

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SERVING THE NATION FOR 45 YEARS



FY 2010
Performance and
Accountability Report
Highlights



United States Equal Employment Opportunity Commission

**FISCAL YEAR 2010
PERFORMANCE AND ACCOUNTABILITY REPORT HIGHLIGHTS**



OUR VISION

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



OUR MISSION

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



Table of Contents

A Message from the Chair	v
Management's Discussion and Analysis	1
Introduction	1
Agency Overview	1
Agency Results Under Strategic Plan Performance Measures	1
Related Program Results and Activities	4
Continuing to Rebuild Capacity	4
Successfully Managing Our Private Sector Charge Inventory	4
Securing Unprecedented Relief through Administrative Enforcement	4
Expanding Mediation Program Leads to Wins for Employees and Employers	4
Challenging Discrimination in the Federal Courts	4
Maximizing Impact through Systemic Enforcement	5
Promoting and Enforcing EEO in the Federal Sector	5
Reaching, Training, and Educating Potential Employees, Employees and Employers	5
Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance	5
Federal Managers' Financial Integrity Act	6
Financial Highlights	7
Consolidated Balance Sheets	7
Consolidated Statements of Net Cost	8
Consolidated Statement of Changes in Net Position	8
Combined Statements of Budgetary Resources	8
Use of Resources	9
Inspector General's Statement	11
Summary of Significant Management Challenges	11
Private-Sector Charge Inventory	11
Budget and Performance Integration	12
Strategic Management of Human Capital	12
State and Local Partner Performance Management	12
Management Response to the Inspector General's Summary of Significant Management Challenges	13
Private Sector Charge Inventory	13
Budget and Performance Integration	13
Strategic Management of Human Capital	14
State and Local Partner Performance Management	14
Concerning Agency Compliance with FMFIA	15
Financial Statements	17
A Message from the Chief Financial Officer	17
Inspector General's Audit Report	19
Independent Auditor's Report	21

Appendixes 32

Appendix A: Organization and Jurisdiction 32

Appendix B: Biographies of the Chair, Commissioners and General Counsel 35

 Jacqueline A. Berrien, Chair 35

 Stuart J. Ishimaru, Commissioner 35

 Constance S. Barker, Commissioner 37

 Chai Feldblum, Commissioner 37

 Victoria A. Lipnic, Commissioner 38

 P. David Lopez, General Counsel 38

 Christine M. Griffin, Former Acting Vice Chair and Commissioner 39

Appendix C: Glossary of Acronyms 40

Appendix D: Internet Links 41

Appendix E: EEOC Field Offices 42

Acknowledgments 43

We Welcome Your Comments 43



A Message from the Chair



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

Forty-five years ago, under the leadership of President Lyndon B. Johnson, the EEOC opened its doors with the charge of ending employment discrimination on the basis of race, color, national origin, sex, and religion in private sector employment throughout the United States. Through the years, new federal laws were passed to extend the EEOC's enforcement authority to include discrimination on the basis of age, disability, and, most recently, family medical history or genetic information. The agency's jurisdiction was also

expanded to enforce employment discrimination laws in the federal sector, as well as the private sector. Moreover, beyond enforcement, recognizing the value of prevention, the EEOC has become a valuable resource for employers, offering training, technical assistance, and guidance concerning compliance with relevant civil rights laws. The EEOC is, today, the nation's leading authority on and enforcer of federal laws prohibiting employment discrimination and is the premier champion of equal employment opportunity for all.

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

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

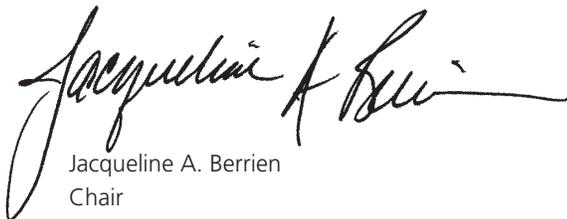
In FY 2010, the EEOC dramatically slowed the growth of the private sector charge inventory. A near-record number of receipts in FY 2009 left the agency with a pending inventory of 85,768 charges. Despite receiving the highest number of charges in our 45 year history in FY 2010, a total of 99,922 charges,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

implementing the Systemic Litigation Initiative and the Alternative Dispute Resolution (ADR) program and enhancing our educational outreach efforts to the private and public sectors to promote voluntary compliance and understanding.

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

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

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



Jacqueline A. Berrien
Chair

U.S. Equal Employment Opportunity Commission
November 15, 2010



Management's Discussion and Analysis

INTRODUCTION

This *FY 2010 Performance and Accountability Report Highlights* (PAR Highlights) was prepared in accordance with the Reports Consolidation Act of 2000 and the Office of Management and Budget's (OMB) Circular A-136, Financial Reporting Requirements. It presents the highlights of the U.S. Equal Employment Opportunity Commission's programs and financial performance, along with its management challenges. For an expanded discussion, please consult the full Performance and Accountability Report at <http://www.eeoc.gov/eeoc/plan/2010par.cfm>

AGENCY OVERVIEW

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

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

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

AGENCY RESULTS UNDER STRATEGIC PLAN PERFORMANCE MEASURES

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

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

Management's Discussion and Analysis

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

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

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

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

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

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

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

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

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

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

The EEOC's final two measures involve the resolution of private sector charges and federal sector hearings within 180 days or less. As the EEOC's staffing levels declined between FY 2000 and FY 2008 and charge receipts have increased significantly, it has become increasingly more difficult for the agency to meet the established targets for these two measures. In FY 2010 the Commission did not meet its targets for these measures. However, with the increased resources received by the agency over the past two fiscal years it is anticipated that the agency will make progress toward meeting these goals. The Commission will carefully consider these measures as it explores the focus and approach for a new Strategic Plan.

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

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

RELATED PROGRAM RESULTS AND ACTIVITIES

Continuing to Rebuild Capacity

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

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

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

Successfully Managing Our Private Sector Charge Inventory

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

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

Securing Unprecedented Relief through Administrative Enforcement

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

Expanding Mediation Program Leads to Wins for Employees and Employers

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

Challenging Discrimination in the Federal Courts

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

Maximizing Impact through Systemic Enforcement

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

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

Promoting and Enforcing EEO in the Federal Sector

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

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

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

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

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

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

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

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

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

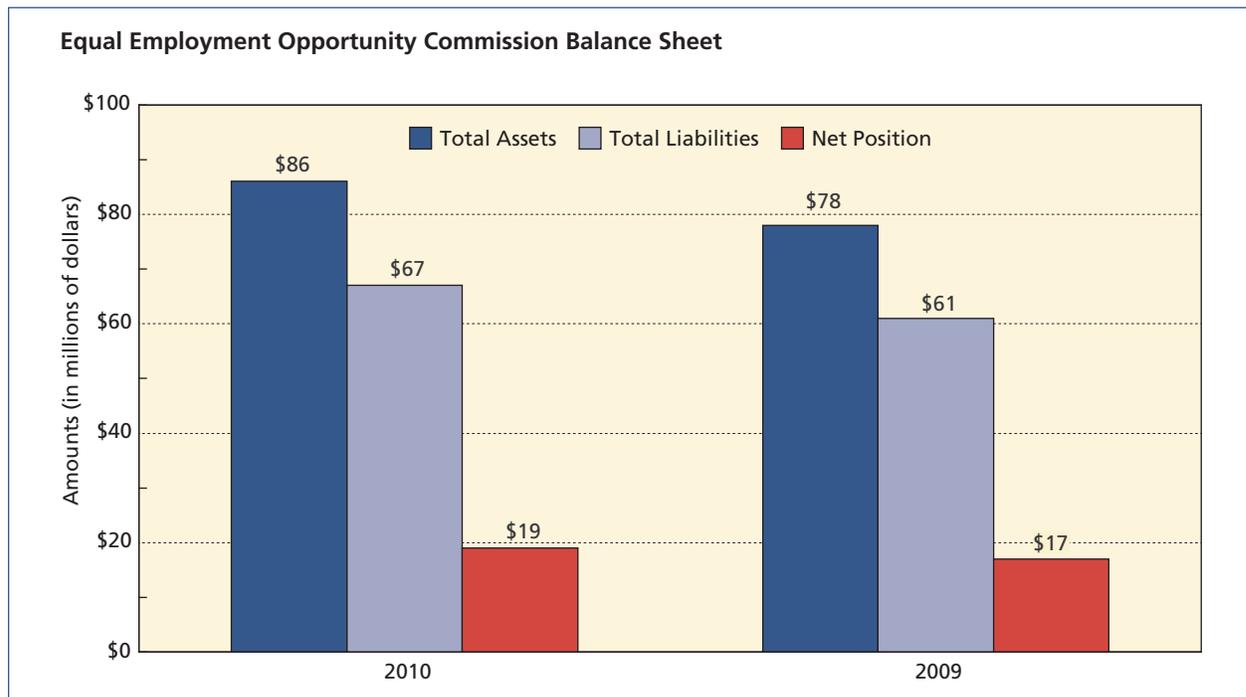
Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during FY 2010 its financial and management controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). Forty-five percent of the identified non-conformances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

FINANCIAL HIGHLIGHTS

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

Consolidated Balance Sheets

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

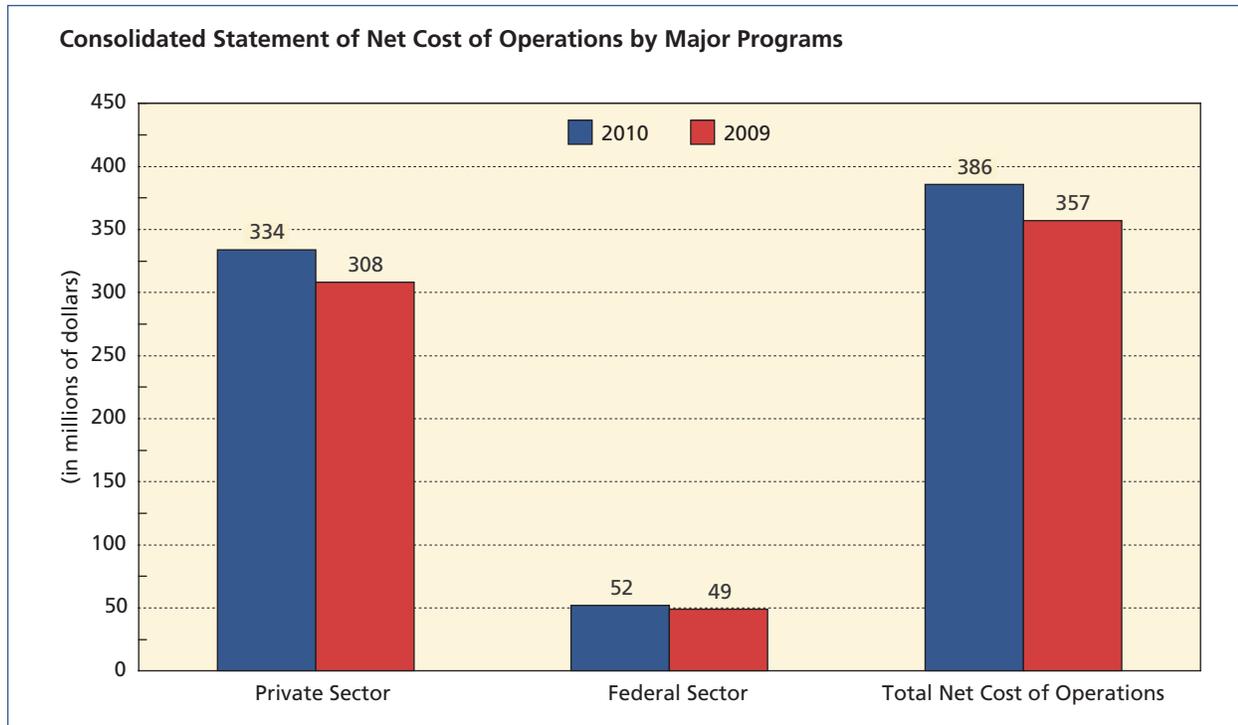


EEOC's balance sheets show total assets of \$86 million at the end of FY 2010. This is an increase of \$8 million, or approximately 10 percent, over EEOC's total assets of \$78 million for FY 2009. This increase is due primarily to an increase in EEOC's Fund Balance with Treasury of \$9 million offset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

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

Consolidated Statements of Net Cost

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



Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for FY 2010 and FY 2009 from the cost of operations, appropriations received and used, net of rescissions, and the financing of some costs by other government agencies. The Consolidated Statement of Changes in Net Position increased over last year by \$2 million, or 12 percent. EEOC's total assets exceeded total liabilities (funded and unfunded) by \$19 million, or 28 percent.

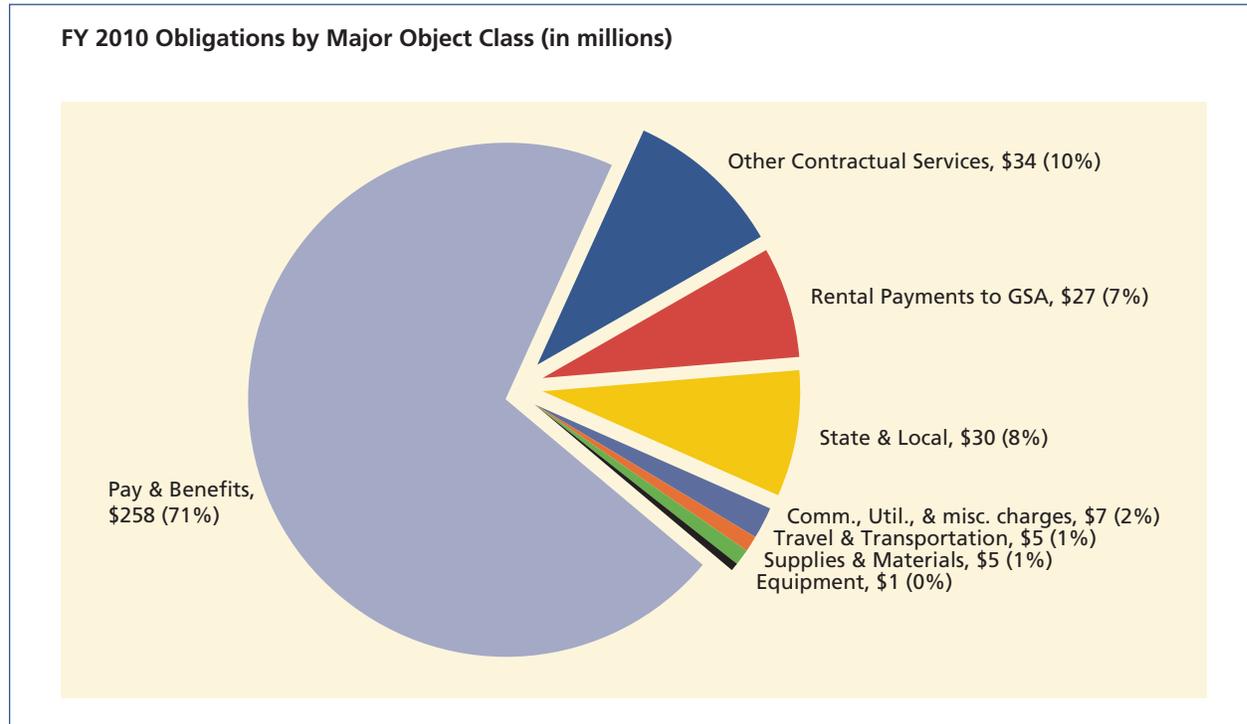
Combined Statements of Budgetary Resources

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

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

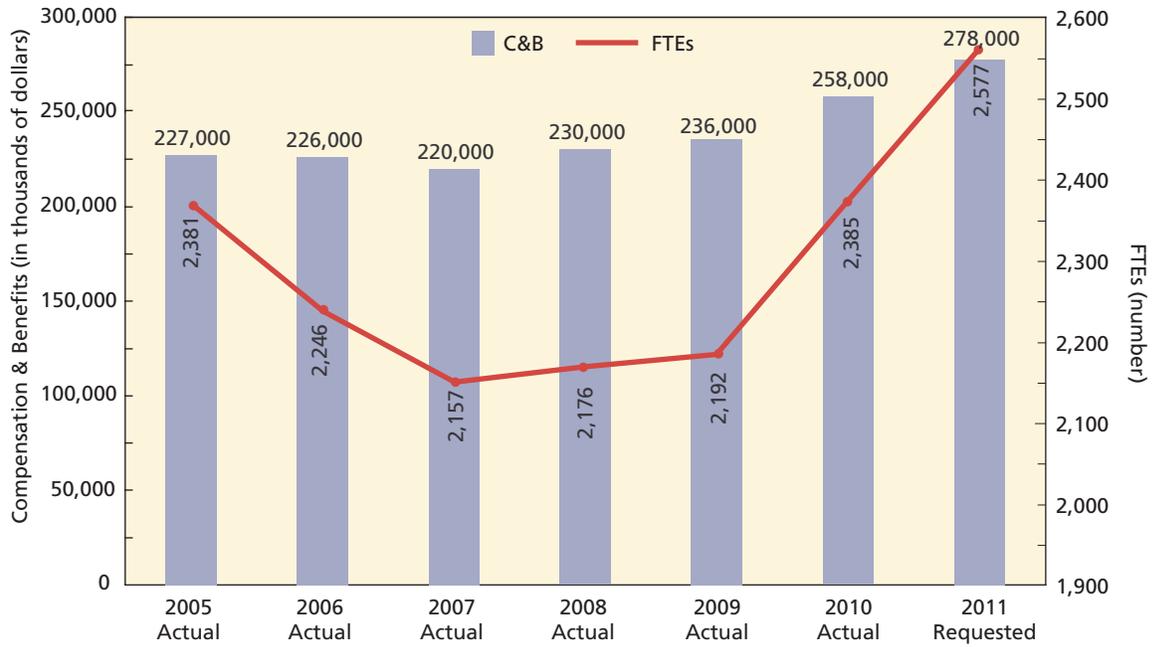
Use of Resources

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



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

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





Inspector General's Statement

SUMMARY OF SIGNIFICANT MANAGEMENT CHALLENGES

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

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

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

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

PRIVATE-SECTOR CHARGE INVENTORY

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

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

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

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

BUDGET AND PERFORMANCE INTEGRATION

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

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

STRATEGIC MANAGEMENT OF HUMAN CAPITAL

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

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

STATE AND LOCAL PARTNER PERFORMANCE MANAGEMENT

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

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

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

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

Private Sector Charge Inventory

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

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

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

Budget and Performance Integration

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

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

Strategic Management of Human Capital

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

State and Local Partner Performance Management

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

CONCERNING AGENCY COMPLIANCE WITH FMFIA



Office of
Inspector General

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

November 10, 2010

MEMORANDUM

TO : Jacqueline A. Berrien
Chair

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

A handwritten signature in black ink, appearing to read "Milton Mayo", written over the printed name of the Acting Inspector General.

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

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

EEOC Order 195.001, Internal Control Systems requires the Office of Inspector General (OIG) to annually provide a written advisory to the Chair on whether the management control evaluation process complied with OMB guidelines. On November 5, 2010, the Office of Research, Information and Planning (ORIP) submitted EEOC's Fiscal Year 2010 FMFIA Assurance Statement to the Chair and to the OIG for review. The OIG reviewed: (1) assurance statements submitted by headquarters and district directors attesting that their systems of management accountability and control were effective and that resources under their control were used consistent with the agency's mission and complied with FMFIA; (2) all functional area summary tables, and functional area reports; and (3) ORIP's Fiscal year 2010 Federal Managers' Financial Integrity Act Assurance Statement, and Assurance Statement Letter, and attachments. Based on our

limited independent assessment of this year's process, OIG is pleased to advise you that the Agency's management control evaluation was conducted in accordance with OMB and FMFIA regulations.

Further, based on the results of audits, evaluations, and investigations conducted by OIG during Fiscal Year 2010, OIG concurs with ORIP's assertion that the Agency had no material weaknesses during this reporting cycle.

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



Financial Statements

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

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

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

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

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

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

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

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

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

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

- **Recognize and manage competing budget priorities.** We continue to manage discretionary budget line items. However, non-payroll costs continue to increase for homeland security, rent, facility services, and Government-wide programs such as financial management services with a shared service provider. The Inspector General began a program evaluation of the EEOC's State and Local Program, which consists of about 8% of the annual budget, in the fourth quarter. The evaluation will analyze the overall adequacy, effectiveness, and efficiency of the EEOC's management of its State and Local Program. The scope of the review includes EEOC's management of financial controls over its transactions with Fair Employment Practice Agencies, and EEOC's performance management of its State and Local Programs (e.g., establishing and periodically evaluating State and Local program performance goals, measures and standards, etc.).
- **Formulate a long-term performance budget strategy.** The agency continues to look into improved information approaches for annual budget justifications because of the workload by activity and the backlog of casework. More attention is needed on how we communicate our various workload metrics. Substantial work is required to update a Strategic Plan which expires in FY 2012.

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



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

November 15, 2010

INSPECTOR GENERAL'S AUDIT REPORT



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

Office of
Inspector General

November 12, 2010

MEMORANDUM

TO: Jacqueline Berrien
Chair

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

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2010 Financial Statements (OIG Report No. 2010-03-FIN)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight and Company, P.A (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal year 2010. The contract required that the audit be done in accordance with U.S. generally accepted government auditing standards; Office of Management and Budget's Bulletin 07-04, *Audit Requirements for Federal Financial Statements*, and the Government Accountability Office/President's Council on Integrity and Efficiency's *Financial Audit Manual*.

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

In connection with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls or on whether EEOC's financial management systems substantially complied with FFMIA; or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 10, 2010 and the conclusions expressed in the report. However, OIG's review disclosed no instances where HRK did not comply, in all material respects, with generally accepted government auditing standards.

EEOC management was given the opportunity to review the draft report and to provide comments. Management comments are included with the report as an attachment.

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

INDEPENDENT AUDITOR'S REPORT



HARPER, RAINS, KNIGHT & COMPANY

*Certified Public Accountants
A Professional Association*

Report of Independent Auditors

Inspector General
Equal Employment Opportunity Commission

Opinion on the Financial Statements

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

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

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

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance with Applicable Laws and Regulations

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

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

Other Information

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

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

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

Hepler, Rams, Knight & Company, P.A.

November 10, 2010

Exhibit 1

Significant Deficiencies

1. Lack of Adequate Controls over Time and Attendance

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

The following recommendations were made to management:

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

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

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

We noted the following during our testing:

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

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

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

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

2. Lack of Adequate Controls over Revenue and Receivables

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

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

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

We noted the following during our testing:

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

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

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

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

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

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

Appendix A

Status of Management's Actions on Prior Year Recommendations

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

Appendix B
Management's Response



Office of
Human Resources

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

November 9, 2010

MEMORANDUM

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

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

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

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

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

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

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

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



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

Office of the Chief Financial Officer

November 9, 2010

MEMORANDUM

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

FROM: Jeffrey A. Smith
Chief Financial Officer

Handwritten signature of Jeffrey A. Smith in black ink.

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

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

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

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

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



Office of
Field Programs

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

November 9, 2010

MEMORANDUM

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

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

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

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

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

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



Appendixes

APPENDIX A: ORGANIZATION AND JURISDICTION

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

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

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

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

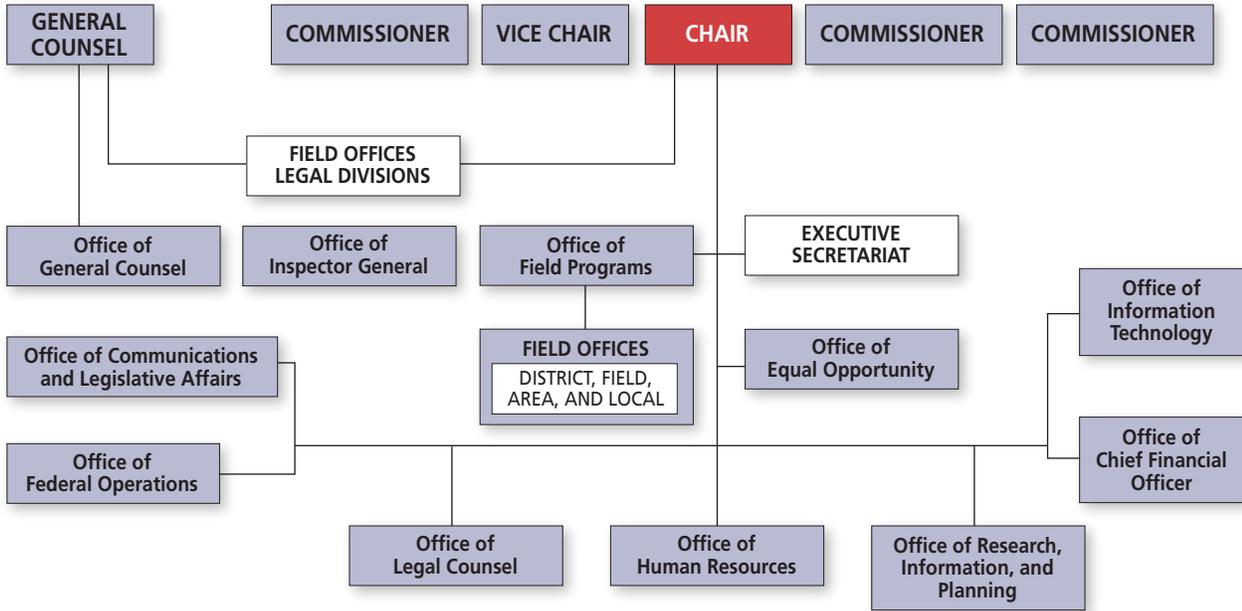
Additionally, through the **Office of Field Program's State and Local Program**, the EEOC maintains work sharing agreements and a contract services program with 94 state and local Fair Employment Practices Agencies (FEPAs) for the purpose of coordinating the investigation of charges dual-filed under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

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

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

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

EEOC Organization



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

Jacqueline A. Berrien, Chair



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

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

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

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

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

Stuart J. Ishimaru, Commissioner



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

During his tenure as Acting Chairman, Mr. Ishimaru worked to rebuild the EEOC, which had become under-funded and under-staffed. Under his leadership, the agency obtained record budgets from the Congress, and embarked on an aggressive hiring initiative to significantly increase its front-line enforcement staff. He also dedicated substantial agency resources to a multi-million dollar training effort—the largest the

agency had conducted in at least a decade—to equip EEOC employees with essential skills and knowledge they need to investigate and litigate large and complex discrimination cases.

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

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

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

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

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

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

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

Constance S. Barker, Commissioner



Constance Smith Barker was sworn in as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) on July 14, 2008. Commissioner Barker was nominated by President George W. Bush on March 31, 2008, and unanimously confirmed by the Senate on June 27, 2008 to serve the remainder of a five-year term expiring on July 1, 2011.

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

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

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

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

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

Chai Feldblum, Commissioner



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

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

Ms. Feldblum previously served as Legislative Counsel to the AIDS Project of the American Civil Liberties Union. In this role, she developed legislation, analyzed policy on various AIDS-related issues, and played a leading role in drafting the ground-breaking Americans with Disabilities Act of 1990. Later, as a law professor, she was equally instrumental helping in the passage of the ADA Amendments Act of 2008.

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

Victoria A. Lipnic, Commissioner



Victoria A. Lipnic was nominated to serve as a Commissioner of the EEOC by President Barack Obama on November 3, 2009. She was nominated for both a term ending on July 1, 2010, and a second term ending on July 1, 2015. On March 27, 2010, she was given a recess appointment to that position.

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

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

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

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

P. David Lopez, General Counsel



P. David Lopez was sworn in on April 8, 2010, as General Counsel of the U.S. Equal Employment Opportunity Commission (EEOC). He was nominated by President Obama on Oct. 22, 2009, and given a recess appointment on March 27, 2010, pending confirmation by the full Senate. Mr. Lopez is the first field staff attorney to be appointed as General Counsel.

David Lopez has served in the Commission for 15 years in the field and at headquarters. Prior to this, Mr. Lopez was a Supervisory Trial Attorney at the Commission's Phoenix District Office, where he oversaw the litigation of a team of trial attorneys.

When Mr. Lopez initially joined the Commission 1996, he served as Special Assistant to then-Chairman Gilbert F. Casellas in Washington, D.C. In this capacity, he advised Chairman Casellas on policy and litigation matters and helped develop

the agency's strategic plan for development of pattern or practice cases. He also represented the EEOC in an inter-agency working group commissioned by the Clinton White House to monitor potentially discriminatory immigration legislation. In addition, as Special Assistant, he oversaw the development and coordinated the implementation of the Commission's National Enforcement Plan, which is still in effect today.

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

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

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

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

Mr. Lopez graduated from Harvard Law School in 1988 and graduated magna cum laude from Arizona State University in 1985, with a B.S. in Political Science.

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

Christine M. Griffin, Former Acting Vice Chair and Commissioner



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

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

APPENDIX C: GLOSSARY OF ACRONYMS

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

APPENDIX D: INTERNET LINKS

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

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

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

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

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

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

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

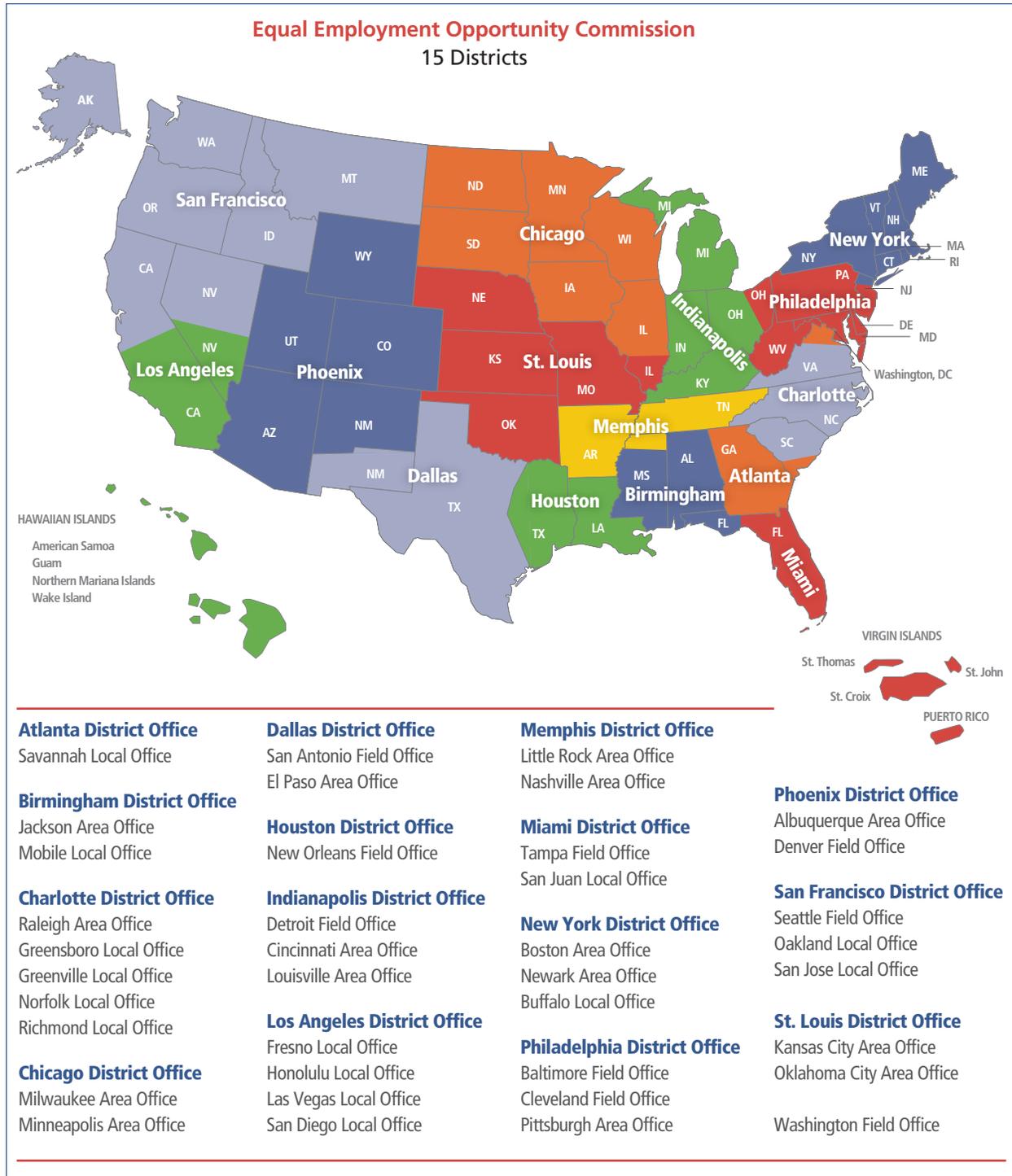
EEOC FY 2009 Performance Budget: <http://www.eeoc.gov/eeoc/plan/archives/budgets/2009budget/index.cfm>

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

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

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

APPENDIX E: EEOC FIELD OFFICES





Acknowledgments

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

WE WELCOME YOUR COMMENTS

Thank you for your interest in the EEOC's FY 2010 Performance and Accountability Report Highlights. We welcome your comments on how we can make this report more informative for our readers. Please send your comments to:

Executive Officer
Office of the Executive Secretariat
U.S. Equal Employment Opportunity Commission
131 M Street, NE
Washington, DC 20507-0001

(202) 663-4070
TTY (202) 663-4494



SERVING THE NATION FOR 45 YEARS

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