FISCAL YEAR 2022

AGENCY FINANCIAL REPORT

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

HOW THIS REPORT IS ORGANIZED

The *Fiscal Year 2022 Agency Financial Report* (AFR) will describe the financial management of the U.S. Equal Employment Opportunity Commission (the EEOC or agency) and provide high-level performance information, including management challenges. Pursuant to guidance from the Office of Management and Budget (OMB), we organize our AFR into the following major sections:

- **Management Discussion and Analysis (MD&A):** The MD&A provides an overview of the EEOC's performance and financial information. The MD&A highlights our strategic objectives and our accomplishments in achieving our mission. This section also highlights the agency's financial results and provides management's assurances on the agency's internal controls.
- **Financial Section:** This section outlines our efforts to be good stewards over the funds the agency receives to carry out its mission, including an independent auditor's opinion on the agency's financial statements.
- **Other Information**: This section includes the Inspector General's Statement on Management Challenges, the agency's progress and plans to address them, and summary tables related to our Financial Statement Audit and Management Assurances.
- **Appendices:** Contain information on EEOC's organization, jurisdiction, leadership, and revolving fund, as well as a glossary of the acronyms used in the report.

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MESSAGE FROM THE CHAIR

I am pleased to present the U.S. Equal Employment Opportunity Commission (EEOC) Agency Financial Report (AFR) for fiscal year 2022. It is an honor to lead the agency's dedicated employees, who are committed to advancing equal opportunity for all in the workplace.

The EEOC was created in direct response to calls for racial justice at the historic 1963 March on Washington for Jobs and Freedom with a clear mission — to prevent and remedy discrimination in our nation's workplaces. As we approach the 60th anniversary of the March on Washington, we recognize that the nation has made significant progress since then in advancing civil rights, but that a great deal of work remains to fulfill the promise of equality for America's workers. Today, promoting equal employment opportunity and enforcing the nation's federal workplace anti-discrimination laws remain as necessary as ever. The EEOC continues to work toward an America where all have a fair chance to work, provide for their families, and contribute to our economy.

As the primary federal agency that enforces laws against employment discrimination, the EEOC continued to play a critical role in fiscal year 2022 in advancing equal opportunity in the workplace. As detailed in this report, during the past fiscal year the agency focused on addressing systemic discrimination in all forms and on all bases; advancing racial justice and equity in the workplace; preventing and remedying unlawful retaliation; enforcing pay equity; supporting diversity, equity, inclusion, and accessibility (DEIA); and addressing the use of artificial intelligence in employment decisions.

The EEOC strategically leveraged its appropriations in fiscal year 2022 to achieve change on a broad scale using all of its tools to combat discrimination, including outreach, technical assistance, and enforcement. Once again, the agency demonstrated that the EEOC is a sound investment for the American people, recovering more in monetary benefits for victims of discrimination than our $420 million budget, while making significant progress in each of its priority areas. The successes of fiscal year 2022 were in part made possible through efforts to strengthen and rebuild the enforcement capacity of the agency. During my tenure as Chair, I have focused on strategic use of the agency's resources to ensure that the EEOC can vigorously enforce the law, including effectively addressing an increased demand for the agency's services. During fiscal year 2022, the charges of discrimination filed with the EEOC, as well as calls and emails to the agency's contact center, increased significantly compared with fiscal year 2021. To ensure that the agency has the resources and tools it needs to continue to protect and advance civil rights, in fiscal year 2022, I focused on robust workforce planning and hiring to continue to strategically grow our enforcement capacity. As such, I authorized hiring to fill 352 positions, the majority of which were front-line positions (investigators, mediators, attorneys, and administrative staff, among other positions) to help strengthen our ability to fulfill the agency's vital role in preventing and remedying employment discrimination. The addition of new employees in mission critical positions was essential, but must be followed by additional investments to ensure that the EEOC has resources commensurate with its task and the increase in new charges filed in fiscal year 2022.

I am also pleased to report that the EEOC has once again received an unmodified opinion from an independent audit of our financial statements. As required by the Federal Managers Financial Integrity Act (FMFIA), the AFR provides reasonable assurances about the agency's internal controls. Moreover, the financial data and performance results provided in the AFR are reliable and complete.

The EEOC was created as a result of a strong national commitment to civil rights. As such, it serves as tangible proof that the causes of justice and equality are greater than hatred, division and bigotry. That legacy and our work are critically important to the American people and to this administration as we rebuild the economy to work for everyone and confront the urgent issue of systemic discrimination.

Charlotte A. Burrows
Chair
U.S. Equal Employment Opportunity Commission

MANAGEMENT DISCUSSION AND ANALYSIS

The Equal Employment Opportunity Commission's (EEOC or agency) Agency Financial Report (AFR) provides financial information and an overview of programs, accomplishments, and challenges that enable the President, Congress, and the American people to assess the EEOC's performance and accountability for the resources entrusted to it for the fiscal year (October 1 through September 30). The report is prepared in accordance with the requirements of OMB Circular No. A–136, *Financial Reporting Requirements*.

The EEOC provides an AFR with a primary focus on financial results and a high-level discussion of performance results, along with an Annual Performance Report (APR), which details strategic goals and performance results. The EEOC will publish the APR in coordination with its Congressional Budget Justification in February 2023. Both reports will be available at https://www.eeoc.gov/budget-and-performance.

MISSION, MAJOR PROGRAMS, AND ORGANIZATIONAL STRUCTURE

MISSION
Prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace.
VISION
Respectful and inclusive workplaces with equal employment opportunity for all.

AGENCY OVERVIEW

Title VII of the Civil Rights Act of 1964 (Title VII) created the EEOC to enforce protections against employment discrimination on the basis of race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), and national origin. Congress subsequently vested the EEOC with responsibility to enforce the Equal Pay Act of 1963 (EPA), the Age Discrimination in Employment Act of 1967 (ADEA), Sections 501 and 505 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), and Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA). In addition, in 1972, Congress further expanded the agency's responsibilities by providing federal government employees the protections of Title VII and providing the EEOC with independent litigation authority against private employers under Title VII.

STATUTORY STRUCTURE

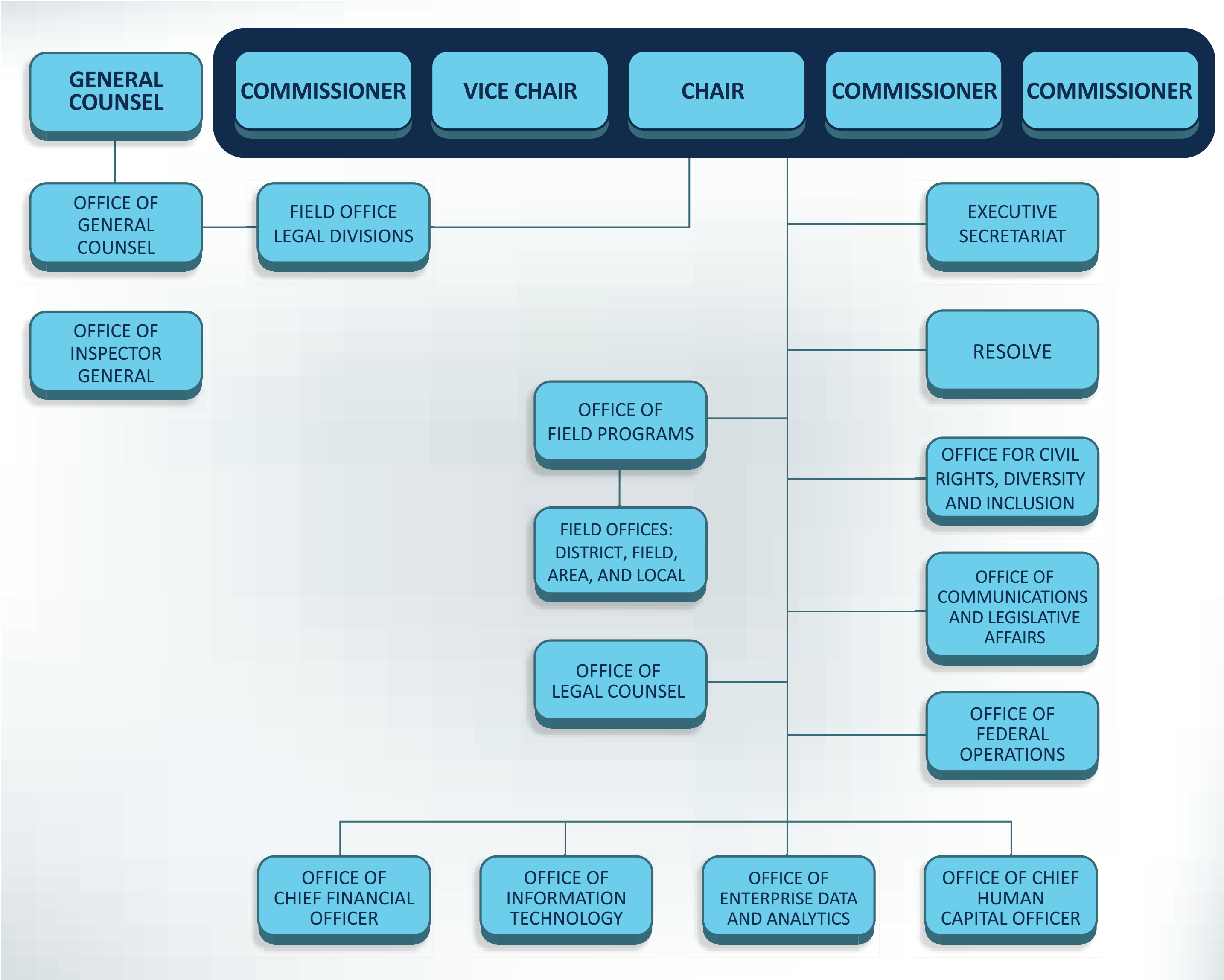
The EEOC is led by six presidential appointees — five Commissioners (including the Chair and Vice Chair) who serve staggered five-year terms and the General Counsel. No more than three Commissioners (including the Chair and Vice Chair) may be from the same political party. The Chair is responsible for the administration and implementation of policy, the enforcement program, financial management, and day-to-day operations 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 lawsuits. The General Counsel supports the Commission and provides direction, coordination, and supervision to the EEOC's litigation program.

The Commissioners and General Counsel	Term Expires
CHAIR CHARLOTTE A. BURROWS	2023
VICE CHAIR JOCELYN SAMUELS	2026
COMMISSIONER JANET DHILLON*	2022
COMMISSIONER KEITH E. SONDERLING	2024
COMMISSIONER ANDREA R. LUCAS	2025
GENERAL COUNSEL VACANT**	

*In hold-over status.

**Gwendolyn Young Reams was named acting General Counsel on June 8, 2022.

ORGANIZATION



The EEOC accomplishes its mission through component offices that administer various programs. For more information about specific EEOC offices, please see Appendix A.

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

PERFORMANCE GOALS, OBJECTIVES, AND RESULTS

EEOC'S PERFORMANCE MEASUREMENT PROCESS

The Government Performance and Results Modernization Act of 2010 (5 U.S.C. 306, as amended) requires executive departments, government corporations, and independent agencies to develop and post a Strategic Plan on their public websites every four fiscal years. The implementing guidance in Circular No. A–11 from OMB instructs agencies on the necessary elements required in an agency's strategic plan and the requirements to publish a new strategic plan with the beginning of each new term of an administration.

The U.S. Equal Employment Opportunity Commission Strategic Plan for Fiscal Years 2018–2022 (Strategic Plan) is located at https://www.eeoc.gov/us-equal-employment-opportunity-commission-eeoc-strategic-plan-fiscal-years-2018-2022.

The Strategic Plan established three overarching strategic objectives and twelve performance measures to gauge the agency's progress in meeting these objectives. Goal leaders, assigned by program office representatives in headquarters, lead the efforts on each of the agency's performance measures. The EEOC conducts periodic performance measure reviews. During these reviews, program office representatives report on the progress made to achieve the agency's performance measures.

The EEOC reports on performance measures each year. In the agency's Annual Performance Plan (APP), issued as part of the OMB's budget request, the EEOC identifies the level of planned performance to achieve in the fiscal year, along with performance goals and key milestones that align with the EEOC's Strategic Plan and agency priorities. In the agency's Annual Performance Report, issued in coordination with the agency's Congressional Budget Justification in February each year, the EEOC reports on progress achieving the goals and objectives in the agency's Strategic Plan and APP, along with performance and program results achieved for the previous fiscal year.

OVERVIEW OF THE STRATEGIC PLAN OBJECTIVES, GOALS, AND PERFORMANCE MEASURES

In accordance with the Government Performance and Results Modernization Act of 2010, the Commission approved the EEOC's Strategic Plan on February 12, 2018. To do so, the agency engaged in a comprehensive assessment of its programs and priorities. As stated above, under this Strategic Plan, the EEOC focuses on three strategic objectives to achieve its critical mission to prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace and to pursue its vision of respectful and inclusive workplaces with equal employment opportunity for all.

Strategic Objective I, to combat and prevent employment discrimination through the strategic application of the EEOC's law enforcement authorities, reflects the EEOC's primary mission of preventing unlawful employment discrimination through: 1) the administrative (investigation and conciliation) and litigation mechanisms Congress has entrusted to the agency with regard to private employers, labor organizations, employment agencies, and state and local government employers; and 2) the adjudicatory and oversight mechanisms Congress has entrusted to the agency with regard to federal employers.

There are two outcome goals and five performance measures for Strategic Objective I.

Strategic Objective I: Combat and Prevent Employment Discrimination through the Strategic Application of the EEOC's Law Enforcement Authorities.	
Outcome Goal I.A: Discriminatory employment practices are stopped and remedied, and victims of discrimination receive meaningful relief.	**Outcome Goal I.B:** Enforcement authorities are exercised fairly, efficiently, and based on the circumstances of each charge or complaint.
Performance Measure 1: By FY 2022, a significant proportion of the EEOC's and FEPA's resolutions contain targeted, equitable relief. • **Sub-Measure 1a:** By FY 2022, 86–88% of the EEOC's resolutions contain targeted, equitable relief. • **Sub-Measure 1b:** By FY 2022, 17–19% of FEPA's resolutions contain targeted, equitable relief. **Performance Measure 2:** In each year through 2022, the EEOC continues to favorably resolve at least 90% of enforcement lawsuits. **Performance Measure 3:** Each year through 2022, the EEOC reports on its efforts to identify and resolve systemic discrimination. **Performance Measure 4:** By FY 2022, an increased percentage of federal agencies subject to oversight activities or compliance reviews change their employment practices based on the EEOC's recommendations.	**Performance Measure 5**: By FY 2022, a significant proportion of investigations, conciliations, hearings, and appeals meet established quality criteria. • **Sub-Measure 1a:** By FY 2022, 88% of charge investigations and conciliations meet criteria established in the Quality Enforcement Practices Plan. • **Sub-Measure 1b:** By FY 2022, 90% of federal sector hearings and appeals meet criteria established in the Federal Sector Quality Practices Plan.

Strategic Objective II, to prevent employment discrimination and promote inclusive workplaces through education and outreach, reflects the EEOC's obligation to deter employment discrimination before it occurs. Investigations, conciliations, and litigation are only some of the means that the EEOC uses to fulfill its mission and vision. Educational and outreach programs, projects, and events are also cost-effective law enforcement tools because they promote understanding of the law and voluntary compliance with the law. All parties benefit when the workplace is free from discrimination, and everyone has access to equal employment opportunity.

There are two outcome goals and three performance measures for Strategic Objective II.

Strategic Objective II: Prevent Employment Discrimination and Promote Inclusive Workplaces through Education and Outreach.	
Outcome Goal II.A: Members of the public understand the employment discrimination laws and know their rights and responsibilities under these laws.	**Outcome Goal II.B:** Employers, unions, and employment agencies (covered entities) prevent discrimination, effectively address EEO issues, and support more inclusive workplaces.
Performance Measure 6 for Outcome Goals II.A and II.B: By FY 2022, the EEOC modernizes and expands utilization of technology to ensure the public has greater access to information about their rights and responsibilities.	
Performance Measure 7 for Outcome Goal II.A and II.B: By FY 2022, the EEOC leverages collaborations with significant partner organizations to assist in breaking employment barriers.	
Performance Measure 8 for Outcome Goal II.A: By FY 2022, the EEOC updates existing guidance and training materials and creates new, user-friendly resource tools to address and prevent workplace discrimination.	

The Management Objective, achieving organizational excellence, seeks to improve management functions with a focus on information technology, infrastructure enhancement, and accountable financial stewardship. This requires integration and coordination across the agency to foster organizational excellence from both internal and external perspectives.

The Commission has developed two outcome goals and four performance measures for its Management Objective.

Management Objective: Achieve Organizational Excellence.	
Outcome Goal III.A: Staff exemplify a culture of excellence, respect, and accountability.	**Outcome Goal III.B:** Resource allocations align with priorities to strengthen outreach, education, enforcement, and service to the public.
Performance Measure 9 for Outcome Goal III.A: The EEOC's performance improves with respect to employee engagement and inclusiveness. **Performance Measure 10 for Outcome Goal III.A:** Feedback surveys and other mechanisms provide baseline measures of services provided to those with whom the EEOC interacts.	**Performance Measure 11 for Outcome Goal III.B:** Monitor yearly progress on modernization of charge/case management systems for program offices until completed in 2022. **Performance Measure 12 for Outcome Goal III.B:** The EEOC's budgetary resources for FY 2018–2022 align with the Strategic Plan.

The agency's progress on the strategic objectives, outcome goals, and related performance measures is discussed below.

VERIFICATION AND VALIDATION OF DATA

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

The EEOC systematically reviews the information collected in its databases for accuracy by using statistical software (e.g., SAS, PowerBI, etc.) and program reviews of a sample of records during field office technical assistance visits. Additionally, headquarters offices regularly conduct analyses to review the information collected in order to identify erroneous entries requiring correction to collection procedures.

The modernization of the agency's legacy Integrated Mission System (IMS) application to the new Agency Records Center (ARC) system continues to improve the collection and validation of information for our program data related to charge intake, investigation, mediation, conciliation, and FEPA functions — migrating away from manual activity-based data entry to automated event-driven recordation. During these modernization efforts, the EEOC has identified many areas in which we will be able to further improve and automate our current processes and related data integrity. Because several performance measures require data to assess our achievements, it is important that as the agency continues to refine the ARC system, the EEOC will be better able to obtain more reliable data more quickly. The EEOC's Office of Inspector General (OIG) continues to review the agency's data validity and verification procedures, information systems, and databases and offers recommendations for improvement. We use the OIG's information and recommendations to continually improve our systems and data.

PROGRAM EVALUATIONS

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

Independent program evaluations played an important role in formulating the strategic goals and objectives detailed in the EEOC's Strategic Plan and helped shape some of the program issues and key focus areas for improvement. They are an invaluable management tool to guide the agency's strategic efforts in attaining high levels of productivity and program efficiency, effectiveness, and accountability. Consistent with the agency's focus on improving the effectiveness of government through rigorous evaluation and evidence-based policy initiatives, the EEOC will continue to consider appropriate program areas for evaluation each year. This review will ensure that the agency's efforts align with the EEOC's budget and other programmatic priorities.

In fiscal year 2022, the agency continued its work on the following evaluation projects: The Interagency Agreement (IAA) between the EEOC and The Committee on National Statistics of the National Academies of Sciences, Engineering, and Medicine (National Academies) for a Panel to Evaluate the Quality and Utility of Compensation and Hours Worked

Data Collected from U.S. Employers by the EEOC through the EEO–1 Project; the Mediation Survey Modernization Project; and the EEOC's Data and Modernization Program.

IAA between the EEOC and the National Academies for a Panel to Evaluate the Quality and Utility of Compensation and Hours Worked Data Collected from U.S. Employers by the EEOC through the EEO–1 Project. In 2020, the EEOC contracted with the National Academies to evaluate the EEOC's historic, first-time collection of pay data from certain private employers and federal contractors between July 2019 and February 2020. On July 28, 2022, the National Academies issued an approximately 300–page Consensus Study Report, which concluded that the data EEOC collected may be used to prioritize investigations and the agency's allocation of resources to identify potential pay discrimination. The report also provided recommendations for improving the collection of pay data in the future. Many of the recommendations complement efforts already underway as part of the agency's ongoing modernization of its EEO data collections and data analytics. The EEOC is examining the report from the National Academies and will use it to inform the agency's approach should it decide to again undertake pay data collection in the future.

Mediation Survey Modernization Project. EEOC mediation participants are now able to share their feedback by completing a survey electronically, in English or Spanish. The project's benefits include fewer steps in the process of distributing the survey to participants, faster receipt of survey responses, reduced data entry, and elimination of postage. In fiscal year 2022, the project included EEOC mediators as well as mediation participants. The EEOC also increased its efforts to reach underserved communities by making the e-survey available in Haitian/Creole and Chinese (Simplified).

The EEOC's Data and Analytics Modernization Program. Beginning in fiscal year 2018 and continuing through fiscal year 2023, the goals of the modernization program are to: 1) enhance transparency of agency functions and operations; 2) reduce burden on our stakeholders; 3) augment agency use of modern data analytics to drive data-driven decision making; and 4) promote greater public access to the data.

STRATEGIC GOALS AND PERFORMANCE RESULTS SUMMARY

As discussed above, the EEOC's Strategic Plan established a national framework to achieve the agency's mission by pursuing three strategic objectives and their underlying goals. The Plan also identified strategies for achieving each outcome goal and identified 12 performance measures for gauging the EEOC's progress for fiscal year 2022. The chart below summarizes the agency's progress in meeting these measures.

EEOC FY 2022 Performance			
Measures	Targets Met or Exceeded	Targets Partially Met	Targets Not Met
12	10	2	0

In fiscal year 2022, the EEOC's ability to make progress on our strategic objectives depended on the agency effectively managing an increased demand for the agency's services while continuing to adapt to the evolving challenges presented by the COVID–19 pandemic. The agency received more charges of discrimination, as well as increased calls and emails from members of the public seeking the agency's assistance. During fiscal year 2022, the agency began returning employees to the physical offices while allowing for expanded telework in a new hybrid work environment. Through the strategic use of the agency's resources, the EEOC was able to effectively combat employment discrimination during fiscal year 2022.

PERFORMANCE RESULTS

The EEOC's mission to prevent and remedy employment discrimination guides its work to promote equal employment opportunity and enforce the nation's federal workplace anti-discrimination laws. As described below, in fiscal year 2022, the agency continued to expand its legacy of civil rights accomplishments.

1. Strengthening the Enforcement Capacity of the Agency

The EEOC has a critical role to play in addressing many of the urgent issues facing our nation — among them systemic discrimination (including harassment); racial and economic justice; unlawful retaliation; pay equity; diversity, equity, inclusion, and accessibility (DEIA); the use of automated technology systems, including artificial intelligence, in employment decisions; and the ongoing civil rights impact of the COVID–19 pandemic. The EEOC requires sufficient resources and tools to continue to protect the civil rights of America's workers, both now and far into the future. In fiscal year 2022, the agency prioritized ensuring that it had sufficient staff to address its expanding workload. During fiscal year 2022, the EEOC filled 352 positions and ended the year with 2,187 employees onboard. Notably, 297 of the positions filled during fiscal year 2022 were front-line positions (investigators, investigative support assistants, mediators, and attorneys, among other positions). As a result of this hiring effort, the EEOC was able to address critical service and morale issues by restoring staffing losses in key areas. These hires also better position the agency to effectively manage an increased demand for the agency's services and ensure timely and appropriate resolution of discrimination charges.

During fiscal year 2022, the EEOC successfully recruited, hired, and trained new contact representatives at the EEOC's Call Center for the public, which is operated by the Intake Information Group (IIG), to ensure that attrition did not result in a decrease in staffing at the IIG. In addition, in June 2022, the IIG launched its new, state-of-the-art Telephony Platform for the EEOC's 1–800 toll free telephone number. The new platform was designed to provide comparable services to those offered by high volume, private sector call centers. A critical part of the new platform is the updated Interactive Voice Response (IVR), which was implemented in both English and Spanish. The new IVR contains significantly more automated information most often sought by callers to the EEOC's 1–800 number and presents that information in a user-friendly manner. In addition, the new Telephony system offers other enhancements including the option to receive information via text messaging; IVR provided web access; and real-time customer satisfaction surveys. With the launch and enhancement of the new telephone platform during fiscal year 2022, the EEOC expects to move into fiscal year 2023 with a system that will greatly enhance the agency's ability to communicate with and provide accurate and timely information to stakeholders.

In fiscal year 2022, the EEOC also focused on strengthening the agency's ability to combat employment discrimination in the federal sector. These efforts allowed the agency to provide enhanced mission-critical services to federal employees and applicants. For example, in January 2022, the EEOC's Office of Federal Operations released a Guide to Writing Appeal Briefs for Unrepresented Complainants, intended to assist federal employees and applicants without legal representation who have appeals pending before the EEOC. Approximately three-quarters of all federal sector appeals on the merits involve self-represented federal employees or applicants and about half of them do not submit appeal briefs. Additionally, in the five-year period from fiscal year 2016 to fiscal year 2020, slightly over one-third of the federal sector appeals decisions that found that agencies had subjected complainants to discrimination involved self-represented employees or applicants. The new guide explains what content should be included in an appeal brief and how it should be organized. The guide also helps make the appeal process more accessible by providing an explanation of how to support or oppose an appeal, sample briefs that can be downloaded and used as templates, and a glossary for technical and legal terms.

By ensuring that federal sector agencies have a robust EEO program, the EEOC also strengthens its capacity to enforce equal employment opportunity laws in the federal sector. The EEOC's EEO Education Consortium (EDCON) is a key component in that effort by providing federal sector EEO practitioners an opportunity to develop their skills, network, share resources, and learn. In fiscal year 2022, EDCON introduced its first ever mentoring program, which is offered to all federal EEO professionals. Mentors are GS–14, GS–15 and SES federal employees who have committed their time to mentor the next generation of EEO leaders. EDCON staff also delivered webinars with cutting edge topics such as Building an Inclusive Workplace and Developing Impactful Training in a Virtual Environment. In fiscal year 2022, EDCON continued its successful efforts to dialogue with its membership via social media, as evidenced by the 64% increase in Twitter followers with an impressive 94% engagement rate.

2. Addressing Systemic Discrimination on all Bases

Effectively identifying and investigating systemic discrimination — where a discriminatory pattern, practice, or policy has a broad impact on an industry, company, or geographic area — is central to the mission of the EEOC. Systemic discrimination creates barriers to opportunity that can cause widespread harm to workers, workplaces, and the economy. Without effectively addressing systemic discrimination, the discriminatory patterns, practices, and policies persist, leading to more harm to individuals subject to such practices and potentially more individuals filing charges against their employers. A robust systemic program enables the EEOC to make change on a national, regional, or industry level, while helping substantial numbers of employees at once.

In fiscal year 2022, the EEOC continued to identify and remedy systemic discrimination in all forms and on all protected bases, including unlawful harassment. The EEOC has numerous tools to combat systemic discrimination and harassment, including outreach and education, technical assistance, and enforcement, and uses all of them to achieve change on a broad scale. As a result, the Commission's systemic enforcement program produced significant results during fiscal year 2022, including resolving 330 systemic investigations on the merits and obtaining $29.7 million in monetary benefits for victims of discrimination. These resolutions also included targeted, equitable relief designed to change employment practices, prevent future discrimination, and bring respondents into compliance with the law. In fiscal year 2022, the EEOC secured targeted equitable relief in 100% of successful systemic conciliations. Below are some notable examples of systemic investigations that were successfully conciliated in fiscal year 2022:

- A systemic investigation against a major U.S. employer after finding evidence of discriminatory denial of reasonable accommodations on the bases of disability and sex against pregnant employees. The EEOC resolved the matter for $8 million in relief, substantial changes to policies and practices, and reporting to the EEOC to ensure the employer remains in compliance with the law.

- A systemic investigation against a large major U.S. automobile manufacturer after determining the company's medical examination policy was overly broad, included prohibited medical inquiries and prohibited acquisition of genetic information, and was not job related or consistent with business necessity. The EEOC resolved the investigation for $400,000, a change in the medical examination policy affecting more than 50,000 employees, and a requirement that the employer inform its medical providers of their obligations under the law.

- The EEOC resolved a systemic investigation relating to a transnational human trafficking operation involving a United States employer's exploitation and abuse of more than 100 immigrant farmworkers from Mexico, Guatemala, and Honduras working in the United States. This investigation revealed that the employer brought individuals to the United States as migrant farmworkers under the H–2A visa program. Upon the workers' arrival to the United States, the employer confiscated their passports and refused to return the passports without payment. The EEOC found that the employer engaged in a pattern or practice of discriminating against its Mexican and female H–2A visa farmworkers. Additionally, the EEOC determined that the employer subjected several female workers to unwanted touching and propositions for sex. The EEOC obtained $42,500 in total monetary relief for the female workers, substantial changes to policies and practices, and training for the employer's management team.

When efforts to combat systemic discrimination through voluntary compliance fail, litigation may be necessary to remedy and prevent future discrimination. In fiscal year 2022, the EEOC resolved 10 systemic suits, obtaining a total of just over $28 million for nearly 1,300 individuals and significant equitable relief. As an example, in *EEOC v. American Freight Management Co., LLC*, No. 2:19-cv-00273 (N.D. Ala. Feb. 2, 2022), the EEOC alleged that since at least 2013, an operator of approximately 150 furniture stores refused to hire female applicants for sales and warehouse jobs nationwide because of sex. Labor market data showed statistically significant underrepresentation of women in sales and warehouse positions. Corporate officials told hiring managers not to hire women because they "complain and make trouble" and distract male employees. The 3–year consent decree provides $5 million to approximately 500 aggrieved individuals, priority hiring for women denied jobs due to the unlawful employment practices, hiring goals to increase the percentage of women hired to the level of defendant's applicant flow, and the appointment of a Title VII coordinator to ensure compliance with the decree.

The EEOC also filed 13 new systemic lawsuits in fiscal year 2022. The allegations in these lawsuits involved claims of failure to accommodate and discharge based on religion and disability; hiring and/or assignment claims based on race and/or national origin; hiring and/or assignment claims based on sex; hiring claims based on age; systemic harassment; and unequal pay based on sex.

3. Advancing Racial Justice

Over the past five fiscal years, approximately one-third of all charges filed with the agency have alleged some form of racial discrimination. As the primary federal agency that enforces laws against employment discrimination, the EEOC continued to play a key role in promoting racial justice and equity in the workplace during fiscal year 2022.

In fiscal year 2022, the EEOC successfully conciliated a systemic investigation after finding evidence of egregious racial harassment, which included racial epithets, graffiti, and nooses in the workplace, as well as disparate discipline, racial steering, and workplace segregation. The EEOC resolved the case for $1.8 million for the victims and injunctive relief to prevent the recurrence of race discrimination at this workplace. The EEOC also resolved a systemic investigation against 12 subcontractors in the construction industry who were accused of egregious racial harassment on one very large construction site. EEOC obtained $1.3 million in monetary relief for the 75 aggrieved individuals and extensive injunctive relief to prevent future harassment. Additionally, the EEOC successfully conciliated a race discrimination case in which a supervisor made racially inappropriate and disparaging comments to a Black employee. The case resolved for $300,000 for the charging party, and the company agreed to review and revise its non-discrimination policy, disseminate their annual employee survey, and provide diversity training to its workforce.

When efforts to combat racial discrimination through voluntary compliance fail, litigation may be necessary to remedy and prevent future discrimination. In fiscal year 2022, the EEOC resolved 18 lawsuits alleging race or national origin discrimination for nearly $4.6 million in monetary relief benefiting 298 individuals, including 4 systemic cases. As one example, in *EEOC v. Plains Pipeline, L.P., Plains All American GP, LLC, Plains Marketing, L.P., and Copperhead Pipeline and Construction, Inc.*, No. 7:2020-cv-00082 (W.D. Tex. Aug. 5, 2022), the EEOC alleged that four national companies that built and maintained gas pipelines in New Mexico and Texas subjected the six charging parties and other male employees to a hostile work environment based on race and national origin (Black, Hispanic, White, Native American, and bi-racial), sex (male), and to retaliation. A lead foreman/supervisor at their worksite repeatedly used the n-word, the terms "wetback," "sp*c," "redskin," "wagon burner," "white boy," and "cracker," and made sexually suggestive requests and comments. The supervisor also subjected individuals to physical abuse and threats of physical violence and unwanted sexual touching. Charging parties and others repeatedly complained about the harassment, but defendants did not remedy the situation. Defendants discharged individuals because of their complaints, because they refused to work with the foreman, and because of their association with the charging parties. Defendants also contacted prospective employers of some claimants and threatened to cease doing business with the entities if they hired the claimants. The EEOC obtained a 3–year consent decree in this case, which provides $1.75 million to the class of 16 individuals.

In fiscal year 2022, the agency also resolved *EEOC v. Chicago Meat Auth., Inc.*, No. 18-cv-1357 (N.D. Ill. Oct. 7, 2021). In this case, the EEOC alleged that, since at least 2012, a meat processor, packager, and shipper, failed to hire Black applicants because of their race, used recruitment and hiring practices that had a disparate impact on African Americans, and subjected Black employees to racial harassment. The suit also alleged that defendant terminated a Black employee because of his race and in retaliation for his complaints about race harassment. Analysis of defendant's hiring and employment data showed a statistically significant shortfall of Black employees in butcher, operative and labor positions where Hispanic workers were overrepresented. Defendant relied on word-of-mouth referrals and job advertisements on Spanish-language radio, which had a disparate impact on Black applicants. Black employees were subject to racial harassment, including use of the n-word, which defendant failed to correct despite having notice. The 3–year consent decree provides for $1.1 million to about 93 rejected Black applicants and employees subject to racial harassment and establishes hiring goals for African Americans for both general labor and skilled labor positions. The consent decree also provides monetary relief to the employee terminated in retaliation for his complaints. In fiscal year 2022, the EEOC also filed 2 new systemic cases involving failure to recruit, refer, and hire; one based solely on race and the other based on race and national origin.

Race also remains among the most alleged protected bases in federal sector discrimination complaints. During fiscal year 2022, the EEOC received approximately 1,427 hearing requests involving race as a basis of discrimination. During the same period, the EEOC's federal sector received 1,097 appeals that alleged discrimination based on race/Black. The EEOC's federal sector hearings and appeals programs remain committed to eradicating race discrimination and all other forms of employment discrimination.

During fiscal year 2022, through education and outreach, the EEOC continued to play a pivotal role in promoting racial justice and confronting systemic barriers in the workplace. For example, the EEOC conducted: 468 race and color outreach events reaching 52,675 attendees; 27 Tribal outreach events reaching 1,134 attendees; 279 Asian American and Pacific Islander outreach events reaching 12,213 attendees; 42 Historically Black Colleges and Universities (HBCU) outreach events reaching 1,741 attendees; and 73 outreach events focused on backlash due to race or religion reaching 10,303 attendees. The EEOC also partnered with advocacy groups to reach immigrant and farmworker communities, as well as communities where individuals are reluctant to come forward.

The EEOC also continued working with the White House Initiative on Asian Americans, Native Hawaiians, and Pacific Islanders (WHIAANHPI) Regional Network to coordinate interagency stakeholder events and listening sessions to promote equity and improve access to federal services for Asian Americans, Native Hawaiians, and Pacific Islanders. In fiscal year 2022, EEOC Regional Network participants partnered with WHIAANHPI to address safety, access to justice, and violence prevention for Asian American, Native Hawaiian, and Pacific Islander communities by preventing, addressing, and better tracking acts of hate and bias.

In fiscal year 2022, the EEOC-Fair Employment Practices Agencies (FEPA) and Tribal Employment Rights Office (TERO) Conferences included panel discussions on top issues that Native Americans and Alaska Natives face relative to employment, facilitated by a TERO Director and a distinguished panel of tribal members. In addition, the President and General Counsel of the Council for Tribal Employment Rights (CTER), an organization that represents the interests of tribes, presented at the TERO conference.

The EEOC also launched a Tribal Programs webpage on the agency's external website, which provides information on the agency's Tribal program, links to other pages on the website that assist users in locating information such as how to file a charge or locate a field office, and answers frequently asked questions about TEROs and their work with the EEOC.

In fiscal year 2022, the Training Institute conducted four workshops focused on advancing racial justice. One noteworthy 3–hour workshop — Second Chance Hiring & Racial Justice: Unlocking Opportunities — focused on hiring individuals with prior convictions. In addition, a presentation at the 25th Annual Examining Conflicts in Employment Laws (EXCEL) conference focused on combating anti-AAPI hate related to COVID–19.

The EEOC also continued to support Executive Order 13985, "Advancing Racial Equity and Support for Underserved Communities Through the Federal Government," by integrating the order into our partnership and outreach strategy. Through our state, local, tribal, federal, and advocacy group partnerships, we worked to advance equity in organizational policies and employment practices, and to reduce employment barriers for targeted underserved communities. Our district offices worked together hosting regional listening sessions and identified partnerships that allowed the agency to extend our reach into underserved communities. During these sessions, we increased awareness of fiscal year 2022 strategic partnership priorities, provided information, and shared upcoming virtual trainings.

In January 2022, the agency adopted an equity action plan, which focuses on systemic racial discrimination, advancing equity in the agency's activities, and improving outreach and access to underserved communities. The plan accomplishes this by: 1) improving worker access to the EEOC's charge filing process so that individuals in rural areas, with inflexible schedules or with limited digital resources can use EEOC services with greater ease, which will impact communities who are disproportionately Black, Hispanic and Native American; 2) engaging with a broad range of employers, researchers, and worker and civil rights organizations to support diversity, equity, inclusion and accessibility; 3) further developing the EEOC's data collection and analysis to support effective enforcement of EEO laws and to empower individuals to exercise their rights under those laws; and 4) continuing to improve access to the EEOC's resources for people whose primary language is not English or who have limited proficiency in reading or accessing digital resources.

4. Preventing and Remedying Retaliation

Retaliation continues to be a deeply entrenched problem in American workplaces. During fiscal year 2022, the EEOC continued its efforts under its joint initiative with the Department of Labor (DOL) and the National Labor Relations Board (NLRB) to raise awareness about retaliation issues when workers exercise their protected rights. As part of this initiative, the EEOC has been collaborating with DOL and NLRB to protect workers, educate the public and engage with employers, business organizations, labor organizations and civil rights groups. The agencies hosted an educational online dialogue entitled "Ending Retaliation, Securing Racial and Economic Justice in the Workplace" to discuss the impact of employer retaliation on workers, particularly low wage workers, who may also suffer racial discrimination in the workplace. Over 3,000 viewers tuned in to the program.

During fiscal year 2022, the EEOC successfully conciliated a systemic investigation against a world-wide automotive supplier after finding evidence of discrimination based on sexual harassment and retaliation. The investigation revealed that several temporary female employees were subjected to egregious sexual harassment, and employees who opposed the sexual harassment were removed from their work assignments in retaliation for the opposition. The EEOC resolved the matter for $100,000. The employer also agreed to conduct training for all hourly and temporary workers at the facility where the harassment occurred, expand their anti-harassment policies to expressly state that temporary workers are covered by the policy, and conduct four climate studies on sexual harassment at the facility across the life of the agreement. The results of the studies will be reported to the EEOC on a semi-annual basis and state if any additional remedial measures are needed.

When efforts to combat retaliation through voluntary compliance fail, litigation may be necessary to remedy and prevent future retaliation and ensure that employees are not dissuaded from exercising their federally protected rights. In fiscal year 2022, the EEOC resolved 26 lawsuits in which retaliation was a basis. As one example, in *EEOC v. Jivaro Professional Headhunters, LLC*, No. 1:20-cv-00461 (D. Idaho June 14, 2022), the EEOC alleged that an employment recruiting firm retaliated against a former senior technical recruiter because she filed a charge with the EEOC. The charging party was hired in April 2018 and discharged in October of that year while on medical leave. In February 2019, the charging party filed an EEOC charge alleging denial of a disability accommodation and discharge due to disability. In April 2019, defendant provided false and misleading information about the charging party to a prospective employer, resulting in the loss of a contingent job offer. In July 2019, the EEOC issued a letter of determination finding reasonable cause on the allegations in charging party's charge. On November 12, 2019, the recruiting firm filed a state court suit against the charging party alleging that by filing an EEOC charge, she had defamed the recruiting firm and breached a provision in her employment contract requiring that she bring discrimination claims immediately to the recruiting firm. The charging party filed a retaliation charge in December 2019, and after receiving the EEOC's cause determination on that charge in April 2020, the firm dismissed its lawsuit against her. The 5–year consent decree provides for $125,000, enjoins ADA retaliation, requires the removal of all references to the EEOC's suit from the charging party's personnel file, and prohibits the employer from disclosing information relating to the charge or suit in response to requests from prospective employers, and requires the firm to hire an independent ADA consultant, issue and implement antidiscrimination policies, and provide annual trainings. In fiscal year 2022, the EEOC also filed 34 lawsuits in which retaliation was a basis.

Enforcement, outreach, education, and training are essential tools that the EEOC uses to prevent and remedy retaliation. During fiscal year 2022, the EEOC conducted 384 retaliation outreach events reaching 57,439 attendees. The EEOC's State, Local, and Tribal Programs provided the agency's retaliation outreach brochure and other outreach materials to all of our TERO partners and CTER for broad dissemination to tribes nationwide. The Training Institute also conducted several workshops and customer specific trainings about preventing workplace retaliation and best practices. Additionally, retaliation is a key topic addressed in both the private sector and federal sector courses on Respectful Workplaces for employees and Leading for Respect for managers and supervisors.

5. Enforcing Pay Equity

Although it has been almost 60 years since the Equal Pay Act and Title VII of the Civil Rights Act of 1964 outlawed pay discrimination, significant and unjustified pay disparities persist. While not all pay disparities result from discrimination, discrimination in promotions as well as other discriminatory factors such as race and gender segregation in jobs and assignments contribute to the problem. As significant pay disparities continue to persist for women and, in particular, many women of color, Native American and indigenous women, immigrants, and women with disabilities, the EEOC focuses on compensation systems and practices that discriminate on any protected basis, including sex.

In fiscal year 2022, the agency continued its important role of enforcing the prohibitions against pay discrimination. For example, the EEOC collaborated with OFCCP in an Equal Pay Act directed charge involving a class of female employees alleging discrimination in wages. During the investigation, OFCCP and the EEOC worked together, shared information, and conducted joint interviews of potential class members. As a result of this joint enforcement effort, the agencies obtained significant monetary and injunctive relief for the class including a salary increase for women in certain job classifications totaling $365,000, and policy changes to hiring, promotion, and compensation practices.

When efforts to combat wage discrimination through voluntary compliance fail, litigation may be necessary to remedy and prevent future discrimination. In fiscal year 2022, the EEOC filed six cases involving compensation discrimination, five of which alleged that women were paid lower than their male counterparts and one of which alleged that a man was paid lower wages than his female counterparts and his female successor. The EEOC filed a systemic wage case in *EEOC v. Verona Area School District*, No. 3:22-cv-39 (W.D. Wisc. Feb. 8, 2022), in which the EEOC alleged that a school district violated the Equal Pay Act by paying female special education teachers lower wages than a male special education teacher performing substantially equal work and by paying a female school psychologist less than a male school psychologist performing substantially equal work.

The EEOC is equally committed to the enforcement of equal pay laws in federal sector employment. During fiscal year 2022, the EEOC received five requests for federal hearings and 154 federal appeals involving wage or compensation discrimination. The agency continues to monitor the filing of federal sector hearing requests and appeals associated with equal pay claims to identify potential systemic violations.

To ensure that workers understand their rights and that employers understand their responsibilities in this area, the EEOC conducted 192 pay equity events reaching 23,000 attendees in fiscal year 2022. The Training Institute also conducted three workshops addressing compliance with the Equal Pay Act and pay equity, and the EXCEL conference featured several sessions on pay equity. In fiscal year 2022, the EEOC also published an EEO Digest article entitled *In Pursuit of Pay: Examining Barriers to Equal Pay, Intersectional Discrimination Theory, and Recent Pay Equity Initiatives*.

6. Diversity, Equity, Inclusion and Accessibility

On June 25, 2021, President Biden issued Executive Order 14035, Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce (EO 14035), which provides that the federal government, as the nation's largest employer, will promote equal opportunity through diversity, equity, inclusion, and accessibility (DEIA) in the federal workforce. The Executive Order directs agencies to develop and implement a more comprehensive, integrated, and strategic focus on DEIA as key components of their strategies.

During fiscal year 2022, the EEOC played a vital role in assisting the White House with the implementation of EO 14035. The EEOC coordinated with the White House's Domestic Policy Council (DPC), the Office of Management and Budget (OMB), and the Office of Personnel Management (OPM), in furtherance of EO 14035, including helping agencies conduct self-assessments, assisting with the development of the Governmentwide Strategic Plan called for by EO 14035, which was released in November 2021, conducting government-wide outreach, collaborating on the development of government-wide resources for an OMB Max website, and hosting weekly office hours and learning sessions to assist in agencies' implementation of the EO.

Additionally, the EEOC collaborated with DPC, OMB, and OPM to meet with Cabinet agencies and evaluate their DEIA strategic plans. The EEOC also contributed to two White House efforts to improve federal demographic data collection by updating the collection of race and ethnicity data and creating categories for sexual orientation and gender identity data. This effort started in fiscal year 2022 and will continue through fiscal year 2023. The White House team recognized the EEOC's expertise in this area by inviting it to co-chair one of the four sub-groups for this effort. In September 2022, OPM, OMB, and EEOC jointly launched a new Chief Diversity Officers Executive Council to help implement and sustain a national strategy across the federal government. EEOC's Chair serves as one of two Council Vice Chairs.

The EEOC's own DEIA Strategic Plan, which was adopted in fiscal year 2022, lists the agency's proposed goals and a strategy to implement the agency's new DEIA program. The Plan is designed to achieve four overarching goals:

- **Workforce Diversity.** Recruit from a diverse, qualified group of potential applicants drawn from all segments of American society to secure and retain a high-performing workforce.
- **Employee Equity.** Create and ensure equal opportunity for all aspects of the employment life cycle.
- **Inclusive Practices.** Cultivate a culture that encourages collaboration, flexibility, and fairness to enable individuals to reach their full potential.
- **Accessibility.** Develop and maintain facilities, information and communication technology, programs, and services so that all EEOC employees can fully and independently use them to perform the essential functions of their work.

The creation, in fiscal year 2022, of the EEOC's Office for Civil Rights, Diversity, and Inclusion (OCRDI) lays the foundation for the agency's efforts to achieve these goals. The EEOC is committed to being an organization that seeks out and employs people with differing points of view, backgrounds, experiences, perspectives, and ideas. The creation of OCRDI demonstrates the agency's commitment to becoming an organization that understands the importance of cognitive and identity diversity and intentional inclusion in driving innovation, through which it accomplishes its mission.

During fiscal year 2022, the EEOC also served on the implementing committee for EO 13988: Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation and provided technical assistance to agencies in furtherance of the National Security Memorandum: Revitalizing America's Foreign Policy and National Security Workforce, Institutions, and Partnerships. Additionally, the EEOC provided consultation in support of EO 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, and EO 14075: Advancing Equality for Lesbian, Gay, Bisexual, Transgender, Queer, and Intersex Individuals.

The Training Institute's annual EXCEL Conference included sessions focused on DEIA with a record number of 874 attendees from the private and federal sectors. The opening joint plenary session with EEOC Chair Charlotte Burrows, Kiran Ahuja, Director, Office of Personnel Management (OPM), and Jenny Yang, Director, Office of Federal Contract Compliance Programs (OFCCP), discussed the Biden Administration's whole-of-government approach to equity and the future of work. They also highlighted the EEOC and OPM's efforts to promote diversity, equity, inclusion, and accessibility in America's workplaces. The conference featured presentations from DEIA experts across the country and included training sessions on various DEIA issues.

In January 2022, the EEOC and OFCCP launched the Hiring Initiative to Reimagine Equity (HIRE), a multi-year collaborative effort chaired by Chair Burrows and OFCCP Director Yang. HIRE has engaged a broad array of stakeholders to expand access to good jobs for workers from underrepresented communities and help address key hiring and recruiting challenges as our nation makes major investments in our infrastructure and recovery. Since its launch, HIRE has hosted four virtual public roundtables to highlight barriers and promising practices on a variety of topics, including promoting racial equity in hiring and recruitment, reimagining equity for workers with gaps in employment history, promoting skills-based hiring to advance equal employment opportunity in the workplace, and utilizing automated technology systems, including artificial intelligence, in employment.

7. Addressing the Use of Artificial Intelligence and Algorithmic Fairness in Employment Decisions

The EEOC recognizes that while artificial intelligence and other automated systems may offer new opportunities for employers, they also have the potential to discriminate. During fiscal year 2022, the EEOC built upon its Artificial Intelligence and Algorithmic Fairness Initiative to ensure that the use of software, including artificial intelligence (AI), machine learning, and other emerging technologies used in hiring and other employment decisions comply with the federal civil rights laws that the EEOC enforces.

In fiscal year 2022, some of the EEOC's accomplishment in this area included:

- Providing AI training to systemic enforcement teams in the EEOC's field offices;
- Issuing technical assistance, including The Americans With Disabilities Act and the Use of Software, Algorithms, and Artificial Intelligence to Assess Job Applicants and Employees, and a shorter companion document focused on the rights of workers — Tips for Workers: the Americans with Disabilities Act and the Use of Software, Algorithms, and Artificial Intelligence;
- Holding listening sessions and meetings with key stakeholders about algorithmic tools and their employment ramifications;
- Issuing an educational video in American Sign Language on the use of artificial intelligence in making job decisions for people with disabilities; and
- Hosting a virtual roundtable on the potential barriers automated technologies present to diversity, equity, inclusion, and accessibility.

In fiscal year 2022, the EEOC also filed one lawsuit with this new technology at the forefront. In *EEOC v. iTutor Group, Inc.; Tutor Group Limited; and Shanghai Ping' an Intelligent Education Technology Co., Ltd.*, No. 1:22-cv-2565 (E.D.N.Y. May 5, 2022), the EEOC alleged that providers of English-language tutoring services to students in China, programmed their software to automatically reject female applicants over the age of 55 and male applicants over the age of 65. The EEOC alleged that the defendants failed to hire the charging party and more than 200 other qualified tutor applicants age 55 and older because of their age.

To ensure small businesses, vulnerable workers, and underserved communities understand that the use of software, including AI, machine learning, and other emerging technologies used in hiring and other employment decisions must comply with EEO laws, the EEOC hosted 24 AI and algorithmic fairness outreach events reaching 1,192 attendees. The Training Institute also conducted two well-attended workshops to educate employers about the risks associated with AI in the workplace. Additionally, the EXCEL conference featured a session on Equitable Artificial Intelligence in the Workplace. Through the engagement of outside experts, State, Local, and Tribal Programs also held a panel discussion on the topic of Artificial Intelligence and Algorithmic Fairness at the 2022 EEOC-FEPA Conference.

LOOKING FORWARD

The EEOC will continue to embrace and leverage technology to improve our services and upgrade the agency's ability to deliver greater access to data, enhance transparency, and augment the use of modern analytics to drive decision making.

The EEOC will also continue to focus on efforts to modernize our digital systems to build upon our ability to prevent and remedy unlawful employment discrimination, as well as other technological enhancements necessary to improve the quality of services to the public.

In early 2020, the Technology Modernization Fund (TMF) Board provided the EEOC with an initial tranche of $2 million to modernize the legacy technology and data structure of our 22–year-old Integrated Mission System (IMS). For the last two years, the agency worked to define and build a modern solution to transform its private sector processes and the accompanying processes for its Fair Employment Practices Agency (FEPA) partners. This effort included evaluating, cleansing, and transforming more than 30 years of EEOC and FEPA data from legacy systems. In January 2022, the new ARC system went live for 145 EEOC and FEPA offices and more than 2,000 users. During its first nine months in operation, more than 163,000 inquiries were received in ARC and the field offices resolved nearly 52,000 charges using the new system. Having met the milestones outlined in the agreement with the TMF, the agency received its second, and final, tranche of TMF funding in mid–2022, supporting the remaining two domains that will be serviced by ARC — federal sector and litigation services.

During fiscal year 2022, the agency transitioned its data-communication services and cloud services from the legacy GSA Networx contract to its modernized Enterprise Infrastructure Solutions contract. This migration brought with it significant cost savings which are being reinvested into expanded Internet bandwidth and improved network security. In addition, the EEOC transitioned its telecommunications services to a unified communications platform, saving the agency approximately $1.2 million in operational costs annually.

In fiscal year 2023, the EEOC will focus on enhancing its intake process for stakeholders. We will convene an Intake Workgroup, comprised of staff from the Office of Field Programs, the Office of Information Technology, the Intake Information Group, and field staff. The workgroup will evaluate and identify strategies to increase efficiencies related to the agency's private sector intake and charge receipt process.

The EEOC will also continue to strengthen, strategically target, and develop outreach programs to engage with our many different audiences including underserved communities, advocacy groups, and small businesses. Education, training, and technical assistance are cost effective tools that promote understanding and voluntary compliance with EEO laws. One of the primary goals of outreach is to prevent employment discrimination before it occurs. The EEOC will continue to use a variety of methods, depending on the specific audience, to conduct outreach, education, and training.

FINANCIAL HIGHLIGHTS

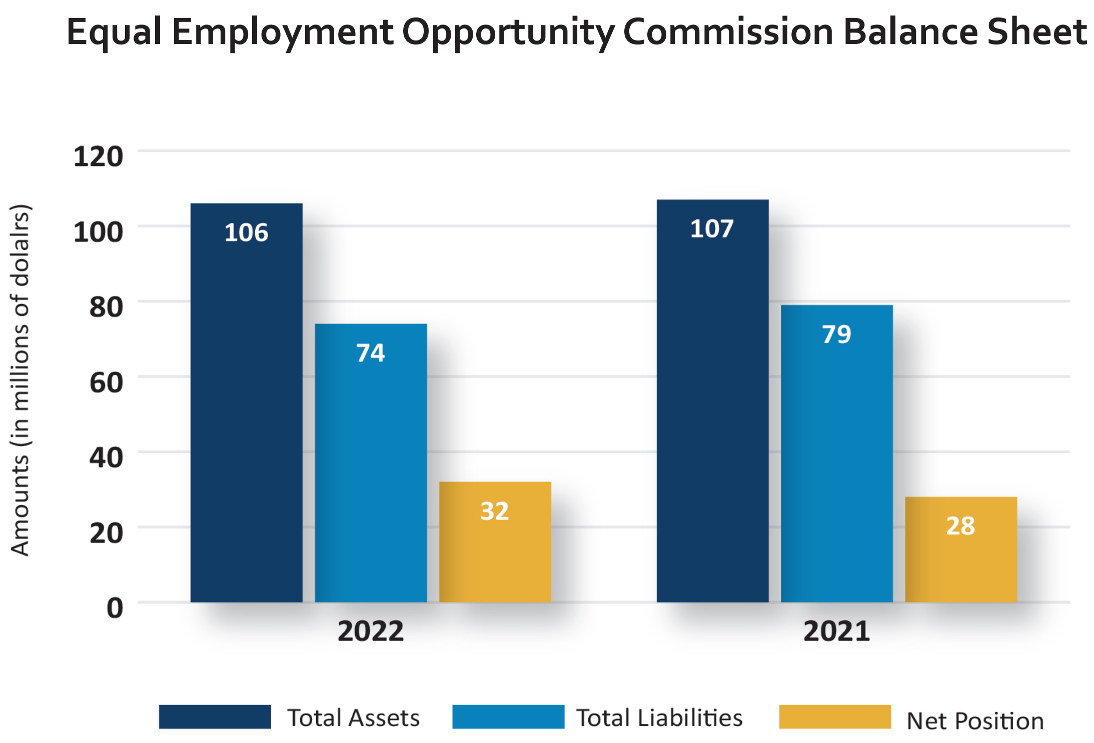
The OMB Circular Number A–136 Revised, dated June 3, 2022, was used as guidance for the preparation of the accompanying financial statements. The EEOC prepares four financial statements: Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements of Changes in Net Position, and the Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

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

The EEOC's balance sheets show total assets of $106 million at the end of fiscal year 2022 and $107 million at the end of fiscal year 2021.

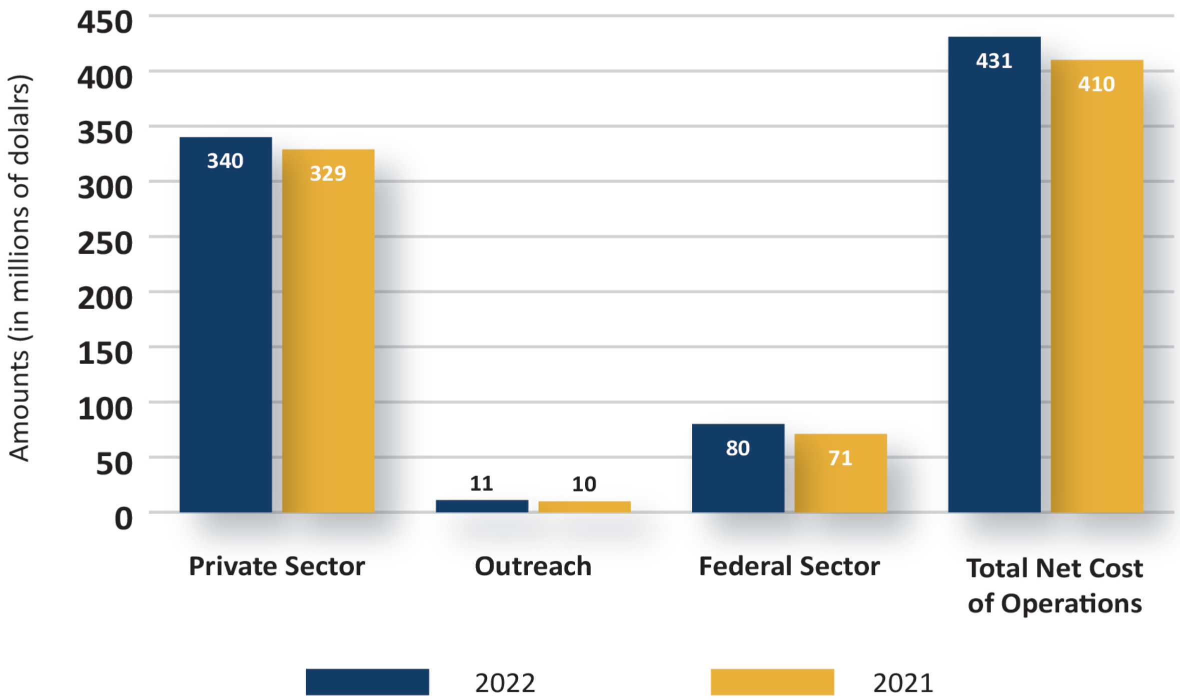
The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. The EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position show $32 million at the end of fiscal year 2022 and $28 million at the end of fiscal year 2021.



Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in fiscal year 2022, the EEOC's Consolidated Statements of Net Cost of Operations increased by $21 million.

Consolidated Statements of Net Cost of Operations by Major Programs



Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for fiscal year 2022 and fiscal year 2021 from the cost of operations, appropriations received and used and the financing of some costs by other government agencies. The Consolidated Statement of Changes in Net Position increased by $4 million for fiscal year 2022 when compared to fiscal year 2021.

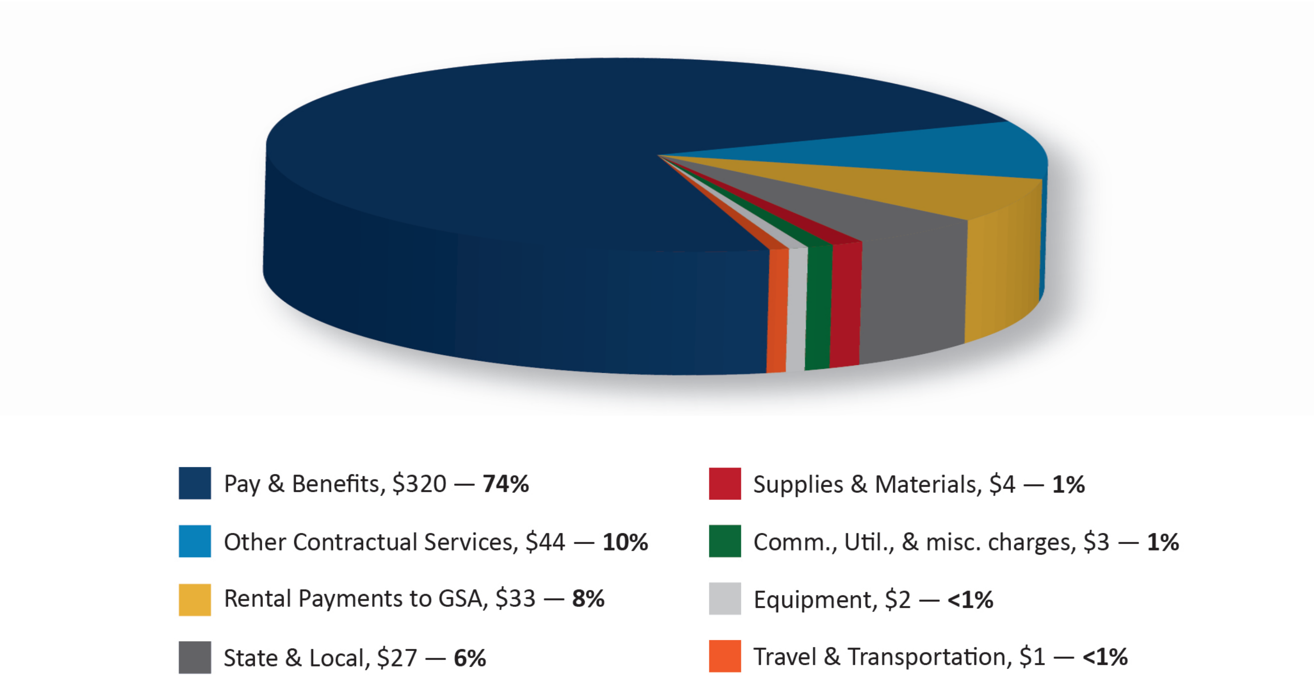
Combined Statements of Budgetary Resources

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 fiscal year 2022, the EEOC received $420 million in budget authority. The EEOC ended fiscal year 2022 with an increase of $27 million in total budgetary resources. Resources not available for new obligations at the end of the year totaled $10 million and $7 million in fiscal year 2022 and fiscal year 2021, respectively. The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

Use of Resources

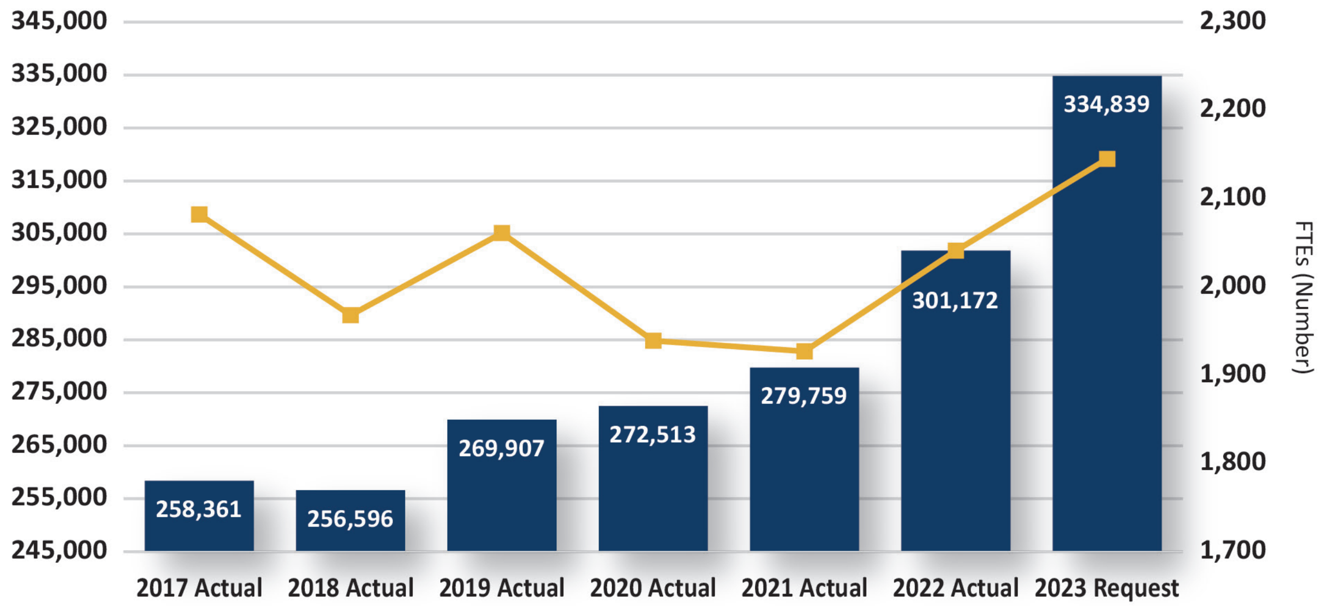
The pie chart displays the EEOC's fiscal year 2022 use of resources by major object class. The chart below shows costs actually incurred by the EEOC. It does not include costs incurred by others on behalf of the EEOC. The chart shows that Pay and Benefits, State & Local, Rent to GSA and Other Contractual Services consumed 98% of the EEOC's resources, and other expenses (e.g., communication, utilities & miscellaneous charges, travel & transportation, supplies & materials, etc.) consumed 2% of the EEOC's resources for fiscal year 2022.

FY 2022 by Major Object Class (in millions)



The dual axis chart below depicts the EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. The EEOC ended fiscal year 2022 with 2,041 FTEs, a net increase of 114, or 6%, above fiscal year 2021.

Compensation & Benefits (C&B) and FTEs for FY 2017 through FY 2023



		2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Request
	C&B	$258,361	$256,596	$269,907	$272,513	$279,759	$301,172	$334,839
	FTEs	2,082	1,968	2,061	1,939	1,927	2,041	2,145

Limitations of the Financial Statements

The principal financial statements are prepared to report the financial position, financial condition, and results of operations, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

MANAGEMENT ASSURANCES

The EEOC's internal controls and financial management systems were sound during fiscal year (FY) 2022. Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during FY 2022, its financial and internal controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). Controls systems were effective; agency resources were used in a manner that was consistent with the EEOC's mission and in compliance with applicable laws and regulations; and there was minimal potential for waste, fraud, and mismanagement of resources.

There were 12 financial non-conformances that were not fully corrected during the FY 2022. These financial non-conformances were identified in several audit reports prepared by the OIG or prepared for the OIG by Harper, Rains, Knight & Company: FY 2021 Annual Report on EEOC's Compliance with the Payment Integrity Information Act of 2019 (PIIA), (OIG Report No. 2022–001–AOIG0), July 11, 2022; Transmittal of Management Letter for Audit of the US EEOC's FY 2021 Financial Statements (OIG Report No. 2021–005–AOIG), January 19, 2022; Performance Audit Report on the EEOC Charge Card Program FYRs 2019 and 2020 (OIG Report No. 2020–004–AOIG), March 24, 2021; Audit of Equal Employment Opportunity Commission's Fiscal Year 2020 Financial Statements (OIG Report No. 2020–001–AOIG), November 12, 2020; Audit of Equal Employment Opportunity Commission's Fiscal Year 2019 Financial Statements (OIG Report No. 2019–002–AOIG), November 19, 2019; and Performance Audit Report on the EEOC Charge Card Program FYRs 2018 and 2017 (OIG Report No. 2018–007–AOIG), May 31, 2019. The agency will continue its work to resolve these matters during fiscal year 2023.

The EEOC's management is also responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. The EEOC conducted its assessment of the effectiveness of the agency's internal control over financial reporting in accordance with OMB Circular No. A–123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of this evaluation, the EEOC can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations as of September 30, 2022, was operating effectively, and no material weaknesses were found in the design or operation of the internal controls.

Charlotte A. Burrows

Chair
November 15, 2022

LEGAL COMPLIANCE

EEOC maintained controls for and compliance with the Anti-Deficiency Act, the Debt Collection Act of 1996, as amended, the Prompt Payment Act, Federal Information Security Modernization Act of 2014, Pay and Allowance System for Civilian Employees, the Government Charge Card Abuse Prevention Act of 2012, Federal Civil Penalties Inflation Adjustment Act of 1990, as amended, the Digital Accountability and Transparency Act of 2014 (DATA Act), and the Fraud Reduction and Data Analytics Act of 2015.

FINANCIAL SECTION

LETTER FROM THE INSPECTOR GENERAL TRANSMITTING AUDIT

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

Office of Inspector General

November 14, 2022

MEMORANDUM

TO: Charlotte A. Burrows
Chair

FROM: Joyce T. Willoughby, Esq. JT Willoughby
Acting Inspector General

SUBJECT: Audit of the U.S. Equal Employment Opportunity Commission's Fiscal Year 2022 Financial Statements (OIG Report No. 2022-002-AOIG)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight & Company, P.A. (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal years ended September 30, 2022 and 2021, and to report on EEOC's internal controls over financial reporting, and compliance with laws, regulations, contracts, and other matters. The contract required that HRK conduct the audit in accordance with U.S. generally accepted government auditing standards (GAGAS) contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) audit guidance, and U.S. Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency *Financial Audit Manual*.

In its audit of EEOC, HRK reported:

- EEOC's financial statements present fairly, in all material respects, EEOC's financial position as of September 30, 2022 and 2021, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended, in accordance with accounting principles generally accepted in the United States of America;

- they did not identify any deficiencies in internal control over financial reporting that they consider to be material weaknesses. However, material weaknesses may exist that have not been identified; and

- their tests for compliance with selected provisions of applicable laws, regulations, and contracts disclosed no instances of noncompliance for fiscal year 2022 that would be reportable under GAGAS or OMB Bulletin 22-01, *Audit Requirements for Federal Financial Statements*.

HRK is responsible for the opinion on the attached auditor's report dated November 10, 2022, and the conclusions expressed in the report. We do not express an opinion on EEOC's financial statements or conclusions on internal control over financial reporting or on compliance and other matters. EEOC management was given the opportunity to review the draft report and to provide comments.

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

Attachment

cc:
Cynthia Pierre
Chief Operating Officer

Brett Brenner
Acting Deputy Chief Operating Officer

Elisa Krobot
Chief Financial Officer

Kevin Richardson
Chief Human Capital Officer

Carlton Hadden
Director, Office of Federal Operations

Chris Haffer
Director, Office of Enterprise and Data Analytics

Bryan Burnett
Chief Information Officer

Delner Franklin-Thomas
Acting Director, Office of Field Programs

Jacinta Ma
Director, Office of Communications and Legislative Affairs

Gwendolyn Young Reams
Acting General Counsel

Donnie Landon
Audit Follow-Up Coordinator

Harper, Rains, Knight & Company

Independent Auditors' Report

Acting Inspector General
U.S. Equal Employment Opportunity Commission

Report on the Audit of the Financial Statements

Opinion

In accordance with the Accountability of Tax Dollars Act (ATDA), we have audited the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC). EEOC's financial statements comprise the consolidated balance sheets as of September 30, 2022, and 2021, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources for the fiscal years then ended, and the related notes to the financial statements.

In our opinion, EEOC's financial statements present fairly, in all material respects, EEOC's financial position as of September 30, 2022, and 2021, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 22-01 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EEOC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

EEOC's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; preparing and presenting other information included in documents containing the audited financial statements and auditors' report, and ensuring the consistency of that information with the audited financial statements and the RSI; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 22-01, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EEOC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America issued by the Federal Accounting Standards Advisory Board (FASAB) require that the information in the Management's Discussion and Analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB who considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on EEOC's financial statements. The information in the Message from the Chair and Other Information section contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to me materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control over Financial Reporting

In planning and performing our audit of EEOC's financial statements as of and for the year ended September 30, 2022, in accordance with government auditing standards generally accepted in the United States of America (GAGAS), we considered EEOC's internal control relevant to the financial statement audit as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EEOC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of EEOC's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

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

Our consideration of internal control over financial reporting was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of EEOC's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses. However, material weaknesses and significant deficiencies may exist that have not been identified.

Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Report on Internal Control over Financial Reporting (continued)

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

As part of obtaining reasonable assurance about whether EEOC's financial statements are free from material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, that have a direct effect on the determination of material amounts and disclosures in EEOC's financial statements, and to perform certain other limited procedures, but not for the purposes of expressing an opinion on EEOC's compliance with applicable laws, regulations, contracts, and grant agreements. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, contracts, and grant agreements applicable to EEOC. EEOC management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts, and grant agreements disclosed no instances of noncompliance for the year ended September 30, 2022, that would be reportable under *Government Auditing Standards* or OMB Bulletin No. 22-01. We caution that noncompliance may occur and not be detected by these tests.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Other Reporting Required by *Government Auditing Standards* is solely to describe the scope of our testing of internal control and compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on the effectiveness of EEOC's internal control or compliance. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and OMB Bulletin No. 22-01 in considering the entity's internal control and compliance. Accordingly, these reports are not suitable for any other purpose.

Harper, Rains, Knight & Company, P.A.
November 10, 2022
Washington, DC

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED BALANCE SHEETS

As of September 30, 2022 and 2021
(in dollars)

	2022	2021
ASSETS:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	$ 100,298,824	$ 103,066,772
Advances and Prepayments	10,000	-
Total Intragovernmental	**$ 100,308,824**	**$ 103,066,772**
With the Public:		
Accounts Receivable, Net (Note 3)	58,220	81,963
General Property, Plant, and Equipment, Net (Note 4)	5,756,802	4,073,548
Advances and Prepayments	-	8,131
Total with the Public	**$ 5,815,022**	**$ 4,163,642**
TOTAL ASSETS	**$ 106,123,846**	**$ 107,230,414**
LIABILITIES (Note 6):		
Intragovernmental		
Accounts Payable (Note 6)	1,008,487	724,277
Employer Payroll Taxes (Note 6)	1,367,933	3,556,098
Workers' Compensation Liability (Note 6)	1,574,923	1,579,021
Other Liability (Note 6)	4,000,000	2,000,000
Total Intragovernmental	**$ 7,951,343**	**$ 7,859,396**
With the Public:		
Accounts Payable (Note 6)	29,281,470	26,177,353
Future Workers' Compensation Liability (Note 6)	8,321,260	9,033,685
Accrued Payroll (Note 6)	5,666,375	12,491,811
Employer Payroll Taxes (Note 6)	185,092	490,537
Accrued Annual Leave (Note 6)	22,386,334	23,045,735
Deferred Revenue (Note 6)	38,000	19,000
Amounts Collected for Restitution (Note 6)	67,950	46,678
Total with the Public	**$ 65,946,481**	**$ 71,304,799**
TOTAL LIABILITIES	**$ 73,897,824**	**$ 79,164,195**

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS, CONTINUED

	2022	2021
NET POSITION:		
Funds from Dedicated Collections:		
Unexpended Appropriations	-	-
Cumulative Results of Operations (Note 11)	2,581,804	4,064,097
Total Net Position — Funds from Dedicated Collections	**$ 2,581,804**	**$ 4,064,097**
Funds other than those from Dedicated Collections		
Unexpended Appropriations — Other Funds	56,110,073	53,504,921
Cumulative Results of Operations — Other Funds	(26,465,855)	(29,502,799)
Total Net Position All other Funds	29,644,218	24,002,122
TOTAL NET POSITION	**$ 32,226,022**	**$ 28,066,219**
TOTAL LIABILITIES AND NET POSITION	**$ 106,123,846**	**$ 107,230,414**

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2022 and 2021

(in dollars)

		2022		2021
COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT				
Private Sector:				
Enforcement	$	190,136,694	$	186,992,060
Mediation		31,828,901		26,224,496
Litigation		76,865,758		72,592,446
Intake information		7,434,273		7,221,238
State and Local		33,583,122		35,934,784
Total Program Costs — Private Sector		**339,848,748**		**328,965,024**
Revenue		-		-
Net Cost — Private sector		**339,848,748**		**328,965,024**
Federal Sector:				
Hearings		43,148,305		39,146,712
Appeals		22,689,860		21,663,714
Mediation		284,857		380,065
Oversight		13,951,557		11,401,955
Total Program Cost — Federal Sector		**80,074,579**		**72,592,446**
Revenue		(18,100)		(1,040,484)
Net Cost — Federal Sector		**80,056,479**		**71,551,962**
Total Private, Federal Sector				
Program Costs		419,923,327		401,557,470
Revenue		(18,100)		(1,040,484)
Net Cost, Private, Federal Sector		**419,905,227**		**400,516,986**
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH				
Outreach				
Fee Based	$	3,785,389	$	3,626,908
Non-Fee Based		10,084,387		9,501,629
Total Program Cost — Outreach		**13,869,776**		**13,128,537**
Revenue		(2,303,096)		(3,531,038)
Net Cost Outreach		**11,566,680**		**9,597,499**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST, CONTINUED

	2022	2021
Total, All Programs		
Program Cost	433,793,103	414,686,007
Revenue (Note 8)	(2,321,196)	(4,571,522)
Net Cost of Operations	**$ 431,471,907**	**$ 410,114,485**

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2022 and 2021

(in dollars)

	2022		
	Consolidated Funds from Dedicated Collections (Note 11)	**All Other Funds**	**Consolidated Total**
Unexpended Appropriations:			
Beginning Balances	$ -	$ 53,505,053	$ 53,505,053
Beginning Balances, as Adjusted	-	53,505,053	53,505,053
Budgetary Financing Sources:			
Appropriations Received (Note 9)	-	420,000,000	420,000,000
Appropriations Used	-	(415,501,602)	(415,501,602)
Other Adjustments		(1,893,378)	(1,893,378)
Total Budgetary Financing Resources	-	2,605,020	2,605,020
Total Unexpended Appropriations	-	56,110,073	56,110,073
Cumulative Results of Operations:			
Beginning Balances	4,064,097	(29,502,931)	(25,438,834)
Beginning Balances, as Adjusted	4,064,097	(29,502,931)	(25,438,834)
Budgetary Financing Sources:			
Appropriations Used	-	415,501,602	415,501,602
Imputed Financing (Note 12)	-	17,525,088	17,525,088
Total Financing Sources	-	433,026,690	433,026,690
Net Cost of Operations	(1,482,293)	(429,989,614)	(431,471,907)
Net Change	(1,482,293)	3,037,076	1,554,783
Cumulative Results of Operations	2,581,804	(26,465,855)	(23,884,051)
Net Position	$ 2,581,804	$ 29,644,218	$ 32,226,022

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2022 and 2021

(in dollars)

	2021		
	Consolidated Funds from Dedicated Collections (Note 11)	**All Other Funds**	**Consolidated Total**
Unexpended Appropriations:			
Beginning Balances	$ -	$ 46,591,170	$ 46,591,170
Beginning Balances, as Adjusted	-	46,591,170	46,591,170
Budgetary Financing Sources:			
Appropriations Received (Note 9)	-	404,490,000	404,490,000
Appropriations Used	-	(395,691,505)	(395,691,505)
Other Adjustments		(1,884,744)	(1,884,744)
Total Budgetary Financing Resources	-	6,913,751	6,913,751
Total Unexpended Appropriations	-	53,504,921	53,504,921
Cumulative Results of Operations:			
Beginning Balances	4,159,967	(31,683,767)	(27,523,800)
Beginning Balances, as Adjusted	4,159,967	(31,683,767)	(27,523,800)
Budgetary Financing Sources:			
Appropriations Used	-	395,691,505	395,691,505
Imputed Financing (Note 12)	-	16,508,078	16,508,078
Total Financing Sources	-	412,199,583	412,199,583
Net Cost of Operations	(95,870)	(410,018,615)	(410,114,485)
Net Change	(95,870)	2,180,968	2,085,098
Cumulative Results of Operations	4,064,097	(29,502,799)	(25,438,702)
Net Position	$ 4,064,097	$ 24,002,122	$ 28,066,219

The accompanying notes are an integral part of these statements.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2022 and 2021

(in dollars)

	2022	2021
Budgetary resources		
Unobligated balance from prior year budget authority, net	$ 22,466,551	$ 10,792,329
Appropriations (discretionary and mandatory)	422,000,000	404,490,000
Spending authority from offsetting collections (discretionary and mandatory)	2,340,196	4,590,521
Total budgetary resources	$ 446,806,747	$ 419,872,850
Status of budgetary resources		
New obligations and upward adjustments (total) (Note 10)	$ 433,301,702	$ 408,365,850
Unobligated balance, end of year		
Apportioned, unexpired accounts	3,130,639	4,769,412
Unapportioned, unexpired accounts	26,000	-
Unexpired unobligated balance, end of year	3,156,639	4,769,412
Expired unobligated balance, end of year (Note 2)	10,348,406	6,737,588
Unobligated balance, end of year (total)	13,505,045	11,507,000
Total budgetary resources	$ 446,806,747	$ 419,872,850
Budget Authority and Outlays, Net:		
Outlays, net (total) (discretionary and mandatory)	$ 422,895,842	$ 390,978,193
Agency outlays, net (discretionary and mandatory)	$ 422,895,842	$ 390,978,193

The accompanying notes are an integral part of these statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended September 30, 2022 and September 30, 2021

(In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

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

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

The Commission enforces federal laws that prohibit employment discrimination based on race, color, religion, sex (including pregnancy, sexual orientation, and gender identity), national origin, disability, age (40 or older), and genetic information (such as family medical history). These laws cover federal agencies, most private employers, state and local governments (excluding elected or appointed officials of state and local governments), employment agencies, most labor organizations, or agencies which refer persons for employment, or which represent employees of employers covered by the laws, and joint labor-management apprenticeship programs of covered employers and labor organizations. The Commission carries out its mission through investigation, conciliation, litigation, coordination, regulation in the federal sector, and through education, policy research, and provision of technical assistance.

(b) Basis of Presentation

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

(c) Basis of Accounting

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

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

(d) Revenues, User Fees, and Financing Sources

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

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

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

(e) Assets and Liabilities

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

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

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

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

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

(g) Accounts Receivable

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

Intra-governmental accounts receivable represents amounts due from other federal agencies. Amounts due from federal agencies are considered fully collectible.

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

(h) Property, Plant, and Equipment

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

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

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

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

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

(i) Advances and Prepaid Expenses

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

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

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

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

(k) Retirement Benefits

EEOC employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99–335. Most employees hired after September 30, 1983 are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984 could elect to either join FERS and Social Security or remain in CSRS.

For employees under FERS, the EEOC contributes an amount equal to 1% of the employee's basic pay to the tax deferred thrift savings plan and matches employee contributions up to an additional 5% of pay. FERS and CSRS employees can contribute $20,500 of their gross earnings to the plan, for the calendar year 2022 and $19,500 in calendar year 2021. However, CSRS employees receive no matching agency contribution. There is also an additional $6,500 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2022 and $6,500 for the calendar years 2021.

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

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

(l) Workers' Compensation

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

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

(m) Contingent Liabilities

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

(n) Amounts Collected for Restitution

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

(o) Cost Allocations to Programs

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

(p) Unexpended Appropriations

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

(q) Income Taxes

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

(r) Use of Estimates

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

(2) Fund Balance with Treasury

The Department of the Treasury (Treasury) performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the EEOC to draw down funds from Treasury for expenses and liabilities.

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

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's fund balance presented on its balance sheet. For the periods ended September 30, 2022, and September 30, 2021, funds in the cancelling appropriation of $1,893,378 and $1,884,744 have been returned to Treasury. As of September 30, 2022, and September 30, 2021, miscellaneous receipts of $49,349 and $285,217 will be returned to Treasury (NOTE: The amounts for the closed accounts are only returned to Treasury at the end of the fiscal year as of September 30, 2022).

Note: Total Fund with Treasury will not equal Total Status of Fund Balance with Treasury until the 4th Qtr. This is due to anticipated reimbursement posted to budgetary accounts but not the cash.

The Status of Fund Balance with Treasury as of September 30, 2022, and September 30, 2021, consists of the following:

	FY 2022	FY 2021
Status of Funds		
Unobligated balance:		
Available	$ 3,156,639	$ 4,769,412
Unavailable	*10,348,406	*7,375,588
Obligated balance not yet disbursed	86,087,829	90,875,094
Non-budgetary Fund Balance with Treasury	67,950	46,678
Totals	**$ 99,660,824**	**$ 103,066,772**

*Note: Total Fund Balance with Treasury will not equal Total Status of Fund Balance with Treasury. This is due to sequestration of $638,000 for FY 2022 and FY 2021.

(3) Accounts Receivable, Net

Intragovernmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services.

Accounts receivable due to the EEOC from the public arise from payroll debts and Revolving Fund education, training and technical assistance provided to public and private entities or to state and local agencies. An analysis of accounts receivable is performed to determine collectability and an appropriate allowance for uncollectible receivables is recorded. Accounts receivable as of September 30, 2022, and September 30, 2021, are as follows:

	FY 2022	FY 2021
Intragovernmental:		
Accounts receivable	$ -	$ -
Totals	**$ -**	**$ -**
With the public:		
Accounts receivable	$ 117,138	$ 213,666
Allowance for uncollectible receivables	(58,918)	(131,703)
Totals	**$ 58,220**	**$ 81,963**

(4) Property, Plant and Equipment, Net

Property, plant, and equipment consist of that property which is used in operations and consumed over time. The following tables summarize cost and accumulated depreciation of property, plant, and equipment.

As of September 30, 2022	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 120,284	$ (120,284)	$ -
Capital leases	72,340	(72,340)	-
Internal use software	2,036,508	(2,036,508)	-
Leasehold improvements	11,240,209	(11,240,209)	-
Internal use software in development	5,756,802	-	5,756,802
Totals	**$ 19,226,143**	**$ (13,469,341)**	**$ 5,756,802**

As of September 30, 2021	Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 120,284	$ (120,284)	$ -
Capital leases	72,340	(72,340)	-
Internal use software	2,036,508	(2,036,508)	-
Leasehold improvements	11,240,209	(11,240,209)	-
Internal use software in development	4,073,548	-	4,073,548
Totals	**$ 17,542,889**	**$ (13,469,341)**	**$ 4,073,548**

(5) Non-Entity Assets

The EEOC has $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2022, and $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2021.

(6) Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts.

Liabilities not covered by budgetary resources as of September 30, 2022, and September 30, 2021, are shown in the following table:

	FY 2022	FY 2021
Intragovernmental:		
Workers' compensation liability	$ 1,574,923	$ 1,579,021
Total Intragovernmental	1,574,923	1,579,021
Accrued annual leave	22,386,334	23,045,735
Deferred revenue	38,000	19,000
Future worker's compensation liability	8,321,260	9,033,685
Total liabilities not covered by budgetary resources	32,320,517	33,677,441
Total liabilities covered by budgetary resources	41,509,357	45,440,076
Total liabilities not requiring budgetary resources	67,950	46,678
Total liabilities	**$ 73,897,824**	**$ 79,164,195**

Liabilities Analysis

Current and non-current liabilities as of September 30, 2022, are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental:			
Accounts payable	$ 1,008,487	$ -	$ 1,008,487
Employer payroll taxes	1,367,933		1,367,933
Other Liability	4,000,000	-	4,000,000
Total Intragovernmental	6,376,420	-	6,376,420
With the Public:			
Accounts payable	29,281,470		29,281,470
Accrued payroll	5,666,375	-	5,666,375
Employer payroll taxes	185,092	-	185,092
Liabilities covered by budgetary resources	$ 41,509,357	$ -	$ 41,509,357
Intragovernmental:			
Workers' compensation liability	1,574,923	-	1,574,923
Total Intragovernmental	1,574,923	-	1,574,923
Accrued annual leave	22,386,334	-	22,386,334
Deferred revenue	38,000	-	38,000

Current and non-current liabilities as of September 30, 2022, are shown in the following table (continued):

	Current	Non-Current	Totals
Future workers' compensation liability	-	8,321,260	8,321,260
Liabilities not covered by budgetary resources	23,999,257	8,321,260	32,320,517
Amounts collected for restitution	67,950	-	67,950
Liabilities not requiring budgetary resources	67,950	-	67,950
Total liabilities	**$ 65,576,564**	**$ 8,321,260**	**$ 73,897,824**

Current and non-current liabilities as of September 30, 2021, are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental:			
Accounts payable	$ 724,277	$ -	$ 724,277
Employer payroll taxes	3,556,098	-	3,556,098
Other	2,000,000	-	2,000,000
Total Intragovernmental	6,280,375	-	6,280,375
With the Public:			
Accounts payable	26,177,353		26,177,353
Accrued payroll	12,491,811	-	12,491,811
Employer payroll taxes	490,537	-	490,537
Liabilities covered by budgetary resources	$ 45,440,076	-	$ 45,440,076
Intragovernmental:			
Workers' compensation liability	1,579,021	-	1,579,021
Total Intragovernmental	1,579,021	-	1,579,021
Accrued annual leave	23,045,735	-	23,045,735
Deferred revenue	19,000	-	19,000
Future workers' compensation liability	-	9,033,685	9,033,685
Liabilities not covered by budgetary resources	24,643,756	9,033,685	33,677,441
Amounts collected for restitution	46,678	-	46,678
Liabilities not requiring budgetary resources	46,678	-	46,678
Total liabilities	**$ 70,130,510**	**$ 9,033,685**	**$ 79,164,195**

(7) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases as of September 30, 2022, and 2021 are $32,513,514 and $31,296,154 respectively. The EEOC does not have any noncancelable operating leases with terms longer than one year.

(8) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and State and local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The Commission also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the Commission as of September 30, 2022, and September 30, 2021, is as follows:

	FY 2022	FY 2021
Reimbursable revenue	$ 18,100	$ 1,040,484
Fees from services	2,303,096	3,531,038
Total Revenue	**$ 2,321,196**	**$ 4,571,522**

(9) Appropriations Received

Warrants received by the Commission as of September 30, 2022, and September 30, 2021, are:

	FY 2022	FY 2021
Warrants/Continuing Resolution received	**$ 420,000,000**	**$ 404,490,000**

The EEOC received no warrant reductions for FY 2022 and FY 2021.

(10) New Obligations and Upward Adjustments

Direct and Reimbursable new obligations, by apportionment category, incurred as of September 30, 2022, and September 30, 2021, are:

	FY 2022	FY 2021
Obligations		
Direct A	$ 396,813,372	$ 371,845,702
Direct B	32,868,422	31,817,522
Subtotal Direct Obligations	429,681,794	403,663,224
Reimbursable — Direct A	3,619,908	4,702,626
Total New Obligations and Upward Adjustments	**$ 433,301,702**	**$ 408,365,850**

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

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

	FY 2022	FY 2021
ASSETS		
Fund balance with Treasury	$ 2,631,575	$ 4,134,529
Accounts receivable (net of allowance)	-	-
Advances and prepaid expenses	-	2,279
TOTAL ASSETS	**$ 2,631,575**	**$ 4,136,808**
LIABILITIES		
Accounts payable	11,596	53,711
Disbursements in Transit	175	-
Deferred revenue	38,000	19,000
TOTAL LIABILITIES	**$ 49,771**	**$ 72,711**
NET POSITION		
Cumulative results of operations	2,581,804	4,064,097
TOTAL LIABILITIES AND NET POSITION	**$ 2,631,575**	**$ 4,136,808**
Statements of Net Cost		
Program Costs	3,785,389	3,626,908
Revenue	(2,303,096)	(3,531,038)
Net Cost (Revenue)	**$ 1,482,293**	**$ 95,870**

(12) Imputed Financing

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. Expenses of the EEOC paid or to be paid by other federal agencies on September 30, 2022, and September 30, 2021, consisted of:

	FY 2022	FY 2021
Judgment Fund	$ -	$ 12,268
Office of Personnel Management:		
Pension expenses	2,584,632	2,747,743
Federal employees health benefits (FEHB)	14,902,144	13,712,047
Federal employees group life insurance (FEGLI)	38,312	36,020
Total Imputed Financing	**$ 17,525,088**	**$ 16,508,078**

(13) Undelivered Orders at the End of the Period

The undelivered orders at the end of the period consists of the following:

	FY 2022	FY 2021
Unpaid:		
Federal	$ 15,049,256	$ 17,534,802
Non-Federal	33,529,216	29,900,216
Paid:		
Federal	$ 10,000	$ 1,228,767
Non-Federal	-	(1,220,636)
Totals	**$ 48,588,472**	**$ 47,443,149**

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

Information from the President's Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2021 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2022, since the President's Budget for this period has not been issued by Congress.

The differences between the President's 2021 budget and the Combined Statement of Budgetary Resources for 2021 are shown below:

FY 2021 (Dollars in millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting receipts	Net Outlays
Combined Statement of Budgetary Resources	$ 420	$ 408	-	$ 391
Revolving Fund Collections and Obligations	$ (4)	$ (4)	-	-
Carry-forwards and Recoveries	$ (11)	$ (1)	-	-
Rounding Differences	-	-	-	-
Budget of U.S. Government	$ 405	$ 403	-	$ 391

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

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

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

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

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

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

(g) Difference due to rounding by millions.

(15) Reconciliation of Net Cost to Net Outlays

The new reconciliation, referred to as the Budget and Accrual Reconciliation (BAR), requires a reconciliation of the net outlays on a budgetary basis and the net cost of operations during the period.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

BUDGET AND ACCRUAL RECONCILIATION

As of September 30, 2022 and 2021

(dollars)

	FY 2022		
	Intra-governmental	With the public	Total FY 2022
NET COST	$ 137,324,352	$ 294,147,555	$ 431,471,907
Components of Net Cost That Are Not Part of Net Outlays			
Other	-	2,342,654	2,342,654
Increase/(decrease) in assets:			
Accounts receivable	-	(23,742)	(23,742)
Other assets	-	1,869	1,869
Increase/(decrease) in liabilities:			
Accounts payable	(284,210)	(3,104,118)	(3,388,328)
Salaries and benefits	2,188,165	7,130,881	9,319,046
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	-	697,524	697,524
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(17,525,088)	-	(17,525,088)
Transfers out (in) without reimbursement	-	-	-
Other imputed financing	-	-	-
Total Components of Net Cost That Are Not Part of Net Outlays	**(15,621,133)**	**7,045,068**	**(8,576,065)**
Total Components of Net Outlays That Are Not Part of Net Cost	-	-	-
Other Temporary Timing Differences	-	-	-
NET OUTLAYS	$ 121,703,219	$ 301,192,623	$ 422,895,842

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

BUDGET AND ACCRUAL RECONCILIATION CONTINUED

As of September 30, 2022 and 2021
(dollars)

	FY 2021		
	Intra-governmental	With the public	Total FY 2021
NET COST	$ 127,955,734	$ 282,158,751	$ 410,114,485
Components of Net Cost That Are Not Part of Net Outlays			
Other	-	1,870,060	1,870,060
Increase/(decrease) in assets:			
Accounts receivable	-	10,696	10,696
Other assets	-	(1,701)	(1,701)
Increase/(decrease) in liabilities:			
Accounts payable	1,001	(2,297,338)	(2,296,337)
Salaries and benefits	(516,236)	(1,975,778)	(2,492,014)
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	-	281,081	281,081
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(16,508,078)	-	(16,508,078)
Transfers out (in) without reimbursement	-	-	-
Other imputed financing	-	-	-
Total Components of Net Cost That Are Not Part of Net Outlays	**(17,023,313)**	**(2,112,980)**	**(19,136,293)**
Total Components of Net Outlays That Are Not Part of Net Cost	-	-	-
Other Temporary Timing Differences	-	-	-
NET OUTLAYS	$ 110,932,421	$ 280,045,771	$ 390,978,192

OTHER INFORMATION

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

Office of
Inspector General

BACKGROUND

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is reporting what it has determined are the most serious management and performance challenges facing the U.S. Equal Employment Opportunity Commission (EEOC) for FY 2023. This annual statement provides our views on these challenges facing EEOC for inclusion in the EEOC's FY 2022 Annual Financial Report.

MANAGEMENT CHALLENGES

We believe the EEOC faces three challenges in FY 2023 in order to advance effectively in its mission to "prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace." The three challenges are: (1) Reentry; (2) Digital Mission-Critical Data System Modernization; and (3) Digital Records Management.

We determined that the areas of Digital Mission-Critical Data System Modernization and Digital Records Management, discussed in last year's Management Challenges, remain key challenges. In addition, while some of the COVID-19 hurdles from last year remain, "Reentry" captures the FY 2023 challenge.

Reentry

As EEOC leadership plans for and executes key activities in FY 2023, the Agency faces the difficult tasks of completing reentry to the workplace, while ensuring worker safety and reaching agreement with the employees' union. After operating in an almost entirely virtual environment since March 2020, when EEOC implemented maximum telework in response to the COVID-19 pandemic, EEOC reintroduced increased numbers of staff to its headquarters and field offices in calendar year 2022.

The March 2022 EEOC Reentry Plan describes how the Agency plans to execute a phased and safe reentry to the workplace. The three phases of reentry, as detailed in the plan, are: 1) employees will report to the office at least 1 day a week for the first month of reentry; 2) employees reporting to the office at least two days each week during the second month of reentry; and 3) beginning in the third month, EEOC reopening its offices to the public. The first two phases are complete. The provisions of the EEOC Reentry Plan expire on December 31, 2022.

The EEOC employees' union filed an unfair labor practice complaint against EEOC for failure to complete the agreement with the union regarding the reentry plan. EEOC is negotiating with the union regarding the impact and implementation of the plan. Prompt resolution of the reentry issue will help ensure effective mission accomplishment, as well as improving morale and mission-focus.

Digital Mission-Critical Data System Modernization

As mentioned in previous OIG management challenges, data modernization of the Agency's mission-critical case management system is vitally important. Data modernization is the process of moving siloed data from legacy databases to modern cloud-based databases. This type of modernization allows organizations to be agile, leading to elimination of inefficiencies, bottlenecks, and unnecessary complexities surrounding legacy systems. Data modernization also provides effective, streamlined solutions to improve data analytics, business intelligence, and decision-making processes throughout an organization. Successful, thriving entities are those that embrace change and are both agile and mobile.

The Agency's decision to replace its legacy case management system, the Integrated Mission System (IMS) was a move in the right direction regarding data modernization. This was an important technological move, because, according to an OIG contractor opinion, "As an organization, EEOC's culture overall is reluctant to embrace modern technologies…".

The Agency's replacement for IMS, now branded as the Agency Records Center (ARC), was deployed early in calendar year 2022 to 145 EEOC and FEPA offices, replacing IMS. According to the Office of Information Technology senior management, IMS cannot be fully decommissioned until the Litigation and Federal solutions are deployed.

Currently, OIT is working with the Office of General Counsel to design, develop, and deploy its ARC solution. This process will be repeated with the Office of Federal Operations, as the Federal Sector Hearings and Appeals solution is slated for development and release in FY 2023.

For the Agency to further improve in its data modernization processes (to include the successful implementation of ARC and its four mission-critical domains), EEOC senior management must continue to support OIT's efforts regarding ARC's development and full implementation. OIT should also continue to explore other innovative approaches regarding data modernization to further reengineer the Agency's business strategies and solutions to better address changing internal and external stakeholder needs.

Digital Records Management

Federal guidance requires that all Federal records are created, retained, and managed in electronic formats, with appropriate metadata. For the past two years, the Agency has struggled with its efforts to transition to electronic records and develop internal guidance for records management. In FY 2021, the Agency's records management program was not staffed. As a result, the Senior Agency Officials for Records Management Annual Report and Federal Electronic Records and Email Management reports were not submitted to the National Archives and Records Administration, as required.

Within the last year, the Legal Counsel assigned a senior executive service official to provide oversight of the records management program and serve as the Senior Agency Official.[1] OLC also hired an experienced Records and Information Management Specialist to provide leadership and manage the day to day records management activities. According to OLC senior officials, there are plans to hire additional staff for the program.

To date, the records management program has developed some records management guidance and setup records schedules for existing paper records.[2] Records schedules for digital records have not been established. OLC is currently conducting an Agency-wide records inventory to identify the types of records in each office and establish liaisons for records management. While some progress has been made, more work is needed to fulfill the Federal records management requirements. EEOC senior management needs to ensure they continue to support and provide the necessary resources so that OLC can further its efforts in developing a robust records management program that includes Agency-wide training regarding records management policy and procedures. Also, OLC needs to coordinate its efforts with the OIT to ensure that the Agency develops and implements a strategic approach regarding digital records management.

Respectfully, submitted:

JT Willoughby

Joyce T. Willoughby, Esq
Acting Inspector General

[1] Senior Agency Officials for Records Management (SAORMs) act on behalf of the agency head to ensure the agency efficiently and appropriately complies with all applicable records management statutes, regulations, NARA policy, and OMB policy. (Senior Agency Officials for Records Management List | National Archives)
[2] Records schedules describe the types of organizational records, how long to retain records, and instruction on the disposition of records.

3

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Lack of Sufficient Control over Financial Management	0	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Financial Reporting	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Operations	0	0	0	0	0	0

Conformance with Federal Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Federal Systems conform, except for instances of non-conformance					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Lack of Sufficient Control over Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)		
	Agency	**Auditor**
1. Federal Financial Management System Requirements	N/A	N/A
2. Applicable Federal Accounting Standards	N/A	N/A
3. USSGL at Transaction Level	N/A	N/A

PAYMENT INTEGRITY

Payment Integrity means ensuring payments made to people on behalf of the government are managed correctly to minimize the likelihood of errors.

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), requires agencies to review all programs and activities and identify those which may be susceptible to significant erroneous payments. For all programs and activities in 2022 which the risk of improper payments is significant, agencies are required to estimate the annual amount of improper payments in the susceptible programs and activities. OMB requires agencies to report the results of their improper payment activities. The IPERIA also requires conducting payment recapture audits.

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

OMB Memorandum M–18–20 prescribes guidance for agencies to use in implementing IPERA. OMB guidance defines "significant improper payments," for fiscal year 2022 reporting, as those in any particular program or activity that exceed both 1.5% of program outlays and $10 million of all program or activity payments made during the fiscal year ($100 million regardless of the improper payment percentage of total program outlay). In addition, the OMB guidance addresses implementing payment recapture audits, for programs and activities that expend $1 million or more annually, provided it is cost-effective to do so. In accordance with the OMB guidance, the EEOC reviewed its programs and activities and determined that none of the agency's programs or activities was susceptible to making significant improper payments and that the implementation of a payment recapture audit would not be cost-effective. The EEOC has provided information to fulfill reporting requirements under the Payment Integrity Information Act of 2019 (Pub. L. No. 116–117) (PIIA) to OMB. Comprehensive agency improper payment data and information can be found on PaymentAccuracy.gov.

The EEOC is cross-serviced by the Department of Interior, Interior Business Center (DOI/IBC) for accounting system support and accounts payable processing. As a result, the implementation of the Do Not Pay initiative is a joint responsibility between the EEOC and IBC. Prior to making a new contract award, the EEOC checks the System for Award Management (SAM) and the Excluded Parties List System (EPLS) for a match. If there is no match, the EEOC submits a new vendor request to IBC. The IBC Vendor Maintenance Team verifies EEOC's entire new employee and Non-Federal Vendor requests against the Department of Treasury's Do Not Pay (DNP) database using the DNP portal on-line search capability. If the IBC Vendor Maintenance Team finds a positive match, they notify the EEOC. The EEOC reviews the match, determines if the payment is proper, and reports the result.

Based on the results of fiscal year 2022 transaction testing applied to a sample of payments, consideration of risk factors, and reliance on the internal controls in place over the payment process, the EEOC determined that none of its programs and activities are susceptible to significant improper payments at or above the threshold levels set by OMB.

The EEOC will conduct another review in fiscal year 2023 of its programs and activities to determine whether the programs have experienced any unexpected changes. If so, the EEOC will assess programs risk susceptibility and make a statistically valid estimate of improper payments for any programs determined to be susceptible to significant erroneous payments.

RECAPTURE OF IMPROPER PAYMENTS

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

The EEOC has determined that implementing a payment recapture audit program for vendor payments is not cost-effective. That is, the benefits or recaptured amounts associated with implementing and overseeing the program do not exceed the costs, including staff time and resources, or payments to a contractor for implementation, of a payment recapture audit program. In making this determination, the EEOC considered its low improper payment rate based on testing conducted in fiscal year 2022. The EEOC also considered whether sophisticated software and other cost-efficient matching techniques could be used to identify significant overpayments at a low cost per overpayment, or if labor intensive manual reviews of paper documentation would be required. In addition, the EEOC considered the availability of tools to efficiently perform the payment recapture audit and minimize payment recapture audit costs and determined such tools to be not cost effective.

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

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

FRAUD REDUCTION REPORT

The agency made efforts to comply with the Fraud Reduction and Data Analytics Act of 2015 in fiscal year 2022.

In fiscal year 2022, EEOC reviewed internal controls to ensure the integrity of its programs, operations, and business and financial systems. This effort increased focus on risk management. The agency conducted a risk assessment to identify risks and fraud vulnerabilities. The agency followed a risk-based approach in assessing agency risks and developed controls to mitigate those risks. The assessment includes the identification of risk; determining the likelihood and impact of the risk; developing risk mitigation strategies; and communicating the risk information to related offices. Through adequate risk management, the agency concentrated its efforts towards key points of failure to reduce or eliminate the potential for disruptive events. The agency also assessed the agency's internal controls environment to ensure reasonable assurance that the objectives of the agency will be achieved.

This risk management process provides a logical and systematic method for establishing the context for risks, as well as identifying, analyzing, evaluating, responding to, monitoring, and communicating them in a way that will allow EEOC to make decisions and respond to risks and opportunities as they arise. This approach promotes comparability and a shared understanding of information and analysis in the decision process and facilitates a better risk management structure and risk-informed decision making.

The EEOC continues its proactive approach to addressing fraud risk. Fraud risk was addressed in the development of the annual assurance statement. The internal control review addressed the 5 Components and 17 Principles of Internal Control. Program reviews are conducted annually.

The financial and administrative controls are listed below:

Functional Area	Supervisory Review	Risk Assessment
Travel	Day to day controls established and maintained by management to ensure travel system integrity and compliance with Federal Travel Regulations.	Non-compliance with the Federal Regulations.
Contracts and Simplified Acquisition (Purchase Card Program)	Purchase orders and competitive contracts authorized by Headquarters Contracting Officer. Contracting Officer approves procurement authorization for purchase card holders.	Employees assigned as approving officials are not authorized.
Disbursements, Receivable, General Ledger, Payables and Debt Collections, Payroll Processing.	Financial reports are consistently reviewed and analyzed.	Amount recorded in the general ledger are not accurate and valid.
Records, Space, Property, Vehicle, Printing and Mail Management	Requests are required to be reviewed and authorized.	Requests not properly authorized.

Financial and administrative controls were implemented to ensure alignment to meet these goals. EEOC strategies for developing an Enterprise Risk Management (ERM) capability provide a structured, disciplined, and consistent approach to risk management that facilitates risk-informed decision making throughout the organization. ERM provides the EEOC with a means to align strategy, processes, people, technology, and knowledge for the purpose of evaluating and managing uncertainties in executing our unique mission. A consistent approach to risk management across the organization is essential for EEOC leaders to identify and prioritize strategic risks and to prioritize competing requirements in a very restricted funding environment. ERM enables the EEOC to more effectively manage enterprise level risks, and it enables agency leaders to consider the trade-offs between risks, associated costs, and value creation across the organization.

The EEOC's ERM handbook explains the ERM process, provides actionable steps necessary for a mature and successful ERM program, and provides a path to achieve mature and sustainable ERM activities and processes over time. By consistent use of ERM across the organization, EEOC will be positioned to identify and assess risks within the current environment through a systematic process which evaluates the impact of risk on EEOC's ability to more actively achieve its mission and objectives within the limited resources available.

CIVIL MONETARY PENALTY ADJUSTMENT FOR INFLATION

On February 23, 2022, the Commission, in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, published a final rule in the *Federal Register* to adjust for inflation the civil monetary penalty for violation of the requirement that every employer, employment agency, labor organization, and joint-labor management committee controlling an apprenticeship or other training program post notices describing the pertinent nondiscrimination provisions of Title VII of the Civil Rights Act, the ADA, and GINA.

Statutory Authority	Penalty	Year Enacted	Latest Year of Adjustment	Current Penalty Level	Sub-Agency/ Bureau/ /Unit	Locations for Penalty Update Details
Sections 711(a) & (b) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000e-10(a) & (b); 29 C.F.R. §§ 1601.30(a) & (b)	Willful Violation	1964	2022	$612	N/A	*87 Federal Register* 10073 (Feb. 23, 2022)

APPENDICES

APPENDIX A: ORGANIZATION AND LAWS ENFORCED

When the EEOC first opened its doors in 1965, it was charged with enforcing the employment provisions in Title VII of the landmark Civil Rights Act of 1964. The EEOC's jurisdiction over employment discrimination 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 (including pregnancy, gender identity, and sexual orientation), and national origin.
- **Pregnancy Discrimination Act of 1978**, 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 female employees affected by pregnancy, childbirth, or related medical conditions the same as other employees who are similar in their ability or inability to work, with respect to terms and conditions of employment, including leave and 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. The ADEA also prohibits the termination of pension contributions and accruals on account of age and governs early retirement incentive plans and other aspects of benefits planning and integration for older workers.
- **Title I and Title V of the Americans with Disabilities Act of 1990, as amended by the Americans with Disabilities Act Amendments Act of 2008**, which prohibits employment discrimination by private sector respondents and state and local governments against qualified individuals on the basis of disability.
- **Section 501 of the Rehabilitation Act of 1973**, which prohibits employment discrimination on the basis of disability in the federal government.
- **Title II of the Genetic Information Nondiscrimination Act of 2008**, which prohibits employment discrimination on the basis of an applicant's or employee's genetic information (including family medical history), generally prohibits acquisition of genetic information from applicants and employees and requires covered entities to keep such information confidential, with limited exceptions.
- **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 (OFP), the Office of General Counsel, and 53 field offices, ensure that EEOC effectively enforces the statutory, regulatory, policy, and program responsibilities of the agency through a variety of resolution methods tailored to each charge. Staff are responsible for achieving a wide range of objectives, which focus on the quality, timeliness, and appropriateness of individual, multiple victim, and systemic charges and for securing relief for victims of discrimination in accordance with Commission policies. The responsibility for conducting hearings of federal sector complaints also is performed in field offices under the oversight of the OFP. 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.

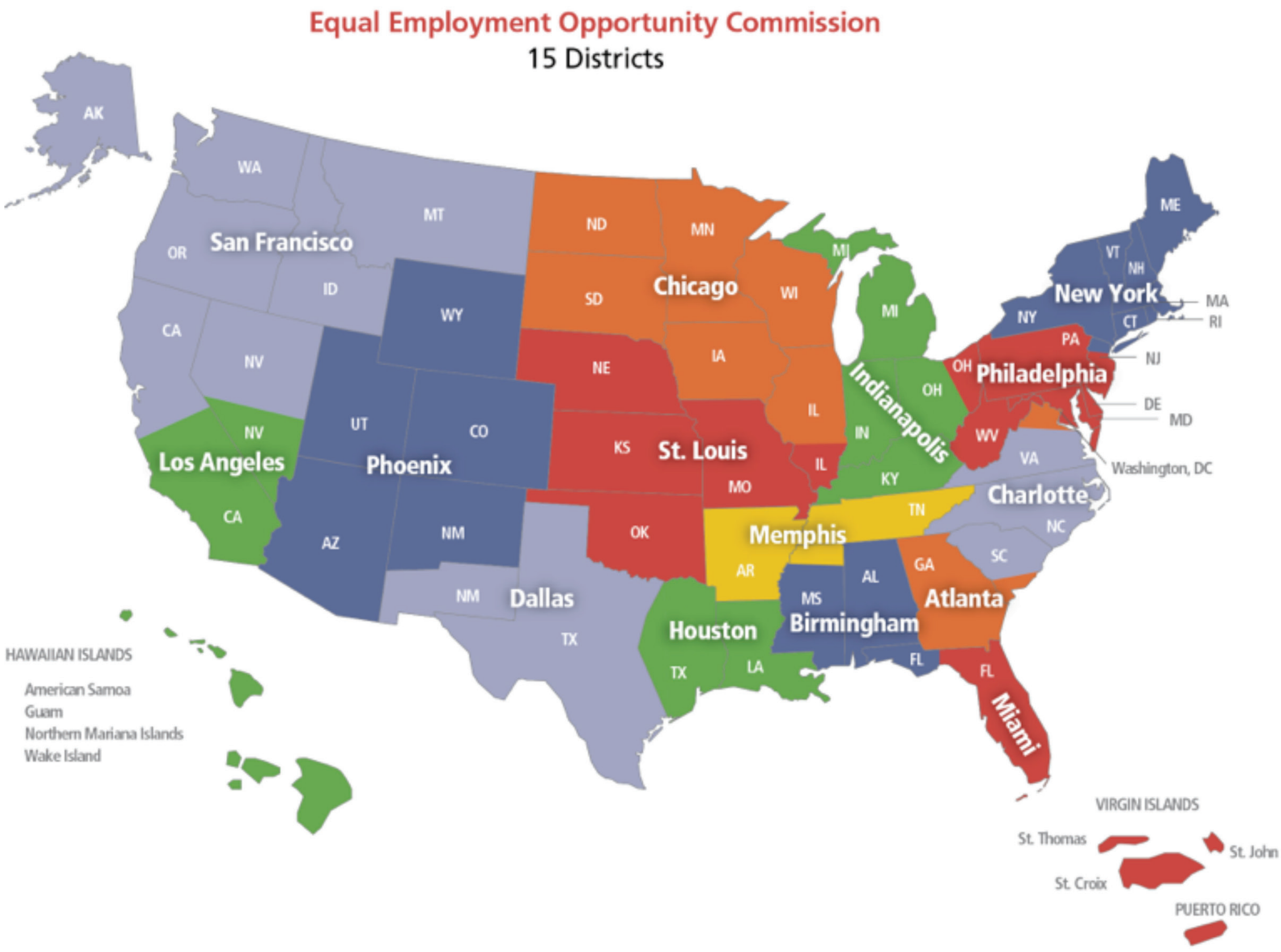
Additionally, through the OFP's State, Local, and Tribal Program, the EEOC maintains work sharing agreements and a contract services program with 91 state and local FEPAs for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. The EEOC partners with more than 62 Tribal Employment Rights Offices (TEROs) to promote equal employment opportunity on or near American Indian reservations.

The Office of Legal Counsel (OLC) serves as counsel to the Chair, developing policy guidance, providing technical assistance to employers and employees, and coordinating with other agencies and stakeholders regarding the statutes and regulations enforced by the EEOC. The Office of Legal Counsel also fulfills in-house counsel functions by conducting or coordinating defensive litigation on behalf of the Chair and the Commission and advising agency officials on administrative issues such as contracts, disclosures, ethics, fiscal law, and recordkeeping matters. OLC houses the agency's FOIA Division and its Records Management Division.

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

The EEOC receives a congressional appropriation to fund the necessary expenses of enforcing civil rights legislation, as well as prevention, outreach, and coordination of activities within the private and public sectors. In addition, 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. See Appendix F for a full description of these programs.

APPENDIX B: EEOC FIELD OFFICES



For a full list of EEOC offices and a zip-code based office locator, please see: https://www.eeoc.gov/field/index.cfm

APPENDIX C: BIOGRAPHIES OF THE CHAIR, VICE CHAIR, AND COMMISSIONERS

Charlotte A. Burrows, Chair

Charlotte A. Burrows was designated by President Biden as Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on January 20, 2021. Chair Burrows was initially nominated to serve as a Commissioner of the EEOC in 2014 and then re-nominated in 2019. By unanimous vote, the U.S. Senate confirmed her to a second term ending July 1, 2023.

For more information about Chair Burrows, please see: www.eeoc.gov/charlotte-burrows-chair.

Jocelyn Samuels, Vice Chair

Jocelyn Samuels was designated by President Biden as Vice Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on January 20, 2021. Vice Chair Samuels was initially nominated to serve as a Commissioner of the EEOC in 2020 and then re-nominated in 2021. The U.S. Senate confirmed her to a second term ending July 1, 2026.

For more information about Vice Chair Samuels, please see: https://www.eeoc.gov/jocelyn-samuels-vice-chair.

Janet Dhillon, Commissioner

Janet Dhillon was nominated in 2017 to serve as a Commissioner at the U.S. Equal Employment Opportunity Commission (EEOC) and confirmed in 2019 for a term ending on July 1, 2022. Dhillon was Chair of the EEOC from May 15, 2019 through January 20, 2021.

For more information about Commissioner Dhillon, please see: www.eeoc.gov/eeoc/dhillon.cfm.

Keith E. Sonderling, Commissioner

Keith E. Sonderling was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2019 and was confirmed on September 22, 2020, for a term expiring July 1, 2024. Sonderling previously served as the EEOC's Vice Chair.

For more information about Commissioner Sonderling, please see: https://www.eeoc.gov/keith-e-sonderling-commissioner.

Andrea R. Lucas, Commissioner

Andrea R. Lucas was nominated to serve as Commissioner of the U.S. Equal Employment Opportunity Commission in 2020 and was confirmed by the U.S. Senate on September 22, 2020, for a term expiring July 1, 2025.

For more information about Commissioner Lucas, please see: https://www.eeoc.gov/andrea-r-lucas-commissioner.

APPENDIX D: GLOSSARY OF ACRONYMS

ADA Americans with Disabilities Act of 1990

ADEA Age Discrimination in Employment Act of 1967

ADR Alternative Dispute Resolution

APP Annual Performance Plan

ARC Agency Records Center

CFO Chief Financial Officer

CHCO Chief Human Capital Officer

CTER Council for Tribal Employment Rights

DEIA Diversity, Equity, Inclusion, and Accessibility

DOL, OFCCP U.S. Department of Labor, Office of Contractor Compliance Programs

DPC White House Domestic Policy Council

EEO Equal Employment Opportunity

EEOC Equal Employment Opportunity Commission

EPA Equal Pay Act of 1963

EXCEL Examining Conflicts in Employment Laws

FEPA Fair Employment Practices Agency

FMFIA Federal Managers Financial Integrity Act

FOIA Freedom of Information Act

GINA Genetic Information Nondiscrimination Act of 2008

GSA General Services Administration

IIG Intake Information Group

IMS Integrated Mission System

OCRDI Office for Civil Rights, Diversity, and Inclusion

OEDA Office of Enterprise Data and Analytics

OFO Office of Federal Operations

OFP Office of Field Programs

OGC Office of General Counsel

OIG Office of Inspector General

OMB U.S. Office of Management and Budget

OPM U.S. Office of Personnel Management

TERO Tribal Employment Rights Offices

TMF Technology Modernization Fund

WHIAANHPI White House Initiative on Asian Americans, Native Hawaiians, and Pacific Islanders

APPENDIX E: INTERNET LINKS

EEOC Homepage: https://www.eeoc.gov/

EEOC Statistics: https://www.eeoc.gov/statistics

EEOC Explore: https://www.eeoc.gov/data/data-tools-and-products

EEOC Strategic Plan:
https://www.eeoc.gov/us-equal-employment-opportunity-commission-eeoc-strategic-plan-fiscal-years-2018-2022

Strategic Enforcement Plan for FY 2017–2021: https://www.eeoc.gov/us-equal-employment-opportunity-commission-strategic-enforcement-plan-fiscal-years-2017-2021

Meetings of the Commission: https://www.eeoc.gov/meetings

Newsroom/Press Releases: https://www.eeoc.gov/newsroom/search

EEOC FY 2022 Performance Budget: https://www.eeoc.gov/fiscal-year-2022-congressional-budget-justification

EEOC Performance Budgets: https://www.eeoc.gov/eeoc-budget-archives

EEOC Performance and Accountability Reports: https://www.eeoc.gov/eeoc-annual-reports-archives

Small Business Resource Center: https://www.eeoc.gov/employers/small-business

Youth@Work: https://www.eeoc.gov/youthwork

APPENDIX F: REVOLVING FUND

The EEOC Training Institute (Training Institute) provides fee-based training and technical assistance to stakeholders from both the private and public sector. The operations of the Training Institute are funded through the EEOC's Revolving Fund, which is an instrument established by Congress in 1992 to enable the EEOC to charge reasonable fees for specialized products and services developed and delivered as part of the Commission's training and technical assistance efforts. The Revolving Fund serves as the mechanism through which the EEOC is able to collect payments, thus offsetting some of the costs devoted to training and technical assistance to external entities and allowing the agency to offer more free outreach events to those populations less able to pay for training.

The Training Institute provides a wide variety of fee-based training to assist private sector employers, and state, local, and federal government agencies in educating their managers and employees on the laws enforced by the EEOC and how to prevent and address discrimination in the workplace. The Training Institute also offers workshops, courses, and conferences on a variety of EEO compliance issues including current developments regarding EEOC guidance. Additionally, the Training Institute provides Respectful Workplaces employee training, Leading for Respect manager and supervisor training, and compliance training related to the 2016 Report of the Co-Chairs of the EEOC Select Task Force on the Study of Harassment in the Workplace.

In fiscal year 2022, the Training Institute conducted virtual workshops, courses, conferences, and Customer Specific Training (CSTs) for a total of 285 events with 11,667 attendees. Below is a more in-depth explanation of each type of program offered by the Training Institute in fiscal year 2022.

Examining Conflicts in Employment Laws (EXCEL) Conference. The agency celebrated EXCEL's 25th Anniversary and held its 25th Annual Examining Conflicts in Employment Laws (EXCEL) Training Conference for both federal sector and private sector EEO practitioners. The conference started with a joint opening plenary session by Chair Charlotte Burrows, Kiran Ahuja, Director, Office of Personnel Management (OPM), and Jenny Yang, Director, Office of Federal Contract Compliance Programs (OFCCP). Additionally, Vice Chair Jocelyn Samuels provided closing remarks on the conference's final day. The conference received outstanding feedback from participants. A record number of 874 participants attended from the federal and private sectors. The conference offered 36 workshops and several breakout sessions that covered COVID–19 related topics as well as significant employment law and EEO compliance issues. The conference generated approximately $682,680 in net revenue.

Technical Assistance Program Workshops. In fiscal year 2022, the Training Institute continued its highly successful offerings in a virtual training environment and provided numerous opportunities for employees and employers to receive training, education, and information about their respective rights and obligations to prevent and remedy workplace discrimination. The Training Institute offered 1–hour (breakfast and lunch briefings), 2–hour, 3–hour (half-day), and 5–hour (full-day) workshops. These workshops enabled EEOC field offices to partner together, pool their creative ideas and resources, and maximize revenue potential. In fiscal year 2022, the Training Institute conducted 16 national (1, 2, 3, and 5–hour) workshops with 2,444 attendees. These workshops received excellent evaluations from attendees.

Customer Specific Training. The Customer Specific Training (CST) programs provide training and education for employees, managers, supervisors, and human resource professionals from private sector employers and state, local, and federal government agencies on their EEO responsibilities and how to prevent and remedy workplace discrimination. The Training Institute can design customized courses to be delivered at employers' worksites, including virtual delivery. In fiscal year 2022, the Training Institute conducted 184 virtual CST events that reached 5,008 attendees. Of those events, 63 events focused on Respectful Workplaces employee training (789 attendees) and Leading for Respect manager and supervisor training (787 attendees).

National Federal Courses and Federal Agency Training. The Training Institute offers federal courses that are designed to meet training requirements for EEO practitioners working throughout the federal government. In fiscal year 2022, there were 42 national federal courses with approximately 1,241 attendees and 42 federal agency training sessions with approximately 2,100 attendees. Of the federal agency training sessions, six focused on Respectful Workplaces employee training and Leading for Respect manager and supervisor training.

Due to CDC guidelines on federal travel, the Training Institute conducted limited in-person training in fiscal year 2022, relying on virtual platforms to meet the training needs of its external stakeholders. Despite these challenges, the Training Institute successfully met its financial, operational, and program requirements.

In fiscal year 2022, the Training Institute generated revenue of over $2.3 million and met the Revolving Fund's annual threshold self-sustained funding. The Revolving Fund also reimbursed the agency $3,134,961 for costs associated with administration and operations. These reimbursement costs included: 1) full reimbursement of Revolving Fund staff salaries and benefits; and 2) a proportion of the labor costs associated with the time spent by other field and headquarters staff working on Revolving Fund training activities. The Revolving Fund's efficient administration and successful programs resulted in solid financial performance with revenue covering annual expenses.

FY 22 Revolving Fund Training	Events	Attendees	Revenue	Expenses	Indirect Expenses
OFP Workshops (1, 2, 3, and 5–hour)	16	2,444	$ 267,865.25	$ 17,498.95	$ 3,145,363.02
OFP CSTs (private sector, state and local government employers)	184	5,005	$ 121,317.00	$ 3,480.80	$ 0.00
OFO National Federal Courses	42	1,241	$ 306,750.00	$ 13,785.00	$ 215,907.37
OFO Federal Agency Training Sessions	42	2,100	$ 943,389.00	$ 98,440.85	$ 0.00
EXCEL Conference	1	874	$ 682,680.00	$ 95,031.43	$ 1,875.15
TOTAL	**285**	**11,664**	**$ 2,322,001.25**	**$ 228,237.03**	**$ 3,363,145.54**

Indirect Costs are defined by the Office of Management and Budget as "costs that are incurred for common or joint objectives and cannot be easily and specifically identified with a particular sponsored project, an instructional activity, or any institutional activity." The indirect cost expenses included in the above chart are comprised of two major areas: 1) salaries and benefits; and 2) general and administrative costs. The salaries are for those of Revolving Fund staff, Office of Field Program staff, and Office of Federal Operations staff that perform activities related to the preparation and support of all Revolving Fund training activities and oversight. The general and administrative costs include items such as financial systems and reports, EEOC rent, and the use of systems and support from the Office of Information Technology. The indirect expenses in the above chart are necessary to support the execution of the full array of Training Institute offerings including Workshops, Customer Specific Training (CSTs), National Federal Courses, Federal Agency Training Sessions, and the EXCEL Conference.

APPENDIX G: ACKNOWLEDGMENTS

The EEOC's Fiscal Year 2022 Agency Financial Report is a collaborative endeavor on the part of many EEOC employees and contractors. The Commission would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

We Welcome Your Comments

Thank you for your interest in the EEOC's *Fiscal Year 2022 Agency Financial Report*. We welcome your comments on how we can make this report more informative.

Please send your comments to:

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