AGENCY FINANCIAL REPORT

FISCAL YEAR 2025

SUBMITTED TO THE CONGRESS OF
THE UNITED STATES OF AMERICA
DECEMBER 2025

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

HOW THIS REPORT IS ORGANIZED

The Fiscal Year 2025 Agency Financial Report (AFR) describes the financial management of the U.S. Equal Employment Opportunity Commission (the EEOC or agency) and provides high-level performance information, including management challenges. Pursuant to guidance from the Office of Management and Budget (OMB), the AFR is organized into the following major sections:

- **Management's 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 the 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's (EEOC) Agency Financial Report (AFR) for fiscal year 2025. President Trump, through his series of landmark civil rights executive orders, has given the EEOC the most ambitious civil rights agenda in decades. It is an honor to lead the agency as we work to achieve that agenda and restore evenhanded enforcement of civil rights laws on behalf of all Americans.

The EEOC was created by Congress as part of the 1964 Civil Rights Act and chartered with a straightforward and critical mission: to prevent and remedy discrimination in our nation's workplaces. For 60 years, the Commission has carried out this vital responsibility with the knowledge that it stems from our nation's foundational principles—that all people are inherently created equal and that all citizens are entitled to equal treatment under the law. The vision at the heart of the American founding was the recognition of each individual's inalienable rights and inherent worth, not determined by background or social status.

In recent years, a range of movements and institutions have worked aggressively to erode America's core principles, seeking to replace them with ideologies that prioritize group identity over individual freedom. These efforts promote "equity" in outcomes rather than equality of opportunity, bending civil rights laws to advantage certain groups while sidelining others and discarding the principle of fair and evenhanded enforcement. Some advocates even justify present or future discrimination as not only acceptable but as a so-called remedy for past injustices. Such ideas have spread through our nation's institutions—from universities to corporate boardrooms to the halls of Congress—where they have grown increasingly entrenched and have driven employers to embrace unlawful practices, including quota-based DEI initiatives, sex-based favoritism, and hostility toward religious expression.

Throughout the first year of the second Trump Administration, the EEOC has demonstrated that it is both capable and resolute in repelling these assaults on our nation's core principles. Under my leadership, the Commission has undertaken comprehensive efforts to realign with its founding mission, restore dignity to the American worker, and mobilize every available resource to ensure that America's workforce can once again thrive under the protection of a government steadfast in its duty to eliminate the discriminatory practices we have uncovered across both the private and public sectors.

As this report demonstrates, under my leadership, the EEOC has utilized its resources to root out unlawful race and sex discrimination arising from or related to DEI programs, policies, and practices; protect American workers from unlawful national origin bias that places foreign hires ahead of citizens; safeguard women's sex-based rights at work; and defend religious liberty by addressing unlawful bias against people of faith. I am pleased to present in detail the notable wins the EEOC has achieved for the American people, including landmark settlements to end unlawful DEI programs and antisemitism in our nation's elite institutions. At the same time, the Commission also modernized its operations by adopting new technologies, improving internal processes, and refining its structure to ensure the agency remains effective, efficient, and fully committed to serving all Americans.

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.

Under my leadership, the EEOC remains committed to ensuring equal opportunity, merit, and colorblind equality for all of America's workers, and advancing the Trump Administration's critical civil rights agenda.

Sincerely,

Andrea R. Lucas

Andrea R. Lucas
Chair
U.S. Equal Employment Opportunity Commission

MANAGEMENT'S DISCUSSION & ANALYSIS

The U.S. 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 publishes its AFR with a primary focus on financial results and a high-level discussion of performance results. The agency's combined Annual Performance Plan (APP) and Annual Performance Report (APR) details strategic goals, performance results, and planned performance. The combined APP and APR will be available in 2026 on the EEOC's website at: [https://www.eeoc.gov/budget-and-performance.](https://www.eeoc.gov/budget-and-performance)

MISSION, MAJOR PROGRAMS, AND ORGANIZATIONAL STRUCTURE

MISSION
Prevent and remedy unlawful employment discrimination and advance 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 bases of race, color, religion, sex, 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), the Government Employee Rights Act of 1991 (GERA), Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA), and the Pregnant Workers Fairness Act of 2022 (PWFA). 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.

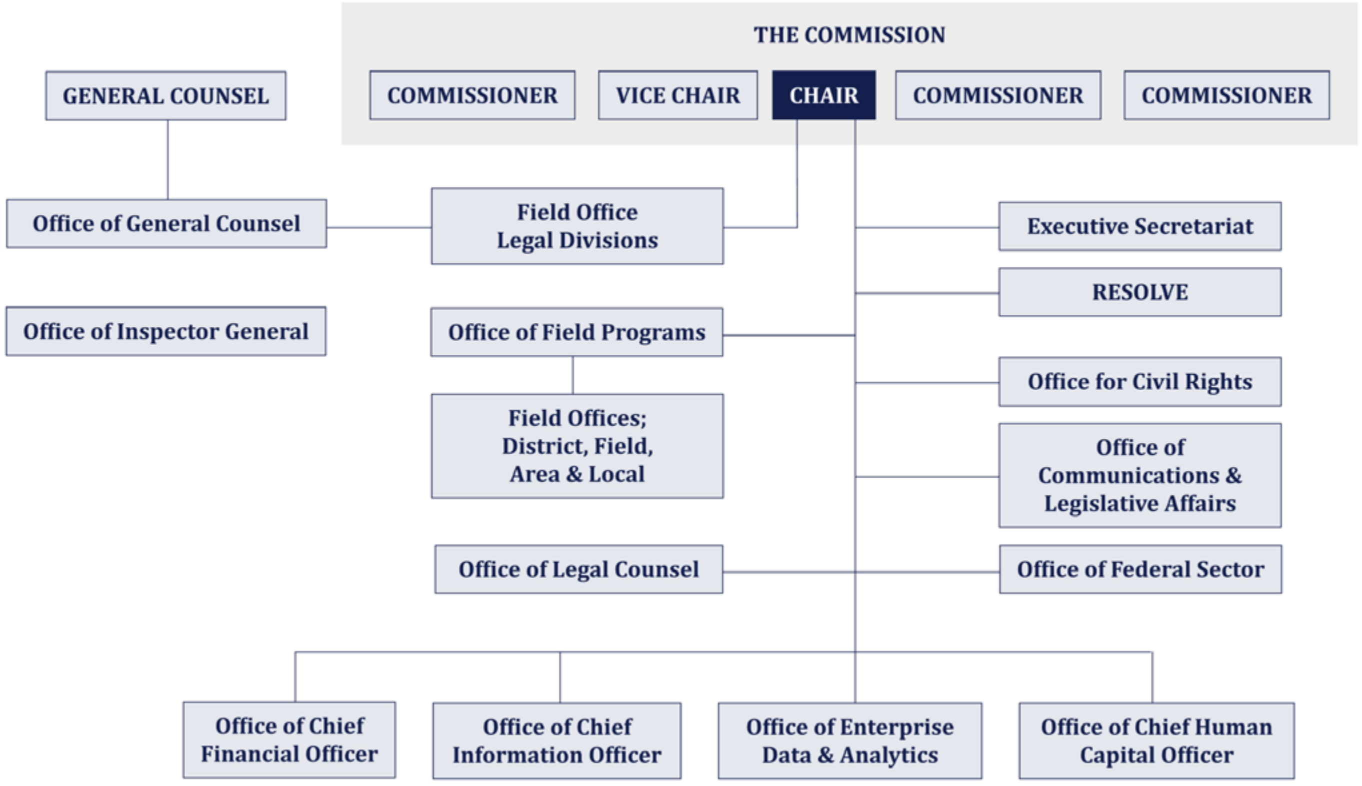
STATUTORY STRUCTURE

The EEOC is led by six Senate-confirmed 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 five Commissioners participate in the development and approval of Commission policies, issue charges of discrimination where appropriate, and authorize the filing of lawsuits. The General Counsel supports the Commission and provides direction, coordination, and supervision to the EEOC's litigation program.

THE COMMISSIONERS AND GENERAL COUNSEL	TERM EXPIRES
Chair Andrea R. Lucas	2030
Commissioner Kalpana Kotagal	2027
Commissioner Brittany Bull Panuccio	2029
Vacant	
Vacant	
Acting General Counsel Catherine L. Eschbach*	

*From February 3, 2025 through the rest of FY 2025, Andrew Rogers served as EEOC's Acting General Counsel.

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 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 2022-2026 (Strategic Plan or Plan) established three overarching strategic goals and fifteen performance measures to gauge the agency's progress in meeting these goals. The EEOC conducts periodic performance measure reviews to evaluate the agency's progress.

The EEOC reports on performance measures each year. In the agency's combined APP and APR, the EEOC reports on progress achieving the goals and objectives in the agency's Strategic Plan, along with performance and program results achieved for the previous fiscal year. It also identifies the level of planned performance to achieve in the current and following fiscal year, along with performance goals and key milestones that align with the EEOC's Strategic Plan and agency priorities. The combined APP and APR will be published in 2026 in coordination with the agency's Congressional Budget Justification.

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

In accordance with the Government Performance and Results Modernization Act of 2010, the Commission approved the EEOC's Strategic Plan on August 16, 2023. To do so, the agency engaged in a comprehensive assessment of its programs and priorities. Under this Strategic Plan, the EEOC focuses on three strategic goals to achieve its critical mission.

Strategic Goal I, to combat and prevent employment discrimination through strategic application of the EEOC's law enforcement authorities, reflects the EEOC's primary mission of preventing and remedying unlawful employment discrimination and advancing equal employment opportunity for all. Congress entrusted the EEOC with two mechanisms to accomplish its mission across private and public employers: 1) the administrative (investigation and conciliation) and litigation enforcement mechanisms applicable to private employers, labor organizations, employment agencies, and state and local government employers; and 2) the adjudicatory and oversight mechanisms for federal employers.

Strategic Goal I includes seven performance measures:

Strategic Goal I: Combat and Prevent Employment Discrimination through the Strategic Application of the EEOC's Law Enforcement Authorities.
Performance Measure 1: By FY 2025, 90% of EEOC conciliations and litigation resolutions contain targeted, equitable relief and that level is maintained through FY 2026.
Performance Measure 2: In each year through FY 2026, the EEOC continues to favorably resolve at least 90% of enforcement lawsuits.
Performance Measure 3: In each year through FY 2026, the EEOC increases its capacity to conduct investigations of systemic discrimination through training and other resources. • **Sub-Measure 3a:** In each year through FY 2026, the EEOC will provide training to all field staff on identifying and investigating systemic discrimination, and at least 90% of investigators and trial attorneys will participate in systemic training each year. • **Sub-Measure 3b:** By FY 2026, 90% of systemic cause investigations reviewed meet or exceed criteria established in the Quality Enforcement Practices Plan. • **Sub-Measure 3c:** By FY 2026, every District will have at least two dedicated Enforcement Unit systemic staff members.
Performance Measure 4: By FY 2026, the EEOC will make significant progress toward enhanced monitoring of conciliation agreements, leading to a more robust compliance program. • **Sub-Measure 4a:** Each year, the EEOC will report on enhancements to its compliance monitoring program for conciliation agreements.
Performance Measure 5: By FY 2026, 74% of federal agencies subject to oversight activities or compliance reviews change their employment practices based on EEOC recommendations.
Performance Measure 6: For each year through FY 2026, a significant proportion of completed investigations, conciliations, hearings, and federal appeals meet or exceed established quality criteria. • **Sub-Measure 6a:** By FY 2026, at least 90% of the EEOC's charge investigations and conciliations meet or exceed criteria established in the Quality Enforcement Practices Plan. • **Sub-Measure 6b:** Each year through FY 2026, at least 90% of the EEOC's federal sector hearings and appeals meet criteria established in the Federal Sector Quality Practices Plan.
Performance Measure 7: By FY 2026, EEOC will enhance its intake services to potential Charging Parties, Respondents, and Representatives. • **Sub-Measure 7a:** By FY 2023, the EEOC will evaluate its intake services, determine baseline levels of service, and identify technological solutions and other resources to improve and expand accessibility to those services. • **Sub-Measure 7b:** From FY 2024-2026, the EEOC will make yearly progress in improving availability of intake interview appointments.

Strategic Goal II, to prevent employment discrimination and advance equal employment opportunities through education and outreach, reflects the EEOC's obligation to deter employment discrimination before it occurs. Educational and outreach programs, projects, and events are also cost-effective law enforcement tools because they promote understanding of the law and voluntary compliance. All parties benefit when the workplace is free of discrimination, and everyone has access to equal employment opportunity.

Strategic Goal II includes four performance measures:

Strategic Goal II: Prevent Employment Discrimination and Advance Equal Employment Opportunities through Education and Outreach.
Performance Measure 8: By FY 2026, the EEOC leverages technology, analytics, and innovative outreach strategies to provide members of the public greater access to information about their rights and responsibilities.
Performance Measure 9: By FY 2026, participants in outreach, training, and technical assistance programs indicate either an improvement in an employment policy, practice, or procedure (employer representatives), or an increased knowledge of the laws the EEOC enforces (individuals) as a result of their participation.
Performance Measure 10: By FY 2026, the EEOC updates existing guidance and training materials, and creates new, user-friendly resource tools to address and prevent workplace discrimination.
Performance Measure 11: Develop a federal government-wide network and repository to share EEO resources and leading practices that are occurring across the federal government.

Strategic Goal III, achieving organizational excellence, seeks to improve management functions with a focus on people, service to the public, information technology, infrastructure enhancement, and accountable financial stewardship. These areas are cross-cutting and require integration and coordination to promote organizational excellence from internal and external perspectives.

Strategic Goal III includes four performance measures:

Strategic Goal III: Strive for Organizational Excellence Through Our People, Practices, and Technology
Performance Measure 12: Effectively allocate people and resources to accomplish agency mission goals, within budgetary limitations.

Strategic Goal III: Strive for Organizational Excellence Through Our People, Practices, and Technology
Performance Measure 13: Feedback surveys and other mechanisms provide measures of satisfaction for EEOC stakeholder experiences.
Performance Measure 14: Build and deploy charge/case management systems for litigation and federal sector program offices. Complete deployment, monitor and improve effectiveness of digital charge/case management system for program offices.
Performance Measure 15: The budget process prioritizes funding for the EEOC's strategic goals.

The agency's progress on the strategic goals, objectives, 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 systematically reviews the information collected in its databases for accuracy by using statistical software (e.g., SAS, Power BI, 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 to identify erroneous entries requiring correction to collection procedures.

The transition from the agency's legacy Integrated Mission System (IMS) application to the modernized Agency Records Center (ARC) system continues to improve the collection and validation of the EEOC's program data related to charge intake, investigation, mediation, conciliation, and Fair Employment Practices Agencies (FEPA) functions – migrating away from manual activity-based data entry to automated event-driven recordation and permitting automated data sharing with FEPAs. During these modernization efforts, the EEOC has identified many areas where the agency will be able to further automate and improve current processes and related data integrity. Several performance measures require efficiently accessing data to assess agency achievements, and the EEOC will continue to improve its capabilities to obtain reliable data and assess it for management purposes.

The EEOC's Office of Inspector General (OIG) regularly reviews the agency's data validity and verification procedures, information systems, and databases and offers recommendations for corrective action or improvement. The agency uses the OIG's information and recommendations to continually improve the reliability and validity of EEOC's systems and 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 goals and their underlying objectives. The Strategic Plan also identified strategies for achieving each strategic objective and identified 15 performance measures for gauging the EEOC's progress for fiscal year 2025.

The chart below summarizes the agency's progress in meeting the performance measures for fiscal year 2025.

EEOC FY 2025 Performance			
Measures	Targets Met or Exceeded	Targets Partially Met	Targets Not Met
15	12	3	0

PERFORMANCE RESULTS

Rooting out unlawful race and sex discrimination arising from or related to DEI programs, policies, and practices.

Under Chair Andrea Lucas' leadership, in fiscal year 2025, the agency worked to restore evenhanded enforcement of employment civil rights laws for all Americans, including by rooting out unlawful race and sex discrimination arising from or related to Diversity, Equity, and Inclusion (DEI) programs, policies, and practices. Title VII prohibits employment discrimination based on race and sex, among other protected characteristics. Under Title VII, DEI initiatives, policies, programs, or practices may be unlawful if they involve an employer or other covered entity taking an employment action motivated—in whole or in part—by an employee's or applicant's race, sex, or another protected characteristic. During this past fiscal year, the agency effectively used its resources to challenge unlawful race and sex discrimination wherever it arose.

For example, in April 2025, the EEOC rooted out DEI-related discrimination practices in our nation's elite law firms, securing major commitments to merit-based employment practices in EEOC settlements with six of the nation's largest law firms, and unveiled comprehensive resource materials to help workers and employers understand, identify, and report DEI-related race and sex discrimination. The agency also investigated DEI-related discriminatory practices, including a school district that subjected a class of white applicants and employees to discrimination, in violation of Title VII, because only "teachers of color" were eligible for a financial incentive intended to recruit and retain teachers of color.

Protecting American workers from unlawful national origin discrimination involving preferences for foreign workers.

During fiscal year 2025, the EEOC vigorously enforced Title VII's prohibition on national origin discrimination, including combating the practice of illegally preferring non-American workers. Chair Lucas led the agency in prioritizing enforcement against unlawful national origin discrimination against American workers in favor of foreign workers, in cooperation with the Department of Homeland Security, the Department of Labor, and the Department of Justice. As part of this work, the EEOC utilized its resources to prevent and remedy unlawful "foreign preference" national origin discrimination cases. For example, following a systemic investigation that resulted in an EEOC lawsuit, the EEOC secured $1.4 million through a consent decree in a foreign-preference national origin discrimination lawsuit under Title VII against LeoPalace, a major hotel and resort in Guam, for affected non-Japanese employees, including multiple former employees of American national origin.

Defending women's sex-based rights at work.

Under Chair Andrea Lucas' leadership, in fiscal year 2025, the agency returned to its mission of protecting women from sexual harassment and sex-based discrimination in the workplace, including by ensuring access to single-sex workplace facilities for women. During fiscal year 2025, the agency utilized its resources to defend women's sex-based rights at work, including:

- Securing $6.7 million dollars and significant injunctive relief to resolve a nationwide Title VII (female, including pregnancy), EPA, and ADEA investigation that found the respondent subjected almost 120 female employees to disparate terms and conditions, including lower wages and denied promotions, a hostile work environment, and retaliatory discharge for complaining about discriminatory treatment.

- Securing $1.2 million and significant injunctive relief to successfully conciliate a systemic investigation for the charging party and a class of Hispanic employees after the EEOC's investigation found several male supervisors subjected female employees to harassment and sexual harassment based on gender and national origin over a multi-year period.

When attempts to informally resolve investigations involving women's sex-based rights at work were unsuccessful, the agency filed and resolved lawsuits to protect these workers. During fiscal year 2025, the EEOC resolved numerous lawsuits involving sex-based rights at work under Title VII, the Pregnant Workers Fairness Act (PWFA), and the Equal Pay Act, including:

- Securing $3.1 million via a consent decree in a pattern-or-practice sex discrimination lawsuit under Title VII against Waste Industries U.S.A., LLC, et al., providers of solid waste removal, recycling pickup and landfill operation services, for a class of qualified female applicants that the suit alleged were denied truck driver positions based on their sex in favor of less qualified male applicants.

- Securing more than $2 million in a jury verdict in a Title VII sexual harassment lawsuit against

SkyWest, a Utah-based airline, reduced to the maximum $300,000 by statutory cap, for a female parts clerk that the suit alleged was subjected to extremely crude sexual comments by multiple male coworkers and at least one manager, including a suggestion that she should make money via prostitution, requests that she perform demeaning sex acts, and frequent jokes and remarks about rape and rape victims.

- Securing $1.6 million via a consent decree in a Title VII systemic, pattern-or-practice sex discrimination lawsuit against Security Engineers, Inc., a contract security solutions provider throughout Alabama, for a class of women that the suit alleged were denied security officer employment opportunities notwithstanding their security, law enforcement, or military experience, based on discriminatory directives not to select or schedule females for security positions or assignments.

- Securing over $1.4 million via a consent decree in a systemic Title VII lawsuit against Kane's Furniture, LLC, a retail company, for a class of women that the suit alleged were subjected to a pattern or practice of not hiring female applicants for driver and warehouse positions, as well as recruiters expressly screening women out of the hiring process for positions in numerous departments.

Supporting religious liberty by protecting workers from religious bias and harassment and protecting their rights to religious accommodations at work.

The EEOC is committed to vigorously enforcing prohibitions against religious discrimination in the workplace. Robust EEOC enforcement actions during the second Trump Administration have delivered significant victories for Americans of all faiths and reflect the agency's strong, ongoing commitment to upholding religious liberty protections for workers. The agency also continues to provide training and technical assistance to educate stakeholders about protecting workers from religious bias and harassment and protecting workers' rights to religious accommodations at work.

As described in more detail below, during fiscal year 2025, the agency dedicated its resources to defend the religious liberty of American workers, including through addressing rising antisemitism in higher education, unlawful Covid-19 vaccine mandates, and religious accommodations in general.

Rising Antisemitism in Higher Education

During fiscal year 2025, Chair Andrea Lucas held accountable universities and colleges that created unlawful hostile-work environments for their Jewish employees. As part of this effort, the agency published multiple resources for employees and employers about addressing antisemitism at work, including an EEOC Fact Sheet: What To Do If You Face Antisemitism at Work. Chair Lucas also actively participated in the Task Force to Eradicate Anti-Christian Bias in the federal government, established under Executive Order 14202. This executive order, titled "Eradicating Anti-Christian Bias" supports the EEOC's mission to prevent and remedy religion-based discrimination in the workplace.

In a landmark resolution, Columbia University agreed to pay $21 million to settle EEOC charges—including a Commissioner's Charge brought by then-Commissioner Andrea Lucas—alleging that since at least Oct. 7, 2023, the university engaged in harassment based on national origin, religion, and/or race, in violation of Title VII of the Civil Rights Act of 1964, as amended. This is the largest EEOC employment discrimination resolution publicly announced in nearly 20 years; the agency's largest ever for victims of antisemitism; the most significant religious discrimination EEOC settlement for workers of any faith; and is part of a historic multi-agency settlement achieved by the Trump Administration.

Unlawful Covid-19 Vaccine Mandates

During fiscal year 2025, the EEOC used its resources to remedy the widespread civil rights harms that resulted from employers' unlawful COVID-19 vaccine mandates, including:

- Securing $2.8 million to resolve a systemic investigation against UT-Battelle after finding the employer violated Title VII by failing to provide an exemption or accommodation to employees who were required to take the COVID-19 vaccine in conflict with their religious beliefs. The two-year conciliation agreement included back pay and compensatory damages to the aggrieved individuals, and significant equitable relief.

- Securing over $1.74 million and significant injunctive relief to resolve an investigation for 20 individuals after finding the employer violated Title VII by failing to provide a religious accommodation to the COVID-19 vaccine requirement.

- Securing over $1 million to resolve a class-wide investigation via conciliation against Mercyhealth after finding reasonable cause to believe that the healthcare system failed to grant its employees religious accommodations to the employer's vaccine mandate, instead terminating employees or withholding pay. In addition to recovering substantial monetary compensation for a class of employees, the EEOC also secured an important commitment that Mercyhealth would offer to reinstate employees terminated for refusing to comply with the organization's COVID-19 vaccine policy, provide back pay and compensatory damages to the aggrieved individuals, and significant equitable relief.

The EEOC also vindicated Federal employees' right to reasonable accommodation from COVID-19 vaccine mandates. In Andy B. v. Fed. Reserve Board (8/4/25), Appeal No. 2023002014, the EEOC held the Agency violated Title VII by denying complainant a religious accommodation with respect to his request for an exemption from the Agency's COVID-19 vaccine mandate. After denial of his request, complainant was placed on administrative leave and provided a few weeks to comply with the mandate or be terminated. Complainant remained unvaccinated and was terminated. The EEOC found that his termination was a Title VII violation and that Complainant was subjected to harassment based on his religion.

Religious Accommodation

The EEOC vigorously enforced Title VII's requirement to provide employees with religious accommodation for their sincerely held religious beliefs and practices. The agency protected workers of all faiths in their right to be free from discrimination in the workplace, including:

- Securing $850,000 and significant policy changes via a consent decree in a Title VII lawsuit against companies doing business as the Venetian Resort, a hotel and casino resort on the Las Vegas strip, for a class of employees of various faiths that the suit alleged were denied reasonable accommodation of sincerely held religious beliefs absent undue hardship and retaliated against for opposing the religious discrimination.

- Securing $181,000, and significant injunctive relief, to successfully conciliate an investigation after finding the employer violated Title VII when it failed to provide the charging party and six class members a religious accommodation when they sought exemption from respondent's mandatory flu vaccine policy and instead terminated their employment.

Incorporating technological advances and improving operational processes to ensure the EEOC operates with the greatest possible efficiency and effectiveness.

In fiscal year 2025, the agency focused on improving efficiency and effectiveness in every area of its operations. By prioritizing resources to adopt advanced technology to improve operations, the agency was able to ensure it is operating as efficiently as possible and effectively serving America's workers.

Improved Technology for EEOC's Enforcement Processes

1. Intake Appointment Scheduling System

The EEOC receives about 270,000 inquiries annually, which result in approximately 90,000 new charges of employment discrimination. Intake appointment scheduling and interviews with potential charging parties (PCPs) are critical components in the charge filing process. In fiscal year 2025, the EEOC successfully modernized its intake appointment scheduling system, replacing a legacy tool that had become a barrier to accessibility, security, and operational agility. The outdated system lacked Section 508 compliance, required manual workarounds, and could not support the agency's evolving digital needs. As part of this process, the agency evaluated and implemented a commercial off-the-shelf (COTS) solution that met modern standards.

The new scheduler platform, EEOC Scheduler, deployed nationwide in June 2025, supports mobile and multilingual access, integrates with Microsoft 365 Outlook and Teams, and enables video conferencing and centralized calendar management. This modernization simplified the management of appointments. PCPs can now manage, cancel, or reschedule their appointments easily, while intake supervisors can better oversee appointments and staffing, reducing the need for extensive email traffic.

Moreover, the EEOC Scheduler uses EEOC single sign-on with Microsoft Entra Identity and Multi-Factor Authentication, ensuring a more secure and streamlined user experience and integrates with the agency's charge management system for streamlined charge assignment and appointment scheduling, reducing the need for cancellations or rescheduling. This new system handles time zones effectively, supports district-wide and agency-wide reporting and resourcing, and is built on user-centered design principles to enhance ease of use for both staff and PCPs.

This modernization effort demonstrates how the agency is targeting technology investments to reduce administrative burden, enhance service delivery, and align with the EEOC's broader digital transformation goals. The EEOC scheduler is a model for how the agency is modernizing legacy systems to improve both internal workflows and public-facing services.

2. Improved Communication with Charging Parties and Class Members

During fiscal year 2025, the agency adopted a texting platform that transformed how EEOC communicates with potential class members and witnesses during investigations and litigation. By automating outreach and reminders, the agency significantly reduced manual follow-up, improved response rates, and cut administrative time. The shift from mailed letters to digital messaging also lowered postage and copying costs, particularly in systemic cases. Most importantly, texting proved to be a more reliable way to reach claimants—especially those with limited access to traditional mail or email.

The agency also expanded its use of technology to streamline information gathering from class members and witnesses during litigation as well as during investigations, in coordination with the agency's national systemic program. These expanded survey tools reduced the need for time-consuming interviews and manual data entry, accelerating case timelines and freeing up staff resources. The result was faster fact development and class member identification, stronger response rates, and measurable cost savings in enforcement and outreach, particularly in systemic cases.

3. Infrastructure Upgrades

In a major infrastructure upgrade, EEOC successfully migrated over 30 active litigation databases from on-premises Relativity to the cloud-based RelOne platform. The in-house Litigation Support team led the entire transition—avoiding vendor costs while improving system performance, data security, and cross-district collaboration. The agency will complete the migration of all cases over the next few months. The move will eliminate local server maintenance, delivering long-term savings in both litigation support and IT operations.

Enhancing Workplace Readiness and Connectivity

In fiscal year 2025, the EEOC successfully executed a coordinated Return to Office (RTO) strategy that prioritized both employee readiness and infrastructure modernization. As part of this initiative, the agency implemented a scalable Guest Wi-Fi solution across all field and headquarters locations. This upgrade addressed longstanding connectivity gaps for visitors and contractors, enabling seamless access to internet services without compromising internal network security. As a byproduct, it also provided needed augmentation to existing office internet services.

Enhancing internet performance through design changes utilizing the existing Guest Wi-Fi was synchronized with broader RTO planning, which included workspace reconfiguration, updated occupancy protocols, and enhanced support for collaboration tools. The solution leveraged existing network infrastructure and cloud-based authentication to minimize cost and deployment time, while ensuring compliance with federal cybersecurity standards.

Together, these efforts not only improved the in-office experience for employees and customers but also demonstrated the agency's commitment to modern, flexible, and secure workplace operations. The initiative stands as a model for how the agency is targeting IT investments to support mission continuity.

Streamlining Organizations to Enhance Service Delivery

During fiscal year 2025, the agency established the eDiscovery & Information Governance Division within the Office of General Counsel to centralize and elevate the agency's litigation technology strategy. This reorganization reflects a deliberate shift toward a more agile, expert-driven model for managing complex data, digital evidence, and legal technology. By consolidating leadership, technical expertise, and strategic planning under one division, the agency is better positioned to respond to evolving litigation demands, accelerate innovation, and reduce reliance on external vendors. The new structure will ensure coordination across districts, improve consistency in eDiscovery practices, and ensure that the agency remains at the forefront of legal technology and information governance.

LOOKING FORWARD

In fiscal year 2026 and beyond, the EEOC will continue to adopt leading technologies to improve services, enhance data access and transparency, modernize digital systems, and implement resilient network infrastructure and data analytics for better decision-making. Additionally, the agency will accelerate the use of Artificial Intelligence (AI) in strategic areas to drive operational efficiencies and improve service delivery to the public.

This work includes a multi-year initiative to modernize the EEOC's decade-old public-facing portals. In fiscal year 2026, the EEOC will enhance its intake process for stakeholders to boost efficiency in private sector intake and charge receipt. The new solution will deliver a guided, rule-based intake experience that improves pre-qualification accuracy, captures structured case-ready data, and reduces misrouted inquiries. This process will streamline EEOC operations, improve the public experience, and establish a foundation for continued modernization of the public facing portals. The agency will introduce a dynamic pre-charge inquiry form integrated with the agency's charge database, replacing outdated intake forms and manual interviews. This update will address high staff workload, inconsistent triage, and limited accessibility and language support.

In fiscal year 2026, the EEOC plans to procure and implement a legal research AI tool to enhance the speed, accuracy, and consistency of legal analysis across the agency. This tool will support attorneys by rapidly surfacing relevant case law, statutes, and agency guidance, significantly reducing the time spent on manual legal research. Once deployed, the platform will bring EEOC's research capabilities in line with those used by top law firms, while also supporting more timely and informed decision-making in complex litigation and policy matters. Building on fiscal year 2025 momentum, we also plan to deepen our use of digital tools—including texting platforms, survey technologies, and AI-powered legal applications—to streamline communication with class members and witnesses, accelerate fact development, and reduce reliance on external vendors.

The EEOC is also exploring the procurement of a modern legal document management system with embedded AI capabilities to enhance how legal teams organize, retrieve, and collaborate on case materials. This system will not only bring EEOC's document workflows in line with those used by top law firms but will also strengthen compliance with the Federal Records Act by improving records lifecycle management, auditability, and retention practices. EEOC will also procure and deploy an AI tool that enables comprehensive search and summarization of transcripts—particularly valuable in systemic cases where large volumes of testimony must be reviewed quickly and accurately to support timely enforcement decisions.

In addition, the EEOC's Wide Area Network (WAN) Modernization Project in fiscal year 2026 promises transformative improvements in network performance, cost efficiency, and security compliance. By transitioning from the GSA Enterprise Infrastructure Solutions contract to a commercial telecom wholesale vendor model, the agency expects to reduce annual costs by up to 20% and simplify administrative processes. Key features include dual top-tier Internet Service Providers per site, Software Defined-WAN technology for optimized traffic routing, and Dedicated Internet Access circuits for improved internet access.

In fiscal year 2026, the EEOC will also prioritize digital modernization by expanding the Intelligent Reporting Database (IRD), automating data classification, and implementing Zero Trust security. Efforts include improving data cataloging, taxonomy for better discoverability, governance, and getting data AI ready.

FINANCIAL HIGHLIGHTS

The EEOC used OMB Circular Number A-136 Revised, dated July 14, 2025, as guidance to prepare the accompanying financial statements. The EEOC prepares four financial statements: Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and the Statement of Budgetary Resources.

BALANCE SHEET

The Balance Sheet presents amounts of assets owned or managed by the EEOC, liabilities owed, and the net position of the agency, divided between the cumulative results of operations and unexpended appropriations.

The EEOC held total assets of $98 million at the end of fiscal year 2025 and owed liabilities of $72 million.

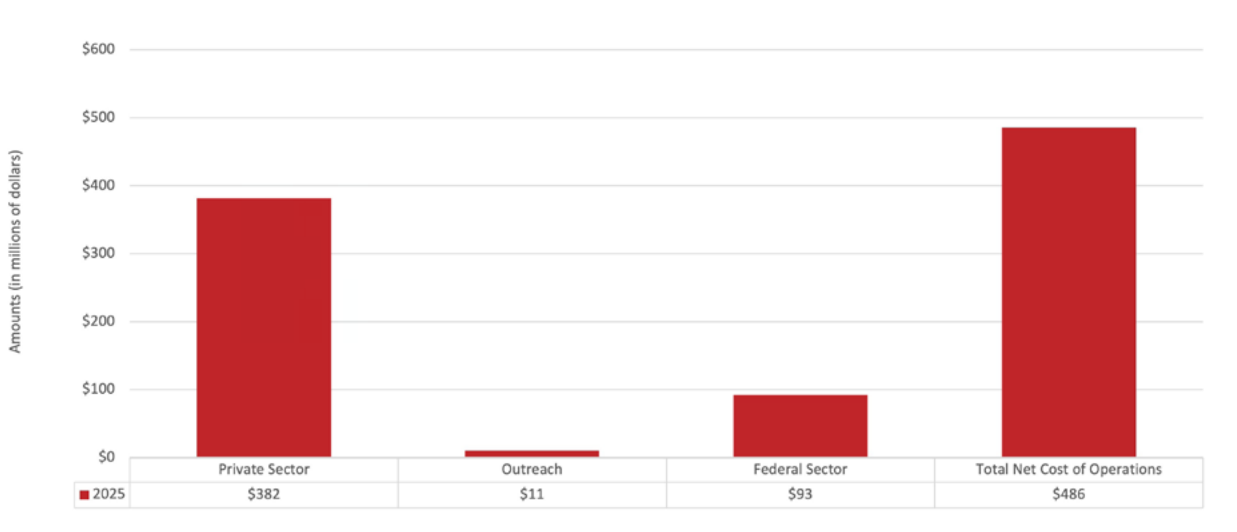
The EEOC's Net Position at the end of fiscal year 2025, i.e., the difference between assets owned and liabilities owed, was $26 million. This amount also equals the sum of Unexpended Appropriations and the Cumulative Results of Operations, reflected in the agency's Statement of Changes in Net Position.

Equal Employment Opportunity Commission Balance Sheet

STATEMENT OF NET COST

The Statement of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in fiscal year 2025, the EEOC's Net Cost of Operations was $486 million.

Statement of Net Cost of Operations



STATEMENT OF CHANGES IN NET POSITION

The Consolidated Statement of Changes in Net Position represents the change in the net position for fiscal year 2025 resulting from appropriations received receipt of some costs financed by other government agencies, less the cost of agency operations. The Statement of Changes in Net Position is $26 million for fiscal year 2025.

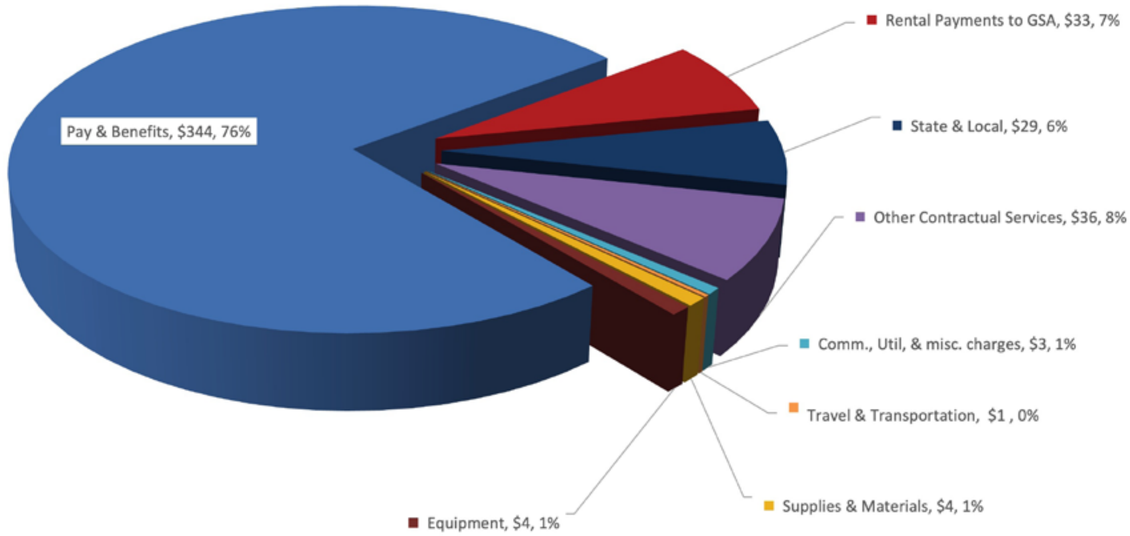
STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources presents information about the budgetary resources available to the agency, the year-end status of the resources, and the outlays of resources for the year ending September 30, 2025. In fiscal year 2025, the EEOC received $455 million in budget authority. The EEOC ended fiscal year 2025 with $488 million in total budgetary resources. Resources not available for new obligations at the end of fiscal year 2025 totaled $25 million. This unobligated balance represents expired budget authority from prior years that is no longer available for new obligations.

USE OF RESOURCES

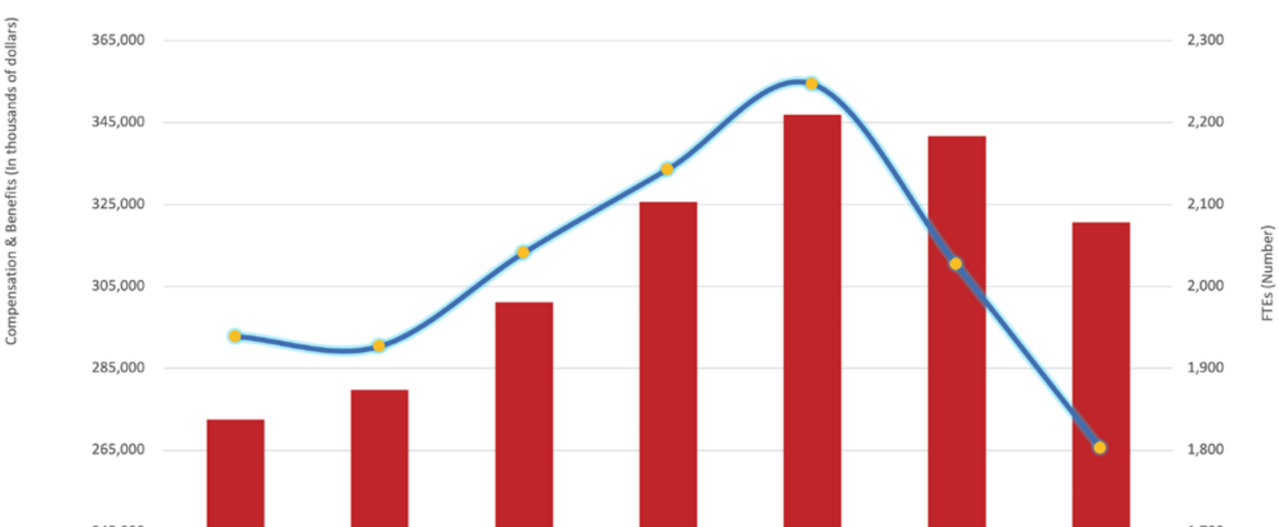
The pie chart below displays the EEOC's fiscal year 2025 use of resources by major object class. The chart below shows actual costs incurred by the EEOC. It does not include costs incurred by others on behalf of the EEOC. Pay and Benefits, State & Local (i.e., payments to state and local Fair Employment Practices Agencies), Rental Payments to GSA, and Other Contractual Services consumed 97% of the EEOC's resources. Other expenses, including communication, utilities & miscellaneous charges, travel & transportation, supplies & materials, and equipment, consumed 3% of the EEOC's resources for fiscal year 2025.

FY 2025 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 2025 with 2,027 FTEs, a net decrease of 220, or 10%, below the end of fiscal year 2024.

Compensation & Benefits (C&B) & FTEs for FY 2020 through FY 2025



	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual	2025 Actual	2026 Request
C&B	$272,513	$279,759	$301,172	$325,621	$346,888	$341,626	$320,608
FTEs	1,939	1,927	2,041	2,143	2,247	2,027	1,803

**FY 2025 drop in FTE is the result of the DRP program staff who were paid through 30 September.*

LIMITATIONS OF THE FINANCIAL STATEMENTS

The principal financial statements are prepared to report the financial position, financial condition, and results of operations of the agency, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from records of the agency in accordance with federal generally accepted accounting principles (GAAP) and in 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.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

MANAGEMENT ASSURANCES

December 31, 2025

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA)

The U.S. Equal Employment Opportunity Commission's (EEOC) internal controls and financial management systems were sound during fiscal year 2025. Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during fiscal year 2025, its financial and internal controls systems were in compliance with the Federal Managers' Financial Integrity Act (FMFIA). The controls systems were effective; agency resources were used 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 the resources.

Out of 14 total financial non-conformances reported, 5 were not fully corrected during fiscal year 2025. These financial non-conformances were identified in several audit reports prepared by the OIG: 1) Harper, Rains, Knight & Company (HRK) for OIG: Management Letter Report for the Audit of the EEOC's FY 2024 Financial Statements (OIG Report No. 2024-003-AOIG), November 21, 2024; 2) EEOC Office of Inspector General: FY2023 Annual Report on EEOC's Compliance with the Payment Integrity Information Act of 2019 (PIIA) (OIG Report No. 2024-001-EOIG), May 29, 2024; 3) Harper, Rains, Knight & Company (HRK) for OIG: Audit of the EEOC FY 2023, and 2022 Financial Statement (OIG Report No. 2023-001-AOIG) November 15, 2023; 4) EEOC Office of Inspector General: FY 2021 Annual Report on EEOC's Compliance with the Payment Integrity Information Act of 2019 (PIIA) (OIG Report No. 2022-001-IOIG) July 11, 2022; 5) Harper, Rains, Knight & Company (HRK) for OIG: Performance Audit Report on the EEOC Charge Card Program FYRs 2019 and 2020 (OIG Report No. 2020-004-AOIG), March 24, 2021; 6) Harper, Rains, Knight & Company (HRK) for OIG: Transmittal of Management Letter Report for FY 2020 Financial Statement Audit (OIG Report No. 2020-002-AOIG), December 16, 2020; 7) Harper, Rains, Knight & Company (HRK) for OIG: 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 FY 2026.

The EEOC's management is also responsible for establishing and maintaining effective internal control over financial reporting, which includes the 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 internal control over financial reporting, as of September 30, 2025, was operating effectively and no material weaknesses were found in the design or operation of the agency's internal control over financial reporting.

Andrea R. Lucas
Chair

LEGAL COMPLIANCE

The 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

December 31, 2025

MEMORANDUM

TO: Andrea R. Lucas
Chair

FROM: Joyce T. Willoughby
Inspector General

SUBJECT: Audit of the U.S. Equal Employment Opportunity Commission's Fiscal Year 2025 Financial Statements (OIG Report No. 2025-001-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 year ended September 30, 2025, 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, 2025, 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 2025 that would be reportable under GAGAS or OMB Bulletin 24-02, *Audit Requirements for Federal Financial Statements*.

HRK is responsible for the opinion on the attached auditor's report dated December 30, 2025, 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:
Sharon Rose
Chief Operating Officer, Office of the Chair

Edmond Sims
Associate Deputy Chief Operating Officer, Office of the Chair

Shannon Royce
Chief of Staff, Office of the Chair

Elisa Avalos
Chief Financial Officer, Office of the Chief Financial Officer

Selma Cowan
Deputy Chief Financial Officer, Office of the Chief Financial Officer

Catherine Eschbach
Acting General Counsel, Office of General Counsel

Kevin Richardson
Chief Human Capital Officer, Office of the Chief Human Capital Officer

Gul Chaudhry
Acting Director, Office of Federal Sector

Sivaram Ghorakavi
Chief Information Officer, Office of the Chief Information Officer

Thomas Colclough
National Director, Office of Field Programs

Amanda Smith
Director, Office of Communications and Legislative Affairs

Delphine Best
Audit Follow-Up Coordinator, Office of the Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

Harper, Rains, Knight & Company

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, we have audited the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC). EEOC's financial statements comprise the balance sheet as of September 30, 2025, and the related statements of net cost, changes in net position, and budgetary resources for the fiscal year 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, 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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* (GAGAS), issued by the Comptroller General of the United States and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 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 audit. 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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Inspector General
U.S. Equal Employment Opportunity Commission (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) 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, GAGAS, and OMB Bulletin No. 24-02, 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 controls 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 (1) inquiries of management about the methods of preparing the RSI and (2) 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 audit was conducted for the purpose of forming an opinion on EEOC's financial statements. The information in A 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. Management is responsible for the other information. 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 audit 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 be 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, 2025, in accordance with 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.

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, and contracts, 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.

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

Report on Compliance with Laws, Regulations, and Contracts

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, and contracts, 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, and contracts. Accordingly, we do not express such an opinion. We did not test compliance with all laws, regulations, and contracts applicable to EEOC. EEOC management is responsible for complying with laws, regulations, and contracts agreements applicable to the entity.

Our tests of compliance with these selected provisions of applicable laws, regulations, and contracts, agreements disclosed no instances of noncompliance for the year ended September 30, 2025, that would be reportable under GAGAS or OMB Bulletin No. 24-02. 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, and contracts, 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 GAGAS and OMB Bulletin No. 24-02 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.

December 30, 2025
Washington, DC

FINANCIAL STATEMENTS

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
BALANCE SHEET

As of September 30, 2025
(in Dollars)

		2025
Assets		
Intragovernmental Assets		
Fund Balance With Treasury (Note 2)	$	94,479,045
Advances and Prepayments		768,695
Total Intragovernmental Assets		95,247,740
Other than Intragovernmental Assets		
Accounts Receivable, Net (Note 3)		86,136
General Property, Plant, and Equipment, Net (Note 4)		3,076,053
Total Other than Intragovernmental Assets		3,162,189
Total Assets	**$**	**98,409,929**
Liabilities (Note 6):		
Intragovernmental Liabilities		
Accounts Payable (Note 6)	$	244,214
Employer Payroll Taxes (Note 6)		2,051,659
Workers' Compensation Liability (Note 6)		1,782,495
Other Liability (Note 6)		800,000
Total Intragovernmental Liabilities		4,878,368

Continued on following page.

The accompanying notes are an integral part of this statement.

BALANCE SHEET (CONTINUED)

Other than Intragovernmental Liabilities		
Accounts Payable (Note 6)	$	26,158,876
Future Workers' Compensation Liability (Note 6)		8,109,686
Accrued Payroll (Note 6)		10,266,041
Employer Payroll Taxes (Note 6)		281,039
Accrued Annual Leave (Note 6)		22,696,922
Deferred Revenue (Note 6)		-
Amounts Collected for Restitution (Note 6)		51,138
Total Other than Intragovernmental Liabilities		67,563,702
Total Liabilities	**$**	**72,442,070**
Net Positon		
Unexpended Appropriations		
Funds from Other than Dedicated Collections	$	48,666,951
Total Unexpended Appropriation (Consolidated)		48,666,951
Cumulative Results of Operations		
Funds from Dedicated Collections (Note 11)		3,527,821
Funds from other than Dediated Collections		(26,226,913)
Total Cumulative Results of Operations (Consolidated)	$	(22,699,092)
Total Net Position	**$**	**25,967,859**
Total Liabilities and Net Position	**$**	**98,409,929**

The accompanying notes are an integral part of this statement.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
STATEMENT OF NET COST

For the Year Ended September 30, 2025
(in Dollars)

		2025
COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT		
Private Sector		
Enforcement	$	212,986,312
Mediation		33,293,363
Litigation		92,126,842
Intake information		7,753,249
State and Local		35,826,011
Total Program Costs - Private Sector		381,985,777
Revenue		-
Net Cost - Private Sector		**381,985,777**
Federal Sector		
Hearings		50,624,156
Appeals		26,452,261
Mediation		456,073
Oversight		15,962,572
Total Program Costs - Federal Sector		93,495,062
Revenue		-
Net Cost - Federal Sector		**93,495,062**
Total Private, Federal Sector		
Program Costs		475,480,839
Revenue		-
Net Cost, Private, Federal Sector		**475,480,839**

Continued on following page.

The accompanying notes are an integral part of this statement.

PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH

Outreach		
Fee Based		5,006,632
Non-Fee Based		10,033,616
Total Program Cost - Outreach		15,040,248
Revenue		(3,941,549)
Net Cost Outreach		**11,098,699**
Total, All Programs		
Program Cost		490,521,087
Revenue (Note 8)		(3,941,549)
Net Cost of Operations	**$**	**486,579,538**

The accompanying notes are an integral part of this statement.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
STATEMENT OF CHANGES IN NET POSITION

For the Year Ended September 30, 2025

(in Dollars)

	2025		
	Funds from Dedicated Collections Consolidated (Note 11)	**Funds from Other than Dedicated Collections Consolidated**	**Consolidated Total**
Unexpended Appropriations:			
Beginning Balances	$ -	$ 46,760,204	$ 46,760,204
Adjustments	-	-	-
Beginning Balances, as Adjusted	$ -	$ 46,760,204	$ 46,760,204
Appropriations Received (Note 9)	$ -	$ 455,000,000	$ 455,000,000
Other Adjustments	-	(5,223,708)	(5,223,708)
Appropriations Used	-	(447,869,545)	(447,869,545)
Net Change in Unexpended Appropriations	$ -	$ 1,906,747	$ 1,906,747
Total Unexpended Appropriations	**$ -**	**$48,666,951**	**48,666,951**
Cumulative Results of Operatios:			
Beginning Balances	$ 4,592,904	$ (24,660,038)	$ (20,067,134)
Adjustments	-	-	-
Beginning Balances, as Adjusted	$ 4,592,904	$ (24,660,038)	$ (20,067,134)
Appropriations Used	$ -	$ 447,869,545	$ 447,869,545
Imputed Financing (Note 12)	-	36,078,035	36,078,035
Net Cost of Operations	(1,065,083)	(485,514,455)	(486,579,538)
Net Change in Cumulative Results of Operations	$ (1,065,083)	$(1,566,875)	$(2,631,958)
Total Cumulative Results of Operations	**$ 3,527,821**	**$ (26,226,913)**	**(22,699,092)**
Net Position	**$ 3,527,821**	**$ 22,440,038**	**$ 25,967,859**

The accompanying notes are an integral part of this statement.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2025
(in Dollars)

		2025
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	$	29,616,728
Appropriations (Discretionary and Mandatory)		455,000,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)		3,190,994
Total Budgetary Resources	**$**	**487,807,722**
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total) (Note 10)	$	458,978,768
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts		3,614,456
Unapportioned, Unexpired Accounts		-
Unexpired Unobligated Balance, End of Year (Note 2)		3,614,456
Expired Unobligated Balance, End of Year		25,214,498
Unobligated Balance, End of Year (Total)		28,828,954
Total Budgetary Resources	**$**	**487,807,722**
Outlays, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	$	447,960,920
Agency Outlays, Net (Discretionary and Mandatory)	**$**	**447,960,920**

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended September 30, 2025
(in Dollars)

1) Summary of Significant Accounting Policies

a) Reporting Entity

The Equal Employment Opportunity Commission (EEOC or Commission or agency) was created by Title VII of the Civil Rights Act of 1964 (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, by and with the advice and consent of the Senate, for a term of 5 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 4 years.

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

The EEOC enforces federal laws that prohibit employment discrimination based on race, color, religion, sex, national origin, disability, age (40 or older), and genetic information. These laws cover federal agencies, most private employers, state and local governments (excluding elected or appointed officials), employment agencies, and most labor organizations. The EEOC carries out its mission through enforcement, outreach, education, and the provision of technical assistance.

b) Basis of Presentation

These financial statements have been prepared to report the 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), 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 financial statements present proprietary information. The Federal Managers' Financial Integrity Act Assurance Statement and the Payment Information Integrity Act 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 agency's integrated Oracle Federal Financials (OFF) uses an Oracle system, which provides 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.

In addition, the EEOC has a permanent, indefinite appropriation through its revolving fund. These funds are obtained through fees charged to private and public sector parties to offset the agency's costs (including administrative and personnel expenses) of providing education, training and technical assistance. Revenue is recognized as earned after services have been rendered.

The agency also recognizes imputed financing sources that are funded by another federal source in the period in which the cost was incurred to offset costs incurred by the EEOC. 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 sheet include both entity and non-entity balances. Entity assets are assets 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 its operations. The EEOC's non-entity assets represent receivables that, when collected, will be transferred to the U.S. Treasury.

Intragovernmental assets and liabilities arise from transactions between the agency 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 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 Balance with the U.S. Treasury represents total appropriated funds remaining as of the fiscal year-end from which the EEOC is authorized to make expenditures and pay liabilities resulting from operational activity pertaining to this fiscal year, except as restricted by law. The balance consists primarily of appropriated undelivered orders, accounts payable, unavailable balances, and deposit funds that will be disbursed to third parties. The Fund Balance with the U.S. Treasury also includes fees collected for services that are recorded and accounted for in the EEOC's revolving fund.

g) 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.

h) Accounts Receivable

Intragovernmental accounts receivable represents amounts due from other federal agencies for services rendered during the fiscal year. Amounts due from federal agencies are considered fully collectible. The EEOC does not have current accounts receivable from federal agencies for fiscal year ending September 30, 2025.

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

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 at 50% of the outstanding balance for receivables between 365 days and 720 days old, and receivables older than 720 days are calculated at 100%. The agency has a debt management process to assess losses on aged accounts receivable.

i) Property, Plant, and Equipment

Property, plant, and equipment consists of equipment, leasehold improvements and capitalized software. There are no restrictions on the use or convertibility of property, plant and equipment. The current value of property, plant, and equipment is reported net of accumulated depreciation and amortization (see Note 4).

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 repair or maintenance 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 3 to 7 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.

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 $23,500 of their gross earnings to the plan for the calendar year 2025. However, CSRS employees receive no matching agency contribution. Employees who are 50 years of age or older may contribute an additional $7,500 as a "catch-up" contribution. Employees aged 60-63 may contribute a higher catch-up limit of $11,250, making the total potential contribution $34,750 for calendar year 2025.

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

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

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

Additionally, the EEOC records an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases, 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. Liabilities included are related to Treasury-managed and Department of Labor-managed benefit programs such as Accounts Payable, Federal Employees' Compensation Program, Worker's Compensation, and Accrued (Unfunded) Annual Leave.

n) Amounts Collected for Restitution

In one litigation matter, the court directed an individual to pay amounts to the EEOC as restitution to several named claimants. These monies will be paid to claimants as directed by the court.

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 amounts 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.

s) New Accounting Standard

In April 2018, the Federal Accounting Standards Advisory Board (FASAB) issued Statement of Federal Financial Accounting Standards 54: Leases (SFFAS 54), which among other things, requires lessees to (1) recognize operating leases as lease assets and lease liabilities on the balance sheet and (2) disclose key information about significant leasing arrangements. Management has determined that the EEOC's current leases are intragovernmental and, therefore, not subject to this new accounting standard.

t) Changes in Presentation

As per OMB Memorandum 25-30 and OMB Circular A-136, as signed on July 14, 2025, significant changes have been mandated to the audited financial statements and the associated footnotes. While the agency will continue to undergo an annual audit, only current year financial information will be presented in the financial statements and associated footnotes for fiscal year 2025.

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 period ended September 30, 2025, the EEOC returned $5,223,708 in cancelled appropriations to Treasury. As of September 30, 2025, miscellaneous receipts of $38,300 have been returned to Treasury.

The Status of Fund Balance with Treasury as of September 30, 2025, consists of the following:

	FY 2025
Status of Funds	
Unobligated balance:	
Available	$ 3,614,456
Unavailable	*25,214,498
Obligated balance not yet disbursed	64,643,748
Non-budgetary Fund Balance with Treasury	51,138
Totals	**$ 93,523,840**

*Note: Total Fund with Treasury will not equal Total Status of Fund Balance with Treasury. This is due to sequestration of $955,205 for fiscal year 2025.

3) Accounts Receivable, Net

Intra-governmental accounts receivable due from federal agencies arise from the sale of services to other federal agencies. This sale of services generally reduces the duplication of effort within the federal government resulting in a lower cost of federal programs and services. The EEOC does not have current accounts receivable from federal agencies.

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, 2025, are as follows:

		FY 2025
Intragovernmental:		
Accounts receivable (see detail below)	$	-
Totals	**$**	**-**
With the public:		
Accounts receivable	$	120,912
Allowance for uncollectible receivables		(34,776)
Totals	**$**	**86,136**

4) Property, Plant and Equipment, Net

Property, plant, and equipment consists 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. Depreciation expense for the period ending September 30, 2025, was $3,387,266.

As of September 30, 2025		Cost		Accumulated Depreciation		Net Book Value
Equipment	$	120,284	$	(120,284)	$	-
Capital leases		72,340		(72,340)		-
Internal use software		8,811,041		(6,919,666)		1,891,375
Leasehold improvements		11,240,209		(11,240,209)		-
Internal use software in dev		1,184,678		-		1,184,678
Totals	**$**	**21,428,552**	**$**	**(18,352,499)**	**$**	**3,076,053**

5) Non-Entity Assets

The EEOC has $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2025.

6) Total 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, 2025, are shown in the following table:

	FY 2025
Intragovernmental:	
Workers' Compensation Liability	$ 1,782,495
Total Intragovernmental	1,782,495
Other than Intragovernmental:	
Unfunded Leave	22,696,922
Future Workers' Compensation Liability	8,109,686
Total Other than Intragovernmental	30,806,608
Total liabilities not covered by budgetary resources	32,589,103
Total liabilities covered by budgetary resources	39,801,829
Total liabilities not requiring budgetary resources	51,138
Total liabilities	**$ 72,442,070**

Liabilities Analysis

Current and non-current liabilities as of September 30, 2025, are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental			
Accounts payable	$ 244,214	$ -	$ $244,214
Employer contributions and payroll taxes payable	2,051,659	-	2,051,659
Other Liabilities w/o Related Budgetary Obligations	-	800,000	800,000
Total Intragovernmental	2,295,873	800,000	3,095,873

Continued on following page.

	Current	Non-Current	Totals
Other than intragovernmental liabilities			
Accounts payable	26,158,876	-	26,158,876
Accrued funded payroll and leave	10,266,041	-	10,266,041
Employer contributions and payroll taxes payable	281,039	-	281,039
Total Other than intragovernmental liabilities	36,705,956	-	36,705,956
Liabilities covered by budgetary resources	39,001,829	800,000	39,801,829
Intragovernmental			
Workers' Compensation Liability	1,782,495	-	1,782,495
Total Intragovernmental	1,782,495	-	1,782,495
Other than intragovernmental liabilities			
Unfunded leave	22,696,922	-	22,696,922
Future Workers' Compensation Liability	-	8,109,686	8,109,686
Total Other than intragovernmental liabilities	22,696,922	8,109,686	30,806,608
Liabilities not covered by budgetary resources	24,479,417	8,109,686	32,589,103
Amounts collected for restitution	51,138	-	51,138
Liabilities not requiring budgetary resources	51,138	-	51,138
Total liabilities	**$ 63,532,384**	**$ 8,909,686**	**$ 72,442,070**

7) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which does not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expense for operating leases as of September 30, 2025, is $33,296,362. The EEOC does not have any non-cancelable 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 agency also received a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the EEOC as of September 30, 2025, is as follows:

	FY 2025
Reimbursable revenue	$ -
Fees from services	3,941,549
Total Revenue	**$ 3,941,549**

9) Appropriations Received

Warrants received by the EEOC as of September 30, 2025, are:

	FY 2025
Warrants/Continuing Resolution received	**$ 455,000,000**

The EEOC received no warrant reductions for fiscal year 2025.

10) New Obligations and Upward Adjustments

Direct and Reimbursable new obligations, by apportionment category, incurred as of September 30, 2025, are:

	FY 2025
Obligations	
Direct A	$ 424,671,175
Direct B	29,834,836
Subtotal Direct Obligations	454,506,011
Reimbursable - Direct A	4,472,757
Total New Obligations and Upward Adjustments	**$ 458,978,768**

11) Funds from Dedicated Collections (Permanent Indefinite Appropriations)

The EEOC 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. It is funded from dedicated collections and is accounted for separately from the other funds of the agency. The fund is used to pay the cost (including administrative and personnel expenses) of providing education, technical assistance, and training by the EEOC. Revenue is recognized as earned when the services have been rendered by the EEOC.

		FY 2025
ASSETS		
Fund balance with Treasury	$	3,542,375
TOTAL ASSETS	**$**	**3,542,375**
LIABILITIES		
Accounts payable		14,554
TOTAL LIABILITIES	**$**	**14,554**
NET POSITION		
Cumulative results of operations		3,527,821
TOTAL LIABILITIES AND NET POSITION	**$**	**3,542,375**
Statements of Net Cost		
Program Costs		5,006,632
Revenue		(3,941,549)
Net Cost (Revenue)	**$**	**1,065,083**

12) Imputed Financing

The Judgment Fund was established by Congress and codified at 31 U.S.C. §1304. The Judgment Fund is a permanent, indefinite appropriation available to pay final money judgments and awards against the United States. The Judgment Fund is also available to pay compromise settlements entered by the U.S. Department of Justice related to actual or imminent litigation, but only if a judgment on the merits in that litigation would be payable from the Judgment Fund. This report reflects certain payments made by the Judgment Fund for both enforcement litigation conducted by the EEOC itself, and defensive litigation where the EEOC was a party and represented by the Department of Justice.

In addition, 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 pensions and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected in imputed financing in the Statement of Changes in Net Position. Total value of imputed financing as of September 30, 2025, consisted of:

	FY 2025
Judgment Fund	$ 422,902
Office of Personnel Management:	
Pension expenses	17,248,677
Federal employee’s health benefits (FEHB)	18,361,620
Federal employees group life insurance (FEGLI)	44,836
Total Imputed Financing	**$ 36,078,035**

13) Undelivered Orders at the End of the Period

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

	FY 2025
Unpaid:	
Federal	$ 6,259,958
Non-Federal	19,381,961
Paid:	
Federal	768,695
Totals	**$ 26,410,614**

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 Statement of Budgetary Resources for the period ending September 30, 2024, is shown in the following tables. A reconciliation is not presented for the period ending September 30, 2025, since the President’s Budget for this period has not been issued by Congress.

The differences between the President’s 2024 budget and the Statement of Budgetary Resources for 2024 are shown below:

FY 2024 (Dollars in millions)	**Budgetary Resources**	**Obligations Incurred**	**Distributed Offsetting receipts**	**Net Outlays**
Combined Statement of Budgetary Resources	$ 482	$ 461	-	$ 463

Continued on following page.

FY 2024 (Dollars in millions)	Budgetary Resources	Obligations Incurred	Distributed Offsetting receipts	Net Outlays
Revolving Fund Collections and Obligations	$ (7)	$ (5)	-	$ 2
Carry-forwards and Recoveries	$ (20)	$ (2)	-	-
Rounding Differences	-	$ 1	-	-
Budget of U.S. Government	$ 455	$ 455	-	$ 465

a) The EEOC's revolving fund provides training and charges fees to offset the cost. The collections are reported on the 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 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 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 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 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 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

For the Year Ended September 30, 2025
(in Dollars)

	FY 2025		
	Intra-governmental	With the public	Total FY 2025
NET COST	$ 162,293,037	$ 324,286,501	$ 486,579,538
Components of Net Cost That Are Not Part of Net Outlays			
PP&E depreciation	-	(3,387,266)	(3,387,266)
Other	-	1,128,443	1,128,443
Increase/(decrease) in assets:			
Accounts receivable	-	8,252	8,252
Other assets	-	735,414	735,414
Increase/(decrease) in liabilities:			
Accounts payable	(102,387)	1,710,188	1,607,801
Salaries and benefits	(180,423)	(3,564,800)	(3,745,223)
Other liabilities (Unfunded leave, Workers' Compensation, Future Workers' Compensation)	-	1,111,996	1,111,996
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(36,078,035)	-	(36,078,035)
Total Components of Net Cost That Are Not Part of Net Outlays	**$ (36,360,845)**	**$ (2,257,773)**	**$ (38,618,618)**
NET OUTLAYS	**$ 125,932,192**	**$ 322,028,728**	**$ 447,960,920**

OTHER INFORMATION

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

INSPECTOR GENERAL'S STATEMENT

Office of Inspector General

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

FY 2026 Management Challenges

Background

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is required to report in the U.S. Equal Employment Opportunity Commission's (EEOC or Agency) Agency Financial Report what we have determined to be the most serious management and performance challenges facing the Agency. This statement provides our views on the Agency's management challenges for fiscal year (FY) 2026. Due to the Office of Management and Budget's direction on the Agency Financial Report due date, the OIG had less time than expected to prepare this statement. We were unable to obtain and verify the Agency's latest updates to year-end information. Nevertheless, we believe the Management Challenges capture the most important hurdles facing EEOC in FY 2026.

Introduction

In last year's FY 2025 management challenges, we identified two critical challenges that faced the Agency: 1) Customer Service and 2) Data and Technology Transformation and Modernization. We continue to see the need for improvements to the customer service experience for EEOC stakeholders, such as improving the intake process. While continued work in customer service is needed, because of the Agency's efforts under the current leadership, we are no longer including this as a distinct challenge.

It is our belief that, for FY 2026, the top three challenges are: Managing Human Resources, Data Transformation and Technology Modernization, and Artificial Intelligence. Due to notable reduction in staffing, a likely decrease in the budget, and an internal restructuring, the Agency must focus on effective management of its human resources to deliver on its core mission and priorities. While the Agency, under the leadership of Chair Andrea Lucas, is making significant strides in data transformation and technology modernization, it continues to be a difficult and crucial undertaking for the Agency, and therefore, remains a major challenge carried over from last year. Artificial intelligence (AI), mentioned in last year's management challenges, is now a distinct challenge as the Agency implements potential AI applications to meet new federal requirements and address Agency hurdles.

Challenge 1: Managing Human Resources

A major challenge facing the EEOC is effectively managing its shrinking human resources while addressing its operational needs. As a result of the Trump administration's efforts to significantly reduce the federal workforce in FY 2025, the Agency experienced a substantial reduction in staff through the Deferred Resignation Program, retirements, and a prolonged hiring freeze.[1] Additionally, the Agency experienced high turnover in many key positions in leadership and management throughout the Agency (both Headquarters and Field Offices).

In conjunction with a potentially lower budget in FY 2026, the Agency's remaining human resources will be strained and may impact the Agency's ability to meet its core mission.[2] The Agency is left to make difficult decisions to pause, postpone, or abandon non-statutory initiatives, projects, and training. The Agency must overcome a changing environment while continuing to tackle pending private sector charge inventory and federal sector workloads as well as its continued efforts in data and technology modernization.

The EEOC began FY 2025 with around 2,170 employees and projects the number to drop below 1,700 in FY 2026, which reduces the workforce by almost a quarter. Many offices are impacted from staffing reductions. Much of the staffing reduction occurs in the Office of Field Programs (OFP) and Office of Federal Operations (OFO). Such a significant reduction in staffing and turnover in management will likely hamper the Agency from achieving the same levels of outputs in private and public sector activities as it had in previous years. With reduction in OFP staff that handles the intake process, the Agency will likely need to rely on effective use of technology to ensure efficient management of potential charge receipts. OFO, which handles the Federal Sector Program, anticipates an increase in pending inventory of federal sector hearings and appeals workload while contending with decreases in the number of Administrative Judges and assigned attorneys available to work their respective cases. As we further explain in the next two challenges, the Agency must undertake efforts to better use technology, including AI, to appropriately address its issues regarding decreased human capital and improve metrics associated with its mission.

Challenge 2: Data Transformation and Technology Modernization

EEOC faces major hurdles in the management of data and technology activities. These are: 1) continuing customer service improvements; 2) managing information technology and data analytics resources; 3) better managing data, including data governance; and 4) implementing digital process transformation and automation improvements.

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1 The Deferred Resignation Program allows federal employees to voluntarily resign in advance while still receiving their salary and benefits until a specified date, typically while on paid administrative leave.

2 The Agency requested a budget of $435M in FY 2026, $20M less than the Agency's FY 2025 budget of $455M.

In previous Management Challenges, we focused on EEOC's efforts to replace its aging mission-critical information system, the Integrated Mission System (IMS), with the Agency Records Center (ARC). While the Agency made progress in partially decommissioning IMS, the work to transition the federal sector information (hearings and appeals data) into ARC remains a primary task for the Agency in FY 2026. Also, in FY 2025, the Agency made progress in improving customer service technology such as implementing, per OIG recommendation, mechanisms to ensure that the design and management of the portals are responsive to customer needs. For FY 2026, EEOC plans to make major improvements to its mission-critical private sector charge intake process, which has a major technology component, including customer portals.

The Agency's technology undertakings and priorities as it relates to improving customer service closely align with President Trump's Executive Order and guidance. The "Improving Our Nation Through Better Design" Executive Order requires agencies to improve the visual presentation and usability of government websites and digital services.

Furthermore, EEOC will need to manage wisely the significantly reduced levels of Agency and contractor staffing to ensure substantial progress in FY 2026. Office of Chief Information Officer (OCIO) leadership estimated OCIO cut its contractor resources by up to 50% and that OCIO lost close to 25% of Agency managers and staff due to the Deferred Resignation Program, attrition, and the hiring freeze. Other challenges include upgrading the Agency's wide area network. OCIO leadership indicated EEOC may need to make difficult choices about which projects to move forward on in FY 2026.

With a curtailed workforce, addressing these organizational hurdles and implementing the required data and technology improvements will require the Agency's concerted management attention to identify innovative and efficient solutions. AI, as explained below in Challenge 3, can play a significant role in bridging the gap.

Challenge 3: Artificial Intelligence

Last year, we encouraged the Agency to continue evaluating how AI could assist mission attainment and improve performance without requiring additional staff. Over the past two years, EEOC appointed a Chief AI Officer, established an AI governance body, developed an AI compliance plan, and solicited field offices for AI use cases, among other activities. However, EEOC's AI hurdles for FY 2026 are much different than FY 2025 because the Trump administration's AI policies are based on accelerating innovation, building AI infrastructure, and improving national security, while aiming to streamline AI governance and reduce federal oversight. These policies rescind the previous, and markedly different, AI policy in President Biden's Presidential Management Agenda.

In FY 2026, EEOC will need to meet the new administration's requirements by updating its AI compliance plan and practices to adhere to the three pillars of President Trump's July 2025 AI Action Plan. The three pillars are accelerating innovation, building AI infrastructure, and leading in international diplomacy and security. For example, the AI Action Plan requires federal agencies to procure large language models that align with "Unbiased AI Principles." EEOC identified potential AI use cases, including language translation, virtual assistants, and cybersecurity. For FY 2026, EEOC should also seek to use AI to increase program/

activity efficiency because there are fewer staff as noted in Challenge 1.

To ensure strong progress in AI, EEOC should also ensure high reliability of the data it collects because the accuracy of the AI models depend on the quality of EEOC data. Therefore, robust data governance will play a key role in ensuring successful deployment of AI. Focusing on implementing the recommendations from our July 2025 report will greatly support the Agency implement AI by ensuring quality of the data on which AI depends.[3]

To successfully incorporate AI into key Agency activities, the EEOC, led by the Office of the Chair and a robust AI Governing Board, should develop and implement a robust AI strategy to ensure these conditions are fully met. Improvements to the current AI strategic plan should address how to strengthen EEOC's data culture and ensure the data fueling AI tools is of the highest quality. Progressing in strategy, management, and the implementation areas noted above is especially critical for EEOC due to the major reduction in staffing levels and changing priorities associated with mission attainment and performance.

Respectfully submitted,

Joyce T. Willoughby

Inspector General

3 EEOC OIG, Evaluation of Data Governance, Management, and Validity, Evaluation Report 2024-002-EOIG (June 2025), oig.eeoc.gov/node/757

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 Payment Integrity Information Act of 2019 (PIIA), repealed the Improper Payments Information Act (IPIA) of 2002, the Improper Payments Elimination and Recovery Act (IPERA) of 2010, the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), and the 2015 Fraud Reduction and Data Analytics Act (FRDAA). PIIA and Executive Order 14249, Protecting America's Bank Account Against Fraud, Waste, and Abuse, 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 2025 where 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 PIIA also requires agencies to perform a payment recapture or recovery audit on all programs with annual expenditures of $1 million or more if conducting the audits would be more cost effective.

OMB Memorandum M-21-19 prescribes guidance for agencies to use in implementing PIIA. OMB guidance defines "significant improper payments," for fiscal year2025 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 (DOI), Interior Business Center (IBC) for accounting system support and accounts payable processing. As a result, the implementation of the Do Not Pay (DNP) Initiative is a joint responsibility between the EEOC and IBC. Prior to making a new contract award, the EEOC checks the System for Award Management (SAM) and the Excluded Parties List System (EPLS) for a match. If there is no match, the EEOC submits a new vendor request to IBC. The IBC Vendor Maintenance Team verifies the EEOC's entire new employee and non-federal vendor requests against the Department of Treasury's DNP database using the DNP portal on-line search capability. If the IBC Vendor Maintenance Team finds a positive match, the EEOC is notified. The EEOC reviews the match, determines if the payment is proper, and reports the result.

An agency-wide PIIA policy was implemented in December 2023. The policy identified an agency-wide office responsible for PIIA compliance and provides guidance on assessing programmatic risks for improper payments and preparing/reviewing reported payment integrity information.

In fiscal year 2025, the EEOC conducted Improper Payment Testing over its transaction universe in accordance with OMB Circular A-123, Appendix C, OMB Memorandum M-21-19, Section VIII, and standard operating procedures. Accordingly, in fiscal year 2025, the EEOC conducted scheduled reviews and audits of payroll, vendor payments, and travel payments. Moreover, the agency administered a payment integrity survey across programs and determined the agency has a low overall rating for fraud and improper payment risk. Additionally, an Improper Payment Risk Assessment of the Travel and Vendor Payments Program, which includes Other Contractual Services, Rental Payments, and State and Local Programs determined that the assessed programs are not susceptible to significant improper payments or unknown payments.

Based on the results of the fiscal year 2025 Payment Integrity Survey and 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 or unknown payments at or above the threshold levels set by OMB.

The EEOC will conduct another review in fiscal year 2026 of its programs and activities to determine whether the programs have experienced any unexpected changes. If so, the EEOC will assess program 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 PIIA legislation means any payment or transfer of federal funds to any non-federal person or entity or a federal employee, the EEOC is not required to review, and has not reviewed, intragovernmental 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 2025. 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 that such tools were 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 PIIA. The amounts identified and recovered, by program, are shown below.

Overpayments Recaptured (in dollars) as of September 30, 2025

Source	Amount Identified FY 2025	Amount Recovered FY 2025	Amount Identified FY 2024	Amount Recovered FY 2024
Vendor Payments	$0	$0	$0	$0
Travel Payments	$0	$0	$0	$0

FRAUD REDUCTION REPORT

The agency has complied with the Payment Integrity Information Act of 2019 throughout fiscal year 2025.

In fiscal year 2025, 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 on key points of vulnerability 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 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, Receivables, General Ledger, Payables and Debt Collections, Payroll Processing	Financial reports are consistently reviewed and analyzed.	Amounts 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 are 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, the EEOC will be positioned to identify and assess risks within the current environment through a systematic process which evaluates the impact of risk on the EEOC's ability to more actively achieve its mission and objectives within the limited resources available.

CIVIL MONETARY PENALTY ADJUSTMENTS FOR INFLATION

On September 30, 2025, the EEOC, 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, the PWFA, 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	2025	$698	N/A	90 Federal Register 46766 (Sept. 30, 2025)

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, 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 age 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.

- **Government Employee Rights Act of 1991**, which protects certain state government employees from discrimination on the basis of race, color, religion, sex, national origin, age, or disability. Protected applicants or employees include any individual chosen or appointed by a person elected to public office in any State or political subdivision of any State to be a member of the elected official's personal or policymaking staff or to advise the official on the constitutional or legal powers of the office.

- **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.

- **Pregnant Workers Fairness Act of 2022**, which requires that a covered entity provide a reasonable accommodation to a qualified worker's known limitation related to pregnancy, childbirth, or related medical conditions, absent undue hardship.

The Office of Field Programs (OFP), the Office of General Counsel (OGC), and 53 offices across the country, ensure that the 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 workers subjected to discrimination in accordance with agency policies. Staff also counsel individuals about their rights under the laws enforced by the EEOC and conduct outreach and technical assistance programs. OGC conducts litigation in federal district courts and in the federal courts of appeals.

Additionally, through OFP's State, Local, and Tribal Program, the EEOC maintains work-sharing agreements and a contract services program with 89 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 62 TEROs to promote equal employment opportunity on or near Native American/Alaska Native Tribal lands.

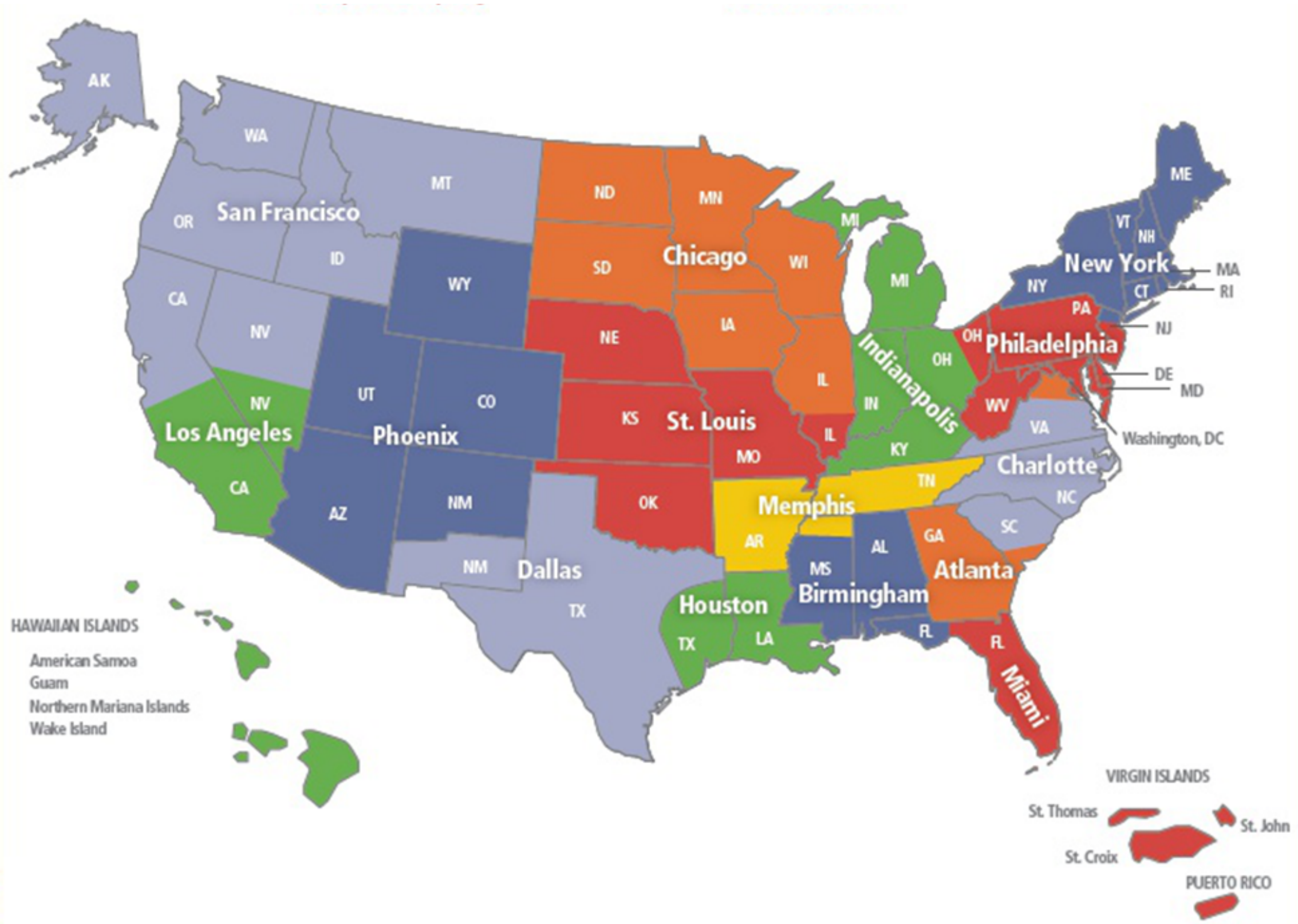
The Office of Legal Counsel (OLC) serves as counsel to the Chair, developing policy guidance and regulatory actions, providing technical assistance to employers and employees, and coordinating with other agencies and stakeholders regarding the statutes and regulations enforced by the EEOC. OLC also fulfills 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, the Privacy Act, and recordkeeping matters. OLC houses the agency's FOIA Division and its Records Management Division.

Through its Office of Federal Sector (OFS), 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, but the responsibility for conducting hearings of federal sector complaints is performed in field offices under the oversight of OFP. Moreover, OFS 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 OFFICES

Equal Employment Opportunity Commission
15 Districts



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 AND COMMISSIONERS

Andrea R. Lucas, Chair

Andrea R. Lucas was designated by President Trump as Chair of the U.S. Equal Employment Opportunity Commission (EEOC) on November 6, 2025, and was confirmed for her second term by the U.S. Senate on July 31, 2025, for a term expiring July 1, 2030.

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

Kalpana Kotagal, Commissioner

Kalpana Kotagal was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2022 and was confirmed by the U.S. Senate on July 13, 2023, for a term expiring July 1, 2027.

For more information about Commissioner Kotagal, please see: https://www.eeoc.gov/kalpana-kotagal-commissioner.

Brittany Bull Panuccio, Commissioner

Brittany Bull Panuccio was nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2025 and was confirmed by the U.S. Senate on October 7, 2025, for a term expiring July 1, 2029.

For more information about Commissioner Panuccio, please see: https://www.eeoc.gov/brittany-bull-panuccio-commissioner.

APPENDIX D: GLOSSARY OF ACRONYMS

ADA Americans with Disabilities Act of 1990

ADEA Age Discrimination in Employment Act of 1967

AFR Agency Financial Report

APP Annual Performance Plan

APR Annual Performance Report

ARC Agency Records Center

CSRS Civil Service Retirement System

CST Customer Specific Training

DNP Do Not Pay

DOI U.S. Department of Interior

DOL U.S. Department of Labor

EEO Equal Employment Opportunity

EEOC U.S. Equal Employment Opportunity Commission

EPA Equal Pay Act of 1963

EPLS Excluded Parties List System

ERM Enterprise Risk Management

FECA Federal Employees' Compensation Act

FEGLI Federal Employees Group Life Insurance Program

FEHB Federal Employees Health Benefits Program

FEPA Fair Employment Practices Agency

FERS Federal Employees' Retirement System

FMLA Family and Medical Leave Act

FMFIA Federal Managers Financial Integrity Act

FOIA Freedom of Information Act

FSP Federal Sector Programs

GAAP Generally Accepted Accounting Principles

GERA Government Employee Rights Act of 1991

GINA Genetic Information Nondiscrimination Act of 2008

GSA General Services Administration

IBC Interior Business Center

IMS Integrated Mission System

IPERA Improper Payments Elimination and Recovery Act of 2010

IPERIA Improper Payments Elimination and Recovery Improvement Act of 2012

IPIA Improper Payments Information Act of 2022

MD&A Management's Discussion and Analysis

NPRM Notice of Proposed Rulemaking

OFF Oracle Federal Financials

OFS Office of Federal Sector

OFP Office of Field Programs

OGC Office of General Counsel

OIG Office of Inspector General

OCIO Office of the Chief Information Officer

OLC Office of Legal Counsel

OMB U.S. Office of Management and Budget

OPM U.S. Office of Personnel Management

ORB Other Retirement Benefits

PIIA Payment Integrity Information Act of 2019

PWFA Pregnant Workers Fairness Act of 2022

SAM System for Award Management

TERO Tribal Employment Rights Offices

APPENDIX E: INTERNET LINKS

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

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

EEOC Strategic Plan for FY 2022-2026: https://www.eeoc.gov/eeoc-strategic-plan-2022-2026

Strategic Enforcement Plan for FY 2024-2028: https://www.eeoc.gov/strategic-enforcement-plan-fiscal-years-2024-2028

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

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

EEOC FY 2025 Congressional Budget: https://www.eeoc.gov/fiscal-year-2025-congressional-budget-justification

EEOC Congressional 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

APPENDIX F: REVOLVING FUND

The EEOC Training Institute (Training Institute) provides fee-based training and technical assistance to stakeholders from the private and public sectors. 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 EEOC's training and technical assistance efforts. The Revolving Fund serves as the mechanism through which the EEOC can collect payments, thus offsetting some of the costs devoted to training and technical assistance to external entities.

The Training Institute offers a range of fee-based training to help private employers and state, local, and federal government agencies educate their managers and employees on EEOC-enforced laws and on preventing workplace discrimination. It provides workshops, courses, and Customer Specific Trainings (CSTs) on various EEO compliance issues, including updates on EEOC guidance.

In fiscal year 2025, the Training Institute conducted virtual and in-person workshops, courses, and CSTs for a total of 262 events with approximately 19,659 attendees. Below is a more in-depth explanation of each type of program offered by the Training Institute in fiscal year 2025.

TECHNICAL ASSISTANCE PROGRAM WORKSHOPS

In fiscal year 2025, the Training Institute provided expanded opportunities for employees and employers to receive training, education, and information about their respective rights and obligations to prevent and eradicate workplace discrimination by offering both virtual and in-person events. The Training Institute offered virtual and in-person 1-hour (breakfast and lunch briefings), 2-hour, 3-hour, 4-hour (half-day), and 8-hour (full-day) workshops. These workshops continue to be successful as they allowed the EEOC district offices to partner together, pool their creative ideas and resources, and maximize revenue potential. These workshops received excellent evaluations from attendees. In fiscal year 2025, the Training Institute conducted 35 national (1, 2, 3, 4, and 8 hour) workshops with approximately 5,693 attendees.

CUSTOMER SPECIFIC TRAINING

The Customer Specific Training (CST) program provides training and education for employees, managers, supervisors, and HR 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 designs customized courses to be delivered at employers' worksites, including virtual delivery. In fiscal year 2025, the Training Institute conducted 227 virtual and in-person CST events that reached approximately 13,966 registrants.

NATIONAL FEDERAL COURSES AND FEDERAL AGENCY TRAINING

The Training Institute offers federal training designed to meet training requirements for EEO practitioners working throughout the federal government. In fiscal year 2025, there were 41 fee-based national federal courses with approximately 1,145 attendees and 34 customer specific fee-based training sessions with approximately 3,873 attendees. Twenty-seven of the courses included information on sex-based rights at work and religious protections and accommodations.

REVENUE

In fiscal year 2025, the Training Institute generated revenue of approximately $3.5 million and met the Revolving Fund's annual threshold self-sustained funding. The Revolving Fund total expenditures include indirect costs such as the Revolving Fund reimbursable agreement, registration contract, and other shared Revolving Fund expenses.

REIMBURSABLE AGREEMENT

The reimbursable agreement expenses are broken down as OFP – 50%, OFS – 50%, and then estimated based on the percentage revenue for each program, which consists of OFP Workshops and OFS National Federal Courses.

As set forth in the agreement, the Revolving Fund also reimbursed the agency $4,027,669 for indirect costs associated with administration and operations.

INDIRECT COSTS

Indirect Costs are defined by OMB 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 are comprised of two major areas: 1) salaries and benefits; and 2) general and administrative costs. The salaries are for Revolving Fund staff, and OFP and OFS staff who 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 OCIO. The indirect expenses are necessary to support the execution of the full array of Training Institute offerings including Workshops, Customer Specific Training (CSTs), National Federal Courses, and Federal Agency Training Sessions.

APPENDIX G: ACKNOWLEDGMENTS

The EEOC's Fiscal Year 2025 Agency Financial Report is a collaborative endeavor on the part of many EEOC employees and contractors. The EEOC 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 2025 Agency Financial Report. We welcome your comments on how we can make this report more informative.

Please send your comments to:

Executive Officer
Office of the Executive Secretariat
U.S. Equal Employment Opportunity Commission

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