monetary recovery of $52.2 million. In fiscal year 2016, EEOC achieved a favorable resolution in approximately 90.6 percent of all district court resolutions. A total of 4,064 individuals received monetary relief as a direct result of EEOC lawsuit resolutions in fiscal year 2016. The Commission also resolved 32 subpoena enforcement actions during the same time.

In fiscal year 2016, EEOC field legal units filed 86 merits lawsuits, including 55 individual suits, 13 non-systemic suits with multiple victims, and 18 systemic suits. Merits lawsuits are direct suits or interventions alleging violations of the substantive provisions of the statutes enforced by EEOC and suits to enforce administrative settlements. These merits filings alleged violations covering a wide variety of bases, including disability (35), sex (25), retaliation (24), race (10), religion (6), national origin (5), age (2), and genetic information (2). The issues raised most frequently in these suits were discharge (48), hiring (22), reasonable accommodation (17), and harassment (11). At the end of fiscal year 2016, EEOC had 165 cases on its active district court docket, of which 32 (19.4 percent) were non-systemic multiple victim cases and 47 (28.5 percent) involved challenges to systemic discrimination. The agency also filed 28 subpoena enforcement actions.

Challenging Discrimination in the Federal Appellate Courts

In addition to its nationwide litigation program at the district court level, EEOC maintains an active appellate program in the federal circuit courts of appeal. Among the most notable appellate decisions in fiscal year 2016 is ***EEOC v. Geo Group,*** in which the Ninth Circuit reinstated the EEOC's Title VII sexual harassment and retaliation claims on behalf of twenty female victims and held, relying in part on the Supreme Court's decision in *Mach Mining, LLC v. EEOC,* 135 S. Ct. 1645 (2015), that Title VII does not require the EEOC to identify all victims prior to suit or to conciliate on an individual basis.

In ***EEOC v. Bass Pro Outdoor World,*** the Fifth Circuit held that the Commission could prove its claim – that Bass Pro engaged in a nationwide pattern or practice of race discrimination against black and Hispanic applicants and employees – by using the *Teamsters v. U.S.,* 431 U.S. 324 (1977), bifurcated trial framework. The court also rejected Bass Pro's contention that the investigation was deficient because it did not address "evidence about specific aggrieved individuals." The court recognized that its review of the Commission's investigation is "limited," for "Title VII 'does not prescribe the manner' by which the EEOC investigates, and 'the nature and extent of an EEOC investigation into a discrimination claim is a matter within the discretion of that agency.'"

In ***EEOC v. Koch Foods of Mississippi, L.L.C.,*** the Fifth Circuit concluded that the district court abused its discretion in analyzing whether U-visa discovery should be restricted because the discovery would impose an undue burden. In reaching this result, the Fifth Circuit underscored that the district court failed to weigh how U-visa discovery "might intimidate individuals outside this litigation, compromising the U visa program enforcement efforts more broadly." The Fifth Circuit emphasized that permitting U-visa discovery here could "deter immigrant victims of abuse…from stepping forward[,]…frustrating Congress's intent in enacting the U visa program," and rendering the EEOC and other enforcement agencies "much less able to use the program to solicit cooperation from those most in need of their help." In closing, the court of appeals declined "to forbid U visa discovery outright," but cautioned that, on remand, "any U visa discovery must not reveal to Koch the identities of any visa applicants and their families, at least in the liability phase."

In ***EEOC v. Maritime Autowash, Inc.,*** the Fourth Circuit held the EEOC's subpoena, which sought information about national origin discrimination alleged by an undocumented worker, was enforceable. In rejecting the employer's arguments, the court stated, "Maritime's challenge to the EEOC's subpoena envisions a world where an employer could impose all manner of harsh working conditions upon undocumented aliens, and no questions could be asked, no charges filed, and no agency investigation even so much as begun. The employer is asking the court for carte blanche to both hire illegal immigrants and then unlawfully discriminate against those it unlawfully hired.… And it would block the EEOC from shining even the dimmest light upon the employer's actions. So the agency must be allowed to do its job."

In ***EEOC v. Rite Way Service, Inc.,*** the Fifth Circuit in this Title VII retaliation action held that an employee engaged in protected opposition when she responded to her employer's questions about another employee's sexual harassment complaint. In ruling for the Commission, the court stressed that context was important, and that the question must be whether “an employee like[the charging party], not instructed on Title VII law as a jury would be, [could] reasonably believe that she was providing information about a Title VII violation?”

EEOC, represented by the Solicitor General, also filed a brief in one case in the U.S. Supreme Court.

In ***CRST Van Expedited v. EEOC,*** the Supreme Court rejected the Eighth Circuit’s holding that a prevailing Title VII defendant is not entitled to fees unless it obtains a ruling on the merits of the Title VII claim. The Court noted that various courts of appeals have applied the *Christiansburg Garment Co. v. EEOC,* 434 U.S. 412 (1978) standard to claims that were dismissed on non-merits grounds. The Court remanded the case for resolution of the pending fee issues.

At the end of fiscal year 2016, EEOC was handling 30 appeals in EEOC enforcement actions and participating as *amicus curiae* in 35 cases on appeal or in district court cases in private suits.

Maximizing Impact through Focus on Systemic Discrimination

Tackling systemic discrimination — where a discriminatory pattern, practice or policy has a broad impact on an industry, company or geographic area — is central to the mission of EEOC. Systemic discrimination creates barriers to opportunity that causes widespread harm to workers, workplaces, and the economy. Without systemic enforcement, many discriminatory systems and structures would persist — leading to more harm to individuals subject to such discriminatory practices and potentially more individuals filing charges of discrimination against their employers. Research studies also document that systemic enforcement is a greater driver of employer compliance than individual investigations or cases.

In fiscal year 2016, the agency produced Advancing Opportunity: A Review of EEOC’s Systemic Program, ten years after the agency’s 2006 Systemic Task Force Report. EEOC’s systemic program has successfully resolved discriminatory policies, practices and patterns of discrimination affecting tens of thousands of workers across the country. EEOC’s systemic program has opened up job opportunities for women in traditionally male industries, for African Americans and Latinos barred by background checks, for workers with disabilities screened out by medical inquiries, and for older workers shut out by stereotyping.

As a direct result of EEOC systemic investigations and lawsuits over the past decade, more than 70,000 workers have obtained jobs, wages, and benefits and many more have benefited from positive changes in workplace practices. Notably, EEOC almost tripled the success rate for conciliation of systemic matters from 21 percent to 57 percent over the past decade since the reinvigoration of the Systemic Program. In addition, EEOC’s litigation program has achieved a remarkable 92 percent success rate in its systemic cases in the 10 years.

EEOC continued to invest in resources dedicated to systemic work in fiscal year 2016. At the end of fiscal year 2016, EEOC employed more lead systemic investigators whose work is dedicated exclusively to development and coordination of systemic investigations than in FY2015. This year the lead systemic investigators invested in significant training time with the investigators in their offices, offering extensive training in how to identify systemic discrimination and conduct and resolve a systemic case. The agency also sponsored the Advanced Systemic Institute which provided advanced training to lead systemic investigators and systemic coordinators.

Moving forward, the agency is developing new approaches to address more proactively areas where significant employment problems persist and where government enforcement is most needed. EEOC is also studying the types of remedial provisions that work to advance opportunity and reduce discrimination in the workplace. In addition, the agency is exploring approaches to relief where the interests of the employees, employers, and EEOC align to result in lasting improvements to workplace practices and policies.

Systemic Investigations

In fiscal year 2016, EEOC field offices resolved 273 systemic investigations and obtained over $20.5 million in remedies in those resolutions. Seventy-one of the fiscal year 2016 resolutions resulted from successful conciliations. In addition, the agency issued reasonable cause determinations finding discrimination in 113 systemic investigations.

A few of the key systemic investigation resolutions achieved in fiscal year 2016 are listed below. [Note: due to the confidentiality provisions of Title VII, the ADA and GINA, the names of these companies who settled pre-litigation cannot be made public without their consent]:

- EEOC alleged that an employer failed to accommodate employees who requested the ability to sit during their shift as an accommodation. As part of a successful conciliation, the employer agreed to provide $5.05 million in monetary relief which included relief for nine charging parties, 77 known class members and additional unidentified class members. Respondent will also provide training and restructure its accommodation process, benefitting over 40,000 employees.

- EEOC obtained $1.7 million for a class of individuals with disabilities who were denied reasonable accommodations due to an employer's nationwide policies regarding attendance and leave of absence, which did not allow for intermittent leave or additional leave as a reasonable accommodation. The employer revised its policies to allow for reasonable accommodations, provide targeted training and reporting and agreed to public disclosure of the resolution.

- An employer in the aerospace industry agreed in a negotiated settlement to provide $1 million in monetary relief, appoint an ADA coordinator, revise ADA/reasonable accommodation policies and related training on new policies for management and non-management, distribute new policies, and implement a system to track and maintain information on all reasonable accommodation requests. The implementation of new ADA and reasonable accommodation policies, along with a process for tracking accommodations will have a significant impact on the current and future workforce of this large nationwide corporation.

- EEOC resolved for $2.35 million a series of charges alleging that a pharmaceutical company employer denied promotion, training and equal wages to black workers. The employer also agreed to the significant injunctive relief including training, reaffirming EEO policies and commitment to avoid harassment, and the hiring of an independent organization to objectively follow up on discrimination complaints.

- EEOC obtained nearly $1.4 million in monetary relief for a group of black and Hispanic individuals in a conciliation agreement with ADP that resolves allegations of discriminatory recruitment, hiring, promotion, and assignment. Programmatic relief included targeted training, revised recruitment, hiring and placement policies for all ADP locations in the Chicago area, reporting on applicant and hire rates, and public disclosure of the agreement.

- EEOC settled a Commissioner's charge alleging the failure to recruit, hire and promote blacks and Hispanics at the headquarters of a large nationwide employer. The employer agreed to remove discriminatory recruitment and hiring barriers and enable all applicants to have access to a fair hiring process. Additionally the settlement called for the creation of a diversity and inclusion committee at the employer and management incentives for meeting equal employment opportunity objectives.

- EEOC successfully conciliated a case on behalf of a class of women who alleged they were subjected to systemic sexual harassment by a management employee for more than $1.4 million in monetary relief, a change in the company's sexual harassment policy, a complaint monitor, and training for all management and hourly employees.

- EEOC obtained $750,000 in monetary relief to resolve a systemic investigation against Schenker Logistics regarding systemic sexual and racial harassment and a conviction record screen that discriminated against blacks and Hispanics. The conciliation agreement included revisions to Schenker Logistics' anti-harassment policies as well as revisions to its policies regarding use of conviction records as an employment screen at the employer's entire division nationwide. EEOC also obtained a public disclosure provision in the agreement to highlight three Strategic Enforcement Plan priorities.

- EEOC resolved a Commissioner's charge alleging disability discrimination against a large assessment test provider. The company agreed to revise all of its online applicant assessment tests to make the tests accessible to vision impaired applicants via screen reading software. The settlement positively impacted thousands of online assessment tests taken by millions of applicants each year.

- EEOC resolved a systemic investigation which covered nine states alleging that the employer segregated women into administrative occupations. The employer agreed to pay $525,000 in monetary benefits, provide training to its managers and hiring officials, change its hiring procedure and invest up to $75,000 of the settlement amount in recruitment designed to reach female applicants.

Systemic Litigation

When the agency makes a finding of discrimination and, the parties are unable to resolve the matter, the agency may choose to file suit to enforce the law. In fiscal year 2016, the Commission filed 18 systemic lawsuits challenging failure to hire based on sex; subjecting applicants to unlawful inquiries into medical or genetic information; and, maintaining inflexible leave policies that deny reasonable accommodations for individuals with disabilities.

Systemic suits comprised 20.9 percent of all merits suits filed in fiscal year 2016. At the end of fiscal year 2016, a total of 47 cases on the active docket were systemic cases, accounting for 28.5 percent of all active merits suits. Based on the volume of systemic charges currently in investigation, the quantity of systemic lawsuits and their representation on the total docket is expected to remain high.

This past year, EEOC resolved 21 systemic cases, six of which included at least 50 victims of discrimination and two of which included over 1,000 victims of discrimination. In total, the agency obtained approximately $38 million in relief for victims of systemic discrimination. Below is a sampling of significant outcomes of systemic discrimination lawsuits in fiscal year 2016:

EEOC v. Lowes' Cos., Inc., No. 2:16-cv-03041 (C.D. Cal. May 12, 2016)

EEOC alleged in this ADA lawsuit that defendant, a national chain of home improvement stores, failed to provide reasonable accommodations to individuals with disabilities who were unable to return to work within defendant's maximum leave period. Defendant automatically terminated individuals who exceeded the maximum leave period; there was no opportunity to discuss extending leaves, and local HR personnel had no discretion to overrule the terminations. A Charging Party who worked as a kitchen designer at a defendant location in Nevada was terminated after exceeding the leave period by 10 days due to heart surgery and a related e-coli infection; a Charging Party who worked as a building team member at a Pennsylvania location was terminated while on leave for congestive heart failure; and a Charging Party working as a zone manager at a New York location was terminated while on leave for non-occupational injuries to his neck, spine, and shoulder.

A consent decree, applicable nationwide, provides $8.6 million in damages distributed under notice and claims procedures. Defendant will appoint an EEO consultant with ADA experience to revise its leave of absence policies and ensure compliance with the ADA, including training, creating a centralized tracking system for accommodation requests, and providing annual reports to EEOC. Defendant's ADA policies will include a requirement that defendant engage in the interactive process with employees with disabilities who seek medical leave in excess of the leave normally provided to employees and will contain disability complaint and investigation procedures.

EEOC v. Signal Int'l, LLC, No. 1:11-cv-00179 (E.D. La. Dec. 18, 2015)

EEOC alleged in this Title VII suit that defendant, a business that fabricates and maintains marine drilling platforms and provides other marine services, subjected a class of Indian nationals to a hostile work environment and disparate terms and conditions of employment based on their national origin and race, and retaliated against some for complaining about the discrimination.

The class members came to the United States to work for defendant as pipefitters and welders under the H-2B visa program, which allows foreign nationals to work in the United States temporarily due to a shortage of qualified U.S. workers. The workers were promised lawful permanent residency, jobs paying $18 an hour, and room and board. When the workers arrived, defendant forced them to sign employment and housing agreements permitting defendant to deduct $35 a day from earnings for food, accommodations, and transportation. The workers were housed in "man camps," surrounded by fencing topped with barbed wire. Visitors were not allowed in the camps. The accommodations were small trailers containing up to 24 bunk beds with only two bathrooms. Food was served in mess halls, and was of poor quality. The employment and housing agreements provided for monetary penalties for violation of housing rules. At work, the Indian nationals were subjected to racial slurs and were assigned the dirtiest and hardest jobs, EEOC alleged.

After the Indian workers complained about their living and working conditions, defendant did not make changes to improve the situation. A camp manager told one worker that the living conditions were better than in India. After the workers tried to organize and set up meetings with attorneys from the Southern Poverty Law Center, a few workers were held against their will in a locked room while defendant apparently made arrangements to deport them for their role in trying to organize the workers, EEOC alleged. After the police and local media were called, defendant released the workers, but then threatened to shut down the visa work program if the workers sued defendant. Charging parties were discharged for complaining about their living and working conditions and their role in trying to organize the workers, EEOC alleged.

Following a trial in a related private suit, which resulted in a $14 million jury verdict against Signal for five individuals, defendant filed for Chapter 11 bankruptcy protection. EEOC and plaintiffs in multiple private suits negotiated a settlement in which Signal established a litigation trust fund of $20 million to resolve all litigation claims as part of the bankruptcy filing. The bankruptcy court approved the settlement, under which EEOC obtained approximately $5.26 million for 476 Indian H-2B workers. The settlement establishes a claims process and ensures that all aggrieved individuals will receive monetary relief despite the bankruptcy proceedings.

EEOC v. Hillshire Brands Co. f/k/a Sara Lee Corp., No. 2:15-cv-1347 (E.D. Tex. Dec. 18, 2015)

EEOC alleged in this Title VII lawsuit that defendant, a producer of baked goods, subjected 25 African American employees at its Paris, Texas, facility to a racially hostile work environment. Class members worked in production jobs and were regularly exposed to racial slurs ("n****r" and "boy") from white supervisors and coworkers and to racist graffiti (crude drawings of black people hanging from nooses and depicted as apes) on the walls of the men's bathroom. Defendant assigned black employees to work in the least favorable and most hazardous areas of the plant (closest to the ovens and allegedly contaminated with mold and asbestos) and to the most difficult jobs (cleaning the ceilings and industrial ovens). EEOC's suit was consolidated with an earlier filed private action alleging claims under 42 U.S.C. § 1981. A consent decree provides $4 million to a class of 74 individuals. Under the decree, defendant will post its new policy against discrimination at facilities in Texas, Kansas, and Missouri, and implement a graffiti abatement policy. Defendant will also develop discrimination, harassment, and retaliation reporting procedures, and will provide annual training to all employees at a Texas facility on the federal antidiscrimination laws.

EEOC v. New Prime, Inc., No. 6:11-cv-03367 (W.D. Mo. Jun. 2, 2016)

EEOC alleged in this Title VII lawsuit that defendant, a trucking carrier that provides services throughout North America, discriminated against female applicants for over-the-road truck driving positions in training and hiring by maintaining a policy of assigning applicants only to trainers of the same sex (with limited exceptions based on prior relationships). The same-sex training policy was adopted following a jury verdict in a prior EEOC suit that defendant had subjected a female driver-trainee to sexual harassment. Because of defendant's small number of female trainers, female applicants were placed on long wait lists for training while male trainees were never placed on wait lists. In spring 2010, defendant had 19 female trainers and 650 male trainers. The long wait for trainers resulted in the denial of driver positions to many female applicants.

In August 2014, the court granted summary judgment on liability to EEOC, finding that defendant's facially discriminatory same-gender training policy placed limits on the opportunity for female applicants to be trained versus male applicants. The court rejected defendant's defense that the policy was necessary to protect the privacy and safety of women and to reduce complaints of sexual harassment by female drivers and driver-trainees. Charging Party, who intervened, accepted an offer of judgment for $250,000. Following a proceeding on backpay relief before a special master, the parties agreed on backpay amounts for 69 other female applicants who applied to defendant's Student Driver Program or Driver Training Program from 2008 to 2011 and suffered damages as a result of defendant's discriminatory hiring practices. The parties later agreed to compensatory damages, for a total recovery of around $2.9 million for the 69 class members. The court issued an order prohibiting defendant from implementing a same-sex trainer policy and requiring defendant to offer driver or driver-trainee positions to each class member and to give priority hiring consideration over other applicants to class members that apply.

EEOC v. Mavis Discount Tire, Inc. et al., No. 12-cv-0741 (S.D.N.Y. Mar. 24, 2016)

EEEOC alleged in this Title VII lawsuit that defendant, an enterprise operating retail tire sales and auto service facilities in four states, denied field positions -- mechanic, tire installer, assistant manager, and manager -- to women because of their sex, and failed to retain applications and other employment records required by Title VII. From 2008 to 2010, defendant hired nearly 1,300 individuals into field positions; all were men. Charging party applied for three assistant manager positions at defendant locations in the New York City area. She had 14 years' experience as an assistant sales manager and technician with Sears Automotive, but was interviewed by the vice president only after complaining she was not interviewed because of her sex. Charging party was not hired. Defendant hired males for field positions who had only a few months of employment experience, sometimes unrelated to defendant's jobs; some male hires submitted blank applications, EEOC alleged. Defendant denied interviews and jobs to female applicants with the same or substantially better qualifications as men hired during the same period.

A consent decree provides $2.1 million for 46 women who applied to defendant, and enjoins defendant from failing to hire female applicants based on sex, failing to retain recruitment and application materials as required by Title VII and its regulations, and retaliation. Defendant will designate an EEO coordinator and has hired an employment practices expert to assist in recruiting and hiring in field locations. In consultation with defendant and EEOC, the expert will develop recruitment and hiring protocol to ensure nondiscrimination in hiring. Defendant will also set up annual scholarships of $2,500, with a yearly commitment of $10,000, for females at four automotive schools in the regions where defendant operates. Scholarship recipients who successfully complete the training program will be offered available field positions before any other equally qualified applicant. The decree contains good faith hiring goals for each field position. Defendant will establish a toll-free number and a secure email address for employees to report complaints of discrimination, and will report annually to EEOC on complaints of sex discrimination by women applying for or working in field positions and defendant's response. The decree also contains comprehensive recordkeeping provisions.

EEOC v. Cintas Corp., No. 04-CV-40132 (E.D. Mich. Nov. 25, 2015)

More than ten years ago, EEOC intervened in a private Title VII action alleging that defendant, a nationwide manufacturer and supplier of work uniforms and other products to businesses, failed to recruit and hire women as sales service representatives (SSRs). Following dismissal of the private action and a significant victory for EEOC on numerous issues in the Sixth Circuit, the agency entered into a consent decree with defendant providing $1.5 million in backpay to 1,870 women who applied to work at defendant's rental facilities throughout the state of Michigan. During the decree, defendant will provide annual hiring and recordkeeping training to all managers, supervisors, and HR personnel involved in the selection of SSRs. Defendant will conduct outreach recruitment to attract qualified women for SSR jobs, and will hire an outside expert to revalidate the criteria used to screen, interview, and select SSRs, and revalidate the interview guides used in the SSR hiring process.

EEOC v. Lawler Foods, Inc., No. 4:14-cv-03588 (S.D. Tex. Apr. 22, 2016)

EEOC alleged in this Title VII lawsuit that defendant, a large commercial bakery in Humble, Texas, denied employment to black and to non-Hispanic applicants for entry-level production jobs because of their race and national origin. During the period from 2007 to 2012, over 80% of defendant's production department hires were Hispanic, while Hispanic availability for production positions was just over 40%. Applicants were told defendant was not interested in hiring blacks, would not hire individuals who were not Hispanic, and would not hire individuals who did not speak Spanish, EEOC alleged. Defendant also told black and non-Hispanic applicants that defendant was not hiring when it was.

A consent decree provides for around $1 million to be paid into a qualified settlement fund. Defendant will offer production positions to eligible claimants before hiring any other applicant unless it needs a readily available applicant to meet its production requirements. Defendant will make its best effort to fill nonsupervisory production positions during the term of the decree at a rate of 25% black hires and 45% non-Hispanic hires. Defendant will appoint an officer or high-level official as a monitor to oversee decree compliance. Defendant will also report on whether it has met its numerical hiring goals, with an explanation of recruiting and related procedures it will take to meet the goals, if needed.

EEOC v. PMT Corp., No. 14-cv-00599 (D. Minn. Mar. 4, 2016)

EEOC alleged in this Title VII/ADEA case that defendant, a Minnesota-based manufacturer of medical devices and equipment, failed to hire women for sales representative positions because of their sex, failed to hire individuals over the age of 40 for sales representative positions because of their age, and retaliated against its human resources manager for opposing its unlawful practices and providing information about those practices to EEOC. EEOC also alleged that defendant failed to retain applications and related materials in accordance with Title VII's recordkeeping requirements. From 2007 through 2010, defendant hired 70 individuals into outside sales representative (OSR) jobs — none of whom were female or over the age of 40. Defendant failed to retain application materials after a vacancy was filled.

According to the suit, Defendant's president told an HR manager that women could not be hired for OSR positions because they could not meet the travel requirements due to family obligations and needed chaperones, and to screen out applicants who graduated from college before 1998 because they were too old. The HR manager contacted EEOC about the president's statements. In November 2010, after the president received notice of EEO charges (which did not identify the HR manager), he regularly threatened to "go after" the person responsible for reporting discrimination. The HR manager resigned in November due to the president's threats to retaliate against the unidentified source of EEOC's investigations. Following EEOC's reasonable cause finding in September 2012, the president learned of the former HR manager's EEOC participation and directed the new HR manager to contact the county sheriff's office and accuse the former HR manager of theft for failing to pay health insurance premiums, EEOC alleged. After the sheriff's office conducted an investigation that indicated the issue had been resolved in 2010 with defendant's knowledge, defendant withdrew its complaint.

A consent decree applicable to all of defendant's facilities and operations provides for around $1 million to be distributed through a claims process. Defendant will conduct good faith recruitment to attract qualified women and applicants over the age of 40 for OSR jobs and will hire an EEOC-approved outside expert in employment discrimination law to ensure Title VII and ADEA compliance with the hiring criteria for OSRs and with record retention policies. Defendant must implement all changes or modifications to its hiring process recommended by the expert. Defendant will submit annual reports to EEOC on its good faith efforts to recruit women and applicants over the age of 40 for OSR positions, on the outside expert's audits of defendant's hiring methods and practices, and on applicants and hires for OSR positions.

Leveraging Partnerships to Maximize Strategic Enforcement

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

Rather than solely treating the symptoms of persistent problems after they occur, the agency is examining the underlying causes of discriminatory patterns, and focusing on developing solutions to the most complex problems. Building active and engaged partnerships with employers, employees, and academics, as well as across the federal government to develop innovative solutions to the workplace challenges facing many employers and employees today is one way to do this. The Select Task Force on the Study of Harassment in the Workplace is a prime example of this effort as it brought together employers, workers' advocates, academics, and others experienced with harassment issues to identify underlying problems leading to harassment claims and effective strategies for preventing and remedying workplace harassment.

Working in partnership with other enforcement agencies and stakeholder communities allows EEOC to incorporate diverse perspectives, achieve savings and efficiencies by combining resources, eliminate duplication of efforts and avoid the pursuit of conflicting enforcement objectives.

Effective collaboration also minimizes burdens for employers by preventing adoption of duplicative or conflicting compliance measures in their attempts to comply with related federal, state, and local laws and regulations. Consistent with this priority, EEOC continues to collaborate with the Office of Federal Contract Compliance Programs of the Department of Labor, the Department of Justice (DOJ), state and local Fair Employment Practice Agencies (FEPAs), and Tribal Employment Rights Organizations (TEROs) to coordinate investigative and enforcement strategies and activities when doing so promotes efficiency or enhanced law enforcement.

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

During FY 2016, in furtherance of the mission of the President's 21st Century Task Force on Policing, the Commission joined with the Department of Justice to undertake a new research initiative on diversity in law enforcement. The research, released on October 5, 2016, examines barriers that undermine equal employment opportunity and identify promising practices to recruit and hire a diverse workforce and also to build an inclusive work culture that will help retain and promote people from many backgrounds within the police force.

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

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

In fiscal year 2016, the agency issued the following regulatory actions, policy guidance, and resource documents under the laws enforced by EEOC.

Regulatory Actions:

Materials relating to EEOC regulatory actions can be found on the EEOC website at www.eeoc.gov/laws/regulations/index.cfm.

Collection of pay data. On September 29, 2016, EEOC announced final approval of a revised Employer Information Report or EEO-1 to collect summary pay data from employers with 100 or more employees. For 50 years, the EEOC has collected information from employers on their workforce demographics by job category on the EEO-1. The EEO-1 is a joint information collection by the EEOC and the Department of Labor's Office of Federal Contract Compliance Programs. This data collection will strengthen enforcement of the law and help employers examine their own practices and take proactive steps to prevent pay discrimination. The final requirements were preceded by the issuance of a proposal in February followed by public comment, and a revised proposal in July, also followed by a period of public comment. More information about the revised EEO-1 report is available on the EEOC website, along with the new form, a Fact Sheet for Small Business, and a question-and-answer document.

Notice of Proposed Rulemaking (NPRM) on affirmative action for individuals in the federal government. On February 23, 2016, the Commission published this NPRM in the *Federal Register* to request comments on its proposal to clarify obligations imposed by the Rehabilitation Act of 1973 on federal agencies as employers. A copy of the NPRM is available the EEOC website and from the *Federal Register.*

Final rule to amend the regulations and interpretative guidance implementing Title I of the Americans with Disabilities Act (ADA) as they relate to employer wellness programs. On May 16, 2016, the Commission published this final rule in the *Federal Register* to provide guidance on the extent to which employers may use incentives to encourage employees to participate in wellness programs that ask them to respond to disability-related inquiries and/or undergo medical examinations. A copy of the final rule is available from the *Federal Register.*

Final rule to amend the regulations implementing Title II of the Genetic Information Nondiscrimination Act (GINA) as they relate to employer wellness programs. On May 16, 2016, the Commission also published a final rule in the *Federal Register* to address the extent to which an employer may offer an inducement to an employee for the employee's spouse to provide information about the spouse's manifestation of disease or disorder as part of a health risk assessment administered in connection with an employer-sponsored wellness program. EEOC requested comments on its proposal to amend the regulations on October 29, 2015.

On the same day that the final rules on employer wellness programs were published, EEOC issued question-and-answer documents on both the ADA wellness rule and the GINA wellness rule, and two documents for small businesses for both the ADA wellness rule and the GINA wellness rule. These documents explain important provisions in both rules and how they relate to the wellness program provisions in the Health Insurance Portability and Accountability Act, as amended by the Affordable Care Act. On June 16, 2016, EEOC posted on its website a sample notice that will help employers that have wellness programs comply with their obligations under the ADA final rule, and a brief question-and-answer document describing the notice requirement and how to use the sample notice.

Final rule adjusting the penalty for violation of notice-posting requirements. On June 2, 2016, the Commission, in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, published this final rule in the *Federal Register* to adjust for inflation the civil monetary penalty for violation of the requirement that every employer, employment agency, labor organization, and joint-labor management committee controlling an apprenticeship or other training program post notices describing the pertinent nondiscrimination provisions of Title VII of the Civil Rights Act, the ADA, and GINA.

Subregulatory Guidance:

Materials relating to EEOC subregulatory guidance can be found on the EEOC website.

Enforcement guidance on retaliation. On August 29, 2016, the Commission released Enforcement Guidance on Retaliation and Related Issues to replace guidance published in 1998. Retaliation is the most frequent complaint raised by workers across the private, public, and federal workplaces. This is also the first guidance the agency has issued under a new public input process, which provides members of the public with an opportunity to submit feedback on proposed guidance documents. In addition, the EEOC actively provided education and training on all the antidiscrimination laws the agency is charged with enforcing to more than 350,000 workers, employers, and their representatives.

Proposed enforcement guidance on national origin discrimination. On June 2, 2016, EEOC released for 30-day public input a proposed Enforcement Guidance on National Origin Discrimination under Title VII. After reviewing the comments received, the Commission will consider appropriate revisions to the draft guidance and issue a final guidance in early fiscal year 2017 to replace the existing Compliance Manual on National Origin Discrimination issued in December 2002.

Resource Documents:

Materials relating to EEOC resource documents can be found on the EEOC website.

Rights of job applicants and employees who have HIV. On December 1, 2015, in support of the White House National HIV/AIDS Strategy to reduce stigma and eliminate discrimination associated with HIV status, EEOC issued two documents: Living with HIV Infection: Your Legal Rights in the Workplace Under the ADA, which explains that applicants and employees who have HIV are protected from employment discrimination and harassment and have a right to reasonable accommodation, and Helping Patients with HIV Infection Who Need Accommodations at Work, which provides doctors with instructions on how to provide medical documentation to support their patients' requests for accommodations at work.

Workplace Discrimination against Employees Who Are, or Are Perceived to be, Muslims or Middle Eastern. On December 23, 2015, EEOC released two documents explaining the federal laws prohibiting discrimination against individuals who are, or are perceived to be, Muslim or Middle Eastern : Questions and Answers for Employers: Responsibilities Concerning the Employment of Individuals Who Are, or Are Perceived to Be, Muslim, which identifies steps employers can take to prevent and correct discrimination in the workplace; Questions and Answers for Employees: Workplace Rights of Employees Who Are, or Are Perceived to be, Muslim, which explains federal protections against discrimination based on religion, race, or national origin in hiring, discharge, and other terms of employment. This document also explains the prohibition against harassment and gives examples of religious accommodation in the workplace.

Helping young workers understand employment discrimination. On April 27, 2016, the Commission issued a fact sheet explaining the rights of workers with disabilities and, on July 22, 2016, issued a fact sheet explaining the laws prohibiting religious discrimination. Both fact sheets are available on the Youth@Work website, which is part of EEOC's national education and outreach campaign to provide information to teens and other young workers about employment discrimination.

Rights for transgender employees. On May 2, 2016, EEOC issued a fact sheet explaining the bathroom access rights for transgender employees under Title VII and how employees who believe they may have been discriminated against can file a complaint. The Commission also updated What You Should Know About EEOC and the Enforcement Protections for LGBT workers.

Issues related to leave and disability. On May 5, 2016, the Commission issued a document, Employer-Provided Leave and the Americans with Disabilities Act, which addresses the rights of employees with disabilities who seek leave as a reasonable accommodation.

Rights of women in the workplace. On June 14, 2016, EEOC issued three documents to coincide with the White House United State of Women Summit: Equal Pay and the EEOC's Proposal to Collect Pay Data; Legal Rights for Pregnant Workers Under Federal Law; and Helping Patients Deal with Pregnancy-Related Conditions and Restrictions at Work.

Providing Strong Leadership and Oversight for Federal Agencies

EEOC provides leadership and guidance to federal agencies on all aspects of the federal government's equal employment opportunity program. EEOC ensures federal agency and department compliance with EEOC federal sector regulations, provides technical assistance to federal agencies concerning

EEO complaint adjudication, monitors and evaluates federal agencies' affirmative employment programs, produces an annual report on federal sector complaint processing, appellate case processing, and compliance, produces reports on significant issues and government-wide trends in the federal sector, and develops and distributes federal sector educational materials and conducts training for stakeholders.

Through technical assistance to federal agencies over fiscal years 2014-2016, the agency reviewed the senior executive workforces at over 200 federal agencies and large subcomponents. Over the last three fiscal years, EEOC has consistently made progress in addressing priority areas set forth in the Strategic Enforcement Plan and the Federal Sector Complement Plan. The following provides information on the efforts taken and outcomes produced to date.

Eliminating Barriers in Recruitment and Hiring

In feedback to agencies, EEOC identified groups whose participation in executive occupations was lower than the group's participation in their permanent workforce. To further assist an agency, EEOC chose one low participating EEO group within the agency and conducted data analysis to help pinpoint possible issues that could be impeding opportunities to the senior executive level. This information was used to draft a report on diversity in the Senior Executive Service and will also be used to track the agencies' future progress and allow EEOC to benchmark a particular group to determine if the agency has taken meaningful steps to improve opportunity.

Protecting Immigrant, Migrant and Other Vulnerable Workers

In fiscal year 2015, EEOC began working with the State Department and the Office of the Director of National Intelligence to discuss the impact of security clearances on the opportunities for different EEO groups within the diplomatic and national security areas. As a result, the State Department updated the process to appeal the denial of a security clearance and provided more information to employees on how to appeal a determination. Additionally, EEOC worked with the National Security Council to draft a Presidential Memorandum on Promoting Diversity and Inclusion in the National Security Workforce which included language directing all national security agencies to review their assignment restriction policies and ensure that affected personnel are informed of the rights and process to review a restriction.

Through technical assistance with federal agencies over fiscal years 2014-2016, EEOC reviewed the agencies' processes for converting persons with disabilities who were hired under probationary programs into permanent federal positions. These programs allow an agency to non-competitively hire a person with a disability for a two-year probationary period. After the two years, the agency can convert the employee into a permanent employee or terminate employment if the employee were not successful. Our analysis showed that many such employees languish in probationary status for years and are not timely — or ever — converted to permanent status. Reviews of the three year period confirmed the conversion issue. As a result of EEOC's technical assistance reviews, several hundred employees with disabilities were converted to permanent status and now enjoy the full benefits of federal employment.

Addressing Emerging and Developing Issues

In its fiscal year 2016 outreach to federal sector stakeholders, EEOC conducted 38 outreach and training events concerning emerging issues around the ADA, pregnancy discrimination, and EEO issues raised by LGBT federal employees and applicants.

Enforcing Equal Pay Laws

EEOC has worked with GAO and OPM to examine possible pay disparities in the federal sector. In fiscal year 2014, OPM published its report setting forth a government strategy on advancing pay equality and a guide for conducting pay data analysis. EEOC supported this effort and in fiscal year 2016, began more refined research on the impact pregnancy and motherhood has on the long-term earnings of women in the federal government.

Preserving Access to the Legal System

Addressing the rise of retaliation in the federal sector, EEOC began a new effort to research the behavioral science associated with retaliatory behavior. In fiscal year 2015, the agency published a research article on common retaliatory behavior by federal managers and recommendations for addressing retaliation organizationally. In fiscal year 2016, EEOC incorporated this research in training for federal managers and EEO practitioners.

Preventing Harassment through Systemic Enforcement and Targeted Outreach

Through technical assistance to federal agencies over fiscal years 2014-2016, EEOC reviewed the anti-harassment policies and procedures of over 200 federal agencies and large sub-components. In written feedback to agencies, EEOC identified any deficiencies and offered recommendations to make the policy/procedure more effective.

Agency Outreach Continues to Diverse Audiences

Through outreach, training and education, EEOC enhances public awareness of emerging issues of employment discrimination in America's workplaces. Agency outreach provides knowledge and an understanding of workplace conditions that may give rise to violations of the statutes that EEOC enforces. Approximately 35 percent of agency outreach is conducted through partnerships with employee advocates, human resource professionals, employer groups, human rights commissions and Fair Employment Practice Agencies. In fiscal year 2016, EEOC conducted over 3,615 outreach events reaching 316,245 individuals nationwide. Additionally, in fiscal year 2016, the Commission's fee-based programs trained 14,000 individuals at more than 200 events.

With a combined total of 140 significant partnerships — as outlined in Strategic Measures 8 and 9 discussed above — EEOC has been able to work with many varied organizations on efforts to prevent employment discrimination through education and outreach to employers.

Approximately 15 percent of EEOC's outreach is to small and new businesses, especially those lacking the resources to maintain full-time professional human resources staff. Agency staff conducted 567 no-cost outreach events for small businesses in fiscal year 2016, reaching 26,497 small business representatives.

Additionally, working with the Small Business Administration's (SBA) Office of the National Ombudsman, EEOC participated in several round table discussions at various locations around the country with small businesses and organizations that represent small businesses as well as a Regulatory Fairness Hearing held in Washington, DC.

Under the leadership of Commissioner Constance S. Barker, the Small Business Task Force launched an online Small Business Resource Center in fiscal year 2016 to ensure that small business owners have the tools they need to advance opportunity and freedom from discrimination in their workplaces. The new site is designed to provide a user-friendly one-stop source for information on federal employment anti-discrimination laws tailored to meet the needs of small businesses. In addition to providing general information on EEOC's laws and ways in which EEOC can assist small businesses, there are also answers to frequently asked questions, guidance on making employment decisions and tips for small businesses on a variety of potential workplace discrimination issues.

As part of its enhanced outreach to small businesses in diverse communities throughout the country, EEOC also published a new Fact Sheet, "Preventing Discrimination is Good Business." It provides a user-friendly overview of legal obligations under the anti-discrimination laws, as well as EEOC resources available for small business owners. Because of the large number of small businesses across the country started by immigrants, the fact sheet is available in 30 different languages.

The SBA Ombudsman's Report grades all federal agencies on their responsiveness to small business concerns and their compliance with the Small Business Regulatory Enforcement Fairness Act of 1996. The Ombudsman's report for fiscal year 2015, completed in fiscal year 2016, gives EEOC an "A" rating across-the-board, the highest rating possible. EEOC reports outreach activities in the small business community to the SBA, with specific examples, ongoing partnerships as well as positive feedback business owners. These activities continue to earn high marks for the agency, reflecting the SBA's recognition of EEOC's strong commitment to assist this important sector of the economy.

Approximately 35 percent of the outreach conducted is to vulnerable communities. Staff members often travel to areas without nearby EEOC offices and/or where certain communities are reluctant to file charges of employment discrimination. In fiscal year 2016, EEOC hosted 144 events that reached 10,410people in communities with limited English proficiency. EEOC also provided off-site intake and counseling services in neighborhoods where persons with limited English proficiency may be less likely to visit agency offices.

Immigrant and farm worker communities are also a priority for outreach. In fiscal year 2016, EEOC partnered with local community organizations, consulates, and other entities to reach vulnerable workers. For example, EEOC conducted 1,444 events, reaching 56,063 individuals targeting migrant farm worker communities and their advocates in order to provide education and information about discrimination. Additionally, in fiscal year 2016, EEOC conducted 183 events focused on human trafficking issues, partnering with community-based organizations, and reaching 12,146 people.

EEOC also upgraded and developed targeted outreach, training and education. During fiscal year 2016, EEOC updated its Youth@Work materials, fact sheets and presentations on topics such as arrest & conviction records, harassment and bullying, the ADA and the responsible use of social media.

The table below shows the number of outreach events and the number of attendees for fiscal year 2016 at events that covered all of EEOC's national priorities identified in the agency's Strategic Enforcement Plan.

2016 TABLE OF EVENTS AND ATTENDEES

National Priorities	Events	Attendees
Recruitment/Hiring	845	15,053
Immigrant/Migrant/Vulnerable Workers (includes immigrant/migrant farm workers, human trafficking, limited English proficiency, reentry, youth, and other vulnerable workers)	1,444	56,063
Emerging/Developing Issues (Total)	**2,844**	**100,396**
Americans with Disabilities Amendments Act (ADAAA)	904	28,644
Pregnancy Discrimination Act/ADA	606	8,873
LGBT	687	22,523
Equal Pay	647	40,356
Access to Legal System (includes retaliation, recordkeeping violations, waivers, mandatory arbitration)	4	260
Harassment (includes non-sexual and sexual harassment)	1,083	28,657

Providing Employers and Employees with Education and Technical Assistance

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

In fiscal year 2016, the Institute trained over 14,000 individuals at more than 200 events, including 30 Technical Assistance Program Seminars (TAPS) that were attended by over 5,100 participants. The one- and two-day TAP Seminars are responsive to employers' information and training needs. Through the TAP Seminars, EEOC educated employers and employees about their respective rights and obligations, and provided detailed information about identifying and preventing workplace discrimination.

Examining Conflicts in Employment Laws (EXCEL) Conference. In July 2016, the agency held its 19th annual Examining Conflicts in Employment Laws (EXCEL) Conference directed at both federal sector and private sector practitioners. This format reaches a larger audience comprised of EEO managers, HR professionals, attorneys, union officials, and other EEO professionals. Overall, the event attracted more than 600 attendees. Among the highlights of the 2016 EXCEL conference were featured presentations by keynote speakers Chair Jenny R. Yang, Commissioner Chai Feldblum, Freada Kapor Klein, founder of the Kapor Center for Social Impact, civil rights leader Ernest Green, Kevin Kish from the Department of Fair Housing & Employment, State of California, and Kate Kendell, Director, National Center for Lesbian Rights.

INVESTMENTS IN TECHNOLOGY TO IMPROVE SERVICE TO THE PUBLIC

EEOC continued to invest in technology and build digital systems and services to increase efficiency and to provide timely service to the public. This encompasses everything the agency does, from increasing the effectiveness of its administrative processes to better supporting efforts to advance opportunity and freedom from discrimination. This effort is organized around three strategic goals:

- Transform the way EEOC serves the public by making its charge, complaint, and appeal processes transparent and providing information to its constituents online and on demand.

- Streamline processes to improve customer service for constituents, including individuals, state and local partners, federal agencies, businesses and other organizations.

- Improve productivity by providing agency employees ready access to the tools, data and documents they require anywhere, at any time.

To lead the country in advancing equal opportunity in the workplace, EEOC must ensure that it is providing excellent service to the public. And that means investing in the infrastructure and equipment necessary to support the digital systems that will enable the agency to efficiently handle all of its work.

In January of fiscal year 2016 every EEOC office had implemented the first phase of the agency's Digital Charge System (DCS) to allow employers to transmit documents and communicate with EEOC through a secure portal. Employers can download charges, review and respond to an invitation to mediate, submit a position statement, and provide and verify contact information. This enhances customer service, eases the administrative burden on staff, and reduces the use of paper submissions and files, enhancing data integrity, reducing paper file storage and manual archiving and destruction requirements, and enabling a more mobile workforce. As a result of the Digital Charge System, 433,189 documents were uploaded in fiscal year 2016.

In fiscal year 2016, the agency refined and added additional functionality to its DCS for employers. Enhanced features allow employers to upload their Statement of Position (including attachments), seek an extension of time to file their Statement of Position (if needed), provide answers to the agency's Requests for Information, and designate and change their attorney representation through the portal. The agency enabled encryption of all its email traffic to allow secure receipt and delivery of documents by email with all parties. It also began regularly sharing the employers' Statements of Position with the charging parties to allow them to understand better and respond to the employers' position. Security of the system was also increased by requiring employers to change their temporary and randomly assigned password upon their first use of the system.

The DCS will provide similar online communications and capabilities to charging parties, and add features to enhance the online services provided to employers. These capabilities will provide potential charging parties with the ability to make online inquiries, provide online information about their potential claims, and allow online scheduling of in-person or telephonic intake interviews. This gives potential charging parties more flexibility to provide the information EEOC needs to proceed, relieves the agency of the burden of a significant amount of data entry, and will screen and refer out those parties that should be seeking services of another agency or otherwise do not fall within EEOC's jurisdiction. The agency expects to roll out these enhancements in the second quarter of fiscal year 2017.

In March 2016, EEOC implemented a new Online Charge Status System that allows charging parties and employers to track the progress of EEOC's investigation of a charge, including the mediation and conciliation stages. The new Online Charge Status System offers a convenient, easily accessible way for individuals to find the current status of their charge. At the same time, the new system helps EEOC staff work more efficiently by enabling them to spend more time investigating charges and less time providing basic information on charge status or details of an investigation. Features of the Online Charge Status System include:

- Access to charge status information, for those who have filed a charge with EEOC and their representatives, 24 hours a day/7 days a week.
- Information on key steps and associated dates in an investigation of a charge.
- An explanation of each stage in an investigation.
- Details on the next possible steps that can be taken on a charge.
- Contact information for the EEOC staff member assigned to a charge—or notification that an assignment is pending—and the field office address.
- No confidential information or specifics of a charge (including individual or employer names and charge number) displayed on the computer screen.

Stakeholder groups have responded favorably to online access and information the system provides. The Online Charge Status System was used to look up the status of charges 147,575 times during the first six months of the system's availability. The agency estimates that the system can potentially reduce over 295,000 inquiries staff would have had to handle during a single year. On an annual basis, this translates to over 490 fewer phone calls per investigator or 41 hours of time freed up per investigator to focus on investigation of charges rather than answering status calls. This, in turn, amounts to over $700,000 annualized savings of staff costs. The system also provides a customer service benefit by providing information to assist the public in understanding the steps in the charge investigation process.

The agency continued its focus on expanding the use of technology to make the federal hearings and appeals processes faster and more effective. In fiscal year 2015, EEOC designed, developed, and deployed the adjudicatory components of the Federal Sector EEO Portal (FedSEP). Using the FedSEP portal, agencies can upload documentation for hearings and appeals. During fiscal year 2016 EEOC held many training sessions online and by phone, and made numerous refinements based on the results of a user survey and other feedback. FedSEP now includes 688,636 documents in its digital repository.

For these digital projects to achieve the goals of increased efficiency and improved service, EEOC is investing in the infrastructure necessary to support a digital environment. In fiscal year 2016, these efforts included:

- Migrating EEOC Field Offices and Headquarters an Ethernet-based modern network, which nearly quadrupled the effective bandwidth to agency offices, and provides considerably more flexibility in meeting bandwidth requirements going forward.
- Shifting resources from the agency's aging Novell directory and email services to investments in Microsoft Office 365. Rather than using funds to support and patch outdated systems, this investment will bring significant efficiencies and, ultimately, save resources; improve and secure access to agency systems; increase internal collaboration; and support email integration with digital case files. The current goals are to migrate to Active Directory and Outlook in early fiscal year 2017.
- Supporting the use of cloud services, with scanning, business intelligence and advanced analytics solutions migrating to Microsoft Azure in FY 2017. The use of FedRAMP-certified cloud services will afford better protection to data sets containing sensitive Personally Identifiable Information (PII).
- Investing in new equipment to replace EEOC's laptops that are now eight years old, and do not have the capacity or speed to deliver the efficiencies of digital systems. Making this a critical budget priority led to the acquisition of 2100 new laptops in fiscal year 2016, which will allow all staff to have new computer equipment.
- Developing plans to equip all EEOC offices with the managed wireless access that a collaborative digital workplace requires.

Securing EEOC's digital workplace is a critical component of the agency's plans, with priorities developed and put in place to protect data that is central to the agency's mission and that raises important privacy interests of the people EEOC serves. In fiscal year 2016, EEOC focused on providing additional security controls for its public-facing digital services and communication, and implementing improved controls on its desktop applications. The results are positive at this point, with no significant malware attacks impacting the agency after the last of the new controls were deployed in June.

EEOC plans to follow the directory service migration and these security enhancements by implementing mandated two-factor authentication for access to systems.

On the privacy front, the EEOC was active within the new Federal Privacy Council, continues to review it privacy program per the A-130 July update, and published its revised *Policy on the Protection of Sensitive Information* in October.

STRENGHTEN EMPLOYEE ENGAGEMENT AND INCREASE RETENTION OF TALENTED AND COMMITTED EMPLOYEES

Because of its mission, EEOC has a unique role to play in demonstrating the value of diversity and inclusion in the workplace. Living out these concepts and principles at the EEOC is essential — not only to serve as a model — but also to strengthen the workplace to accomplish more for the people it serves. All levels across the agency work to foster an inclusive work culture that emphasizes collaboration and innovation.

Labor Relations

EEOC management is committed to working together with the employee Union to foster a positive relationship and to enhance the agency's initiatives to carry out the agency's mission. During fiscal year 2016, agency leadership, including the Chair, continued their work to improve the labor and employee relations climate within the agency and culminated with the resolution of a 10-year old overtime grievance for a group of employees. These efforts included regular meetings between the Office of the Chair (OCH) and Union leadership on the conditions of employment affecting bargaining unit employees. Throughout the year, the agency provided resources to the National Joint Labor Management Council (JLMC) and District-level JLMCs and supported their recommendations to enhance workplace well-being and productivity.

In its recent meeting, the JLMC with the assistance of Office of the Chief Human Capital Officer (OCHCO) approved funding for EEOC's conflict resolution program, called RESOLVE, to provide Crucial Conversations training for the District Labor-Management Councils. Crucial Conversation training with members of management and the Union has been an effective means of fostering dialog and it is important that all District Councils have Crucial Conversation training if it is requested.

Performance Management

Management and the Union are currently engaged in bargaining to update the agency's performance management program for fiscal year 2017. The new performance management program will cover all GS employees (supervisory and non-supervisory). The OPM-approved program will contain a four-level rating system: Outstanding, Highly Effective, Fully Successful or Unacceptable for managers and non-managers. In addition, all performance plans will be aligned to the agency's Strategic Plan; and performance goals/standards will be written in the SMART (Specific, Measurable, Achievable, Realistic and Timely) format and described at the Fully Successful and Outstanding levels on the performance appraisal forms. The plans will also be tailored to each employee's individual position. To date, the agency and the Union have completed substantial negotiations on revisions to EEOC Order 540.008 (Employee Performance Management and Appraisal Program Handbook).

Telework and Workplace Flexibilities

Agency leadership, including the Chair, have been supportive of programs such as increased telework and Maxi-Flex schedules in order to provide flexibility for employees with portable work and long commutes and increase employee quality of worklife while at the same time not detracting from the agency's mission. The fiscal year 2016 telework data indicates that more than half of EEOC's workforce participates in the telework program.

In December 2015, the agency and the Union signed a Memorandum of Understanding which increased the maximum number of telework days per pay period for bargaining-unit employees from four to five. To further enhance the telework program and allow future reductions in the agency's environmental footprint, EEOC and the Union signed a Memorandum of Understanding that allows Information Intake Representatives (IIRs) to participate in the Telework Program on a 100% basis where previously they were excluded from participation.

EEOC and the Union continue to work collaboratively on the agency's pilot program for a Maxi-flex work schedule. Maxi-Flex is a flexible work schedule where employees work 80 hours in less than 10 work days. Employees may vary the number of hours worked on a given work day or numbers of hours each week. Maxi-Flex schedules must be consistent with EEOC's Collective Bargaining Agreement and local agreements for purposes of hours of work and maximum number of days away from the duty station per pay period. The Maxi-flex schedules were fully implemented in 10 offices early in fiscal year 2016, and district and field offices continue to be added to the pilot program in order to determine the effectiveness of the schedules and employee satisfaction.

Information Intake Group Enhancements

Additionally, building on efforts launched at the end of fiscal year 2015, the agency enhanced the operations of the Information Intake Group (IIG), which handles more than 585,000 calls from the public each year. The IIG was restructured and functions consolidated to allow for greater adaptability to changing requirements and technology; a reduction in operational and training travel costs; and improved morale with a team-structured environment conducive to peer-to-peer feedback and support. The IIG expanded its ability to serve the public by adding direct video phone access and hiring American Sign Language-fluent members for direct communication with deaf and hard of hearing people.

EEOC also expanded a partnership with the National Telecommuting Institute (NTI) to hire individuals who, because of their limited mobility, need to work from home. NTI is a non-profit organization whose mission is to identify and develop work-at-home jobs for home-based individuals who have physical disabilities. EEOC hired five staff through NTI in fiscal year 2015, all of whom are part of the Social Security Administration's (SSA) Ticket to Work Program. Four additional positions were filled in fiscal year 2016 through the partnership with NTI. EEOC is the first federal agency with which NTI has placed full-time employees.

Compliance with OSC's 2302(c) Certification Program

In compliance with the Office of Special Counsel's 2302(c) Certification Program, the agency placed informational posters in all agency facilities; provided information to all employees on the 13 Prohibited Personnel Practices and Whistleblower Disclosures; provided information to all new employees on the 13 Prohibited Personnel Practices and Whistleblower Disclosures during new employee orientation; conducted mandatory training for managers and supervisors on the 13 Prohibited Personnel Practices and Whistleblower Disclosures and the accompanying quiz; and created a link to the training slides and the OSC website on the agency's Intranet.

Employees' Viewpoint Survey Results

EEOC participates in the Office of Personnel Management's (OPM) annual Federal Employee Viewpoint Survey (FEVS). EEOC participated during the first wave of the 2016 FEVS administration from April 27, 2016 to June 8, 2016. EEOC's 2016 FEVS response rate is a record-breaking 70.2 percent. This is the highest response rate since the agency began participating in the survey in 2004 and is a 9.3 percentage point increase over 2015's response rate. It is also 24.4 percentage points higher than the government-wide average of 45.8 percent. In the government-wide 2016 FEVS results for medium size agencies, EEOC had one of the largest increases in scores on the Employee Engagement Index and the Inclusiveness Quotient (IQ) Index. For Global Satisfaction, EEOC scores lead federal government averages in the following areas: global satisfaction (five points), job satisfaction (six points), organization satisfaction (seven points), pay satisfaction (3 points), and "recommend agency" by one point.

EEOC's success on the 2016 FEVS is due to several factors such as its leadership improving in "generating high levels of motivation and commitment in the workforce." Specifically they improved in "communication of goals and priorities," "information provided to different work units," and "employee satisfaction with information." Another factor was the Building Employee Satisfaction Together (BEST) workgroup comprised of representatives from offices with the five highest and five lowest scores targeting 16 survey areas for improvement. A significant positive change that occurred for the BEST focus areas related to training, diversity and inclusion, employee engagement, communications, personal empowerment, the connection between pay raises and performance, as well as creativity and innovation.

Implementing Hiring Reform

In fiscal year 2016, EEOC was able to hire a limited number of new employees. The agency authorized 89 external positions to fill critical needs in both field offices and headquarters with hiring continuing into FY 2017. Pursuant to initiatives from OPM and the Office of Management and Budget, EEOC's Office of the Chief Human Capital Officer worked with agency hiring managers and senior officials to strengthen hiring tools and improve the agency's hiring process. The goal continues to be to timely hire new employees within 78 calendar days of applications closing.

Of the reported 62 hires to date, approximately 33 were made within 78 days, or 53 percent. In spite of the volume of hiring requests, which included replacement hires for departing staff through retirement and attrition this fiscal year, the agency only partly fulfilled its goal of 85 percent of EEOC's new hires be made within 78 days.

EEOC also implemented the agency's new policy to reduce the number of extension and re-announcement requests received and approved in the past. In addition, one contractor was hired to assist with posting announcements and issuing certificates. Finally, EEOC coordinated with OPM to ensure that the agency was migrated to the new USA Staffing system which provides a full range of features to streamline EEOC's hiring process.

Factors Affecting Agency Performance:

Various factors can affect each goal, objective and performance measure contained in EEOC's strategic and annual performance plans. These factors can also impact agency performance as a whole. These factors include upcoming budgetary changes, demographic changes in the country, court decisions, passage of new laws, and technological advances.

Budgetary Factors Fiscal year 2016 marked the second consecutive year that EEOC was level funded at $364,500,000. Moreover, EEOC has been level funded or subjected to a cut in five of the last six years. In 2016, EEOC had to operate below the fiscal year 2010 level of funding. Attempting to operate with these substantial budget shortfalls has a direct impact on EEOC's ability to protect the rights of workers and assist employers in complying with our employment discrimination laws. Because of this budget situation, EEOC was forced to leave positions vacated by departing staff unfilled to find savings of $11 million in fiscal year 2016 to pay for increases in rate and mandatory salary adjustments in order to balance its budget. The agency was able to do some limited hiring in the fourth quarter of fiscal year 2016. However, the full time equivalent (FTE), representing the number of full time workers, dropped to 2,202 as the agency could not make additional hires given the funding needed for program requirements.

Legal Factors EEOC's work is impacted by changes to the laws the agency enforces. U.S. Supreme Court interpretation of the laws EEOC enforces may require the agency to issue updated guidance and regulations. Moreover, these rulings may impact the substantive priorities adopted by the Commission and/or may result in additional charges being filed with the agency.

Technological Factors Changes in technology impact how EEOC interacts with its customers. Individuals who seek information about employment discrimination or use EEOC's services expect that they will be able to do so online. The rise of social media as a communication medium has required the agency to shift efforts to ensure that information about rights and responsibilities are available to the public in an easily accessible format familiar and convenient to them. Additionally, as discussed earlier in this report, EEOC has invested significant resources to bring the agency's technological infrastructure up to date — allowing both the agency's employees and the public to access services digitally.

PROGRAM EVALUATIONS

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

Independent program evaluations continue to play an important role in formulating the strategic objectives and performance goals detailed in EEOC's Fiscal Years 2012-2016 Strategic Plan (as modified on February 2, 2015)[5] and helped shape some of the program issues and key focus areas for improvement. They are an invaluable management tool to guide the agency's strategic efforts in attaining overall productivity and program efficiency, effectiveness, and accountability. To that end, EEOC has undertaken the following program evaluations to advance its performance-based management initiatives under the Government Performance and Results Act (GPRA Modernization Act of 2010), and to improve the effectiveness of key agency programs:

Evaluation of EEOC's Strategic Enforcement Plan FY 2013-2016, EEOC, Office of Research, Information and Planning (ORIP). During fiscal years 2015 and 2016, ORIP conducted a program evaluation of EEOC's Strategic Enforcement Plan (SEP) Fiscal Years 2013-2016, as directed by Performance Measure 1 of the agency's Strategic Plan for Fiscal Years 2012-2016. The report included survey results and comments from EEOC Commissioners and from many EEOC headquarters' and field staff on the effectiveness of SEP implementation on the agency's enforcement efforts during the reporting period. It also provided recommendations for changes reported by agency staff and officials charged with SEP implementation. EEOC approved its Strategic Enforcement Plan for fiscal years 2017 – 2021 on September 30, 2016.

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

VERIFICATION AND VALIDATION OF DATA

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

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

Greater use of the EEO-1 data by field staff continues to assist in identifying non-filers, which has enabled the agency to collect information more rapidly and completely. Recent implementation of the Federal Sector EEO Portal that enables all federal agencies to electronically submit annual equal employment opportunity statistics (EEOC Form 462 and MD-715) continues to improve the quality and timeliness of the information received. Finally, the agency continues to improve the collection and validation of information for the Integrated Mission System (IMS), which consolidates mission data on charge intake, investigation, mediation, litigation, and outreach functions into a single shared information system. IMS includes many automated edit checks and rules to enhance data integrity. Since several performance measures require the use of data to assess achievements, it is significant that EEOC can now obtain this data much more quickly and with greater data accuracy.

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

MANAGEMENT CHALLENGES

The Equal Employment Opportunity Commission (EEOC) faces significant obstacles to succeed in its mission to "stop and remedy unlawful employment discrimination." Despite flat funding for fiscal year 2016, EEOC made strides towards overcoming the management challenges we identified in fiscal year 2016, including its success in resolving the Data Security: Multifactor Authentication for Network and System Access challenge. However, to continue its progress in fiscal year 2017, EEOC needs to make major improvements in mission critical areas. In our view, it should consider focusing on three areas: 1) strategic performance management—notably developing the next strategic plan; 2) management of the private-sector charge inventory; and 3) data collection, analysis, and use.

Strategic Performance Management

In fiscal year 2016, the agency made progress in meeting the performance targets in its strategic plan but faces a significant challenge in developing a new strategic plan. EEOC also made progress on other fronts, including beginning to implement its Research and Data Plan.

Strategic plans are critical in setting priorities for the agency to pursue and communicate those priorities, and associated progress, to stakeholders. This year, as in fiscal year 2015, the agency enjoyed mixed success in meeting its strategic plan performance targets (seven targets met, six partially met). In developing the new strategic plan (fiscal year 2018-fiscal year 2022), EEOC should ensure that its strategic priorities are reflected and contain meaningful goals, and that corresponding outcome-based measures are adopted.

As we stated in last year's Management Challenges (https://oig.eeoc.gov/oig-management-challenges-performance-and-accountability-report-fy-2015), we believe EEOC can best meet strategic plan goals by adopting outcome-based performance measures, and incorporating such measures into the next strategic plan. Our March 2013 evaluation of the strategic plan's performance measures (https://oig.eeoc.gov/reports/audit/2012-010-pmev) stated, "the current measures do not cover the nation's progress towards achieving the [EEOC's] overarching goal: to reduce employment discrimination in the United States." The report also concluded that many of these measures were not outcome-based. Regardless of the goals EEOC adopts in the new strategic plan, it is critical that EEOC begin to track progress toward reducing employment discrimination in the United States. Developing and tracking certain outcome measures is not easy (e.g., buy-in on wording of measures may be problematic and data may be difficult to obtain), but it is well worth the investment if it enables EEOC to use its resources to gain improved results in reducing employment discrimination.

The agency, in its Research and Data Plan, recognizes that measuring employment discrimination is a worthy effort. However, EEOC is not currently developing a measure for national employment discrimination. EEOC deems the effort to develop such a measure as a medium/long term research goal.

As our 2013 performance measure evaluation points out, EEOC has limited control over reducing national employment discrimination levels. However, given EEOC's mission, measurement of national employment discrimination is important. Indeed, other federal agencies (e.g., Department of Transportation) track performance towards outcomes (such as commercial air carrier fatalities) over which they have limited control.

Our 2013 performance measure evaluation provides other potential performance measures that meet key criteria. In addition, our recent reports on EEOC's litigation activities, and its outreach and education program (https://oig.eeoc.gov/reports/audit/2015-001-lit and https://oig.eeoc.gov/reports/audit/2014-003-oe) point to the need for measuring program effectiveness. Therefore, EEOC should also consider developing performance measures in those areas for inclusion in the 2018-2022 Strategic Plan.

EEOC would be well served to have begun developing the 2018-2022 Strategic Plan. However, the agency has not begun developing the strategic plan. This creates a tight timeline to build an effective document because the draft strategic plan is due to the Office of Management and Budget on June 2, 2017. By immediately devoting significant resources for the development of a new strategic plan, EEOC may still be able to create a strategic plan that corrects weaknesses in its current plan.

Management of the Private-Sector Charge Inventory

As in previous years, reducing the private-sector charge inventory while improving the quality of charge processing continues to present a major challenge to EEOC. Given the steady demand for EEOC services and continuing sizeable inventory, EEOC needs to find innovative methods to reduce the inventory.

The inventory data show that the inventory increased 3.9% over the last four years. The inventory increased by less than 1 percent in fiscal year 2013, to 70,781. In fiscal year 2014, it increased 6.9 percent, to 75,658. In fiscal year 2015, inventory increased 1.4 percent, to 76,408. In fiscal year 2016, inventory decreased 3.7% to 73,559 (agency estimate).

In previous Management Challenges, we have encouraged EEOC to develop new methods for improving its resolution of charges of discrimination. EEOC has made no fundamental improvements in this area since the implementation of Priority Charge Handling Process (PCHP) in 1995.

However, in fiscal year 2016, EEOC, under Chair Yang, began a major strategic effort that may lead to reduced inventory through more efficient charge processing. In order to focus more resources on cases that will have strategic impact (such as eliminating barriers in recruitment and hiring), EEOC is implementing strategies and tactics to reduce inventory in two ways. One of the proposed tactics involves the use of intake interviews. Consistently conducting effective intake interviews will better identify certain types of very important charges and, at the same time, better identify charges with little merit. The second area targeted for charge inventory reduction is improved and more timely investigation efforts following the offer of mediation to the parties.

In fiscal year 2016, EEOC tested these tactics by conducting a pilot in two District Offices. The pilot effort took place in the Los Angeles and Memphis District Offices, with the Los Angeles District Office significantly reducing charges received by conducting more intake interviews, thereby improving the screening of complaints lacking merit. In Memphis, which had a history of conducting intake interviews on incoming charges prior to participating in the pilot program, charge levels were about the same. EEOC plans to achieve nationwide inventory reductions by adopting the piloted tactics in all field offices. EEOC management should periodically evaluate the results.

Data Collection, Analysis, and Use

EEOC faces major challenges in how it collects, analyzes, and uses data to more efficiently and effectively perform its mission. Improved data analytics is vital so that EEOC can determine agency efforts are effective in deterring, detecting, and stopping employment discrimination, as well as where and how EEOC should efficiently place its resources. Over the past five years, OIG has issued several reports identifying critical issues and weaknesses associated with EEOC's strategies and tactics in data collection (information EEOC needs in order to better identify trends in private and public sector workforce discrimination) and data analysis and use (data which is already available to EEOC, but is not fully analyzed and/or used by EEOC).

In September 2015, EEOC adopted the Research and Data Plan for fiscal years 2016–2019. The plan outlines several highly useful activities, including compiling an inventory of EEOC data, improving survey collection, and tracking and reporting data. In fiscal year 2016, the agency made progress in several of the areas of the plan. Areas of significant progress include:

- Beginning a comprehensive inventory of data collection processes and data usage
- Studying practices adopted to remedy discrimination (such as injunctive relief and conciliation agreements)

Developing the Research and Data Plan was a significant step forward. However, the plan lacks the strategic foresight and direction necessary to propel EEOC effectively in the key areas of data collection, data analysis, and use. For example, the plan does not include hiring plans to support the increased data analytics capabilities.

As EEOC continues to seek ways to accomplish its mission (most likely without major funding increases), it needs to expand opportunities for collecting, analyzing and using data more effectively and efficiently. Progress in the following areas we identified in our work products would take EEOC a significant distance on its path to better data capabilities and use:

Data collection

- Estimate the level of employment discrimination on the national level and how it is changing over time
- Investigate the merits of expanding the information EEOC obtains related to employee hiring

Data analysis and use

- Develop the number of pending charges and complaints at a specified point of time broken out by priority
- Develop the performance measure for the number of discrimination victims awarded monetary benefits
- Provide commissioners and managers with easy access to relevant disaggregation of the outcome measure values. Outcome data would be broken out by such characteristics as priority level, industry, and key characteristics of the charging parties
- Expand the Strategic Enforcement Plan's (SEP) requirement for quarterly reviews to include not only SEP progress but also progress reflected in the latest EEOC performance reports, focusing on reviewing the latest performance information on both process and outcome measures
- Provide additional analytical help to District Offices to examine charge data in order to identify trends

Respectfully, submitted:

Milton A. Mayo Jr.
Inspector General

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Accountability of Tax Dollars Act of 2002 requires the EEOC to prepare yearly financial statements. I am happy to report that for the 13th consecutive year we received an unmodified opinion on EEOC financial statements. And this year there were no material internal control weaknesses. This could not have been accomplished without the dedication of the Office of the Chief Financial Officer staff and administrative staff throughout the agency.

EEOC's FY 2016 appropriation remained flat at $364.5M which made it challenging to fund certain mission needs. EEOC successfully managed its limited resources funding critical programs/projects and hiring staff as needed at various locations throughout the United States. EEOC's hiring effort during the fiscal year coupled with the prior fiscal year's hires allowed us to end FY 16 with a full time equivalent (FTE) of 2,202; the highest FTE level in over 3 years.

Also, the EEOC continued efforts to "freeze the real estate footprint". The Commissioner for the GSA Public Building Service, recently highlighted EEOC's efforts in his testimony to Congress. In Baltimore, EEOC will be able to move to a Federal Building reducing the footprint by over 7,000 usable square feet and decreasing rent by $300k.

During 2017, the agency will continue to maintain a focus on budget planning, effective internal controls, and sound financial management.

Germaine P. Roseboro

Germaine P. Roseboro, CPA, CGFM
Chief Financial Officer

[6] FTE means the total number of regular straight-time hours worked by employees divided by 2,096 compensable hours for FY 2016.

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

Office of
Inspector General

November 15, 2016

MEMORANDUM

TO: Jenny R. Yang
Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2016 Financial Statements (OIG Report No. 2016-01-AOIG)

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 2016. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards(GAGAS) contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin 15-02, *Audit Requirements for Federal Financial Statements,* as amended.

HRK reported that EEOC's fiscal year 2016 financial statements and notes were fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America. The lack of sufficient controls over supporting documentation for personnel expenses was identified again this year as a significant deficiency. HRK noted no instances of noncompliance or other matters that were required to be reported under Government Auditing Standards or OMB Bulletin 15-02.

In connection with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls, or whether EEOC's financial management systems substantially complied with Federal Financial Management Improvement Act (FFMIA); or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 15, 2016, and the conclusions expressed in the report. However, OIG's review disclosed no instances where HRK did not comply, in all material respects, with generally accepted government auditing standards.

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

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

cc: Cynthia Pierre
Mona Papillon
Germaine Roseboro
Raj Mohan
Nicholas Inzeo
Traci DiMartini
Pierrette McIntire
Peggy Mastroianni
Brett Brenner
Carlton Hadden
Deidre Flippen

Harper, Rains, Knight & Company

Independent Auditors' Report

Inspector General
U.S. Equal Employment Opportunity Commission

Report on the Financial Statements

We have audited the accompanying consolidated balance sheets of the Equal Employment Opportunity Commission (EEOC), as of September 30, 2016 and 2015, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources, for the fiscal years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*. Those standards and OMB Bulletin No. 15-02 require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinion on the Financial Statements

In our opinion, the financial statements including the accompanying notes, present fairly, in all material respects, the financial position of EEOC as of September 30, 2016 and 2015, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2016, we considered EEOC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EEOC's internal control. Accordingly, we do not express an opinion on the effectiveness of EEOC's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

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

A *deficiency in internal control exists* when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in Exhibit I to be a significant deficiency.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EEOC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests of compliance disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards* or OMB Bulletin No. 15-02.

EEOC's Responses to Findings

EEOC's response to the finding identified in our audit are described in Exhibit I. EEOC's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the responses.

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

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

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

November 15, 2016

Significant Deficiency
Exhibit I

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

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

In FY 2016, we tested a sample of 45 employees' personnel expenses and supporting documentation maintained by EEOC in the employees' personnel files (eOPF) for the period of October 1, 2015 through July 31, 2016. Based on our testing, we identified the following exceptions:

FEHB:

- **One (1)** employees' FEHB withholding amount per the OPM FEHB Premium Rates chart (using the enrollment per the SF-2809) does not agree to the employee FEHB withholding amount per the ELS.
- **One (1)** employees' FEHB contribution amount per the OPM FEHB Premium Rates chart (using the enrollment per the SF-2809) does not agree to the employer FEHB contribution amount per the FPPS.

TSP:

- **Five (5)** employees' elected TSP employee withholdings per eOPF (TSP-1) and the ELS do not agree.
- **Five (5)** employees' calculated TSP employee withholding amount based on the bi-weekly elected TSP percentage or fixed amount per TSP-1 does not agree with the actual TSP employee amount withheld per ELS.
- **Five (5)** employees' calculated TSP employer contribution amount (automatic and matching) based on the bi-weekly elected TSP percentage or fixed amount per TSP-1 does not agree with the actual TSP employer contribution amount recorder per FPPS.

These exceptions were caused by insufficient controls in place at EEOC to ensure proper and timely documentation is maintained in the eOPF. We identified similar exceptions in our audits of FY 2010, FY 2011, FY 2012, FY 2013, FY 2014, and FY 2015.

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

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

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

Management's Response: The Office of Chief Human Capital Office (OCHCO) accepts the recommendation. However, while this has been a repeated finding, OCHCO has improved tremendously over previous years. As of this report, we were cited for 5 issues as opposed to the 32 plus issues in previous years. This was due to lack of resources and performance issues. We are recruiting for a Branch Chief, GS-14 who will oversee the data input. We will have three HR Assistants, all of which will be responsible for benefits processing instead of one. We have contract scanners who are currently reviewing all documents for scanning. This along with our temporary Payroll Administrator, who is very knowledgeable in this area, we should receive a clean audit next year. With the arrival of the new Chief Human Capital Officer, we will discuss with her the possibility of adding this to our Business Operations and Strategic Planning Division's audit responsibilities.

Auditors' Response: FY 2017 audit procedures will determine whether the corrective actions have been implemented and are operating effectively.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2016 and 2015 (in dollars)

	2016	2015
ASSETS:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	$ 72,087,589	$ 71,323,959
Accounts Receivable, Net (Note 3)	68,762	180,888
Advances and Prepayments	38,909	37,073
Total Intragovernmental	$ 72,195,260	$ 71,541,920
Public:		
Accounts Receivable, Net (Note 3)	122,331	301,816
General Property, Plant, and Equipment, Net (Note 4)	2,483,084	3,586,677
Total Assets	$ 74,800,675	$ 75,430,413
Stewardship PP&E		
LIABILITIES:		
Intragovernmental:		
Accounts Payable (Note 6)	$ 445,710	$ 436,854
Employer Payroll Taxes	2,047,208	1,637,387
Workers' Compensation liability (Note 7)	2,256,327	2,394,245
Liability of Non-Entity Asset (Note 7)	189	189
TOTAL INTRAGOVERNMENTAL	$ 4,749,434	$ 4,468,675
Public:		
Accounts Payable	19,233,064	18,363,327
Future worker's compensation liability (Note 7)	10,493,950	11,188,852
Accrued Payroll	7,455,450	6,473,760
Employer Payroll Taxes	279,656	226,465
Accrued annual Leave (Note 7)	18,032,687	18,232,606
Deferred Revenue	1,700	—
Amounts collected for restitution (Note 2, 7)	29,782	24,626
TOTAL LIABILITIES	$ 60,275,723	$ 58,978,311

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2016 and 2015 (in dollars)

	2016	2015
NET POSITION:		
Funds from Dedicated Collections:		
Unexpended Appropriations	—	4,100
Cumulative Results of Operations	3,599,149	4,219,293
Total Net Position—Funds from Dedicated Collections	3,599,149	4,223,393
All Other Funds:		
Unexpended Appropriations—Other Funds	39,156,837	40,369,300
Cumulative Results of Operations—Other Funds	(28,231,034)	(28,140,591)
Total Net Position All other Funds	$ 10,925,803	$ 12,228,709
TOTAL NET POSITION	$ 14,524,952	$ 16,452,102
TOTAL LIABILITIES AND NET POSITION	$ 74,800,675	$ 75,430,413

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST

for the Years Ended September 30, 2016 and 2015 (in dollars)

	2016	2015
COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT		
Private Sector:		
Enforcement	$ 183,692,493	$ 184,214,788
Mediation	25,581,933	24,750,547
Litigation	72,126,839	73,190,904
Intake information	3,553,046	8,839,481
State and Local	31,135,424	35,130,250
Total Program Costs—Private Sector	$ 316,089,735	$ 326,125,970
Revenue	(318,201)	(78,210)
Net Cost—Private sector	$ 315,771,534	$ 326,047,760
Federal Sector:		
Hearings	30,200,893	28,993,498
Appeals	16,699,318	18,032,542
Mediation	1,421,218	1,060,738
Oversight	8,172,006	6,718,006
Total Program Cost—Federal Sector	$ 56,493,435	$ 54,804,784
Revenue	—	—
Net Cost—Federal Sector	$ 56,493,435	$ 54,804,784
Total Private, Federal Sector		
Program Costs	$ 372,583,172	$ 380,930,754
Revenue	(318,201)	(78,210)
Net Cost, Private, Federal Sectors	$ 372,264,971	$ 380,852,544
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH		
Outreach		
Fee Based	6,414,295	1,414,317
Non-Fee Based	7,106,092	1,767,896
Total Program Cost—Outreach	13,520,387	3,182,213
Revenue	(3,662,323)	(4,152,033)
Net Cost Outreach	$ 9,858,064	$ (969,820)
Total, All Programs		
Program Cost (Note 15)	386,103,559	384,112,967
Revenue (Note 10)	(3,980,524)	(4,230,243)
Net Cost of Operations	$ 382,123,035	$ 379,882,724

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2016 and 2015 (in dollars)

	2016		
	Consolidated Funds from Dedicated Collections	Consolidated All Other Funds	Consolidated Total
CUMULATIVE RESULTS OF OPERATIONS:			
Beginning Balances	$ 4,219,293	$ (28,140,591)	$ (23,921,298)
Beginning Balances, as Adjusted	4,219,293	(28,140,591)	(23,921,298)
Budgetary Financing Sources:			
Appropriations Used	$ —	$ 363,688,421	$ 363,688,421
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 14)	—	17,724,027	17,724,027
Total Financing Sources	—	381,412,448	381,412,448
Net Cost of Operations	(620,144)	(381,502,891)	(382,123,035)
Net Change	(620,144)	(90,443)	(710,587)
Cumulative Results of Operations	$ 3,599,149	$ (28,231,034)	$ (24,631,885)
UNEXPENDED APPROPRIATIONS:			
Beginning Balances	$ 4,100	$ 40,369,300	$ 40,373,400
Beginning Balances, as Adjusted	4,100	40,369,300	40,373,400
Budgetary Financing Sources:			
Appropriations Received (Note 11)	—	364,500,000	364,500,000
Appropriations Used	—	(363,688,421)	(363,688,421)
Other Adjustments	(4,100)	(2,024,042)	(2,028,142)
Total Budgetary Financing Resources	(4,100)	(1,212,463)	(1,216,563)
Total Unexpended Appropriations	$ —	$ 39,156,837	$ 39,156,837
Net Position	$ 3,599,149	$ 10,925,803	$ 14,524,952

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2016 and 2015 (in dollars)

	2015		
	Consolidated Funds from Dedicated Collections	Consolidated All Other Funds	Consolidated Total
CUMULATIVE RESULTS OF OPERATIONS:			
Beginning Balances	$ 2,852,625	$ (28,416,342)	$ (25,563,717)
Beginning Balances, as Adjusted	2,852,625	(28,416,342)	(25,563,717)
Budgetary Financing Sources:			
Appropriations Used	(4,100)	364,259,123	364,255,023
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 14)	—	17,270,120	17,270,120
Total Financing Sources	(4,100)	381,529,243	381,525,143
Net Cost of Operations	1,370,768	(381,253,492)	(379,882,724)
Net Change	1,366,668	275,751	1,642,419
Cumulative Results of Operations	$ 4,219,293	$ (28,140,591)	(23,921,298)
UNEXPENDED APPROPRIATIONS:			
Beginning Balances	$ —	$ 45,228,193	$ 45,228,193
Beginning Balances, as Adjusted	—	45,228,193	45,228,193
Budgetary Financing Sources:			
Appropriations Received (Note 11)	—	364,500,000	364,500,000
Appropriations Used	4,100	(364,259,123)	(364,255,023)
Other Adjustments	—	(5,099,770)	(5,099,770)
Total Budgetary Financing Resources	4,100	(4,858,893)	(4,854,793)
Total Unexpended Appropriations	$ 4,100	$ 40,369,300	$ 40,373,400
Net Position	$ 4,223,393	$ 12,228,709	$ 16,452,102

The accompanying notes are an integral part of these statements.

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Years Ended September 30, 2016 and 2015 (in dollars)

	2016	2015
BUDGETARY RESOURCES:		
Unobligated Balance Brought Forward, October 1	$ 7,695,942	$ 8,778,316
Recoveries of Prior Year Unpaid Obligations	6,334,225	4,258,320
Other Changes in Unobligated Balance (+ or -)	(1,903,111)	(5,099,770)
Unobligated Balance from Prior Year Budget Authority, Net	12,127,056	7,936,866
Appropriations (Discretionary and Mandatory)	364,500,000	364,354,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	4,174,047	4,265,246
Total Budgetary Resources	$ 380,801,103	$ 376,556,112
STATUS OF BUDGETARY RESOURCES:		
Obligations Incurred (Note 12):	$ 373,290,217	$ 368,860,170
Unobligated Balance, End of Year:		
Apportioned	1,991,343	3,481,020
Expired unobligated balance, end of year	5,519,543	4,214,922
Total Unobligated Balance, End of Year	7,510,886	7,695,942
Total Budgetary Resources	$ 380,801,103	$ 376,556,112
CHANGE IN OBLIGATED BALANCE:		
Unpaid Obligations:		
Unpaid Obligations, Brought Forward, October 1 (gross)	$ 63,167,841	$ 65,922,551
Obligations Incurred	373,290,217	368,860,170
Outlays (Gross)(-)	(366,171,845)	(367,356,560)
Recoveries of Prior Year Unpaid Obligations (-)	(6,334,225)	(4,258,320)
Unpaid Obligations, End of Year	63,951,988	63,167,841
Uncollected Payments:		
Uncollected Customer Payments, Federal Sources, Brought Forward, October 1 (-)	(202,451)	(225,741)
Change in Uncollected Payments, Federal Sources (+ or -)	159,384	23,290
Uncollected Payments Federal Sources, End of Year	(43,067)	(202,451)
Memorandum (non-add) entries:		
Obligated balance, start of year (+ or -)	$ 62,965,390	$ 65,696,810
Obligated Balance, End of Year (Net)	$ 63,908,921	$ 62,965,390
BUDGET AUTHORITY AND OUTLAYS, NET:		
Budget Authority, Gross (Discretionary and Mandatory)	$ 368,674,047	$ 368,619,246
Actual Offsetting Collections (Discretionary and Mandatory)	(4,458,461)	(4,288,536)
Change in Uncollected Customer Payments from Federal Sources (Discretionary and Mandatory) (+ or -)	159,384	23,290
Anticipated Offsetting Collections (Discretionary and Mandatory)	125,030	—
Budget authority, net (Discretionary and Mandatory)	$ 364,500,000	$ 364,354,000
Outlays, Gross (Discretionary and Mandatory)	$ 366,171,845	$ 367,356,560
Actual Offsetting Collections (Discretionary and Mandatory) (-)	(4,458,461)	(4,288,536)
Outlays, Net (Discretionary and Mandatory)	361,713,384	363,068,024
Agency Outlays, Net (Discretionary and Mandatory)	$ 361,713,384	$ 363,068,024

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2016 and September 30, 2015 (In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

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

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

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

(b) Basis of Presentation

These financial statements have been prepared to report the consolidated financial position, net cost of operations, changes in net position, and budgetary resources of the EEOC, consistent with the Chief Financial Officers' Act of 1990 (CFO Act) and the Government Management Reform Act of 1994. These financial statements have been prepared from the books and records of the EEOC in accordance with generally accepted accounting principles (GAAP) and the form and content requirements of the Office of Management and Budget (OMB) Circular No. A-136, and the EEOC's accounting policies, which are summarized in this note. All intra-agency transactions and balances have been eliminated, except in the Statement of Budgetary Resources, which is presented on a combined basis, as required by OMB Circular No. A-136. These consolidated financial statements present proprietary information while other financial reports also prepared by the EEOC pursuant to OMB directives are used to monitor and control the EEOC's use of federal budgetary resources.

(c) Basis of Accounting

The Commission's integrated Oracle Federal Financials (OFF) uses Oracle, which has funds control, management accounting, and a financial reporting system designed specifically for federal agencies.

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

(d) Revenues, User Fees and Financing Sources

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

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

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

(e) Assets and Liabilities

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

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

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

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

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

(g) Accounts Receivable

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

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

Accounts receivable from non-federal agencies are stated net of an allowance for estimated uncollectible amounts. All public receivables, collectible in their entirety, become due upon the receipt of a due process notice. Although the allowance is determined by the age of the receivable for financial statement reporting, the actual allowance is determined by considering the debtor's current ability to pay, their payment record and willingness to pay and an analysis of aged receivable activity. The estimated allowance for accounts receivable is computed as follows: Accounts receivable between 365 days and 720 days old are computed at 50% and those older than 720 days are calculated at 100%.

(h) Property, Plant and Equipment

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

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

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

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

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

(i) Advances and Prepaid Expenses

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

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

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

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

(k) Retirement Benefits

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

For employees under FERS, the EEOC contributes an amount equal to 1% of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional 5% of pay. FERS and CSRS employees can contribute $18,000 of their gross earnings to the plan, for the calendar years 2016 and 2015. However, CSRS employees receive no matching agency contribution. There is also an additional $6,000 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2016 and 2015.

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

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

(l) Workers' Compensation

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

Additionally, an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases is recorded, as well as a component for claims that have been incurred but have not yet been reported. The EEOC computes this estimate using a DOL-provided model for non-CFO Act agencies that uses actual benefit payments for the EEOC from the past 9 to 12 quarters to project these future payments. The estimated liability is not covered by budgetary resources and will require future funding. This estimate is recorded as a noncurrent liability.

(m) Contingent Liabilities

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

(n) Amounts Collected for Restitution

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

(o) Cost Allocations to Programs

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

(p) Unexpended Appropriations

Unexpended appropriations include the unobligated balances and undelivered orders of the EEOC's appropriated spending authority as of the fiscal year-end that has not lapsed or been rescinded or withdrawn.

(q) Income Taxes

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

(r) Use of Estimates

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

(2) Fund Balance with Treasury

The Department of the Treasury (Treasury) performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the EEOC to draw down funds from Treasury for expenses and liabilities. Fund Balance with Treasury by fund type as of September 30, 2016 and September 30, 2015 consists of the following:

	FY 2016	FY 2015
Fund Type		
Revolving funds	$ 3,611,548	$ 3,833,757
Appropriated funds	68,446,259	67,465,576
Other fund types	29,782	24,626
Totals	**$ 72,087,589**	**$ 71,323,959**

The status of the fund balance is classified as unobligated available, unobligated unavailable, or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in the current year of operations. Unavailable unobligated balances are not available to fund new obligations because they are expired, they must be re-apportioned, or their use has been permanently or temporarily restricted. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

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

The undelivered orders at the end of the period consist of $34,548,669 and $36,068,546 for September 30, 2016 and September 30, 2015, respectively.

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's fund balance presented on its balance sheet. For FYs ended September 30, 2016 and September 30, 2015, funds in closed accounts of $2,028,142 and $5,099,770 were returned to Treasury. For FYs ended September 30, 2016 and September 30, 2015, miscellaneous receipts of $120,954 and $800,892 were returned to Treasury **(NOTE: The amounts for the closed accounts are ONLY returned to Treasury at the end of the fiscal year as of September 30, 2016).**

*Note:The status of funds unavailable includes the Revolving Fund sequestration of $638,000 for FY2016 and FY2015.

	FY 2016	FY 2015
Status of Funds		
Unobligated balance:		
Available	$ 1,991,343	$ 3,481,020
Unavailable	*6,157,543	*4,852,923
Obligated balance not yet disbursed	63,908,921	62,965,390
Non—budgetary Fund Balance with Treasury	29,782	24,626
Totals	**$ 72,087,589**	**$ 71,323,959**

(3) Accounts Receivable, Net

Intra governmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services. While all receivables from federal agencies are considered collectible, an allowance for doubtful accounts is sometimes used to recognize the occasional billing dispute.

Accounts receivable due to the EEOC from the public arise from payroll debts and revolving fund education, training and technical assistance provided to public and private entities or to state and local agencies. An analysis of accounts receivable is performed to determine collectability and an appropriate allowance for uncollectible receivables is recorded. Accounts receivable as of September 30, 2016 and September 30, 2015 are as follows:

	FY 2016	FY 2015
Intragovernmental:		
Accounts receivable (see detail below)	$ 68,762	$ 283,786
Allowance for uncollectible receivables	—	(102,898)
Totals	**$ 68,762**	**$ 180,888**

	FY 2016	FY 2015
With the public:		
Accounts receivable	$ 410,919	$ 533,122
Allowance for uncollectible receivables	(288,588)	(231,306)
Totals	**$ 122,331**	**$ 301,816**

Amounts due from various federal agencies are for accounts receivable as of September 30, 2016 and September 30, 2015. These are related to registered participants' training fees due to the revolving fund and appropriated interagency agreements as shown in the table below:

	FY 2016	FY 2015
Agency:		
Federal Bureau of Prisons	$ 13,042	$ —
Department of Agriculture	9,759	10,834
Department of the Navy	5,777	11,418
Department of the Interior	5,186	26,489
Department of Homeland Security	5,005	37,625
Department of Commerce — NOAA	4,332	—
Department of Defense	3,400	—
Social Security Administration	3,093	24,605
Department of Labor	2,925	6,174

	FY 2016	FY 2015
Agency: (continued)		
Department of Energy	2,490	22,538
US Coast Guard	2,400	—
Department of the Treasury	2,220	35,145
Environmental Protection Agency	1,700	1,899
Department of State	1,700	1,700
Selective Service System	1,543	1,543
Federal Bureau of Investigation	1,145	—
Office of Personnel Management	1,095	—
Department of Education	975	975
Pension Benefit Guaranty Corporation	975	—
Department of Housing and Urban Development	—	24,745
Department of Health and Human Services	—	24,695
Department of the Army	—	22,038
Defense Agencies	—	4,445
Department of Commerce	—	4,332
National Aeronautics and Space Administration	—	3,500
Federal Labor Relations Authority	—	1,943
Export-Import Bank of US	—	1,800
Judiciary	—	658
Central Intelligence Agency	—	149
Department of Justice	—	14,536
Totals	**$ 68,762**	**$ 283,786**

(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, 2016	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 523,022	$ (523,022)	$ —
Capital leases	175,575	(175,575)	—
Internal use software	4,115,134	(4,115,134)	—
Leasehold improvements	11,772,261	(9,289,177)	2,483,084
Totals	**$ 16,585,992**	**$ (14,102,908)**	**$ 2,483,084**

As of September 30, 2015	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 663,505	$ (663,505)	$ —
Capital leases	193,910	(193,910)	—

Internal use software	4,134,204	(4,134,204)	—
Leasehold improvements	11,772,261	(8,185,584)	3,586,677
Totals	**$ 16,763,880**	**$ (13,177,203)**	**$ 3,586,677**

Depreciation expense for the periods ended September 30, 2016 and September 30, 2015 is:

FY 2016	FY 2015
$ 1,103,593	**$ 1,118,970**

(5) Non-Entity Assets

The EEOC has $189 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2016, and $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2015.

(6) Liabilities Owed to Other Federal Agencies

As of September 30, 2016 and September 30, 2015, the following amounts were owed to other federal agencies:

	FY 2016	FY 2015
Agency:		
General Services Administration	$ 332,503	$ 120,846
Government Printing Office	57,500	113,585
The Judiciary	15,222	15,222
Department of the Interior	14,845	147,405
Department of Labor	10,353	10,353
National Archives and Records Administration	9,877	—
Department of Homeland Security	5,407	1,108
Office of Personnel Management	3	3
Department of Transportation	—	19,609
Department of Health and Human Services	—	9,802
US Postal Service	—	(1,079)
Totals	**$ 445,710**	**$ 436,854**

(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, 2016 and September 30, 2015 are shown in the following table:

	FY 2016	FY 2015
Intragovernmental:		
Workers' compensation liability	$ 2,256,327	$ 2,394,245
Liability of non-entity asset	189	189
Total intra governmental	2,256,516	2,394,434
Accrued annual leave	18,032,687	18,232,606
Future workers' compensation liability	10,493,950	11,188,852
Amounts collected for restitution	29,782	24,626
Total liabilities not covered by budgetary resources	30,812,935	31,840,518
Total liabilities covered by budgetary resources	29,462,788	27,137,793
Total liabilities	**$ 60,275,723**	**$ 58,978,311**

(8) Liabilities Analysis

Current and non-current liabilities as of September 30, 2016 are shown in the following table:

	Current	Non-Current	Totals
Covered by budgetary resources:			
Intragovernmental:			
Accounts payable	$ 445,710	$ —	$ 445,710
Employer payroll taxes	2,047,208	—	2,047,208
Total Intragovernmental	2,492,918	—	2,492,918
Accounts payable	19,233,064	—	19,233,064
Accrued payroll	7,455,450	—	7,455,450
Employer payroll taxes	279,656	—	279,656
Deferred Revenue	1,700	—	1,700
Liabilities not covered by budgetary resources:	$ 29,462,788	$ —	$ 29,462,788
Intragovernmental:			
Workers' compensation liability	2,256,327	—	2,256,327
Liability of non-entity asset	189	—	189
Total Intragovernmental	2,256,516	—	2,256,516
Accrued annual leave	18,032,687	—	18,032,687
Future workers' compensation liability	—	10,493,950	10,493,950
Amounts collected for restitution	29,782	—	29,782
Liabilities not covered by budgetary resources:	20,318,985	10,493,950	30,812,935
Total liabilities	**$ 49,781,773**	**$ 10,493,950**	**$ 60,275,723**

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

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

(9) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases as of September 30, 2016 and 2015 are $29,266,632 and $29,027,598, respectively. The EEOC does not have any noncancellable operating leases with terms longer than one year.

(10) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and State and local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The Commission also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the Commission as of September 30, 2016 and September 30, 2015 is as follows:

	FY 2016	FY 2015
Reimbursable revenue	$ 318,201	$ 78,210
Fees from services	3,662,323	4,152,033
Total Revenue	**$ 3,980,524**	**$ 4,230,243**

(11) Appropriations Received

Warrants received by the Commission as of September 30, 2016 and September 30, 2015 are:

	FY 2016	FY 2015
Warrants received	**$ 364,500,000**	**$ 364,500,000**

The EEOC received no warrant reductions for FYs 2016 and 2015:

(12) Obligations Incurred

Direct and Reimbursable obligations, by apportionment category, incurred as of September 30, 2016 and September 30, 2015 are:

	FY 2016	FY 2015
Obligations		
Direct A	$ 338,660,969	$ 336,176,132
Direct B	28,982,666	30,035,150
Subtotal Direct Obligations	367,643,635	366,211,282
Reimbursable—Direct A	5,646,582	2,648,888
Total Obligations	**$ 373,290,217**	**$ 368,860,170**

(13) Funds from Dedicated Collections (Permanent Indefinite Appropriations)

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

	2016	2015
Balance Sheet as of September 30		
ASSETS		
Fund balance with Treasury	$ 3,611,548	$ 3,833,757
Accounts receivable (net of allowance)	102,261	394,081
Advances and prepaid expenses	2,279	1,681
TOTAL ASSETS	**$ 3,716,088**	**$ 4,229,519**
LIABILITIES		
Accounts payable	115,239	6,125
Deferred revenue	1,700	—
TOTAL LIABILITIES	**$ 116,939**	**$ 6,125**
NET POSITION		
Cumulative results of operations	3,599,149	4,223,394
TOTAL LIABILITIES AND NET POSITION	**$ 3,716,088**	**$ 4,229,519**
Statement of Net Cost		
Program Costs	$ 4,282,468	$ 2,781,265
Revenue	(3,662,323)	(4,152,033)
Net Cost (Revenue)	**$ 620,145**	**$ (1,370,768)**

(14) Imputed Financing

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. The U.S. Treasury's Judgment Fund paid certain judgments on behalf of the EEOC in FY 2015. Expenses of the EEOC paid or to be paid by other federal agencies at September 30, 2016 and September 30, 2015 consisted of:

	FY 2016	FY 2015
Judgment Fund	$ 1,084,769	$ 300,429
NPPD program from DHS	3,666	—
Office of Personnel Management:		
Pension expenses	5,380,499	7,138,792
Federal employees health benefits (FEHB)	11,220,609	9,797,062
Federal employees group life insurance (FEGLI)	34,484	33,837
Total Imputed Financing	**$ 17,724,027**	**$ 17,270,120**

(15) Gross Program Costs and Exchange Revenue:

The Consolidated Statements of Net Cost report the EEOC's gross costs less earned revenues to arrive at net cost of operations for each FY presented. The table below shows the value of exchange transactions between the EEOC and other federal entities as well as with the public. Intragovernmental and nongovernmental costs and revenues for September 30, 2016 and September 30, 2015 consisted of:

	FY 2016	FY 2015
Costs		
Office of Personnel Management	$ 59,966,599	$ 58,230,713
General Services Administration	36,614,027	35,133,385
Payroll Benefits	13,070,730	—
Department of the Interior	3,519,372	7,040,323
Department of Homeland Security	2,794,579	8,186,870
Department of Transportation	1,211,325	—
Department of Health & Human Service	704,893	815,214
US Postal Service	596,313	854,981
Library of Congress	123,482	184,603
National Archives & Records Administration	97,288	201,405
Council of the Inspectors General on Integrity & Efficiency	4,340	—
Corp of Engineers	2,340	—
Department of the Treasury	(296)	305,000
Government Printing Office	(27,610)	114,938
Department of Labor	(43,639)	981,294
National Science Foundation	—	385,858
The Judiciary	—	90,578
Environmental Protection Agency	—	3,008,454
Federal Mediation and Conciliation Services	—	3,895
Department of the Army	—	3,538
Intragovernmental Costs	118,633,743	115,541,049
Public costs	267,469,816	268,571,918
Total Program costs	**$ 386,103,559**	**$ 384,112,967**

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

	FY 2016	FY 2015
Revenue		
Department of Defense	$ 277,355	$ 268,274
Department of Homeland Security	262,080	128,396
Department of Justice	180,537	116,631

	FY 2016	FY 2015
Revenue (continued)		
Department of Veterans Affairs	95,909	19,489
Department of Interior	94,628	30,476
Bureau of Consumer Financial Protection	93,287	69,291
Department of the Navy	73,247	40,940
Department of Energy	72,723	47,609
Department of the Air Force	71,032	55,089
Department of Agriculture	69,572	82,072
Department of Health & Human Services	59,854	72,140
Department of the Army	45,856	58,795
Department of the Treasury	43,311	34,315
Department of Transportation	38,412	10,868
Department of Labor	35,875	38,980
Social Security Administration	34,313	4,862
US Postal Service	25,265	7,576
Department of Commerce	19,079	24,927
Equal Employment Opportunity Commission	18,313	32,098
National Aeronautics and Space Administration	17,770	11,347
Environmental Protection Agency	14,796	16,971
General Services Administration	12,256	10,935
Office of Personnel Management	11,725	—
Central Intelligence Agency	11,304	2,419
Federal Mine Safety & Health Review Commission	11,056	1,245
Department of State	10,264	7,724
Department of Housing and Urban Development	9,897	4,170
Federal Deposit Insurance Corporation	9,416	—
Securities and Exchange Commission	7,973	12,001
Government Printing Office	7,484	1,791
The Judiciary	5,841	—
Railroad Retirement Board	4,936	1,842
Agency for International Development	4,699	—
Nuclear Regulatory Commission	4,043	14,528
Broadcasting Board Of Governors	3,925	—

	FY 2016	FY 2015
Revenue (continued)		
Federal Housing Finance Agency	3,299	—
Commission of Civil Rights	2,999	9,489
Federal Labor Relations Authority	2,930	1,245
Corporation for National and Community Services	2,925	—
National Credit Union Administration	2,800	—
Federal Communication Commission	2,749	—
Smithsonian Institution	2,325	300
Small Business Administration	2,257	1,175
Executive Office of the President	2,209	—
Overseas Private Investment Corp	1,950	—
Tennessee Valley Authority	1,950	—
Merit Systems Protection Board	1,950	—
District of Columbia, Justice	1,899	—
Consumer Product Safety Commission	1,599	1,245
Federal Election Commission	1,599	—
National Transportation Safety Board	1,400	1,245
Commodity Futures Trading Commission	1,379	—
Federal Trade Commission	1,175	6,534
National Archives and Records Administration	1,150	1,245
National Labor Relations Board	975	5,577
Presidio Trust	975	—
US Holocaust Memorial Council	958	—
US Army Corp of Engineers	658	—
US China Security Review Commission	658	—
National Endowment for the Arts & Humanities	629	1,444
Congressional Budget Office	575	—
Armed Forces Retirement Home	575	—
Selective Service System	575	—
Department of Education	575	12,104
National Science Foundation	329	975
Abraham Lincoln Bicentennial Commission	329	—
Government Accountability Office	300	3,934
Office of Special Counsel	300	—
Federal Maritime Commission	300	1,845
Access Board	300	—

	FY 2016	FY 2015
Revenue (continued)		
Millennium Challenge Corporation	300	—
National Railroad Passenger Corporation	—	1,245
United States Holocaust Memorial Museum	—	2,490
Defense Nuclear Facilities Board	—	300
Occupational Safety and Health Review Commission	—	6,137
Occupational Safety and Health Review Commission	—	6,137
Commodity Future Trading Commission	—	2,888
Other Legislative Branch Agencies	2,579	—
Intragovernmental earned revenue	1,810,467	1,289,218
Public earned revenue	2,170,057	2,941,025
Total Program earned revenue	**3,980,524**	**4,230,243**
Net Cost of Operations	**$ 382,123,035**	**$ 379,882,724**

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

Information from the President's Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2015 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2016, since the President's Budget for this period has not been issued by Congress.

The differences between the President's 2015 budget and the Combined Statement of Budgetary Resources for 2015 are shown below:

Dollars in millions	Budgetary Resources	Obligations	Outlays
As reported on the Combined Statement of Budgetary Resources for FY 2015	$ 377	$ 369	$ 363
(a) Revolving fund collections not reported in the budget	(4)	—	4
(b) Obligations in the revolving fund (no-year fund) not included in the President's budget	—	(3)	(3)
(c) Carry-forwards and recoveries in the revolving fund (no-year fund) not included in the President's Budget	(1)	—	—
(d) Carry-forwards and recoveries in expired funds	(13)	—	—
(e) Obligations in expired funds	—	(2)	—
(f) Canceled appropriations	5	—	—
(g) Rounding differences	1	1	—
As reported in the President's Budget for FY 2015	**$ 365**	**$ 365**	**$ 364**

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

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

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

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

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

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

(g) Difference due to rounding by millions.

(17) Reconciliation of Net Cost of Operations to Budget

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

	FY 2016	FY 2015
Resources Used to Finance Activities		
Current Year Gross Obligations	$ 373,290,217	$ 368,860,170
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Actual Offsetting Collections	(4,456,761)	(4,415,970)
Change in Receivables from Federal Sources	—	23,290
Change in Unfilled Customer Orders	(1,700)	127,435
Recoveries of Prior Year Unpaid Obligations	(6,334,225)	(4,258,320)
Other Financing Resources		
Imputed Financing Sources	17,724,027	17,270,120
Total Resources Used to Finance Activity	$ 380,221,558	$ 377,606,725
Resources Used to Finance Items Not Part of the Net Cost of Operations		
Budgetary Obligations and Resources not in the Net Cost of Operations		
Change in Unfilled Customer Orders	—	(127,435)
Change in Undelivered Orders	1,890,220	2,763,255
Current Year Capitalized Purchases	—	1,281

	FY 2016	FY 2015
Budgetary Obligations and Resources not in the Net Cost of Operations (continued)		
Change in Nonfederal Receivables	—	37,540
Components of the Net Cost of Operations which do not Generate or use Resources in the Reporting Period Revenues without Current Year Budgetary Effect		
Bad Debt Expenses	(36,135)	59,419
Other Financing Sources Not in the Budget	(17,724,027)	(17,270,120)
Resources/Adjustments that do not affect Net Cost of Operations	—	—
Costs without Current Year Budgetary Effect		
Accrued Annual Leave-Future Funded Expense	(337,839)	—
Depreciation and Amortization	1,103,593	1,118,970
Disposition of Assets	—	(1,281)
Future Funded Expenses	—	(342,423)
Imputed costs	17,724,027	17,270,120
Other Expenses Not Requiring Budgetary Resources	(718,362)	(1,233,327)
Net Cost of Operations	**$ 382,123,035**	**$ 379,882,724**

(18) Improper Payments Elimination and Recovery Act

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

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

In FY 2016, the EEOC reviewed the programs and activities it administers to identify those which may be susceptible to significant erroneous payments. The risk assessment included 1) consideration of certain risk factors that are likely to contribute to a susceptibility to significant improper payments, and 2) transaction testing on a sample basis of payments made during FY 2016. The risk assessment was performed for the following programs:

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

Office of management and Budget (OMB) Memorandum M-15-02 prescribes guidance for agencies to use in implementing IPERA. OMB guidance defines “significant improper payments”, for FY 2016 reporting, as those in any particular program or activity that exceed both 1.5 percent of program outlays and $10 million of all program or activity payments made during the fiscal year ($100 million regardless of the improper payment percentage of total program outlay). In addition, the OMB guidance addresses implementing payment recapture audits, for programs and activities that expend $1 million or more annually, provided it is cost-effective to do so. In accordance with the OMB guidance, the EEOC reviewed its programs and activities and determined that none of the agency’s programs or activities was susceptible to making significant improper payments and that the implementation of a payment recapture audit would not be cost-effective.

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

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

In FY 2016, EEOC’s testing of its payments resulted in improper payment of $2,341.

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

Recapture of Improper Payments

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

The EEOC has determined that implementing a payment recapture audit program for vendor payments is not cost-effective. That is, the benefits or recaptured amounts associated with implementing and overseeing the program do not exceed the costs, including staff time and resources, or payments to a contractor for implementation, of a payment recapture audit program. In making this determination, the EEOC considered its low improper payment rate based on testing conducted in FY 2016. The EEOC also considered whether sophisticated software and other cost-efficient matching techniques could be used to identify significant overpayments at a low cost per overpayment, or if labor intensive manual reviews of paper documentation would be required. In addition, the EEOC considered the availability of tools to efficiently perform the payment recapture audit and minimize payment recapture audit costs, and determined such tools to not be cost effective.

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

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

Overpayments Recaptured (in dollars) as of September 30, 2016

Source	Amount Identified FY 2016	Amount Recovered FY 2016	Cumulative Identified	Cumulative Recovered
Travel Payments	$2,341	$2,341	$10,638	$10,638

(19) Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit

Audit Opinion-Unmodified

Restatement-No

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

Summary of Management Assurances

Effectiveness of Internal Control Over Financial Reporting

Statement of Assurance-Unmodified

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

APPENDIX A: ORGANIZATION AND JURISDICTION

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

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

- Title VII of the Civil Rights Act of 1964, which prohibits employment discrimination on the basis of race, color, religion, sex, and national origin.
- Pregnancy Discrimination Act, which amended Title VII to clarify that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes sex discrimination and requires employers to treat pregnancy and pregnancy-related medical conditions as any other medical disability with respect to terms and conditions of employment, including health benefits.
- Equal Pay Act of 1963 (included in the Fair Labor Standards Act), which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work in the same establishment.
- Age Discrimination in Employment Act of 1967, which protects workers 40 and older from discrimination in hiring, discharge, pay, promotions, fringe benefits, and other aspects of employment. ADEA also prohibits the termination of pension contributions and accruals on account of age and governs early retirement incentive plans and other aspects of benefits planning and integration for older workers.
- Title I and Title V of the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendments Act of 2008, which prohibits employment discrimination by private sector respondents and state and local governments against qualified individuals on the basis of disability.
- Section 501 of the Rehabilitation Act of 1973, which prohibits employment 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 (including family medical history), generally prohibits acquisition of genetic information from applicants and employees, and requires covered entities to keep such information confidential.
- Lilly Ledbetter Fair Pay Act of 2009, which overturned adverse Supreme Court precedent and restored the EEOC's long-held position on the timeliness of pay discrimination claims.

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

Additionally, through the Office of Field Program's State and Local Program, EEOC maintains work sharing agreements and a contract services program with 92 state and local Fair Employment Practices Agencies (FEPAs) for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. EEOC partners with more than 60 Tribal Employment Rights Offices (TEROs) to promote equal employment opportunity on or near Indian reservations.

The Office of Legal Counsel develops policy guidance, provides technical assistance to employers and employees, and coordinates with other agencies and stakeholders regarding the statutes and regulations enforced by the Commission. The Office of Legal Counsel also includes an external litigation and advice division, which defends the agency in actions brought by charging parties, respondents, tort claimants, FOIA requesters and other members of the public, and advises the agency on administrative issues such as contracts, disclosures, ethics, fiscal law, and recordkeeping matters, and a Freedom of Information Act unit.

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

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

INVESTIGATIONS

The number of investigations initiated in fiscal year 2016 based on a directed investigation or Commissioner charge and the nature of the alleged discrimination:

In fiscal year 2016 EEOC initiated 15 investigations b=y Commissioner charges. These charges alleged:

- failure to hire based on race (black/African American, Asian, American Indian/Alaska Native, Native Hawaiian/Pacific Islander, white, bi-racial/multi-racial,), sex (female, male, pregnancy), national origin (Hispanic, Mexican, Arab, Afghani or Middle-Eastern, Other), Disability, color, genetic information, due to protected activity
- discharge due to race (black/African American), disability, national origin (other), sex (female, pregnancy), color, genetic information, for engaging in protected activity
- failure to refer due to race (black/African American), national origin (other), sex (female, male), retaliation for engaging in protected activity, disability, color
- prohibited Medical Inquiry/Exam
- failure to assign based on race (black/African American), sex (female)
- segregated facilities on the basis of sex (female, male)
- failure to accommodate disabilities and pregnant women.
- advertising that discriminates based on sex (female, male), national origin (other)
- failure to assign based on national origin (other), sex (female, male)
- recordkeeping violation
- exclusion based on race (black/African American), sex (male)
- discipline based on disability
- waiver which retaliates against employees for engaging in protected activity
- arbitration agreement which limits substantive rights under Title VII, ADA, GINA

In fiscal year 2016, EEOC initiated 230 directed investigations. These investigations alleged age discrimination in advertising, apprenticeships, assignment, hiring, benefits referral, terms and conditions of employment, harassment, promotion, discharge, involuntary retirement, involuntary retirement incentive, and other and unequal pay based on sex and discharge in retaliation for protective activity under the EPA.

The number of ongoing investigations in fiscal year 2016, initiated by a directed investigation or Commissioner charge and the nature of the alleged discrimination:

At the close of fiscal year 2016 there were approximately 74 ongoing investigations initiated by a Commissioner charge. These investigations alleged:

- failure to hire on the basis of sex (female, male, pregnancy), race (black/African American, American Indian/Alaska Native, Asian, Native Hawaiian/Pacific Islander, Arab, Afghani or Middle-Eastern, white, bi-racial/multi-racial), national origin (Hispanic, Mexican, other), disability, genetic information, color, in retaliation for protected activity
- discriminatory terms and conditions of employment based on national origin, disability, race (African American/black, bi-racial/multi-racial), sex (female, male, pregnancy), genetic information, color, religion-Muslim, in retaliation for protected activity
- retaliation, intimidation, and breach of confidentiality
- harassment based on sex (female), race (black/African American), and in retaliation for protected activity, assignment, on the basis of race (black/African American, Asian, white) sex (female, pregnancy, male), national origin (Hispanic, other), in retaliation for protected activity
- discipline and suspension on the basis of race (black/African American, bi-racial/multi-racial), sex (female), disability, in retaliation for protected activity, national origin (other), religion (Muslim), and color

- discharge based on sex (male, female, pregnancy), race (black/African American, bi-racial/multi-racial), national origin (Hispanic, other) disability, color, religion (Muslim), genetic information and in retaliation for protected activity
- testing which discriminated on the basis of sex (female), national origin (Hispanic, Mexican, other), race (black/African American, Indian/Alaska Native, Asian, bi-racial/multi-racial, Native Hawaiian/Pacific Islander), disability, and genetic information
- referring applicants and employees in ways that discriminate on the basis of sex (female, male), disability, in retaliation for protected activity, race (black/African American), national origin (Hispanic, other), and color
- failing to promote based on race (black/African American, American Indian/Alaska Native, Asian/Pacific Islander), national origin (Hispanic, Mexican, East Indian, Arab, Afghani or Middle-Eastern), sex (female), color
- paying women and black/African American and Hispanic employees less than their white male counterparts
- segregated facilities and locals on the basis of race (black/African American), sex (female, male)
- medical inquiries prohibited by the ADA including medical exams
- failure to accommodate disabilities
- failure to accommodate religion (Muslim)
- exclusion on the basis of race (black/African American), disability, sex (female)
- discrimination in the accommodation of pregnancy
- failure to reinstate in retaliation for protected activity
- segregation based on sex, (male and female)
- discrimination on the basis of language/accent
- discrimination in benefits and insurance based on disability, sex (female, pregnancy)
- waiver which retaliates against employees for engaging in protected activity
- arbitration agreement which limits substantive rights under Title VII, ADA, GINA
- record keeping violations

At the close of fiscal year 2016, there were approximately 57 ongoing investigations initiated by a directed investigation. These investigations alleged age discrimination in advertising, hiring, assignment, referral, benefits, retirement pensions, wages, terms and conditions, promotion, discipline, discharge, constructive discharge, involuntary retirement, involuntary retirement incentive, lay off and recall, waivers, and unequal pay based on sex.

LITIGATION

The number of lawsuits filed in fiscal year 2016 based on a directed investigation or Commissioner charge:

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

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

No attorney's fees were awarded against the agency based on the defendant having prevailed on the merits of the suit in three cases.

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

EEOC initiated 18 systemic suits this fiscal year:

EEOC v. Am. Blue Ribbon Holdings, LLC d/b/a Legendary Baking, No. 16-cv-8266 (N.D. Ill. Aug. 23, 2016) – EEOC alleges that defendant food service company maintained a policy of refusing to provide additional leave or available light duty assignments to individuals with disabilities, in violation of the ADA.

EEOC v. Bell Lexus, Inc., No. 2:16-cv-2848 (D. Ariz. Aug. 25, 2016) – EEOC alleges that defendant car dealership rescinded a job offer to an individual with a disability based on its policy of excluding applicants who test positive for certain lawful prescription drugs, in violation of the ADA.

EEOC v. Brown-Thompson Gen'l P'ship d/b/a 7-Eleven Stores, No. 5:16-cv-1142 (W.D. Okla. Sept. 30, 2016) – EEOC alleges that defendant convenience store maintained a policy of refusing to provide more than three days of leave or available light duty assignments to individuals with disabilities, in violation of the ADA.

EEOC v. Danny's Rest. LLC, No. 3:16-cv-769 (S.D. Miss. Sept. 30, 2016) – EEOC alleges that defendant night club systematically assigned black dancers only to a club patronized primarily by black patrons, in violation of Title VII.

EEOC v. Faurecia Auto. Seating, Inc., No. 4:16-cv-199 (N.D. Miss. Sept. 30, 2016) – EEOC alleges that defendant automotive parts manufacturer denied employment to a class of individuals with disabilities based on their record of sick or FMLA leave use, in violation of the ADA.

EEOC v. Grisham Farm Prods., No. 6:16-cv-3105 (W.D. Mo. Mar. 22, 2016) – EEOC alleges that defendant farm service company made health inquiries of applicants, in violation of the ADA.

EEOC v. Happy Jacks Casino, No. 16-cv-4131 (D.S.D. Sept. 7, 2016) – EEOC alleges that defendant casino rescinded a job offer to an individual with a disability based on its policy of excluding applicants who test positive for certain lawful prescription drugs, in violation of the ADA.

EEOC v. Joy Mining Mach., No. 2:15-cv-1581 (W.D. Pa. Dec. 3, 2015) – EEOC alleges that defendant mining equipment manufacturer made genetic information inquiries of conditional hires, in violation of GINA.

EEOC v. KB Staffing, No. 8:16-cv-1088 (M.D. Fla. May 3, 2016) – EEOC alleges that defendant staffing firm made health inquiries of applicants, in violation of the ADA.

EEOC v. Lowe's Home Improvement, 2:16-cv-3041 (C.D. Cal. May 5, 2016) – EEOC alleges that defendant home improvement chain refused to grant additional medical leave as a reasonable accommodation for employees with disabilities, in violation of the ADA.

EEOC v. Matthews Mgmt. and Peach Orchard, Inc. d/b/a McDonald's, No. 5:16-cv-5166 (W.D. Ark. Jul. 1, 2016) – EEOC alleges that defendant fast food restaurant maintained a policy of requiring employees to disclose use of certain prescription medications, in violation of the ADA.

EEOC v. Mission Hosp., No. 1:16-cv-118 (W.D.N.C. Apr. 28, 2016) – EEOC alleges that defendant hospital failed to accommodate the religious beliefs of employees by refusing to grant them an exemption from its flu immunization policy, in violation of Title VII.

EEOC v. Sherwood Food Distribs., LLC, No. 1:16-cv-2386 (N.D. Ohio Sept. 27, 2016) – EEOC alleges that defendant engaged in a pattern or practice of refusing to hire women into entry-level warehouse jobs at two facilities in the Midwest, in violation of Title VII.

EEOC v. St. Vincent Health Ctr., No. 1:16-cv-234 (W.D. Penn. Sept. 22, 2016) – EEOC alleges that defendant hospital failed to accommodate the religious beliefs of employees by refusing to grant them an exemption from its flu immunization policy, in violation of Title VII.

EEOC v. Univ. of Denver, No. 16-cv-2471 (D. Colo. Sept. 30, 2016) – EEOC alleges that defendant university paid female full law professors less than similarly situated male professors for substantially similar work, in violation of Title VII and the EPA.

EEOC v. Wayne Farms, LLC, No. 5:16-cv-1347 (N.D. Ala. Aug. 18, 2016) – EEOC alleges that defendant farm refused to make exceptions to its inflexible attendance policy as a reasonable accommodation for employees with disabilities, in violation of the ADA.

EEOC v. Western Distrib., No. 16-cv-1727 (D. Colo. Jul. 7, 2016) – EEOC alleges that defendant transportation company failed to accommodate and discharged individuals with disabilities, and retaliated against employees who opposed discrimination, in violation of the ADA.

EEOC v. Work Place Staffing Solutions, No. 1:15-cv-360 (S.D. Miss. Oct. 26, 2015) – EEOC alleges that defendant employee leasing service refused to hire a class of female applicants to assist with transition of waste management services based on sex, in violation of Title VII.

EEOC's success rate at the appellate level in fiscal year 2016:

On merits cases, EEOC prevailed in four appeals; EEOC did not prevail in three appeals. In subpoena enforcement cases, EEOC prevailed in all three appeals decided.

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

Jenny R. Yang, Chair

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

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

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

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

For more information about Chair Yang, please see: http://www.eeoc.gov/eeoc/yang.cfm

Constance S. Barker, Commissioner

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

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

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

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

Chai R. Feldblum, Commissioner

Chai R. Feldblum was nominated to serve as a Commissioner of the EEOC by President Barack Obama in September 2009. Following a recess appointment in March 2010, Ms. Feldblum was confirmed by the Senate in December 2010 for a term ending on July 1, 2013. In May 2013, Ms. Feldblum was nominated by President Barack Obama for a second term and was confirmed by the Senate in December 2013 for a term ending on July 1, 2018.

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

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

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

Victoria A. Lipnic, Commissioner

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

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

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

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

P. David Lopez, General Counsel

P. David Lopez was sworn in on April 8, 2010, as General Counsel of the U.S. Equal Employment Opportunity Commission (EEOC). He was nominated by President Obama on Oct. 22, 2009, and given a recess appointment on March 27, 2010, and confirmed by the Senate on December 22, 2010. He was confirmed a second time by the Senate on December 3, 2014.

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

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

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

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

APPENDIX D: GLOSSARY OF ACRONYMS

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

APPENDIX E: INTERNET LINKS

Advancing Opportunity: A Review of EEOC's Systemic Program:

https://www.eeoc.gov/eeoc/systemic/review/index.cfm

EEOC:

http://www.eeoc.gov/

EEOC Annual Report on the Federal Workforce:

Part I (2014)

https://www.eeoc.gov/federal/reports/fsp2014/index.cfm

EEOC FY 2016 Performance Budget:

http://www.eeoc.gov/eeoc/plan/2016budget.cfm

EEOC Open Government Plan:

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

EEOC Statistics:

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

EEOC Strategic Plan:

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

Meetings of the Commission:

https://www.eeoc.gov/eeoc/meetings/index.cfm

Past EEOC Performance Budgets:

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

Past EEOC Performance and Accountability Reports:

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

Report of the Select Task Force for the Study of Harassment:

https://www.eeoc.gov/eeoc/task_force/harassment/report.cfm

Small Business Resource Center:

https://www.eeoc.gov/employers/smallbusiness/index.cfm

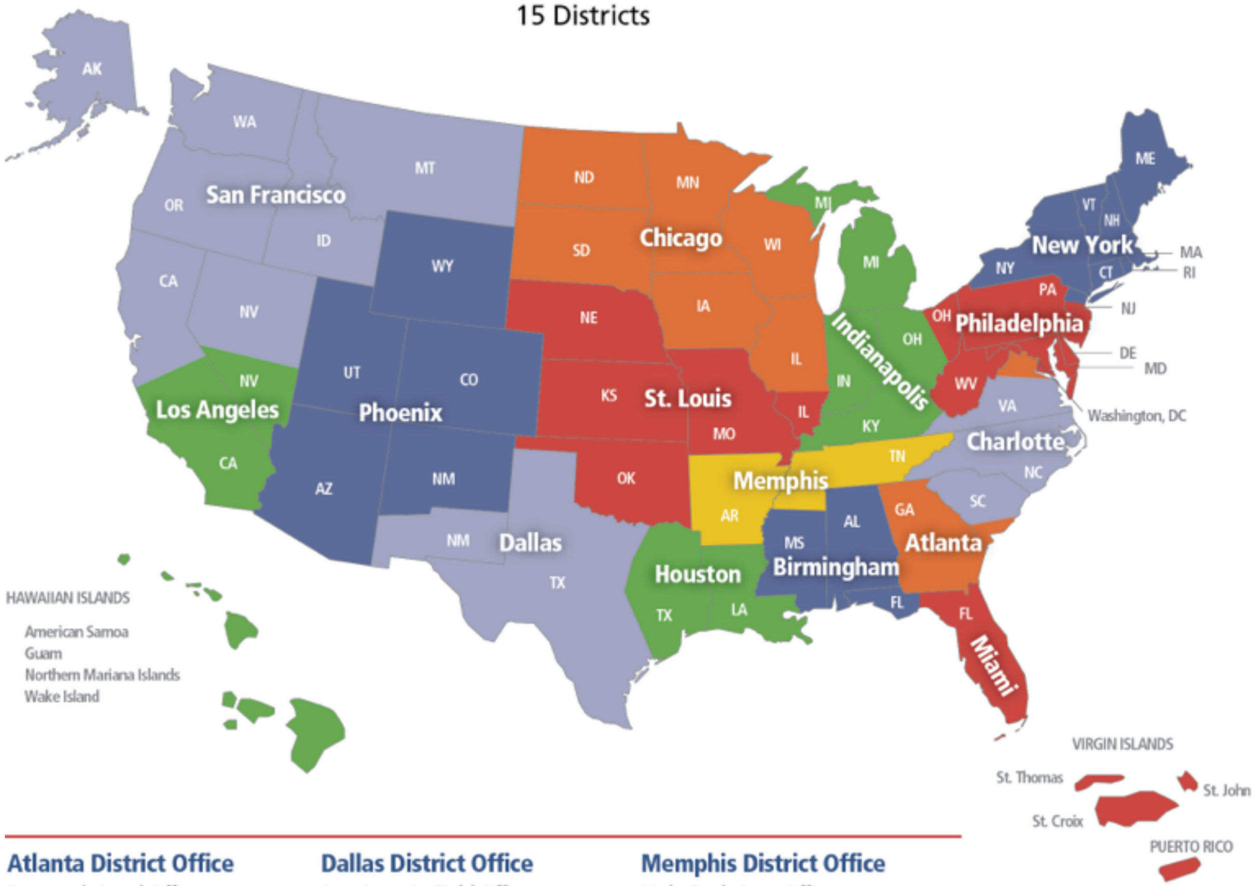
Strategic Enforcement Plan for FY 2017-2021:

https://www.eeoc.gov/eeoc/plan/sep-2017.cfm

Youth@Work:

https://www.eeoc.gov/youth/

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

EEOC's FY 2016 Performance and Accountability Report is a collaborative endeavor on the part of many EEOC employees and contractors. The Commission would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

We Welcome Your Comments

Thank you for your interest in EEOC's FY 2016 Performance and Accountability Report. We welcome your comments on how we can make this report more informative for our readers. Please send your comments to:

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