



**U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION**

**Office of Federal Operations**

**P.O. Box 77960**

**Washington, DC 20013**

[REDACTED]  
Kacy C.,<sup>1</sup>  
Complainant,

v.

Lloyd J. Austin III,  
Secretary,  
Department of Defense  
(Defense Health Agency),  
Agency.

Appeal No. 2023003787

Agency No. DHASAT 23-0404

**DECISION**

Complainant filed a timely appeal with the Equal Employment Opportunity Commission (EEOC or Commission) from the Agency's final decision dated June 8, 2023, dismissing a formal complaint alleging unlawful employment discrimination in violation of Section 501 of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended, 29 U.S.C. § 791 et seq., and the Age Discrimination in Employment Act of 1967 (ADEA), as amended, 29 U.S.C. § 621 et seq.

**BACKGROUND**

During the period at issue, Complainant worked as a Contractor Dental Assistant at the Randolph Air Force Base in Texas through a contract entered into between the Agency and Magnificus Corporation.<sup>2</sup> The record reflects that Magnificus Corporation was a "Teaming Partner" with Sterling Medical.<sup>3</sup>

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<sup>1</sup> This case has been randomly assigned a pseudonym which will replace Complainant's name when the decision is published to non-parties and the Commission's website.

<sup>2</sup> The record does not contain a copy of the contract between the Agency and Magnificus.

<sup>3</sup> The record references a contract between Complainant and Sterling Medical. However, the record does not contain a copy of this contract.

On May 30, 2023, Complainant filed a formal complaint alleging that the Agency subjected her to discrimination on the bases of disability, age, and reprisal for prior protected EEO (unspecified).

In its June 8, 2023 final decision, the Agency determined that the formal complaint was comprised of the following three claims:

1. On April 25, 2023, Complainant was terminated by her contracting company on behalf of [a named Agency official].
2. On February 9, 2023, [a named Agency official] requested Complainant to be investigated on missing equipment even though Complainant was cleared in June 2021.
3. In February 2023, [a named Agency official] gave Complainant five minutes to prepare for an interview for the GS-9 Dental Assistant job.

The Agency dismissed the formal complaint for failure to state a claim reasoning that Complainant was not a federal employee nor an applicant for federal employment. The Agency further reasoned that it does not exercise sufficient control over Complainant's position to qualify as a joint employer.

The instant appeal followed.

### ANALYSIS AND FINDINGS

EEOC Regulation 29 C.F.R. § 1614.103(a) provides that complaints of discrimination shall be processed in accordance with Part 1614 of the EEOC regulations. EEOC Regulation 29 C.F.R. § 1614.103(c) provides that within the covered department, agencies, and units, Part 1614 applies to all employees and applicants for employment.

In Serita B. v. Dep't of the Army, EEOC Appeal No. 0120150846 (Nov. 10, 2016), the Commission reaffirmed its longstanding position on "joint employers" and noted that it is found in numerous sources. See, e.g., EEOC Compliance Manual Section 2, "Threshold Issues," Section 2-III(B)(1)(a)(iii)(b) (May 12, 2000) (Compliance Manual); EEOC Enforcement Guidance: Application of EEO Laws to Contingent Workers Placed by Temporary Employment Agencies and Other Staffing Firms (Dec. 3, 1997) (Enforcement Guidance), "Coverage Issues," Question 2; Ma v. Dep't of Health and Human Servs., EEOC Appeal Nos. 01962389 & 01962390 (May 29, 1998). We reiterate the analysis set forth in those decisions and guidance documents in this decision.

Agencies often conclude that an individual is not an employee based solely on the fact that the individual performs work pursuant to a contract between the federal government and an outside organization and the outside organization, not the federal government, controls the pay and benefits of that individual. See, e.g., Helen G. v. Dep't of the Army, EEOC Appeal No. 0120150262 (Feb. 11, 2016); Nicki B. v. Dep't of Educ., EEOC Appeal No. 0120151697 (Feb. 9, 2016). These elements are, however, just two of the factors relevant to joint employment under the Commission's long-standing position and it is not at all surprising that they would be present when an individual working under a federal contract for a federal agency raises a complaint of discrimination.

The term "joint employer" refers to two or more employers that each exercise sufficient control of an individual to qualify as the worker's employer. Compliance Manual, Section 2- III(B)(1)(a)(iii)(b). To determine whether the Agency has the right to exercise sufficient control, EEOC considers factors derived from common law principles of agency. See Enforcement Guidance, "Coverage Issues," at Question 2. EEOC considers, inter alia, the Agency's right to control when, where, and how the worker performs the job; the right to assign additional projects to the worker; whether the work is performed on Agency premises; whether the Agency provides the tools, material, and equipment to perform the job; the duration of the relationship between the Agency and the worker; whether the Agency controls the worker's schedule; and whether the Agency can discharge the worker. EEOC Compliance Manual, Section 2-III(A)(1) (citing Nationwide Mut. Ins. Co. v. Darden, 503 U.S. 318, 323-24 (1992)); EEOC v. Skanska USA Bldg., Inc., 550 F.App'x 253, 256 (6th Cir. 2013) ("Entities are joint employers if they 'share or co-determine those matters governing essential terms and conditions of employment'") (quoting Carrier Corp. v. NLRB, 768 F.2d 778, 781 (6th Cir. 1985); see also Ma, EEOC Appeal Nos. 01962389 & 01962390.

The language of the contract between the agency and the staffing firm is not dispositive as to whether a joint-employment situation exists. In determining a worker's status, EEOC looks to what actually occurs in the workplace, even if it contradicts the language in the contract between the staffing firm and the agency. Baker v. Dep't of the Army, EEOC Appeal No. 01A45313 (Mar. 16, 2006) (while contract between staffing firm and agency provided that contract personnel were employees of staffing firm under its administrative supervision and control, agency actually retained supervisory authority over the contract workers).

On the factor of the right to control when, where, and how the worker performs the job and to assign additional projects, complete agency control is not required. Rather, the control may be partial or joint and still point to joint employment. Shorter v. Dep't of Homeland Sec., EEOC Appeal No. 0120131148 (June 11, 2013) (where both staffing firm and agency made assignments, this pointed to joint employment); Complainant v. Dep't of the Navy, EEOC Appeal No. 0120143162 (May 20, 2015), request for reconsideration denied, EEOC Request No. 0520150430 (Mar. 11, 2016) (where staffing firm wrote and issued complainant's appraisal with input from agency, this pointed toward joint employment).

Likewise, where both the agency and staffing firm provided tools, material, and equipment to perform the job, this pointed to joint employment. Elkin v. Dep't of the Army, EEOC Appeal No. 0120122211(Nov. 8, 2012). Similarly, where a staffing firm terminates a worker after an agency communicates it no longer wants the worker's services, this supports a finding that the agency has joint or de facto power to discharge the worker. See, e.g., Complainants v. Dep't of Justice, EEOC Appeal Nos. 0120141963 & 0120141762 (Jan. 28, 2015); see also Skanska USA Bldg., Inc., 550 Fed. App'x at 254, 256 (where defendant removed staffing firm's workers from job site without challenge from staffing firm, and after such removals staffing firm generally fired worker, this pointed to joint employment); Butler v. Drive Auto. Indus. of America, Inc., 793 F.3d 404, 414-15 (4th Cir. 2015). The EEOC considers an entity's right to control the terms and conditions of employment, whether or not it exercises that right, as relevant to joint employer status. Enforcement Guidance, "Coverage Issues," at Question 2, Example 5 (where an entity reserves the right to direct the means and manner of an individual's work, but does not generally exercise that right, the entity may still be found to be a joint employer).

The record is not sufficiently developed to make a determination as to whether the Agency is a joint employer for the purpose of using the 29 C.F.R. Part 1614 complaint process. Complainant alleges various incidents of discrimination culminating in her termination from the contract, at the direction of the Agency. Thus, the circumstances surrounding Complainant's removal from the contract is significant to whether the Agency is a joint employer for EEO purposes.

We acknowledge that the record contains an unsigned document entitled "Legal Review-Joint Employment Analysis" purportedly from the Agency's Associate Legal Counsel, Chief, Labor Law Central Region, finding that the Agency did not qualify as a joint employer in the instant matter. The Joint Employment Analysis document references a contract between the Agency and Magnificus Corporation and a document entitled "Joint Employer Worksheet," containing responses from the Agency's Chief of Contract Services. However, the record does not contain either of these documents.

The record reflects that Complainant's removal appears to be at the direction of the Agency. The record contains a letter from an official with Sterling Medical to Complainant dated February 22, 2023. Therein, the Sterling Medical Official sets forth that "the *Government* has requested that you be terminated due to performance issues at the facility." (emphasis added). The termination letter further referenced the Agreement between Sterling Medical and Complainant and set forth that Section 16 of the Agreement provided, in pertinent part:

If contractual performance of Dental Assistant services at the Hospital by Sterling Medical or Dental Assistant should be terminated or cancelled by the Government or by Sterling Medical's client for these services, Magnificus, or, if the Government should request in writing that Dental Assistant no longer provide services at the facility, or if the Government should cease to extend full privileges

to Dental Assistant at the Hospital, however, then this agreement shall be terminated without damages to either party.”<sup>4</sup>

Complainant submits, on appeal, a copy of an email to her from an official with Sterling Medical dated April 25, 2023. Therein, the Sterling Medical official sets forth that “if the Government does request in writing for your termination we must follow [their] request.” Finally, the record contains a document entitled Customer Complaint Record signed by the Agency’s Chief, Contract Services. The document provides, in pertinent part, that a “[named *Agency* official] asked that Complainant be removed.” (emphasis added).

The record, however, does not contain signed affidavits from Agency Management Officials and Sterling Medical officials detailing the reasons for, and who was involved in Complainant’s removal from her position located at the Agency’s facility. It is also unclear based on the record before us whether Sterling Medical continued to employ Complainant on other contracts after her removal from her position at the Agency’s facility. The record does not contain any affidavits from Sterling Medical officials or Complainant addressing whether it has continued to employ her on other contracts. Moreover, we are unable to ascertain from the record whether Sterling Medical conducted an independent investigation on the complaints related to Complainant’s performance *prior* to her termination.

### CONCLUSION

Based on the foregoing, we VACATE the Agency’s final decision dismissing Complainant’s complaint and we REMAND this matter for a supplemental investigation in accordance with the ORDER below.

### ORDER

Within sixty (60) calendar days from the date this decision is issued, the Agency is ORDERED to take the following actions:

1. Conduct a supplemental investigation to obtain evidence consistent with this decision and relevant in assessing whether the Agency is a joint employer for EEO purposes. The Agency shall supplement the record with a copy of the contract between the Agency and Magnificus, a copy of the contract between Complainant and Sterling Medical and a copy of the “Joint Employer Worksheet” containing responses from the Agency’s Chief, Contract Services referenced in the Joint Employer Analysis document, as discussed above.

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<sup>4</sup> The record does not contain a copy of the signed agreement between Complainant and Sterling Medical.

2. The evidentiary record shall also include affidavits from relevant Agency officials such as the Agency's Chief, Contract Services, Contracting Officer Representative, and the alleged responsible Agency Management official set forth by Complainant in her formal complaint and the EEO Counselor's Report. The affidavits shall address the circumstances leading up to Complainant's removal and whether they or another Agency official requested that Magnificus or Sterling Medical take any action regarding Complainant, prior to her termination. The Agency shall also obtain affidavits from any other officials that appear to have knowledge of the circumstances surrounding Complainant's termination.
3. The Agency shall obtain an affidavit from Complainant addressing the circumstances of her termination.
4. The Agency shall also obtain affidavits from relevant officials from Sterling Medical and/or Magnificus addressing, in detail, the circumstances surrounding Complainant's termination and whether Agency officials requested Sterling Medical and/or Magnificus to take any action prior to Complainant's termination. The affidavits shall also address if Sterling Medical and/or Magnificus conducted its own independent investigation regarding the alleged complaints made by the Agency regarding Complainant's performance and if so, when did the investigation occur (prior to or after Complainant's termination). Finally, these affidavits shall address whether Complainant continued to be employed by Sterling Medical and/or Magnificus on other projects subsequent to her termination from the Agency's facility at Randolph Air Force Base.
5. The Agency shall either issue a new final decision either dismissing the formal complaint, with an appropriate analysis of relevant facts with appeal rights to the Commission, or a letter accepting Complainant's complaint for investigation.
6. A copy of the supplemental investigation and new dismissal letter or letter of acceptance shall be provided as set forth below in the section entitled "Implementation of the Commission's Decision."

#### IMPLEMENTATION OF THE COMMISSION'S DECISION (K0719)

Under 29 C.F.R. § 1614.405(c) and § 1614.502, compliance with the Commission's corrective action is mandatory. Within seven (7) calendar days of the completion of each ordered corrective action, the Agency shall submit via the Federal Sector EEO Portal (FedSEP) supporting documents in the digital format required by the Commission, referencing the compliance docket number under which compliance was being monitored. Once all compliance is complete, the Agency shall submit via FedSEP a final compliance report in the digital format required by the Commission. See 29 C.F.R. § 1614.403(g). The Agency's final report must contain supporting documentation when previously not uploaded, and the Agency must send a copy of all submissions to the Complainant and his/her representative.

If the Agency does not comply with the Commission's order, the Complainant may petition the Commission for enforcement of the order. 29 C.F.R. § 1614.503(a). The Complainant also has the right to file a civil action to enforce compliance with the Commission's order prior to or following an administrative petition for enforcement. See 29 C.F.R. §§ 1614.407, 1614.408, and 29 C.F.R. § 1614.503(g). Alternatively, the Complainant has the right to file a civil action on the underlying complaint in accordance with the paragraph below entitled "Right to File a Civil Action." 29 C.F.R. §§ 1614.407 and 1614.408. A civil action for enforcement or a civil action on the underlying complaint is subject to the deadline stated in 42 U.S.C. 2000e-16(c) (1994 & Supp. IV 1999). **If the Complainant files a civil action, the administrative processing of the complaint, including any petition for enforcement, will be terminated.** See 29 C.F.R. § 1614.409.

Failure by an agency to either file a compliance report or implement any of the orders set forth in this decision, without good cause shown, may result in the referral of this matter to the Office of Special Counsel pursuant to 29 C.F.R. § 1614.503(f) for enforcement by that agency.

#### STATEMENT OF RIGHTS - ON APPEAL

##### RECONSIDERATION (M0920)

The Commission may, in its discretion, reconsider this appellate decision if Complainant or the Agency submits a written request that contains arguments or evidence that tend to establish that:

1. The appellate decision involved a clearly erroneous interpretation of material fact or law; or
2. The appellate decision will have a substantial impact on the policies, practices, or operations of the agency.

Requests for reconsideration must be filed with EEOC's Office of Federal Operations (OFO) **within thirty (30) calendar days** of receipt of this decision. If the party requesting reconsideration elects to file a statement or brief in support of the request, **that statement or brief must be filed together with the request for reconsideration.** A party shall have **twenty (20) calendar days** from receipt of another party's request for reconsideration within which to submit a brief or statement in opposition. See 29 C.F.R. § 1614.405; Equal Employment Opportunity Management Directive for 29 C.F.R. Part 1614 (EEO MD-110), at Chap. 9 § VII.B (Aug. 5, 2015).

Complainant should submit his or her request for reconsideration, and any statement or brief in support of his or her request, via the EEOC Public Portal, which can be found at <https://publicportal.eeoc.gov/Portal/Login.aspx>

Alternatively, Complainant can submit his or her request and arguments to the Director, Office of Federal Operations, Equal Employment Opportunity Commission, via regular mail addressed to P.O. Box 77960, Washington, DC 20013, or by certified mail addressed to 131 M Street, NE, Washington, DC 20507.

In the absence of a legible postmark, a complainant's request to reconsider shall be deemed timely filed if OFO receives it by mail within five days of the expiration of the applicable filing period. See 29 C.F.R. § 1614.604.

An agency's request for reconsideration must be submitted in digital format via the EEOC's Federal Sector EEO Portal (FedSEP). See 29 C.F.R. § 1614.403(g). Either party's request and/or statement or brief in opposition must also include proof of service on the other party, unless Complainant files his or her request via the EEOC Public Portal, in which case no proof of service is required.

Failure to file within the 30-day time period will result in dismissal of the party's request for reconsideration as untimely, unless extenuating circumstances prevented the timely filing of the request. **Any supporting documentation must be submitted together with the request for reconsideration.** The Commission will consider requests for reconsideration filed after the deadline only in very limited circumstances. See 29 C.F.R. § 1614.604(c).

#### COMPLAINANT'S RIGHT TO FILE A CIVIL ACTION (R0610)

This is a decision requiring the Agency to continue its administrative processing of your complaint. However, if you wish to file a civil action, you have the right to file such action in an appropriate United States District Court **within ninety (90) calendar days** from the date that you receive this decision. In the alternative, you may file a civil action **after one hundred and eighty (180) calendar days** of the date you filed your complaint with the Agency, or filed your appeal with the Commission. If you file a civil action, you must name as the defendant in the complaint the person who is the official Agency head or department head, identifying that person by his or her full name and official title. Failure to do so may result in the dismissal of your case in court. "Agency" or "department" means the national organization, and not the local office, facility or department in which you work. **Filing a civil action will terminate the administrative processing of your complaint.**


#### RIGHT TO REQUEST COUNSEL (Z0815)

If you want to file a civil action but cannot pay the fees, costs, or security to do so, you may request permission from the court to proceed with the civil action without paying these fees or costs. Similarly, if you cannot afford an attorney to represent you in the civil action, you may request the court to appoint an attorney for you. **You must submit the requests for waiver of court costs or appointment of an attorney directly to the court, not the Commission.** The court has the sole discretion to grant or deny these types of requests.



Such requests do not alter the time limits for filing a civil action (please read the paragraph titled Complainant's Right to File a Civil Action for the specific time limits).

FOR THE COMMISSION:

  
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Carlton M. Hadden, Director  
Office of Federal Operations

October 24, 2023

Date