



FY
2007

Performance and Accountability Highlights

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

OUR VISION

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



OUR MISSION

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

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An electronic copy of this report is available on the EEOC website at www.eeoc.gov/abouteeoc/plan/par/2007/highlights.html

“ As a steward of taxpayer dollars, the EEOC holds in high regard the right of every American taxpayer to expect maximum performance and maximum return from every dollar we spend toward enforcing our mission. As the enforcer of equal opportunity in employment for every member of America’s workforce, present and prospective, EEOC embraces its charge as a matter of social justice and a national economic imperative. ”

A MESSAGE FROM THE CHAIR



Naomi Churchill Earp assumed the role of Chair of the Equal Employment Opportunity Commission on August 31, 2006, after serving as Vice Chair of the Commission since April 28, 2003.

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC's) *Performance and Accountability Highlights for Fiscal Year (FY) 2007*. It summarizes the agency's assessment of its FY 2007 program and financial performance, using the updated Strategic Plan issued at the start of FY 2007.

In FY 2007, we continued to focus on improving our delivery of services to the public and strengthening our systemic enforcement efforts. While trying to maintain sufficient staff levels our case inventory continued to rise to more than 9% above last year's levels. We continued to work with our state and local partners to educate young workers and disseminate best practices. We are continuing also to recognize and reward specific practices and activities that produce results and reflect an abiding commitment to access and inclusion in the workplace through the EEOC's Freedom to Compete Award.

This past year, the EEOC was presented with two significant management challenges affecting both our infrastructure as well as how we will continue to provide service to the public over the next 10 years. The first of these was formalizing a lease for new Headquarters space away from downtown D.C. to a newly developing area northeast of the Capitol. Rising costs and a reduction in the Headquarters workforce dictated the need to find more affordable and less sizable housing. While much progress has been made working out the logistics for the move, including physical transfer of our Information Technology (IT) structure, the challenges of relocating to a new area by October 2008 will continue to test our resources throughout the next fiscal year.

The other significant challenge came later in the year in a split vote among the Commission and the express will of Congress to dismantle the National Contact Center (NCC), which had been responsible for answering more than 700,000 public inquiries this past year. As a result, the NCC will cease to be an outsourced, one-location, customer service center. The responsibilities formerly performed by the NCC will be reassigned to agency employees, and they and the calls they are assigned to answer will be dispersed throughout the nation to 15 different locations.

While this has been a year of significant challenge, I am gratified that we have received an unqualified opinion for the fourth consecutive year from independent auditors. I am confident that the financial information and the data measuring EEOC's performance contained in this report are complete and accurate.

We also worked together to manage our internal controls. Based on a review of agency-wide materials and the assurances of the agency's senior managers, the agency's management and financial controls environment under the Federal Managers' Financial Integrity Act (FMFIA)



was sound in FY 2007, with the exception of a material weakness in information security controls that was identified in the previous fiscal year and findings of three financial non-conformances. One financial non-conformance has already been corrected and the remaining two non-conformances have corrective action plans in place to resolve the findings in FY 2008. In FY 2007, we resolved all issues that were responsible for the material weakness, and no new material weaknesses in our controls have been identified.

Additionally, the Strategic Plan that was issued at the start of FY 2007 was modified. These modifications improved our performance-measurement focus on key mission-related areas and helped us begin to address the improvement plan, which was developed as a result of OMB's review of the agency in FY 2006 using its Program Assessment Rating Tool (PART). We expect that resolving these areas will enable OMB to revise its overall PART rating in the near future.

As a steward of taxpayer dollars, the EEOC holds in high regard the right of every American taxpayer to expect maximum performance and maximum return from every dollar we spend toward enforcing our mission. As the enforcer of equal opportunity in employment for every member of America's workforce, present and prospective, EEOC embraces its charge as a matter of social justice and a national economic imperative.

A handwritten signature in black ink that reads "Naomi C. Earp".

Naomi C. Earp
Chair
U.S. Equal Employment Opportunity Commission
NOVEMBER 15, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

The EEOC is the federal agency responsible for enforcing the Nation's laws prohibiting employment discrimination. As part of our mission, we receive, review, investigate, and process charges of employment discrimination and file discrimination suits in the private sector. We provide administrative hearings and appellate decisions in the federal sector. Our guidance and information helps educate both employers and employees about their rights and responsibilities under the laws we enforce.

We view ourselves as guarantor of the American Dream, ensuring the opportunity to compete on the basis of merit in the workplace and protecting against the pernicious effects of unlawful discrimination. We strive to be proactive, educating workers and applicants, managers, and business owners, from teens to retirees, from small businesses to Fortune 500 corporations, in order to promote a productive, harmonious, and inclusive American workplace.

For over 42 years, the Equal Employment Opportunity Commission has protected the Nation's workers from unlawful employment discrimination. As the Nation's workplaces have become more diverse and complex, the discrimination we encounter has become more subtle, but is no less pernicious, leading the EEOC to develop new strategies to combat this old harm that manifests itself in new forms.

Our *FY 2007 Performance and Accountability Highlights* summarizes the results of the agency's programs and financial performance, along with its management challenges. A more detailed discussion can be found in our *FY 2007 Performance and Accountability Report*, which is available on our website at www.eeoc.gov/abouteeoc/plan/par/2007/index.html.

The Year in Highlights

All of our activities during the past fiscal year were in furtherance of our mission of promoting equality of opportunity in the workplace while providing high quality, professional customer service to the public. In order to enhance our customer service, FY 2007 marked the first full year of operation of two newly-opened offices in Mobile, Alabama, and Las Vegas, Nevada. The operation of these offices expands the EEOC's presence in areas experiencing a high level of job and population growth. Additionally, the agency has been focused on the steps needed to transition the National Contact Center—responsible for receiving calls and inquiries from the public—from an outside contractor to an in-house activity.

The EEOC Headquarters' office lease expires in July 2008. The existing building is no longer feasible for housing the current Headquarters' staff, and it was necessary to find other space. In May 2007, the General Services Administration (GSA) announced the signing of a 10-year lease for office space at 131 M St. NE, which is known as One NoMa Station. The projected move date is October 2008. Throughout FY 2007, preparation for the move has been underway. A number of committees staffed by employees have been working with the Office of the Chief Financial Officer (OCFO) to make the transition as smooth as possible. Additionally, the Office of Communications and Legislative Affairs started an internal web log or "blog" devoted to news of the move in order to ensure a free flow of information to staff.

The preparations for the move took place in tandem with other repositioning efforts begun several years ago. The EEOC is also planning for the future restructuring of our Headquarters operations. The physical move of Headquarters and Washington Field Office staff, combined with the organizational restructuring that has already taken place in the field and is being studied for Headquarters, all emphasize ways to allow the EEOC to use its human capital where it is most needed. These efforts will permit the EEOC to retain its role as the preeminent civil rights agency well into the 21st century.



The Strategic Plan

The current Strategic Plan, issued at the beginning of the fiscal year after extensive internal review under the Government Performance and Results Act of 1993, covers the 6-year period from FY 2007 through FY 2012. Also, for the first time, OMB assessed the EEOC in FY 2006 using its Program Assessment Rating Tool (PART), reviewing the agency's planning and performance measurement approach. As a result of its review, OMB rated the agency as *Results Not Demonstrated*, primarily because the agency's approach in its former Strategic Plan was insufficient to measure performance.

These simultaneous reviews had a significant impact on the structure of our current Strategic Plan and the agency's performance measures. A new measurement structure and approach was developed during our FY 2006 PART review that will enable us to enhance our program and the services we deliver to the public. The improvement plan developed with the PART focuses on three broad areas: 1) identifying and implementing challenging annual targets and final outcome goals for all agency performance measures;

2) developing methods for measuring the performance of the collaboration of EEOC and state and local partners; and 3) continuing to implement structural changes and other recommendations to improve efficiency and effectiveness of the program.

During FY 2007, we began to address all three elements in our PART improvement plan. We engaged in an extensive agency review of the performance measures initially included in the agency's PART evaluation and modified our Strategic Plan. The Strategic Plan we issued at the beginning of FY 2007 addressed the first element of the improvement plan. The review during FY 2007 resulted in a modified Strategic Plan and the performance measurement structure displayed on page 5. (See the Addendum on page 34 of the *FY 2007 Performance and Accountability Report* for a description of specific modifications made to the Strategic Plan.) We are continuing to review specific targets and a final goal for a few remaining performance measures. Current data collection efforts will enable us to identify these targets and performance goals in early FY 2008.

STRATEGIC PLAN OVERVIEW





Performance Results

Strategic Objective: Justice, Opportunity and Inclusive Workplaces

The EEOC is the Nation’s primary enforcer of the civil rights employment laws, which prohibit discrimination on the basis of race, national origin, color, religion, sex, age, and disability. The agency was created in 1964 for the purposes of resolving charges of employment discrimination and securing relief for victims of discrimination. More than 40 years later, the public continues to rely on the Commission to carry out these fundamental responsibilities and bring justice and opportunity to the workplace. Our fight against discrimination goes beyond enforcing the law. The best way to combat workplace discrimination is to prevent it from happening in the first place. Educating employers and workers about their rights and responsibilities under the law is the first step toward promoting an inclusive workplace, where all workers are judged on their talents and abilities without regard to any protected characteristic.

EEOC’s major programs and activities are investigating and resolving charges of discrimination; litigating complaints of discrimination; conducting hearings, resolving appeals of discrimination complaints and promoting equal employment opportunity in the federal workplace; and educating the public about its rights and responsibilities. All of these programs and activities are done in the service of four shared goals:

- remedying and deterring unlawful employment discrimination;
- increasing public confidence in the fair and prompt resolution of employment discrimination disputes;
- increasing voluntary compliance with the federal equal employment laws; and
- increasing individual awareness and understanding of rights and responsibilities.

Our performance structure will enable us to strive toward meeting the goals and measures we have adopted, which include our two long-term performance measures, seven annual performance measures, and one efficiency measure in our modified Strategic Plan for FYs 2007 through 2012.

These 10 performance measures under the Strategic Objective are used to drive results and accountability throughout the agency. EEOC achieved or exceeded the targets for eight of these measures. Targets for two measures were not met this year. Also, the new performance structure includes measures that were entirely new for the agency: Long Term/Annual Measure 1 and our Efficiency Measure. These measures challenged the agency to develop new methodologies to collect data that did not already exist, making FY 2007 a year to build our capacity to address aspects of our new performance structure.

Our progress in meeting our 10 measures is summarized in chart form below and discussed in detail in the *FY 2007 Performance and Accountability Report*.

EEOC FY 2007 Performance

Measures	Targets Met <input type="checkbox"/>	Targets Not Met <input type="radio"/>
10	8	2

Long-Term/Annual Measure 1

By FY 2012, the number of individuals benefiting from improvements to organizations' policies, practices and procedures because of EEOC's enforcement programs increases by TBD%.

	FY 2007
Target	Establish baseline
Result	Baseline established
☐	Target met

Efficiency Measure

By FY 2012, the number of individuals benefiting from improvements to organizations' policies, practices and procedures because of EEOC's enforcement programs for each agency FTE increases by TBD%.

	FY 2007
Target	Establish baseline
Result	Baseline established
☐	Target met

Long-Term Measure 2

By FY 2012, the public rates its confidence in EEOC's enforcement of federal equal employment laws at TBD% or higher.

	FY 2007
Target	Establish baseline
Result	47.8%
☐	Target met

Annual Measure 2.1. At least TBD% of private sector charges are resolved in 180 days or fewer by FY 2012.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Target	60.0%	65.0%	70.0%	70.0%	72.0%
Result	68.9%	67.1%	65.9%	60.7%	55.6%
⊙	Target not met				

Annual Measure 2.2. At least 54% of federal sector hearings are resolved in 180 days or fewer by FY 2012.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Target	20.0%	35.0%	38.0%	50.0%	50.0%
Result	30.5%	32.8%	51.3%	43.6%	42.8%
⊙	Target not met				



Annual Measure 2.3. At least 70% of federal sector appeals are resolved in 180 days or fewer by FY 2012.

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Target	20.0%	45.0%	50.0%	55.0%	60.0%
Result	44.8%	51.8%	52.0%	59.7%	60.7%
<input type="checkbox"/>	Target met				

Annual Measure 2.4. At least 93% of investigative files meet established criteria for quality by FY 2012.

	FY 2004	FY 2005	FY 2006	FY 2007
Target	Define quality criteria and develop information collections system.	Establish FY 2005 baseline and targets for FY 2006–2009	87.0%	88.0%
Result	Defined criteria and developed collection system	Established baseline (88.5%) and targets	88.1%	93.5%
<input type="checkbox"/>	Target met			

Annual Measure 2.5. At least 95% of respondents and charging parties report confidence in EEOC’s private sector mediation/Alternative Dispute Resolution (ADR) program by FY 2012.

	FY 2004	FY 2005	FY 2006	FY 2007
Target	90.0%	90.0%	90.0%	90.0%
Result	95.6%	96.3%	96.8%	95.8%
<input type="checkbox"/>	Target met			

Annual Measure 2.6. At least 90% of EEOC lawsuits are successfully resolved during the period ending in FY 2012.

	FY 2004	FY 2005	FY 2006	FY 2007
Target	90% or higher 6-year rolling average			
Result	92.2%	92.8%	92.7%	91.5%
<input type="checkbox"/>	Target met			

Annual Measure 2.7. At least TBD% of individuals demonstrate an awareness of their equal employment opportunity rights and responsibilities by FY 2012.

	FY 2007
Target	Establish baseline
Result	45.6%
<input type="checkbox"/>	Target met

Collaborative FEPA Measure Contributing to EEOC Goals

Our PART review by OMB in FY 2006 concluded that the EEOC needed to measure the contribution its Fair Employment Practices Agency (FEPA) partners make toward achieving our Strategic Objective and our performance objectives. In June 2007, during our annual training conference with our FEPA partners, we began to share information and establish a dialogue to develop a method for assessing how the FEPAs' activities affect our ability to successfully achieve our goals. Since the conference, we have established a workgroup

comprised of EEOC and FEPA staff to address the issue. The group's objective is to develop one or more measures using information collected from the FEPA community. The information will help us and the FEPAs improve our cooperative relationship and common interest in improving the enforcement of our respective employment discrimination laws. For FY 2007, the agency is not yet measuring this FEPA performance contribution. We will implement a measurement program during FY 2008 and begin to measure and report on the results achieved under our Strategic Plan in future years' *Performance and Accountability Reports*.

PROGRAM PERFORMANCE HIGHLIGHTS

Enforcement

Private Sector Enforcement Program: Providing quality services that are fair and prompt, for both employees and employers, in our administrative processing system is vital to our mission. In FY 2007, we received 82,792 private sector charges of discrimination, a 9% increase from FY 2006. We also received 3,449 charges through net transfers from state and local FEPAs. We achieved 72,442 resolutions, with a merit factor resolution rate of 22.9%. (Merit factor resolutions include mediation and other settlements and cause findings, which, if not successfully conciliated, are considered for litigation.) In comparison, the merit factor resolution rate for FY 2006 was 22.2%. Through our administrative enforcement activities, we also secured more than \$290.6 million in monetary benefits, which is significantly higher than the \$229.8 million obtained in FY 2006. Overall, we secured both monetary and non-monetary benefits for more than 17,357 people through our charge processing. The combination of increased receipts and decreased resolutions compared with FY 2006 left us with a pending inventory of 54,970 charges at the end of the fiscal year, compared with the FY 2006 figure of 39,946.

Timeliness is a key measure of our success in processing private sector charges. Measure 2.1 tracks our progress in resolving charges in 180 days or fewer. In FY 2007, our target

was to resolve 72% of the charges within this time frame. We did not meet this target. Rather, 55.6% of the charges were resolved in 180 days or fewer. Several factors contributed to this result, including the increase in our receipts from FY 2006 to FY 2007 combined with a decline in investigator staffing levels. This has resulted in a growing pending inventory that is correspondingly older. To keep the age of the inventory under control, both in this fiscal year and in future years, offices continue to focus on balancing the resolution of both older cases and newer charges.

Our other key measure for success in processing private sector charges assesses the quality of our charge files. Under Measure 2.4, we exceeded our FY 2007 target of 88% of investigative charge files meeting the standard of quality, with 93.5% meeting the quality standard.

Federal Sector Enforcement Program: In our federal sector enforcement role, the EEOC is responsible for providing hearings and appeals after the initial processing of the complaints by each individual federal agency. Unlike our responsibilities in the private sector, we do not process charges of discrimination for federal employees. In the federal sector, individuals file complaints with their own federal agencies and those agencies conduct a full and appropriate investigation of the claims raised in the complaints. Complainants can then request a hearing before an EEOC



administrative judge. In FY 2007, we received 7,869 requests for hearings which is slightly more than the 7,802 received in FY 2006. Additionally, we resolved a total of 7,163 complaints and secured more than \$39.8 million in relief for parties in these complaints. Our Strategic Plan for FY 2007 set a target for Measure 2.2 to resolve 50% of federal sector hearings in 180 days or fewer. We did not meet our goal, resolving 42.8% of hearings cases in 180 days or fewer.

The EEOC also adjudicates appeals of federal agency decisions on discrimination complaints and ensures agency compliance with decisions issued on those appeals. During FY 2007, the EEOC received 5,226 requests for appeals of final agency decisions in the federal sector. We made significant gains in processing our federal sector appellate inventory during FY 2007. Our goal for Measure 2.3 was to resolve 60% of appeals within 180 days or fewer. In FY 2007, we resolved 5,617 appeals, 60.7% of them within 180 days of their receipt. We were able to meet our goal because of effective management of the appellate inventory and technological innovations. For FY 2008, we are increasing our target to 62% to continue to address our appeals workload in an ambitious manner.

Mediation

The Commission has been successful in encouraging mediation in our private and federal sector programs. As an enforcement tool, mediation has proven beneficial in advancing the agency's mission by resolving employment disputes in a timely, efficient and effective manner.

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Private Sector Mediation Program: The EEOC's mediation program has been very successful and has contributed to our ability, over the past few years, to manage our growing

inventory and resolve charges in 180 days or fewer. In FY 2007, the EEOC's National Mediation Program secured 8,649 resolutions, which is 5% more than the 8,201 reported in FY 2006. We secured more than \$124 million in monetary benefits for complainants from mediation resolutions, which far surpasses the \$109 million in monetary benefits in FY 2006.

Measure 2.5 highlights an important aspect of our private sector mediation program: the confidence that employers and charging parties have in the program. Participant confidence in our program remains high, with our FY 2007 figures reflecting that 95.8% of all participants would return to EEOC's Mediation Program in the future. This exceeds our target for Measure 2.5 of maintaining a 90% satisfaction rate. We believe this high confidence level helps with our continuing efforts to convince parties to charges, particularly employer representatives, of the value of the mediation approach. In addition, we are increasing our target for FY 2008 to 91% as we strive to establish a higher level of 95% by FY 2012.

Although participants almost uniformly view our mediation program favorably, the percentage of employers agreeing to mediate is considerably less than the percentage of charging parties agreeing to mediate. As part of our efforts to increase the participation of employers in the mediation program, we have encouraged employers to enter into Universal Agreements to Mediate (UAMs). These agreements reflect the employer's commitment to utilizing the mediation process to resolve charges. Many employers entered into these agreements in FY 2007, resulting in 1,269 UAMs (154 National/Regional UAMS and 1,115 Local UAMs). This is a 15% increase from our FY 2006 level.

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

further increasing productivity and reducing the overall number of employment disputes.

Data submitted by federal agencies at the close of FY 2006, the most recent data available, indicate that there were 38,824 instances of pre-complaint EEO counseling across the federal government. Of that number, the parties participated in ADR in 17,309 cases, or 44.6% of the time.

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The Commission's efforts in promoting and expanding mediation/ADR at all stages of the federal EEO complaint process also appear to be having a positive effect on federal agencies' EEO complaint inventories, as the number of formal complaints filed in FY 2006 declined by 7.2% over the previous year. As more agencies expand their efforts to offer ADR during the informal process, we expect to see continued decreases in the number of formal complaints filed, which will reduce costs for complainants and all federal agencies, and enable agencies to focus resources on their primary missions.

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

Litigation

The Commission's litigation program provides relief for victims of discrimination, many of whom have no other recourse, and also encourages employers to resolve cases in the EEOC's administrative process before litigation is contemplated. In FY 2007, EEOC field legal units filed 336 "merits" lawsuits and 26 subpoena enforcement and other actions. Legal staff resolved 364 "merits" lawsuits for a total monetary recovery of \$54,797,888 ("merits" lawsuits include direct suits and interventions alleging violations of the substantive provisions of the statutes enforced by the Commission and suits to enforce administrative settlements). Of these resolutions, 296 contained Title VII claims, 41 contained Americans with Disabilities Act of 1990 (ADA) claims, 35 contained Age Discrimination in Employment Act of 1967 (ADEA) claims, and 14 contained Equal Pay Act of 1964 (EPA) claims. The number of total merits suits is less than the sum of suits based on each individual law as some suits are filed on multiple bases. We also resolved 22 subpoena enforcement and other actions during the fiscal year. In terms of dollars recovered in direct, indirect and intervention lawsuits by statute, EEOC recovered \$38,822,708 in Title VII resolutions, \$3,075,969 in ADEA resolutions, \$2,437,971 in ADA resolutions, \$215,000 in EPA resolutions and \$10,246,239 in resolutions involving more than one statute. At the end of FY 2007, the number of cases on the EEOC's active docket that involve multiple aggrieved parties or challenges to discriminatory employment policies was 251 or 44% of our total year-end caseload. Refer to our website at www.eeoc.gov for a fuller depiction of litigation statistics and year-by-year data comparisons.

In accordance with our modified Strategic Plan, we have begun to look beyond the number of suits filed and amount of dollars recovered to capture data on the number of individuals who benefited through improvements to organizations' policies, practices and procedures made as a result of EEOC's enforcement programs, including litigation. When we secure resolutions that bring about positive changes in the workplace, these changes benefit the entire workplace, not just people receiving some form of direct relief, such as money or a job. During FY 2007, we began to develop methodologies for calculating and tracking the number of individuals who benefit from such workplace changes. Our litigation data



have been combined with data collected from the agency's enforcement programs to establish our baseline value for Long Term/Annual Measure 1, and then we will gradually increase the number of individuals who benefit through a workplace impact each year. This measure will be driven largely by our systemic initiative, as cases of systemic discrimination result in wide-spread changes in the workplace that benefit large numbers of people.

As planned, the Office of General Counsel is staffing systemic cases using a national law firm model, drawing on the expertise of Commission attorneys in various district offices as needed. All systemic investigation and litigation now takes place in the field offices, and each district office has developed a plan to identify, investigate and litigate cases of systemic discrimination. The Commission's systemic initiative has shown some early results. As the following chart indicates, in four major indicia of systemic litigation, the FY 2007 results constituted a significant increase from the previous fiscal year.

	FY 2006	FY 2007
Commissioner charges signed	11	24
Suit filings with 20+ victims	11	14
Suit resolutions with 20+ victims	7	20
Suit resolutions with 100+ victims	0	4

The largest by far of the EEOC's systemic cases this fiscal year was our suit against pharmacy giant Walgreen Co. Prosecuted under the national law firm model, the suit alleged that Walgreen's discriminated against African-American retail management and pharmacy employees in promotion and assignment. After mediation, the parties agreed to a total of \$20 million (plus attorneys' fees) in payments to an estimated 10,000 class members. The consent decree, which is subject to a fairness hearing early next year, also resolves another lawsuit, which had been filed on behalf of 14 Walgreen's

employees, alleging similar claims. The decree establishes benchmarks, provides for independent oversight of implementation and compliance, and mandates the hiring of outside experts to improve Walgreen's employment practices. The impact of this decree is far-ranging, and will benefit large numbers of employees now and in the future.

In Chicago, the EEOC filed suit against Woodward Governor Co., charging that the global engine systems company discriminated against African-Americans, Hispanics, Asians and women with respect to pay, promotions and training. The EEOC's suit was the culmination of settlement efforts with the company, and a consent decree resolving the case was filed on the same day as the suit. Under the decree, \$5 million in funds (plus attorneys' fees) are being shared by 352 class members, which include both minority and female employees who worked at two Illinois plants. In addition, the decree provides for extensive injunctive relief, as well as independent oversight of implementation and compliance.

The EEOC resolved several other smaller scale cases of systemic discrimination this year, including the following: *EEOC v. Quietflex* (S.D. Tex.) (78 Latino production workers shared \$2.8 million to resolve claims that the air conditioning duct manufacturer denied them entry into positions in more lucrative departments based on national origin); *EEOC v. Trans Bay Steel, Inc.* (C.D. Cal.) (48 Thai welders shared \$1 million to resolve national origin discrimination claims that the steel company contracted workers under H2B visas and then confiscated their passports, restricted their movements, forced them to work without pay at local restaurants under threat of arrest and confined some of them to cramped apartments without electricity or water); *EEOC v. Jeff Wyler Eastgate, Inc.* (S.D. Ohio) (39 women shared \$2.3 million to resolve claims that the auto dealer refused to hire them into sales jobs based on sex); *EEOC v. Flushing Meadow Geriatric Center, Inc.* (E.D.N.Y.) (29 black and Caribbean employees shared \$900,000 to resolve claims that the rehabilitation center subjected them to racial harassment and prohibited them from speaking Creole while permitting other non-English languages to be spoken).

Outreach, Education and Technical Assistance

Our Strategic Objective also incorporates the concept that preventing discrimination is an important part of our mission. We briefly describe below some of the key outreach initiatives we conducted in FY 2007 and elaborate on them in the *FY 2007 Performance and Accountability Report*.

We educate employers and other members of the public about systemic discrimination, including trends and issues that the agency has identified and cases the agency has handled. Field and Headquarters offices participated in 5,658 educational, training, and outreach events during FY 2007, reaching 278,803 persons. We recognize the educational and deterrent value of publicizing our court victories, particularly the cases resolving systemic discrimination, because of the ripple effect such decisions can have on promoting changes both across the impacted industry and in related industries. In addition, we issued 765 press releases on our enforcement activities to further raise public awareness and encourage compliance.

In FY 2007, we promoted voluntary compliance with the federal equal employment laws to prevent or reduce discriminatory barriers to employment opportunities, including the promotion of individual awareness and understanding of rights and responsibilities under those laws. In FY 2008, we will continue our outreach, education, and technical assistance programs to meet the needs of diverse audiences and will partner with the employer community and other stakeholders to foster strategies to recognize and prevent discrimination in the workplace.

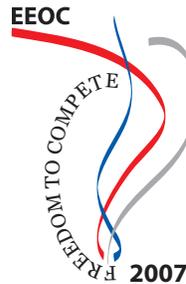


In the federal sector, the EEOC developed the **LEAD (Leadership for the Employment of Americans with Disabilities) Initiative** to address the declining number

of employees with targeted disabilities in the federal workforce. This national outreach and education campaign includes seminars, educational events and focus group sessions to explore the issue of declining employment for individuals with severe disabilities and identify concrete solutions to address the problem.



We educate students and young workers about their workplace rights and responsibilities, including specific discussions on sexual harassment and how to seek assistance to address or report incidents of harassment that occur in the workplace. Through our **Youth@Work Initiative**, we reach out to schools and educators to share training materials and, as resources allow, develop and present training to teenagers about their workplace rights and responsibilities and assist these young workers as they enter and navigate through the workplace. Furthermore, we provide training and information to businesses that employ young workers to encourage them to proactively address discrimination issues confronting young workers.



We also provide guidance and information on employer “best practices” reflecting the agency’s strong interest in proactive prevention. This includes sharing the successes of the EEOC’s annual **Freedom to Compete Award** recipients, who have made strides in creating inclusive workplaces.

The EEOC also provides outreach to small businesses, especially those who lack the resources to maintain full-time professional human resources staff, and to stakeholders in under served communities across the nation, including those with limited English proficiency, such as recently arrived immigrants. We remain prepared to respond to unanticipated issues that arise in the workplace due to current events, so that the EEOC stays on the forefront in informing both employees and employers alike of their rights and responsibilities in the ever-changing workplace environment.



In an effort to identify and implement new strategies that will strengthen its enforcement of Title VII and advance the statutory right to a workplace free of race and color discrimination, EEOC unveiled the **E-RACE**



(Eradicating Racism And Colorism from Employment)

Initiative during its February 2007 Commission meeting. Through E-RACE, the EEOC will identify issues, criteria and barriers that contribute to race and color discrimination, explore strategies to improve the administrative processing and the litigation of race and color discrimination claims, and enhance public awareness of race and color discrimination in employment.

New Freedom Initiative: On February 1, 2001, President George W. Bush announced his New Freedom Initiative (NFI), a comprehensive strategy for the full integration of individuals with disabilities into all aspects of America's social and economic life. EEOC has played a critical role in furthering one of the NFI's primary goals—increased access to the workplace for individuals with disabilities.

Since 2002, EEOC has issued a number of technical assistance documents for employers and people with disabilities. Among these documents have been six that have addressed the ADA's application to particular types of disabilities—diabetes, epilepsy, cancer, intellectual disabilities, blindness and vision impairments, and deafness and hearing impairments. The Commission has also released three documents that discuss how the ADA applies to specific industries. In prior years, we issued a guide for restaurants and other food service establishments and a document on reasonable accommodations for attorneys with disabilities. In February 2007, EEOC released "Health Care Workers and the Americans with Disabilities Act." Like most of EEOC's technical assistance publications, the document uses a question-and-answer format and numerous examples to describe how the ADA applies to unique and challenging situations that arise with respect to workers with disabilities in America's fastest-growing industry.

Regulations, Enforcement Guidance, and Technical Assistance

EEOC regulations and enforcement guidance represent the Commission's official positions on a range of issues that arise under the employment discrimination laws. They aid EEOC investigators and attorneys, who enforce the laws through charge investigation and litigation, are looked to by many courts when resolving novel legal issues, and inform employers and individuals protected by the laws EEOC enforces of their

legal rights and responsibilities. EEOC also publishes technical assistance documents, which promote awareness of, and voluntary compliance with, the EEO laws. They provide the public with explanations of the laws that are easy to understand and that avoid excessively technical or legalistic language. Technical assistance documents do not establish new EEOC policy. They apply existing policy in specific contexts to promote better understanding of EEOC policy.

During FY 2007, the EEOC revised a regulation and provided guidance in an important area. In *General Dynamics Land System, Inc. v. Cline*, 540 U.S. 581 (2004), the Supreme Court held that the Age Discrimination in Employment Act (ADEA) only prohibits discrimination against relatively older workers in the protected age group, not discrimination based on age generally. Thus, for example, after *Cline*, an individual who is 40 years old may not sue under the ADEA on the ground that an employer favored a 55-year-old worker on the basis of age. In order to conform to the decision in *Cline*, on July 6, 2007, the EEOC amended its ADEA regulations, which previously did not allow employers to prefer relatively older workers to younger workers who were at least 40 years old.

In May 2007, the EEOC issued enforcement guidance on the "Unlawful Disparate Treatment of Workers with Caregiving Responsibilities." The potential for conflicts between work and caregiving responsibilities has increased as more women (still the primary caregivers of children) have entered the workforce and many men have assumed more caregiving responsibilities. Also, workers are increasingly becoming caregivers of aging parents and older family members. While the employment discrimination laws do not protect caregivers *per se*, stereotypical assumptions about individuals with caregiving responsibilities may lead to discrimination on the bases of sex or race. Additionally, violations of the ADA may occur when those who care for individuals with disabilities are denied jobs or opportunities for advancement because employers assume that their role as caregivers will prevent them from meeting job requirements. The enforcement guidance explains how to analyze charges of discrimination on the basis of sex and race, or on the basis of an "association with an individual with a disability" that are brought by applicants or employees with caregiving responsibilities.

Agency Infrastructure and the President's Management Agenda

We are constantly seeking ways to achieve organizational excellence by improving our organizational capacity and infrastructure through sound management of our resources—human, financial and technological. Maximizing effective use of these resources is essential to achieve our enforcement and outreach goals and to carry out our mission.

Our agency's mission to promote equal employment opportunity and enforce the federal employment discrimination laws is a constant reminder to us of the importance of organizational excellence. Only through organizational excellence can we rise to challenges and achieve the ambitious measures of success set out in our Strategic Objective.

Infrastructure Highlights

Late in FY 2007, the Commission voted to transfer its customer information operation from a contracted national contact center to a dedicated in-house customer service team staffed with government employees. The Commission will locate this function at 15 current EEOC locations. A report issued in November 2007 lays out the costs and requirements for staff, technology and facilities. The in-house customer service team will be fully operational during FY 2008.

Our agency's mission to promote equal employment opportunity and enforce the federal employment discrimination laws is a constant reminder to us of the importance of organizational excellence.

Along with improvements to our EEO-1 Reporting System that benefited employers, in FY 2007, we improved data analysis and integrity by integrating this employer data with the private sector charge data collected in our Integrated Mission System (IMS). As a result, the agency has been able to match employer data characteristics and statistics with our repository of employment discrimination charges to

assist in our systemic targeting and investigation efforts. We also incorporated the federal appeals process and data into the IMS, thereby retiring the old stand-alone legacy system that previously supported these functions.

To advance our technological infrastructure, in FY 2007, we replaced all of our field offices' personal desktop computers with securely configured laptops and docking stations, thereby improving our telework capabilities and pandemic preparedness. We also expanded usage of video streaming, using this technology to conduct depositions and external hearings, provide remote interpretive services, conduct remote training, and improve collaboration/communication across our multiple office locations.

Over the past several years, the EEOC has implemented several new and improved information systems that have consolidated agency data into centralized, standardized environments. Now that the EEOC has standardized mechanisms for collecting information, we need to focus on how to use and analyze this information, across platforms and systems.

In that regard, the implementation of Knowledge Management continues to be a priority for the agency. To move toward the vision for Knowledge Management, during FY 2007 the EEOC obtained external expert resources to conduct a Knowledge Management study and develop a business case for future implementation and funding. Through this study, the EEOC is reviewing the data architecture of our primary information systems, identifying current issues with data management and reporting, outlining future requirements for integrated reporting and data analysis, and developing a design and migration strategy for implementing Knowledge Management/data warehousing. The EEOC will complete this analysis and have a new design and migration strategy recommended by the contractor by the end of FY 2007.

Another critical need related to Knowledge Management is the expansion of electronic document management within the EEOC. Currently, the Office of Federal Operations (OFO) uses the Document Management System (DMS) to electronically store and manage their federal appellate case files. Interfaces between the OFO DMS application and the new IMS Federal Appellate module have been developed, so that documents created in the IMS are automatically stored within the



appropriate electronic case file within the DMS. In addition, in FY 2007, the EEOC continued efforts to electronically store and manage our litigation case files and briefs, develop a hearings decision library for our administrative judges, and implement technologies to securely receive and transmit sensitive electronic case files with other federal agencies. In addition to the efficiency savings achieved in working with electronic documents, the DMS will provide electronic disaster recovery for the agency's critical files.

President's Management Agenda

We found the President's Management Agenda (PMA) a useful guide, as we developed and implemented our management strategies. The PMA identifies five areas that require improvement throughout the federal government. The five-part agenda is an integrated set of management reforms designed to create a more results-oriented, customer-focused, and market-based government. Since FY 2003, the agency's Inspector General has rated the agency in all areas. Our ultimate goal is to achieve a green rating in all PMA scorecard categories. Our efforts to get to green are discussed in the following sections.

Strategic Management of Human Capital: During FY 2007, we continued to improve the strategic management of human capital by completing key steps toward developing and implementing our human capital initiative, which includes:

- Efforts to develop and sustain leadership and support succession planning through the agency's Management Development Institute, an umbrella program addressing managerial needs of supervisors and executives;
- Participation in the Office of Personnel Management's human capital surveys and planning during FY 2007 to implement internal surveys as part of a regular initiative to identify employee satisfaction with human capital management and develop action plans based on an analysis of the feedback;
- Identifying and quantifying mission critical competencies for key positions, including investigators, attorneys and mediators, and developing multi-year training plans to address any organizational gaps;
- Closing gaps through individual development plans,

mentoring, training, rotational assignments and other staff development initiatives; and

- Aggressively recruiting, developing and retaining high-quality talent.

Competitive Sourcing: As part of our competitive sourcing obligations, we consistently identify potential areas for planned competitions. In FY 2007, we began a competition of our file disclosure backroom services with an award expected in FY 2008. We also prepared to initiate a study for information technology desktop management to be conducted in FY 2008.

Improved Financial Management: For 4 years in a row, including FY 2007 we continued to show commitment to improved financial management, as evidenced by receiving unqualified opinions on our financial statements. In addition, during FY 2007, we prepared for the implementation of CGI's Federal Momentum[®] under the shared services program with the Department of Interior, National Business Center (DOI-NBC). This was completed on October 9, 2007. We have also begun preparations for implementing during FY 2008 a new bankcard provider using the General Services Administration (GSA) SmartPay[®] 2 program and the e-travel service requirement prescribed by the GSA.

Expanded Electronic Government: We have continued the EEOC's commitment toward improved service and government efficiency by the use of expanded electronic government (e-gov) by implementing several major e-government initiatives that have automated internal processes, reduced paperwork burden, integrated data, and provided electronic alternatives to obtain agency services. Benefits from implementing these programs include:

- Decreasing the burden on businesses and achieving internal cost savings by enabling companies to update and submit required EEO-1 reporting data online;
- Improving customer service and internal efficiency by providing the ability to register and pay for EEOC seminars and training materials on-line via the Internet;
- Improving public access to information by submitting EEOC civil litigation case information electronically;

- Decreasing the burden on other federal government agencies through electronic submission and acceptance of annual federal EEO reporting; and
- Increasing electronic access to information and enhancing disaster recovery through the conversion of federal appellate case files to an electronic format within a structured Document Management System.

Budget and Performance Integration: The agency continues to promote better ways to enhance the agency's budget and performance integration and improve financial management through the collection, allocation and reporting of performance and budget information. During FY 2007, the agency reviewed a new time and attendance and labor distribution software package for implementation in the future. The package will improve data quality and contribute to better management decision-making.



FINANCIAL HIGHLIGHTS

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

I am pleased to present the U.S. Equal Employment Opportunity Commission's financial statements for FY 2007. Our financial statements are an integral component of our *Performance and Accountability Report*. The Accountability of Tax Dollars Act of 2002 extends to the agency a requirement to prepare and submit audited financial statements. The President's Management Agenda, Improved Financial Performance component among other standards, requires us to obtain and sustain clean audit opinions on our financial statements. The Office of Management and Budget (OMB) issued Circular A-136, Financial Reporting Requirements, on June 29, 2007, which further consolidated and refined reporting requirements for the PAR submission. In addition, the OMB Bulletin No. 07-04, Audit Requirements for Federal Financial Statements, on September 4, 2007, establishes updated minimum requirements for audits of federal financial statements.

Our FY 2007 financial statements received an unqualified opinion. This is the fourth consecutive year that the EEOC has received an unqualified opinion and represents our continuing successful efforts to improve the financial management of the agency. The Department of the Interior's National Business Center won a competition to replace the existing financial software with CGI's Momentum[®] software package. The conversion and implementation was completed on October 9, 2007 for FY 2008 operations. In addition, we finalized a decision on a GSA approved e-Travel processing vendor in October 2007.

In support of the Budget and Performance Integration component of the President's Management Agenda, we completed for the first time the Program Assessment Rating Tool (PART) assessment process working with the Office of Management and Budget. The program was rated "Results Not Demonstrated." The agency is working to improve those areas that need management attention. The agency undertook a review and made adjustments to the 6-year Strategic Plan covering FYs 2007 through 2012.

In support of the Competitive Sourcing component of the President's Management Agenda, we have just completed an OMB Circular A-76 study for the file disclosure function including back room processing of Freedom of Information Act (FOIA) and Section 83 Compliance Manual requests. This study used the standard competition methodology. The winning vendor was announced in October 2007.

For FY 2007, the agency received a \$328.7 million budget. We completed the fiscal year within budget with improved financial management and some additional focus on cost controls and cost accounting. Compensation and benefit costs continue to consume a substantial portion of the budget. Some additional progress has been made to bring rising office space rent costs under control by leasing less office space consistent with the number of employees onboard and approved vacancies. However, rent costs remain about 9% of our total budget. With 9% of the budget dedicated to the state and local program, only 13% of the budget is available for technology, programs, travel, and other general expenses.

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

■ **Execute a disciplined analysis of future workforce and infrastructure requirements.**

Unfortunately, the agency has been unable to slow the growth of the current and future cost of compensation and benefits for current employees, which are on a path to increase to over 72% of the EEOC's budget. These costs include salary, health and life insurance, agency contributions for retirement plans, social security, Medicare, worker's compensation, unemployment insurance, reasonable accommodations, and transit subsidies. The inability of the agency to implement any form of position management over the past several years suggests that it will be difficult to substantially change the cost of the compensation and benefits in future years.

Working with the General Services Administration, the agency has agreed to relocate the Headquarters office to 131 M Street, NE in Washington, D.C. in the first quarter of FY 2008. A 10-year office lease was signed May 23, 2007. The current lease is about 25% of the rent budget. The lease at the new location ensures the agency will not pay more than the current annual lease cost over the lease period.

The agency contracted for a second independent top-down study of the information technology infrastructure and staffing, with a report listing recommendations and implementation which began in FY 2007. The report calls for substantial changes in the governance, organization, use of contracts, server and network operations, desktop management, and the skill mix of staff in order to more effectively spend the \$23 million annual budget for the information technology function. Substantial work is underway to change how IT services are acquired, managed and delivered.

■ **Recognize and manage competing budget priorities.** We have kept spending controls in place for discretionary travel, awards, and training. Non-payroll costs also increased for homeland security, rent, facility services, and unfunded Government-wide programs such as a uniform federal Government employees' identification card project.

■ **Formulate a long-term performance budget strategy.** The agency continues to look into alternative approaches for annual budget justifications because of the variations in workload and the inventory of cases. An adjusted Strategic Plan is in effect and may help focus how the agency will support future requests for budget resources.

In FY 2008 guided by our modified Strategic Plan, we will continue its focus on accountability, financial transparency, and results through improved performance metrics, budget planning and financial management.



Jeffrey A. Smith, CPA, CGFM
Chief Financial Officer
U.S. Equal Employment Opportunity Commission
NOVEMBER 8, 2007



Financial Statements

The Office of Management and Budget (OMB) Circular A-136 was used as guidance for the preparation of the agency's financial statements. EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements of Changes in Net Position, and Combined Statements of Budgetary Resources. For FY 2007, the Consolidated Statement of Financing was moved and renamed as Reconciliation of Net Cost of Operations to Budget per OMB Circular A-136. The following section outlines the purpose of each statement, an explanation of any significant amounts, and an explanation of significant fluctuations between FY 2007 and FY 2006.

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.

The FY 2007 cumulative result of operations shows a negative balance. This is due to amounts accumulated over the years by EEOC from financing sources less expenses and losses and an amount representing EEOC's liabilities for such things as accrued leave and actuarial liabilities not covered by available budgetary resources. EEOC's FY 2007 future funded annual leave balances and actuarial FECA liability totaled \$26 million.

Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost of Operations presents the gross cost incurred by major programs less any revenue earned. Overall, in FY 2007, EEOC's Net Cost of Operation decreased by \$6 million or 2%. The allocation of costs for FY 2007 shows that Private Sector resources used for Enforcement decreased by \$4 million while the Federal Sector Program decreased by \$2 million over the past fiscal year.

Consolidated Statements of Changes in Net Position

The Consolidated Statements of Changes in Net Position represent the change in the net position for FY 2007 and FY 2006 from the cost of operations, appropriations received and used, net of rescissions, and the financing of some costs

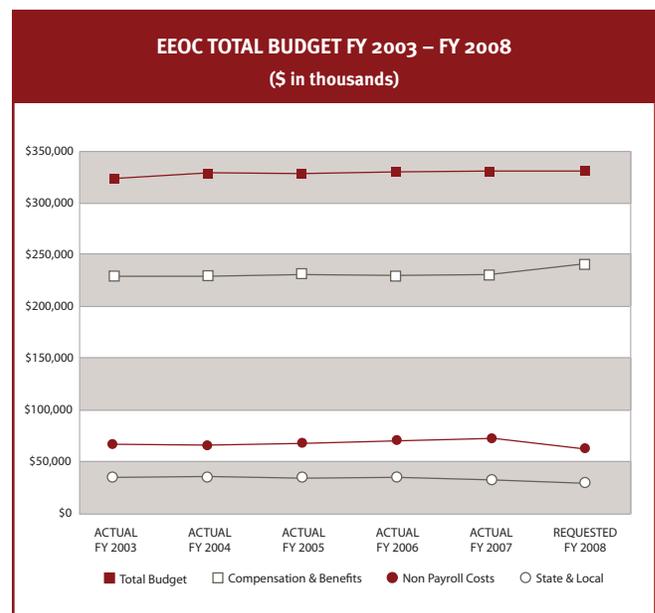
by other government agencies. The Net Position improved over last year's with a favorable \$13 million increase. EEOC's total assets exceeded total liabilities (funded and unfunded) by \$16 million.

Combined Statements of Budgetary Resources

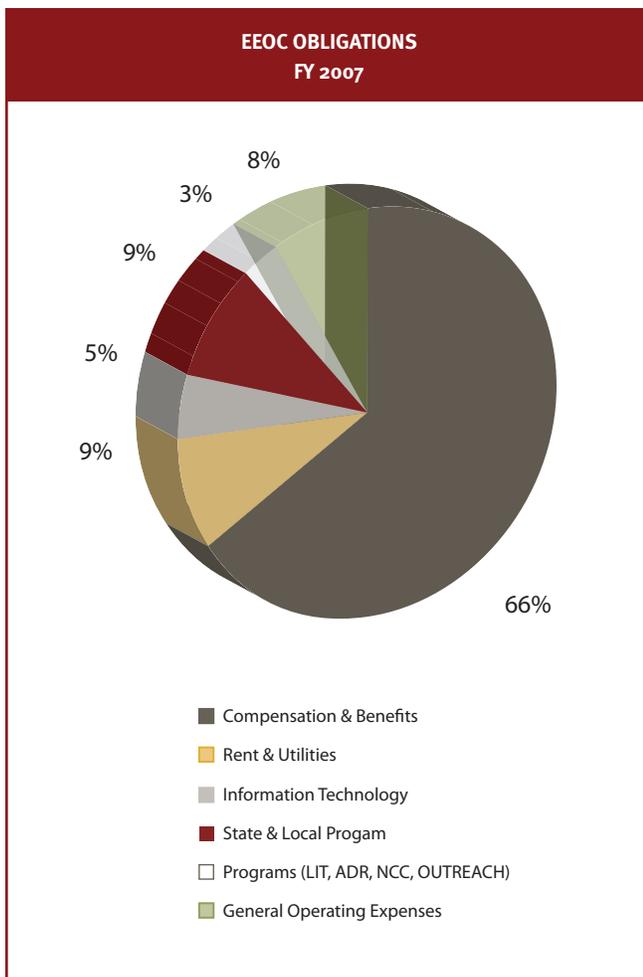
The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In FY 2007, EEOC received a \$329 million appropriation, with no rescission. EEOC ended FY 2007 with an increase in total budgetary resources of \$1 million over last year. Resources that remained unobligated at year-end were \$9 million and \$8 million in FY 2007 and FY 2006, respectively. The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

Other Information

The line chart below displays a 6-year historical view of EEOC's use of resources. Compensation and benefits consumed the majority of the budget at 66%. The second and third greatest items were the payments to state and local FEPAs at 9%, and rent which also consumed 9% of the budget and is included in non-payroll costs.

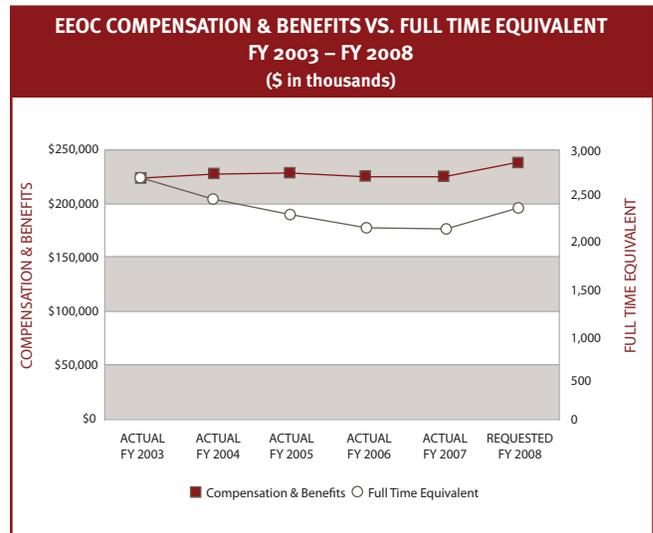


The pie chart displays EEOC's FY 2007 use of resources by major object class. The major portions: Compensation & Benefits, State & Local, and Rent & Utilities. Resources used for Information Technology as well as general operating expenses were consumed at the rate of 13%. Other agency programs (Litigation, ADR contracts, Outreach and the National Contact Center) were consumed at the lowest rate of 3%. In comparison to last year, compensation and benefits decreased by 3% over last year's percentage of 69%.



The dual axle chart that depicts EEOC's compensation and benefits versus full-time equivalents (FTEs) over the past 6 years shows a decrease in both FY 2007 FTEs and compensation and benefits costs. Although, full-time equivalents in FY 2006 decreased in part by employees retiring or electing the early-outs option offered to employees eligible to retire,

EEOC's Congressional Budget retains its FTE ceiling of 2,381 in FY 2007. EEOC ended FY 2007 with 2,158 employees on board. (The current average salary is approximately \$102,041, an increase of \$16,000 or 19% of the FY 2003 average salary).



Federal Managers' Financial Integrity Act (FMFIA)

The EEOC's management controls and financial management systems were substantially sound during FY 2007, with the exception of one material weakness in information security controls that was identified in the previous fiscal year and findings of three financial non-conformances.

In FY 2006, an Office of Inspector General's audit found a significant deficiency in the agency's information security program under the Federal Information Security Management Act of 2002 (FISMA), primarily in areas regarding documentation and tracking processes. The Office of Management and Budget's guidance (Circular A-123) required the agency to simultaneously identify a FISMA significant deficiency as a FMFIA material weakness. In its *FY 2006 Performance and Accountability Report*, the agency identified the deficiencies in the information security program as a material weakness and implemented a corrective action plan. We are pleased to report that the agency addressed all issues raised in the audit in FY 2007, resolving the agency's one outstanding material weakness. No additional material weaknesses were identified during FY 2007.



In FY 2007, the agency corrected one of the three financial non-conformances identified. All financial non-conformances were first identified in FY 2007. The agency has implemented corrective action plans to resolve the remaining non-conformances in FY 2008.

Since the agency resolved its one material weakness and one of only three financial non-conformances identified in the fiscal year, taking the agency’s controls environment as a whole,

and based upon a review of comprehensive agency-wide materials, including audit reports, and the assurances of the agency’s senior managers, we conclude that our systems of management and financial controls during FY 2007 were effective and that agency resources were used consistent with the agency’s mission—in compliance with laws and regulations, and with minimal potential for waste, fraud, and mismanagement.



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INDEPENDENT AUDITOR’S REPORT

We audited the financial statements of the Equal Employment Opportunity Commission (EEOC) as of and for the years ended September 30, 2007, and 2006 (not included in this document). We conducted our audits in accordance with auditing standards generally accepted in the United States of America; 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 07-04, *Audit Requirements for Federal Financial Statements*. In our report dated November 2, 2007, we expressed an unqualified opinion on the complete financial statements.

In our opinion, the accompanying financial information, under the caption “Financial Statements,” is fairly stated, in all material respects, in relation to the complete financial statements from which it has been derived.

COTTON & COMPANY LLP

Colette Y. Wilson, CPA
Partner

November 2, 2007
Alexandria, Virginia

COMMISSIONERS AND THE GENERAL COUNSEL

The EEOC has five commissioners and a General Counsel appointed by the President and confirmed by the Senate. Commissioners are appointed for 5-year, staggered terms. The term of the General Counsel is 4 years. The President designates a Chair and a Vice Chair. The Chair is the chief executive officer of the Commission. The five-member Commission makes equal employment opportunity policy and approves litigation. The General Counsel is responsible for conducting EEOC enforcement litigation under Title VII of the Civil Rights Act of 1964 (Title VII), the Equal Pay Act, the Age Discrimination in Employment Act, and the Americans with Disabilities Act.



Naomi Churchill Earp, Chair

Naomi Churchill Earp assumed the role of Chair of the U.S. Equal Employment Opportunity Commission on August 31, 2006, after serving as Vice Chair of the Commission since April 28, 2003. On October 26, 2005, President Bush reappointed Ms. Earp for a second term. Her current term expires on July 1, 2010.

Ms. Earp serves as the chief executive officer of the Commission. In conjunction with fellow Commissioners, she also guides the development and establishment of EEO policy and approves high impact and novel litigation actions.

Ms. Earp brings to the EEOC hands-on leadership and management experience; a strong track record of promoting diversity; and expertise in the equal employment opportunity field. Her breadth of experience, spanning the private and public sectors, provides valuable insight into employment-related issues.



Leslie E. Silverman, Vice Chair

Leslie E. Silverman became Vice Chair of the U.S. Equal Employment Opportunity Commission on September 8, 2006, after serving as a Commissioner since March 7, 2002. She was first nominated by President George W. Bush in February 2002 and unanimously confirmed by the U.S. Senate on March 1, 2002. Ms. Silverman was renominated to a full term in July 2003 and unanimously confirmed by the Senate in October 2003. Her current term expires on July 1, 2008.

Vice Chair Silverman led the EEOC's Systemic Task Force which examined the EEOC's efforts at combating systemic discrimination. In April 2006, the Commission unanimously adopted the Task Force's major recommendations aimed at improving the EEOC's systemic program. Ms. Silverman also is a participant on the Center for Work-Life Policy's "Hidden Brain Drain" Task Force which focuses on the retention and advancement of women and minority employees.



Stuart Ishimaru, Commissioner

Stuart J. Ishimaru was sworn in on November 17, 2003, as a Commissioner of the EEOC to serve the remainder of a term expiring July 1, 2007. Mr. Ishimaru was nominated by President George W. Bush on October 14 and confirmed by the full U.S. Senate on October 31, 2003.

Mr. Ishimaru previously served as Deputy Assistant Attorney General in the Civil Rights Division of the U.S. Department of Justice between 1999 and 2001, where he served as a principal advisor to the Assistant Attorney General for Civil Rights, advising on management, policy, and political issues involving the Civil Rights Division. He supervised more than 100 attorneys in high-profile litigation, including employment discrimination cases, fair housing and fair lending cases, criminal police misconduct, hate crime and slavery prosecutions, and enforcement of the Americans with Disabilities Act.



Christine M. Griffin, Commissioner

Christine M. Griffin was sworn in on January 3, 2006, as a Commissioner of the U.S. Equal Employment Opportunity Commission. Ms. Griffin was nominated by President George W. Bush on July 28, 2005, and unanimously confirmed by the U.S. Senate on November 4 to serve the remainder of a 5-year term expiring July 1, 2009.

Ms. Griffin's work experience in labor and employment law includes positions in both the public and private sectors. Most recently, she served as the Executive Director of the Disability Law Center in Boston from 1996 to 2005. As Executive Director, she provided leadership for the Law Center's 25 employees and conducted its overall management, including programmatic and fiscal planning, priority setting and implementation, and fundraising.



Ronald S. Cooper, General Counsel

Ronald S. Cooper was sworn in Aug. 11, 2006, to a 4-year term as General Counsel of the U.S. Equal Employment Opportunity Commission. He was nominated by President George W. Bush on March 27, 2006, and unanimously confirmed by the Senate on July 26, 2006.

Mr. Cooper most recently was employed as a partner in the Washington D.C. office of Steptoe & Johnson LLP, where he had specialized in employment litigation for over 34 years. He primarily represented employers at the trial and appellate level in litigation throughout the country including case brought under Title VII, The Age Discrimination in Employment Act, The Equal Pay Act, The Americans with Disabilities Act and The Fair Labor Standards Act. These cases included large class actions and government enforcement matters. In addition to actions brought under federal law, he represented employers with respect to claims brought under state and local laws. Mr. Cooper also represented both employees and employers in restrictive covenant and executive compensation cases.

INTERNET LINKS

EEOC

www.eeoc.gov/

EEOC FY 2007 Performance and Accountability Report

www.eeoc.gov/abouteeoc/plan/index.html

EEOC Strategic Plan

www.eeoc.gov/abouteeoc/plan/strategic_07-12/index.html

EEOC FY 2007 Performance Budget

www.eeoc.gov/abouteeoc/plan/2007budget/index.html

EEOC Annual Report on the Federal Workforce

www.eeoc.gov/federal/fsp2006/index.html

E-RACE Initiative

www.eeoc.gov/initiatives/e-race/index.html

Youth@Work Initiative

<http://youth.eeoc.gov/>

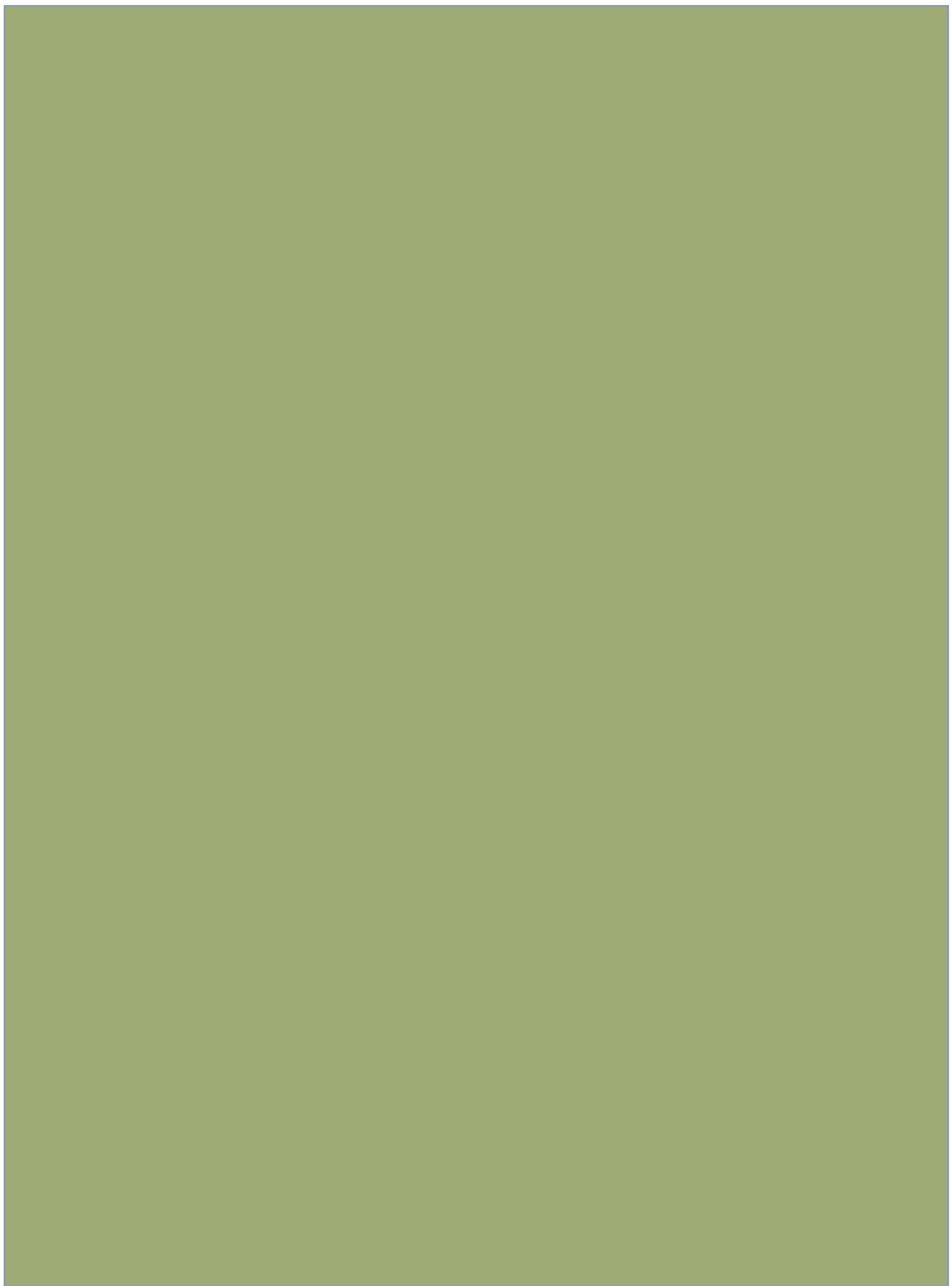
LEAD Initiative

www.eeoc.gov/initiatives/lead/index.html

WE WELCOME YOUR COMMENTS

Thank you for your interest in the EEOC's *FY 2007 Performance and Accountability Highlights*. 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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