2018
PERFORMANCE AND ACCOUNTABILITY REPORT

U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

How This Report Is Organized

This *Fiscal Year 2018 Performance and Accountability Report* (PAR) presents the U.S. Equal Employment Opportunity Commission's (the EEOC or agency) program results and financial management and identifies management challenges. Agency efforts in each of these areas are summarized below.

- **Management Discussion and Analysis (MD&A):** is an overview of the entire report. The MD&A presents performance and financial highlights as well as the EEOC's operational highlights for fiscal year 2018. The MD&A also contains a discussion of compliance with legal and regulatory requirements, such as the Federal Managers' Financial Integrity Act (FMFIA).

- **Performance Results:** highlights the progress made in meeting the agency's performance measures, which are articulated in the EEOC's Strategic Plan for Fiscal Years 2018 through 2022, as well as accomplishments in related programs and activities.

- **The Inspector General's Statements:** presents key management challenges identified by the Inspector General, the agency's progress and plans to address them, and a statement of compliance with FMFIA.

- **The Consolidated Financial Statements**: demonstrates efforts to be good stewards over the funds the agency receives to carry out its mission. Included is an independent auditor's opinion on the agency's financial statements.

- **Appendices:** contains a glossary of the acronyms and definitions of terms used in the report as well as performance information specifically requested by Congress.

2018
PERFORMANCE AND ACCOUNTABILITY REPORT

TABLE OF CONTENTS

TABLE OF CONTENTS

ACTING CHAIR'S MESSAGE

I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Performance and Accountability Report (PAR) for fiscal year (FY) 2018. The EEOC is dedicated to effective enforcement of the nation's federal equal employment opportunity laws. This report highlights the agency's achievements in advancing our mission to prevent and remedy unlawful employment discrimination and to advance equal employment opportunity in the workplace.

It has been an honor to serve as the Acting Chair of the EEOC for nearly two years. I am proud of the work the EEOC accomplished in fiscal year 2018. The progress we have made, and described in this report, is the cumulation of the hard work of the agency's staff, my fellow Commissioners, and our partners in state and local agencies, with support from Congress. As we review the Commission's performance over the past year, we have had a chance to reflect on both the progress we have made as an agency and as a nation, as well as the challenges we face ahead.

New Strategic Plan: As required by Congress, the EEOC completed a new four-year strategic plan in FY 2018. The final plan, approved unanimously by the Commission, will guide the agency's performance for Fiscal Years 2018–2022. It bears noting the three values that underlie the Strategic Plan: Commitment to Equal Employment Opportunity; Accountability; and Integrity. These values form the basis of our agency culture and guide our daily work.

New Staff: A significant amount of new staff joined the EEOC or were promoted into new positions in the agency in FY 2018, following normal attrition and retirements. In addition, we welcomed a number of new executives to the leadership of the agency, including three new District Directors, a new Chief Human Capital Officer and the agency's first-ever Chief Data Officer. All told, nearly 20 percent of EEOC staff are new to their positions with the agency.

Benefits for Victims of Discrimination: The EEOC secured more than $505 million for victims of discrimination in the workplace. This includes $354 million in monetary relief for those who work in the private sector and state and local government workplaces through mediation, conciliation and other administrative enforcement. The agency also recovered $98.6 million in monetary relief for federal employees and applicants. Importantly, the EEOC continued to achieve success in its conciliation of private sector charges, with 41 percent of conciliations successfully resolved, and 45 percent of systemic investigations resulting in voluntary resolutions. The EEOC also obtained substantial targeted equitable relief in both its administrative enforcement and in litigation to remedy violations of equal employment opportunity laws and put new practices in place to prevent future discriminatory conduct in the workplace.

Addressing our backlogs: I believe it is important that the Commission be forthright about the true workload of the agency. The pending inventory of private sector charges has been a longstanding issue for the EEOC and the public it serves. This is particularly so in a resource-constrained environment. Soon after I became Acting Chair in 2017 I made addressing the backlog a priority, and as an agency, we began to share strategies that have been particularly effective in dealing with the pending inventory, while ensuring we are not missing charges with merit. Since that time, and particularly during this fiscal year, the EEOC dramatically reduced its pending inventory. I am proud to report that in FY 2018, the agency reduced the pending inventory to 49,607 charges, a decrease of 19.5 percent from fiscal year 2017 and 34 percent from FY 2015 (a high-water mark).

But, the private sector backlog is only one of three that the agency labors under. In addition to our private sector enforcement activities, the Commission has adjudicatory responsibilities in the federal EEO complaint process. As complaints of discrimination in our federal workplaces are no less important than in the private sector, I also made addressing the federal sector backlog a priority for the agency. In the federal sector, we implemented strategies to increase efficiency in the hearings program and saw a 30.4 percent increase in resolutions, and for the first time a decrease in the pending inventory of hearings. Case management improvements in the federal sector appeals program resulted in a nearly 20 percent decrease in the pending inventory from fiscal year 2017.

The third backlog are our Freedom of Information Act (FOIA) requests. While information about our FOIA program is discussed in a separate report, I mention it here because it is an important part of the agency's overall workload. This backlog increased by 185 percent at the end of fiscal year 2017. Requests for closed charge files constitute 97 percent of the FOIA backlog, a reflection of our success in reducing the private sector backlog. In fiscal year 2018 we saw a 7 percent reduction in the FOIA backlog nationwide. We will continue to work diligently to reduce the backlog and to more expeditiously process FOIA complaints.

Harassment: Combatting all forms of workplace harassment — whether based on sex, race, color, disability, age, national origin, genetic information, or religion — remained a top priority for the agency in fiscal year 2018. From the launch of the *Select Task Force on the Study of Harassment in the Workplace in 2015*, to the release of the *Co-Chairs' Report* in 2016, and through the public attention given sexual harassment and the #MeToo movement this past fiscal year, the EEOC ramped up its role as enforcer, educator, and leader. The Commission successfully rolled out new training based on the recommendations of the *Co-Chairs' Report* (our "Respectful Workplaces Training"). We also ramped up enforcement — significantly increasing the number of harassment lawsuits filed and on two occasions doing coordinated litigation filings in multiple federal district courts around the country covering workers in a variety of industries.

Increased Digital Capabilities: The EEOC is committed to building a digital workplace to increase our efficiency and to provide timely service to the public. This encompasses everything the agency does, from increasing the effectiveness of its administrative processes to better supporting mission-related activities in enforcement and litigation that are directed to prevent and remedy unlawful employment discrimination. The EEOC continued building on its Digital Charge System that enables the online exchange of documents between the EEOC, potential charging parties, charging parties, and respondents in private sector charges. The Digital Charge System aims to improve customer service, enhance security, ease the administrative burden on staff, and reduce the use of paper submissions and files. This past fiscal year, we also expanded the Online Inquiry and Scheduling system to all offices, enabling the public to perform self-screening, submit a pre-charge inquiry, schedule an appointment for an intake interview, electronically sign the charge of discrimination, choose to participate in mediation, request an electronic copy of the Respondent's Position Statement, and submit their own evidentiary documents electronically. Going forward, the agency will continue to enhance its digital capabilities to increase efficiency for both the EEOC and the public.

Improvements to our Data Analytics: The EEOC revamped and upgraded its data analytics capabilities to better make data-driven decisions, ensure our data integrity, and increase access to the data we collect. I appointed the Commission's first-ever Chief Data Officer (CDO) one year ago. With the new CDO on board, we launched the agency's new Office of Enterprise Data and Analytics (OEDA), overhauling the EEOC's data office for the first time since it was created more than 20 years ago. The agency also established its first Data Governance Board to provide leadership and oversight for the development and implementation of data-related policies. These significant investments have set the EEOC on a path toward becoming a 21st century enforcement and data analytics agency.

Extensive Outreach and Public Education Activities: The agency's outreach programs reached more than 398,650 workers, employers, their representatives and advocacy groups this past fiscal year at more than 3,900 events conducted by the EEOC.

Finally, I am pleased to share that the Commission received, for the 15th consecutive year, an unmodified opinion from independent auditors

I will repeat what I said last year, the EEOC consists of an impressive group of professionals who set very high standards in their quest to seek equal opportunity in the workplace and fulfill the promise of America for all who want to work. In addition to the values laid out in the agency's Strategic Plan, as Acting Chair of the Commission, there are three watch words I have held myself and the agency to: Steady, Effective, Respected. Many people depend on the work of the EEOC in thousands of workplaces around the country every day — both practically and symbolically. This past fiscal year was an important building one for the agency as we tackled many operational issues head on. I look forward to the agency's continued progress and its continued commitment to its mission. Most importantly, I thank the staff for all their hard work.

Victoria A. Lipnic

Victoria A. Lipnic
Acting Chair

MANAGEMENT DISCUSSION AND ANALYSIS

The Equal Employment Opportunity Commission's (the EEOC or agency) annual Performance and Accountability Report (PAR) provides fiscal data and summary performance results that enable the President, Congress, and the American people to assess the EEOC's accomplishments for each fiscal year (October 1 through September 30). This report provides an overview of programs, accomplishments and challenges, as well as the agency's accountability for the resources entrusted to the EEOC. The report is prepared in accordance with the requirements of the Office of Management and Budget (OMB) Circular No. A-136, Financial Reporting Requirements.

OUR VISION

RESPECTFUL AND INCLUSIVE WORKPLACES WITH EQUAL EMPLOYMENT OPPORTUNITY FOR ALL.

OUR MISSION

PREVENT AND REMEDY UNLAWFUL EMPLOYMENT DISCRIMINATION AND ADVANCE EQUAL OPPORTUNITY FOR ALL IN THE WORKPLACE.

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, national origin, religion, and sex. 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), Section 501 of the Rehabilitation Act of 1973, Titles I and V of the Americans with Disabilities Act of 1990 (ADA), and Title II of the Genetic Information Nondiscrimination Act of 2008 (GINA). In addition, in 1972, Congress further expanded the agency's responsibilities by providing federal government employees the protections of Title VII and providing the EEOC with independent litigation authority against private employers under Title VII.

STATUTORY STRUCTURE

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

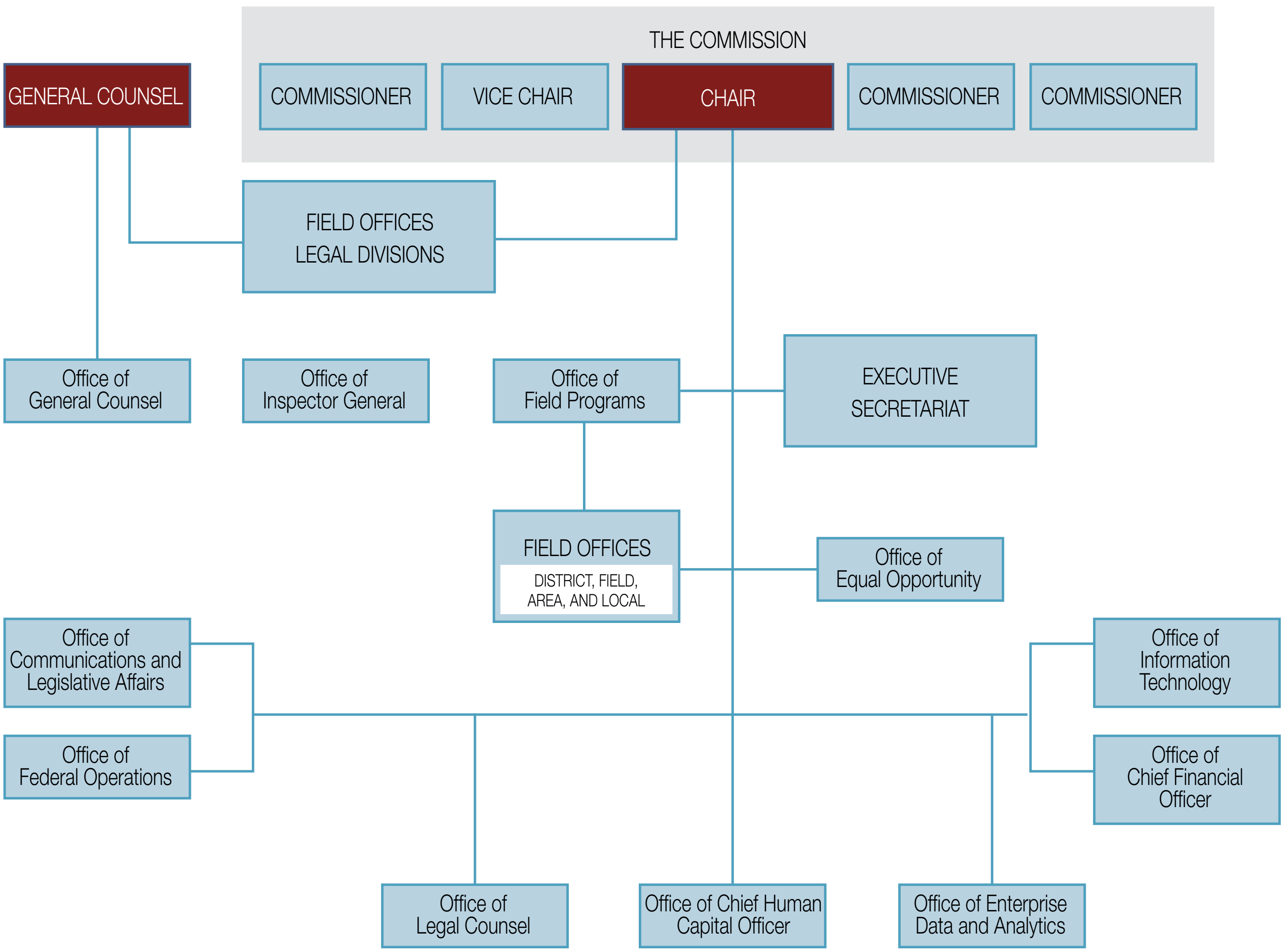
	Term Expires
Acting Chair Victoria A. Lipnic	2020
Commissioner Charlotte S. Burrows	2019
Commissioner Chai R. Feldblum	2018*
Commissioner Jenny R. Yang, left the Commission in January 2018. Now vacant.	2022
Commissioner, Vacant	2021
General Counsel (left the EEOC in December 2016)	

*In hold-over status until confirmed, Senate adjourns sine die, or session of Congress ends.

ORGANIZATION

The EEOC accomplishes its mission through component offices that administer various programs.

EEOC Organization



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 EEOC Field Offices across the nation please see Appendix F.

AGENCY RESULTS UNDER THE STRATEGIC PLAN PERFORMANCE MEASURES

The Government Performance and Results Modernization Act, enacted on January 4, 2011, (5 U.S.C. 306, as amended), requires federal agencies to prepare a Strategic Plan every four years, beginning in 2012. The Commission approved the EEOC's Strategic Plan for Fiscal Years 2018–2022 ("Strategic Plan," "Plan") on February 12, 2018.

The EEOC's Strategic Plan established a national framework to achieve the agency's mission. To that end, the EEOC has committed to pursuing the following three strategic objectives and goals:

- **Strategic Objective I. Combat and prevent employment discrimination through the strategic application of EEOC's law enforcement authorities.** The correlated goals are: 1) Discriminatory employment practices are stopped and remedied, and victims of discrimination receive meaningful relief; and 2) Enforcement authorities are exercised fairly, efficiently, and based on the circumstances of each charge or complaint.

- **Strategic Objective II. Prevent employment discrimination and promote inclusive workplaces through education and outreach.** The correlated goals are: 1) Members of the public understand the employment discrimination laws and know their rights and responsibilities under these laws; and 2) Employers, unions, and employment agencies (covered entities) prevent discrimination, effectively address EEO issues, and support more inclusive workplaces.

- **Strategic Objective III. Achieve organizational excellence.** The correlated goals are: 1) Staff exemplify a culture of excellence, respect, and accountability; and 2) Resource allocations align with priorities to strengthen outreach, education, enforcement, and service to the public.

The Plan also identified strategies for achieving each outcome goal and identified 12 performance measures for gauging the EEOC's progress as it approaches fiscal year 2019. The agency's progress in meeting these measures is displayed below and discussed in detail in the Performance Results section of this report.

EEOC FY 2018 Performance

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2018
12	11	1	0	0

[1] **Targets Partially Met:** A rating assigned to target results where (1) at least half of the activities targeted for completion were completed, or (2) the EEOC was unable to assess the results because full year data was not yet available.

FISCAL YEAR 2018 PERFORMANCE HIGHLIGHTS

Equal opportunity is one of our nation's most cherished values, giving all of us a fair shot to achieve our dreams and aspirations. Through strategic law enforcement and coordinated outreach and education the EEOC advances opportunity and ensures freedom from discrimination in the American workplace. Here are some of our performance highlights for fiscal year 2018:

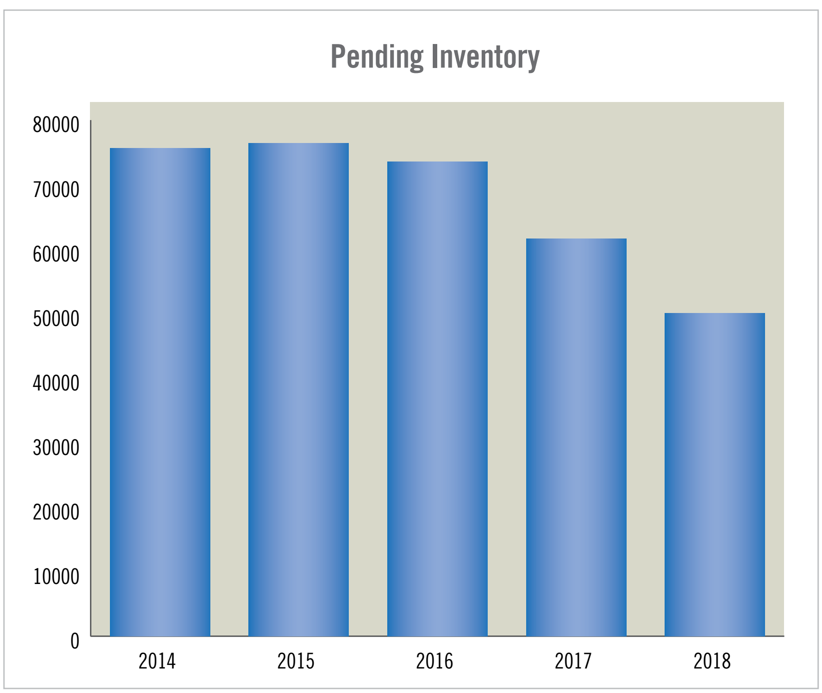
- Reduced the inventory of pending private sector charges by more than 19.5 percent — to 49,607 charges — the lowest in more than 12 years.

- Secured more than $505 million for victims of discrimination, including:
  - o Approximately $354 million for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation, and settlements.
  - o $53.6 million for charging parties through litigation; and
  - o $98.6 million for federal employees and applicants.

- Continued to build on our successful mediation program:
  - o Achieved 6,754 successful mediations resulting in over $165.8 million in benefits to charging parties.
  - o Increased the number of mediations held by 7.9 percent.
  - o Achieved a satisfaction rate of 97.2 percent for the EEOC's mediation program. This represents the percent of participants who would use the process again in the future.

- Reduced the federal sector hearings pending inventory for the first time — a reduction of 8.6 percent. Resolved 8,662 hearings requests — a 30 percent increase over fiscal year 2017 — and secured $85 million in relief for federal employees.

- Reduced the federal sector appellate inventory by almost 20 percent from 3,658 at the end of fiscal year 2017 to 2,942 at the end of 2018. The EEOC resolved 4,320 appeals of agency decisions, including 85 percent of appeals that were more than 500 days old at the beginning of the fiscal year, and secured $13.6 million in remedies.



- Conducted more than 3,926 outreach events, providing more than 398,650 individuals nationwide with information about employment discrimination and their rights and responsibilities in the workplace.

- For small businesses, the EEOC continued to promote the online Small Business Resource Center to provide a one-stop shop to help small businesses easily access information about employer responsibilities. The Small Business Administration Ombudsman's Report again gave the EEOC an "A" rating for responsiveness to small business concerns.

- Resolved 141 lawsuits and achieved favorable results in more than 95 percent of all district court resolutions. A total of 7,141 individuals received monetary relief as a direct result of litigation resolutions.

- Filed 199 lawsuits, including 117 suits on behalf of individuals, 45 non-systemic suits with multiple victims, and 37 systemic suits — involving multiple victims or discriminatory policies.

- Continued to implement digital services, making it easier and more efficient for employers and employees to access the EEOC's services. This year the EEOC expanded the online intake system to all offices, allowing potential charging parties to submit a pre-charge inquiry for review and on-line scheduling of appointments for interviews.

- The Commission ramped up its role as enforcer, educator, and leader in combatting all forms of workplace harassment. The agency focused on promoting best practices to stop harassing conduct, to create an effective anti-harassment system that encourages people to come forward, and to hold leaders and supervisors accountable.

- The EEOC recovered nearly $70 million for the victims of sexual harassment through administrative enforcement and litigation in fiscal year 2018, up from $47.5 million in fiscal year 2017.

- The Commission reconvened the Select Task Force on the Study of Harassment in the Workplace for a public meeting, "Transforming #MeToo into Harassment-Free Workplaces," to examine difficult legal issues and to share innovative strategies to prevent harassment.

- The EEOC revamped and upgraded the agency's data analytics capabilities. Acting Chair Lipnic appointed the agency's first Chief Data Officer (CDO) in November 2017 and the CDO reorganized and expanded the new Office of Enterprise Data and Analytics and established the first Data Governance Board.

- As part of the 50th anniversary of the Age Discrimination in Employment Act (ADEA), the EEOC launched a webpage to bring renewed focus on age discrimination. The anniversary culminated with the issuance of the report, "The State of Age Discrimination and Older Workers in the U.S. 50 Years After the Age Discrimination in Employment Act (ADEA)."

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA)

EEOC's internal controls and financial management systems were sound during fiscal year 2018, which includes four financial non-conformances that were fully corrected during the fiscal year — all of which carried over from fiscal year 2017. These financial non-conformances were identified in audit reports prepared by the Office of Inspector General (OIG): OIG Report No. 2015-02-FIN, January 15, 2016, and OIG Report No. 2015-01-FIN, November 16, 2015. There were no findings of uncorrected, financial non-conformances for fiscal year 2018 reported by the Chief Financial Officer as of September 30, 2018.

Based on the actions taken, and considering the agency's controls environment as a whole, the agency concludes that during fiscal year 2018, 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 agency's mission; the resources were used in compliance with applicable laws and regulations; and, there was minimal potential for waste, fraud, and mismanagement of the resources.

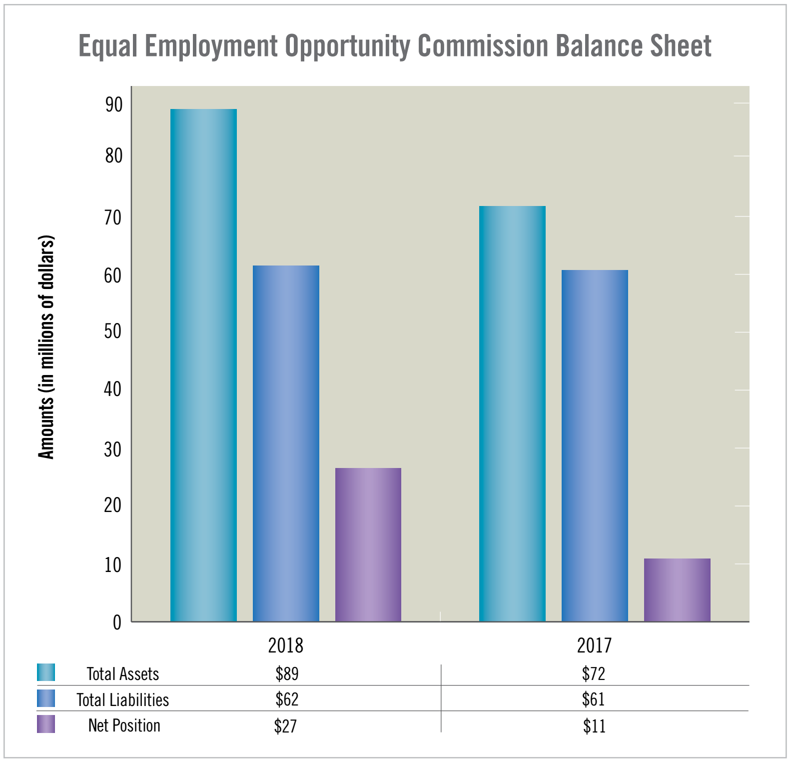
EEOC's management is also responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. EEOC conducted its assessment of the effectiveness of the agency's internal control over financial reporting in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control.* Based on the results of this evaluation, EEOC can provide reasonable assurance that internal control over financial reporting as of September 30, 2018 was operating effectively and no material weaknesses were found in the design or operation of the agency's internal controls over financial reporting.

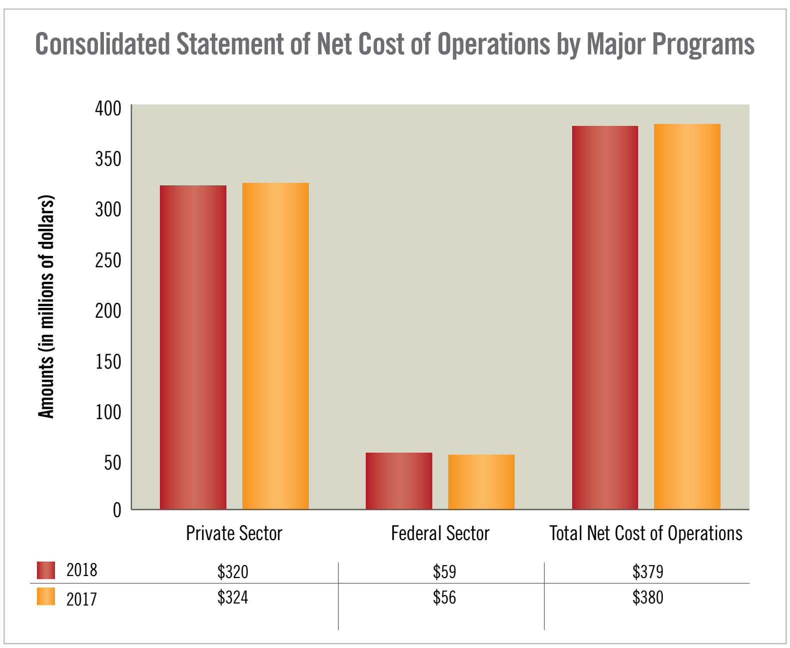
Victoria A. Lipnic

Victoria A. Lipnic
Acting Chair
November 15, 2018

Legal Compliance

EEOC maintained controls 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.





The Office of Management and Budget (OMB) Circular Number A-136 Revised dated July 30, 2018 was used as guidance for the preparation of the accompanying financial statements. EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements of Changes in Net Position, and the Combined Statements of Budgetary Resources.

Consolidated Balance Sheets

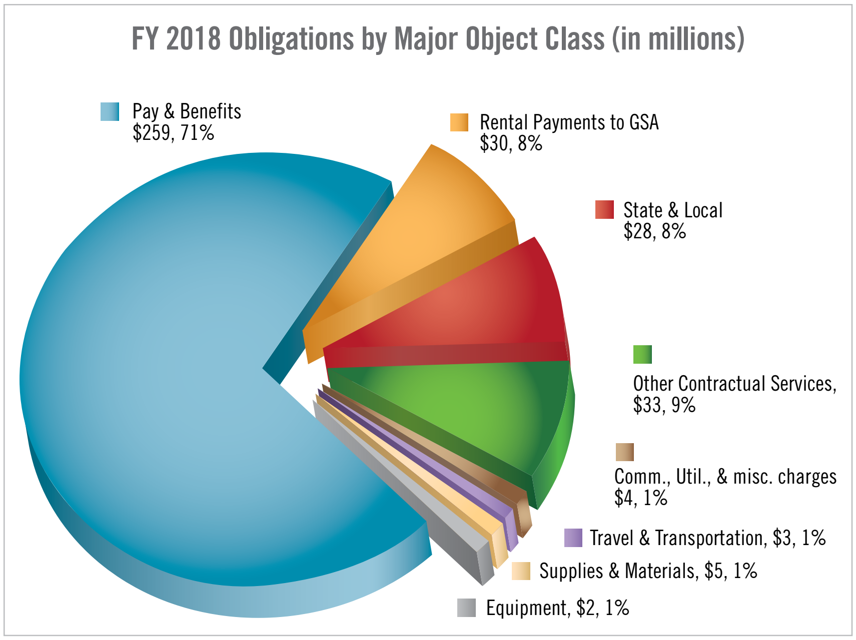
The Consolidated Balance Sheets present amounts that are owned or managed by EEOC (assets); amounts owed (liabilities); and the net position of the agency divided between the cumulative results of operations and unexpended appropriations.

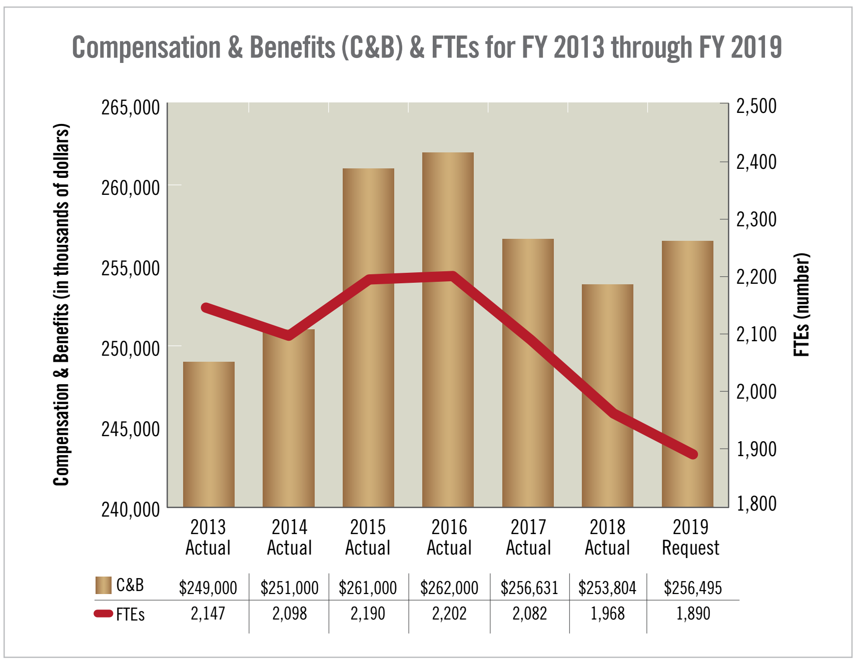
EEOC's balance sheets show total assets of $89 million at the end of FY 2018 and $72 million at the end of FY 2017.

The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of FY 2018, EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position show $27 million at the end of FY 2018 and $11 million at the end of FY 2017.

Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in FY 2018, EEOC's Consolidated Statements of Net Cost of Operations decreased by $1 million or less than 1 percent. The decrease for the allocation of costs for FY 2018 for the net cost for the private sector and outreach decreased by $4 million or 1 percent, while the net cost for Federal Sector Programs has increased by $3 million or 5 percent.





Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for FY 2018 and FY 2017 from the cost of operations, appropriations received and used and the financing of some costs by other government agencies. The Consolidated Statement of Changes in Net Position increased by $17 million for FY 2018 when compared to FY 2017.

Combined Statements of Budgetary Resources

The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In FY 2018, EEOC received a $379.5 million in budget authority. EEOC ended FY 2018 with a increase by $12 million in total budgetary resources. Resources not available for new obligations at the end of the year totaled $4 million and $5 million in FY 2018 and FY 2017, respectively. The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

Use of Resources

The pie chart displays EEOC's FY 2018 use of resources by major object class. The chart shows that Pay and Benefits, State & Local, Rent to GSA and Other Contractual Services consumed 96 percent of EEOC's resources, and other expenses (e.g., communication, utilities and miscellaneous charges, travel & transportation, equipment, supplies & materials, etc.) consumed 4 percent of EEOC's resources for FY 2018.

The dual axis chart below depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended FY 2018 with 1,968 FTEs, a net decrease of 114, or 5 percent, below FY 2017.

Limitations of the Financial Statements

The principal financial statements are prepared to report the financial position and results of operations of the reporting entity, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from the books and records of the entity in accordance with Federal GAAP and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S. Government.

RESULTS ACHIEVED IN FISCAL YEAR 2018 UNDER STRATEGIC PLAN PERFORMANCE MEASURES

Overview of the Strategic Plan and Performance Measures

This *Performance and Accountability Report* is based on the EEOC's Strategic Plan for Fiscal Years 2018 through 2022 ("Strategic Plan" or "Plan"), approved by the Commission on February 12, 2018. The agency engaged in a comprehensive assessment of its programs and priorities when developing the Plan. Under this Plan, the EEOC has worked steadfastly to achieve its critical mission to *prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace and pursue its vision of respectful and inclusive workplaces with equal employment opportunity for all* by focusing on the following three strategic objectives:

- **Strategic Objective I:** Combat and prevent employment discrimination through the strategic application of EEOC's law enforcement authorities, reflects the EEOC's primary mission of preventing unlawful employment discrimination through: 1) the administrative (investigation and conciliation) and litigation enforcement mechanisms Congress has entrusted the agency with in regard to private employers, labor organizations, employment agencies, and state and local government employers; and 2) the adjudicatory and oversight mechanisms Congress has entrusted the agency with in regard to federal employers. The five performance measures developed for Strategic Objective I and the fiscal year 2018 results for these measures are more fully described below.

- **Strategic Objective II:** Prevent employment discrimination and promote inclusive workplaces through education and outreach. This objective reflects the EEOC's obligation to deter employment discrimination before it occurs. The three performance measures developed for Strategic Objective II and the fiscal year 2018 results for these measures are more fully described below.

- **Management Objective**: Achieve organizational excellence. This objective seeks to improve management functions with a focus on information technology, infrastructure enhancement, and accountable financial stewardship. These areas are cross-cutting and require integration and coordination to foster organizational excellence from internal and external perspectives. The four performance measures developed for the Management Objective and the fiscal year 2018 results for these measures, are more fully described below.

The agency's progress on the 12 performance measures tied to the strategic objectives, outcome goals, and related performance measures is discussed in more detail on the following pages.

STRATEGIC OBJECTIVE I: Combat and prevent employment discrimination through the strategic application of EEOC's law enforcement authorities.

The agency adopted two outcome goals to further the objective:

Outcome Goal I.A: Discriminatory employment practices are stopped and remedied, and victims of discrimination receive meaningful relief; and

Outcome Goal I.B: Enforcement authorities are exercised fairly, efficiently, and based on the circumstances of each charge or complaint.

The EEOC also identified and is implementing eight key strategies:

The strategies for achieving Outcome Goal I.A are:

- Strategy I.A.1: Rigorously and consistently implement the Strategic Enforcement Plan to focus resources on EEOC priorities and to integrate agency responsibilities and activities.
- Strategy I.A.2: Use administrative and litigation mechanisms to identify and attack discriminatory policies and practices, including systemic practices.
- Strategy I.A.3: Use EEOC decisions and oversight activities to target discriminatory policies and practices in federal agencies.
- Strategy I.A.4: Seek remedies to end discriminatory practices and deter future discrimination.
- Strategy I.A.5: Seek remedies that provide meaningful relief to individual victims of discrimination.

The strategies for achieving Outcome Goal I.B are:

- Strategy I.B.1: Rigorously and consistently implement the Strategic Enforcement Plan to focus resources on EEOC priorities and to integrate agency responsibilities and activities.
- Strategy I.B.2: Rigorously and consistently implement the charge management systems for private sector and state and local government charges.
- Strategy I.B.3: Further develop and rigorously and consistently implement a case management system for federal sector hearings and appeals.

The EEOC has developed Performance Measures 1 through 5 to track the agency's progress in pursuing these strategies.

Strategic Objective I Performance Summary

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2018
5	5	0	0	0

[1] **Targets Partially Met:** A rating assigned to target results where (1) at least half of the activities targeted for completion were completed, or (2) the EEOC was unable to assess the results because full year data was not yet available.

PERFORMANCE MEASURE 1

By FY 2022, a significant proportion of EEOC and FEPA resolutions contain targeted, equitable relief.	
Sub-Measure 1a.: By FY 2022, 86–88 percent of EEOC enforcement litigation resolutions and conciliation agreements contain targeted, equitable relief.	
FY 2018	
TARGET	80–82% of EEOC enforcement litigation resolutions and conciliation agreements contain targeted, equitable relief.
RESULTS	91% of EEOC enforcement litigation resolutions and conciliation agreements contain targeted, equitable relief.
☐	**Target Exceeded**
Sub-Measure 1b.: By FY 2022, 17–19 percent of FEPA resolutions contain targeted, equitable relief	
FY 2018	
TARGET	15–17% of FEPA resolutions contain targeted, equitable relief.
RESULTS	17% of FEPA resolutions contain targeted, equitable relief.
☐	**Target Exceeded**
☐	**Overall Targets Met**

An important activity undertaken by both the EEOC and state and local FEPAs is negotiating resolutions of charges after an investigation has determined that there is reasonable cause to believe that unlawful employment discrimination has occurred. It is neither appropriate nor feasible to set a target for the number of reasonable cause determinations the agency makes because every investigation is dependent on the facts of the case. However, it is appropriate to set a goal for the type of relief that should be sought in resolutions of cases once reasonable cause has been found.

Both sub-measures under Performance Measure 1 are designed to encourage the EEOC and the FEPAs to seek relief in these cases that goes beyond monetary damages for individual victims of discrimination. The measure for FEPAs recognizes that because they have different administrative procedures, any resolution where targeted, equitable relief is secured should be included. While it is important that the EEOC and FEPAs seek meaningful relief for individuals, the ultimate interest of the Commission must be to protect all employees and job-seekers from unlawful discriminatory practices.

The fiscal year 2018 target for Performance Measure 1, was for at least 80–82 percent of the EEOC's resolutions to contain targeted, equitable relief; and 15–17 percent of FEPA resolutions to contain targeted, equitable relief. Targeted, equitable relief means any non-monetary and non-generic relief (other than the posting of notices in the workplace about the case and its resolution), which explicitly addresses the discriminatory employment practices at issue in the case, and which provides remedies to the aggrieved individuals or prevents similar violations in the future. Such relief may include customized training for supervisors and employees, development of policies and practices to deter future discrimination, and external monitoring of employer actions, as appropriate. As of the end of the fiscal year, the agency had met the targeted range; reporting 1,304 administrative resolutions and legal resolutions with TER out of a total of 1,428 resolutions, or 91 percent; and 990 FEPA resolutions with TER out of 5,863 resolutions, or 17 percent.

PERFORMANCE MEASURE 2

In each year through 2022, EEOC favorably resolves at least 90 percent of the agency's enforcement lawsuits.	
FY 2018	
TARGET	90%
RESULTS	96%
◻	**Target Exceeded**

Performance Measure 2 places a premium on maintaining the high level of successful resolutions in our litigation program. Successful resolutions include cases decided by favorable court order and those concluded through a consent decree or a settlement agreement in litigation. Achieving success for this measure will ensure that we continue to exercise our prosecutorial discretion responsibly, while allowing us to take on challenging issues and litigate complex cases, including cases of systemic discrimination. As stated in the SEP, effective strategic enforcement includes a balance of individual and systemic cases, and those involving national and local priority issues, recognizing that each may have strategic impact in varied ways.

This measure is significant because the achievement of success in cases raising priority issues under the SEP is often challenging and resource-intensive, especially in cases involving emerging or developing issues and systemic cases. Our goal for this measure is to reach and when possible exceed our ambitious targets through fiscal year 2022.

The fiscal year 2018 target for Performance Measure 2 was for 90 percent of the agency's enforcement lawsuits to be favorably resolved. As of September 30, 2018, the agency had far exceeded the target; reporting that 135 out of 141, or 96 percent of its enforcement lawsuits were favorably resolved.

PERFORMANCE MEASURE 3

Each year through 2022, EEOC reports on its efforts to identify and resolve systemic discrimination.	
FY 2018	
TARGET	Report issued.
RESULTS	The report was issued November 1, 2018.
◻	**Target Met**

Performance Measure 3 focuses on the use and reporting of data to ensure the EEOC has a coordinated, strategic, and effective approach to systemic enforcement. To track our progress in identifying and resolving systemic discrimination, this performance measure will require that the EEOC maintain data and report annually on the overall number of systemic cases filed in the fiscal year; the percentage of cases filed in the fiscal year that are systemic cases; the percentage of systemic cases on the agency's overall docket; and, the number of ongoing systemic investigations by bases and issues and the percentage of all pending investigations that are systemic investigations.

The annual report was completed and issued. It includes information on the number of ongoing systemic investigations, the number of systemic resolutions, systemic conciliation rate, monetary relief recovered and examples of systemic investigative resolutions. Systemic activity necessary to generate the annual report has been collected, tabulated, and reported to the Commission in SEP briefings throughout the fiscal year with the final report culminating with the collection of the completed fiscal year's data.

PERFORMANCE MEASURE 4

By FY 2022, TBD percent of federal agencies subject to oversight activities or compliance reviews change their employment practices based on EEOC's recommendations.	
FY 2018	
TARGET	Establish a baseline and project future targets.
RESULTS	The agency established a baseline and projected future targets.
☐	**Target Met**

Performance Measure 4 recognizes that because the federal government is the largest employer in the United States, reducing unlawful employment discrimination in the federal sector is an integral part of combatting employment discrimination. Moreover, as the largest employer in the United States, the federal government has tremendous influence over the employment practices of private and public employers in the United States and around the world. Thus, the promotion of equal employment opportunity in the federal government can positively impact all employees and job-seekers.

The fiscal year 2018 target for Performance Measure 4 was to establish a baseline and project future targets for the number or percentage of agencies that successfully change their practices. In fiscal year 2018, the agency established the following baselines: 16 percent of federal agencies have compliant reasonable accommodation procedures; 48 percent of federal agencies have a compliant anti-harassment policy; and 45 percent of recommendations made in agency programs evaluations completed in fiscal year 2016 are substantially implemented. Future targets were also established based on reasonable accommodations procedures, anti-harassment procedures, and program evaluation recommendations.

PERFORMANCE MEASURE 5

By FY 2022, a significant proportion of the investigations, conciliations, hearings, and appeals meet established quality criteria	
Sub-Measure 1a: By FY 2022, 88 percent of charge investigations and conciliations meet criteria established in the Quality Enforcement Practices Plan.	
FY 2018	
TARGET	86% of investigations meet criteria established in QEP.
RESULTS	88% of investigations met criteria established in QEP.
☐	**Target Exceeded**
Sub-Measure 1b: By FY 2022, 90 percent of federal sector hearings and appeals meet criteria in the Federal Sector Quality Practices Plan.	
FY 2018	
TARGET	Establish a baseline and project future targets.
RESULTS	The agency established a baseline and projected future targets.
☐	**Target Met**
☐	**Overall Targets Met**

Performance Measure 5 builds on the EEOC's previous Strategic Plan with a metric focused on quality in both the private and federal sector programs. For the private sector, in September 2015, the Commission approved a plan for Quality Enforcement Practices for Effective Investigations and Conciliations (QEP). The QEP promotes the rigorous implementation of quality investigations and conciliations with progress goals established for each year of the Plan. In fiscal year 2016, the EEOC applied the criteria established under the QEP to a sample of investigations and conciliations to establish benchmarks for offices to use in fiscal year 2017. In fiscal year 2018, we used those benchmarks to project future targets. Eighty-eight (88) percent of current inventory files reviewed during technical assistance visits met the criteria established in the Quality Enforcement Practices Plan.

For the federal sector, the measure builds on the Federal Sector Quality Practices (FSQP) approved by the Commission on January 10, 2017, which includes quality components for hearings and appeals. The agency also implemented a checklist for assessing quality practices and applied it to a sampling of draft decisions to create a baseline from which to set Federal Sector Quality Practices Plan quality improvement goals in the outlying years. The baseline established was 80 percent of the files met the quality standards.

STRATEGIC OBJECTIVE II: Prevent employment discrimination and promote inclusive workplaces through education and outreach.

The agency adopted two outcome goals to further the objective:

Outcome Goal II.A: Members of the public understand the employment discrimination laws and know their rights and responsibilities under these laws; and

Outcome Goal II.B: Employers, unions, and employment agencies (covered entities) prevent discrimination, effectively address EEO issues, and support more inclusive workplaces.

The EEOC also identified and is implementing seven key strategies:

The EEOC's strategies for achieving Outcome Goal II.A are:

- Strategy II.A.1: Broaden the use of technology to expand our reach to diverse populations.
- Strategy II.A.2: Target outreach to vulnerable workers and underserved communities.

The strategies for achieving Outcome Goal II.B are:

- Strategy II.B.1: Utilize modern technology and media to expand our reach to employers and other covered entities.
- Strategy II.B.2: Promote promising practices that employers can adopt to prevent discrimination in the workplace.
- Strategy II.B.3: Target outreach to small and new employers.

Correlated strategies under Strategic Objective II include:

- Strategy II.A.3/II.B.4: Provide up-to-date, accessible guidance and training on the requirements of employment discrimination laws.
- Strategy II.A.4/II.B.5: Increase the knowledge of targeted audiences through focused, innovative collaborations with internal and external stakeholders.

The EEOC has developed Performance Measures 6 through 8 to track the agency's progress in pursuing these strategies.

Strategic Objective II Performance Summary

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2018
3	3	0	0	0

[1] **Targets Partially Met:** A rating assigned to target results where (1) at least half of the activities targeted for completion were completed, or (2) the EEOC was unable to assess the results because full year data was not yet available.

PERFORMANCE MEASURE 6

By FY 2022, the EEOC modernizes and expands utilization of technology to ensure that members of the public have greater access to information about their rights and responsibilities.	
FY 2018	
TARGET	Design and implement a technology plan for increased public access to information, including a needs assessment and baseline measures of public access. Utilize government best practices to collect metrics from its digital services to establish measurement(s) of the public's use of technology to access information from the agency. The agency annually will set goals for increasing the information accessed in general, and specifically on priority topics and to specific communities.
RESULTS	The EEOC completed a needs assessment and established baseline measures. The EEOC also designed and implemented its technology plan and set FY 2019 goals.
☐	**Target Met**

Performance Measure 6 focuses on strengthening and expanding the impact of the EEOC's education and outreach activities by expanding the use of technology. The implementation of a technology plan created in fiscal year 2018 will better facilitate the dedication of resources to the most critical needs. The EEOC also will focus its technological advances on priority areas and specific communities to increase public access to information about rights and responsibilities under the laws the EEOC enforces.

In fiscal year 2018, the EEOC conducted a needs assessment, set baselines of public access and developed and began implementing a technology plan. The EEOC used the federal government's Digital Metrics Guidance and Best Practices Guidance to gather metrics and establish baseline measurements of the public's use of technology to access EEOC information. Finally, the EEOC set goals for increasing information access in general and specifically on priority topics and to specific communities.

PERFORMANCE MEASURE 7

By FY 2022, the EEOC leverages collaborations with significant partner organizations to assist in reducing and eliminating employment barriers.	
FY 2018	
TARGET	Establish baseline statistics and measures for assessing success of collaborations.
RESULTS	The agency established a baseline of joint events with advocacy and business groups. The agency also set future targets to assess the success of collaborations.
☐	**Target Met**

Performance Measure 7 focuses on leveraging interactive and sustained partnerships and forging collaborations with community organizations and businesses that are in the communities we are trying to reach. Moving forward, the Commission does not believe that a focus solely on the number of events held, number of attendees, or number of significant partnerships is the best way to measure its public education impact in an era of constrained resources. Performance Measure 7 therefore leverages our long-term significant partnerships with advocacy groups and associations or organizations that represent employers to achieve sustained benefits for the communities we serve. The EEOC is in a unique position to serve as a conduit to promote effective partnerships and to strengthen relationships among diverse groups with common goals. As a result, we believe we can facilitate effective interactions that can lead to reducing or eliminating employment barriers. For example, connecting an employer association with an advocacy group seeking to eliminate recruitment and hiring barriers may help to prevent discrimination and create job opportunities for qualified job seekers. Performance Measure 7 leverages our long-term significant partnerships with advocacy groups (particularly those that represent vulnerable or underserved workers) and associations or organizations that represent employers to achieve sustained benefits for the communities we serve.

The agency continued its national strategic partnership efforts and established a baseline of 31 Joint Advocacy Employer Outreach events in fiscal year 2018, and set targets for future years.

PERFORMANCE MEASURE 8

By FY 2022, the EEOC updates existing guidance and training materials, and creates new, user-friendly resource tools to address and prevent workplace discrimination.	
FY 2018	
TARGET	Conduct a review of currently available EEOC guidance and resource materials to determine which documents require updates or creation. Establish a priority list
RESULTS	The agency assessed current guidance and technical assistance documents and established a priority list.
☐	**Target Met**

Performance Measure 8 will ensure that the EEOC's sub-regulatory guidance documents and resource materials are reviewed and that, where necessary, they are updated and use plain language. The agency's enforcement work in the private sector, its adjudicatory and oversight work in the federal sector, and its outreach and education work all depend on the availability of up-to-date and accessible materials explaining the laws it enforces and how to comply with them. While the regulations issued by the Commission set the basic legal framework for the implementation of those laws, sub-regulatory materials, including the EEOC's Compliance Manual, provide more tangible assistance to those with rights and responsibilities under such laws. These materials may or may not require a vote of the Commission and may include a range of guidance material, best practices, Q&A's, and fact sheets.

In fiscal year 2018, the agency conducted an extensive analysis of existing EEOC guidance and prioritized certain guidance for updating. Two enforcement guidance's and three resource documents were also submitted to the Office of the Chair for approval.

STRATEGIC OBJECTIVE III: Management Objective — Achieve Organizational Excellence

The agency adopted two outcome goals to further the objective:

Outcome Goal III.A: Staff exemplify a culture of excellence, respect and accountability

Outcome Goal III.B: Resource allocations align with priorities to strengthen outreach, education, enforcement, and service to the public.

The EEOC also identified and is implementing ten key strategies:

The agency's strategies for achieving Outcome Goal III.A are:

- Strategy III.A.1: Recruit, develop, and retain skilled and committed employees.
- Strategy III.A.2: Advance performance management to maximize organizational improvement.
- Strategy III.A.3: Advance diversity and inclusion in the workplace.
- Strategy III.A.4: Develop and support innovation and collaboration to advance employee engagement and morale.
- Strategy III.A.5: Continuously implement quality practices in all programs.
- Strategy III.A.6: Foster constructive employee and labor management relations.
- Strategy III.A.7: Strive to model the workplace practices EEOC promotes.

The three strategies for achieving Outcome Goal III.B are:

- Strategy III.B.1: Embrace and invest in technology to transform the way the EEOC serves the public and to improve productivity.
- Strategy III.B.2: Expand the use of data and technology to support, evaluate, and improve the agency's programs and processes.
- Strategy III.B.3: Prioritize and actively manage available fiscal resources to best achieve the agency's mission.

The EEOC has developed Performance Measures 9 through 12 to track the agency's progress in pursuing these strategies.

Strategic Objective III (Management Objective) Performance Summary

Measures	Targets Met or Exceeded	Targets Partially Met[1]	Targets Not Met	Not Applicable in FY 2017
4	3	1	0	0

[1] **Targets Partially Met:** A rating assigned to target results where (1) at least half of the activities targeted for completion were completed, or (2) the EEOC was unable to assess the results because full year data was not yet available.

PERFORMANCE MEASURE 9

The EEOC's performance improves with respect to employee engagement and inclusiveness.	
FY 2018	
TARGET	Conduct annual focus groups with employees and climate assessments to obtain feedback on agency culture. Establish baseline EEOC FEVS scores for employee engagement and inclusiveness quotient against comparable government agency averages based on 3–5-year trend analysis. Establish and implement plans to maintain or increase FEVS scores in relation to comparable government agency averages.
RESULTS	The agency conducted focus groups via the "ASK the Agency" forum. The agency established baseline EEOC FEVS scores for employee engagement and inclusiveness quotient based on a 3–5-year trend analysis. The agency implemented plans to maintain or increase FEVS scores.
	Target Met

Performance Measure 9 takes a holistic approach to assessing and strengthening the agency's efforts to improve employee engagement and inclusiveness. We do not focus solely on improving FEVS scores because that is only one snapshot of agency performance. Annual focus groups and climate assessments will enable an ongoing feedback mechanism to engage with staff and seek their input on solutions to agency challenges.

The fiscal year 2018 target for Performance Measurement 9 was to conduct an annual focus group and climate assessment(s) for feedback on agency culture; establish baseline FEVS scores on the EEOC staff engagement and inclusiveness quotients on a rolling average in comparison to other government agency averages, and develop implementation plans to maintain or increase the EEOC's FEVS scores, accordingly. The Building Employee Satisfaction Together (BEST) workgroup conducted focus groups via "ASK the AGENCY" forums. "ASK the AGENCY" is a platform for leaders to obtain feedback from staff on programs and projects and how management of those programs/projects helps drive the agency's culture. The agency established baseline FEVS scores for Employee Engagement Index (EEI), and Inclusiveness Quotient (IQ) of 65 percent and 58 percent, respectively, based on the 3–5-year trend analysis. The agency also developed plans to increase FEVS scores by providing additional training on the performance management system and conducting an agency-wide team building exercise.

PERFORMANCE MEASURE 10

Feedback surveys and other mechanisms provide baseline measures of services provided to those with whom the EEOC interacts.	
FY 2018	
TARGET	Develop and implement feedback surveys and other mechanisms to obtain data and set baselines for various services, such as Online Charge Status, the EEOC Public Portals, and the Digital Charge System. Review the results at the end of the fiscal year to set targets for next year.
RESULTS	The agency developed and implemented a feedback survey, set baselines, and targets for next year.
☐	**Target Met**

Performance Measure 10 focuses on obtaining feedback on services provided to the public. It also supports the goal of obtaining and evaluating feedback from the targeted audiences the Commission serves to allow better measurement of the agency's service delivery and increased accessibility. As identified in the agency's Research and Data Plan, the EEOC recognizes the importance of examining the effectiveness of the Commission's work, particularly the efficacy of outreach, education, guidance, and technical assistance documents. To access the agency's Research and Data Plan, go to https://www.eeoc.gov/eeoc/plan/research_data_plan.cfm, Section III. 6.

The fiscal year 2018 target for Performance Measure 10 was to obtain data and evaluate feedback surveys and related mechanisms from the public and targeted audiences the Commission serves to establish a baseline for measuring the agency's delivery of various services and increased accessibility, and project future targets. A staff survey was conducted to garner feedback on various aspects of the Online Inquiry System, the Digital Charge System, and Integrated Mission System. The survey results were analyzed and used to guide further system developments in fiscal year 2018 to address user concerns as well as recommendations for enhancements to make the system more user friendly and responsive to both EEOC staff and the public. The input from this survey will also guide future changes in fiscal year 2019.

PERFORMANCE MEASURE 11

Monitor yearly progress on modernization of charge/case management systems for program offices until completed in 2022.	
FY 2018	
TARGET	The agency completes a shared vision and develops high-level plans with resource requirements for modernizing the charge/case management systems for the agency. Collect data and establish a baseline for the number of charges (private) and cases (federal) for which no paper records are required, i.e., fully digital. Report on progress at year's end and adjust the plan, as necessary.
RESULTS	The agency formed a team, agreed on a scope of effort, and made substantial progress towards developing a shared vision and high-level plans.
◆	**Target Partially Met***

[1] ◆ **Targets Partially Met:** A rating assigned to target results where (1) at least half of the activities targeted for completion were completed, or (2) the EEOC was unable to assess the results because full year data was not yet available.

Performance Measure 11 allows the agency to track and assess progress on migration to a fully digital charge/complaint environment. The benefits of such modernization include improved collaboration and knowledge sharing, enhanced data integrity, reduced paper file storage or manual archiving/disposition requirements, and allowing a more mobile workforce. Streamlined services and increased responsiveness to customers throughout the process will be regularly evaluated.

The fiscal year 2018 target for Performance Measure 11 was to collect data and establish a baseline for the number of charges (private) and cases (federal) for which no paper records are required, i.e. fully digital. At year-end, the agency will report on its progress and adjust the plan as necessary.

In fiscal year 2018, the agency made significant progress towards developing a shared vision and high-level plans for modernizing the EEOC's charge/case management systems. A team of 13 leaders from relevant program, service and executive offices met eight times to: (1) create a common understanding and sense of shared purpose for modernizing the EEOC's charge/case management systems; (2) reduce organizational drag by dealing with topics that may have slowed our progress in the past or are expected to be potential sticking points going forward; and (3) develop the requisite shared vision and plans to make it possible. Additionally, the agency held an initial discussion with the Federal Technology Modernization Fund in preparation for seeking funding for our modernization efforts. The agency anticipates completing this effort in early fiscal year 2019.

BUDGETARY RESOURCE ALIGNMENT:

The Commission has worked to communicate across the agency a common understanding of how the strategic priorities direct efforts of staff. Accordingly, with direction from the Chair, budget submissions prepared by each program office explain how the allocated resources implement the strategies and goals of the Strategic Plan. The Chair examines the budget requests and allocates or re-allocates resources, as needed, to align the agency's budget with the Strategic Plan and Strategic Enforcement Plan in each fiscal year.

PERFORMANCE MEASURE 12

The EEOC's budgetary resources for FY 2018–2022 align with the Strategic Plan.	
FY 2018	
TARGET	As part of an overall increase in budget development transparency, produce an annual congressional budget justification and operating plan that reflects strategic enforcement and management priorities as approved by agency head. Meet all submission deadlines.
RESULTS	The EEOC's FY 2019 Congressional Budget was submitted to Congress on February 6, 2018. The EEOC's final FY 2018 Operating Plan was approved by the Chair on March 27, 2018. The EEOC's FY 2020 Performance Budget was submitted to OMB on September 10, 2018.
☐	**Target Met**

At every level within the EEOC, a common understanding of how the strategic priorities direct the work of the agency is necessary for success. The EEOC will achieve this common understanding in various ways, including integrating Strategic Plan goals within performance standards and ensuring that budget submissions from each component office explain how the agency's resources will be used to implement the strategies and goals outlined in the Strategic Plan. By developing a strong and clear message for use in budget documents and other publications, the agency demonstrates the nexus between its budget requests, allocations, and operating plans and the achievement of its mission and vision.

The fiscal year 2018 targets for Performance Measure 12 were to submit the *EEOC's FY 2019 Congressional Budget Justification (CBJ)* and prepare the *EEOC's FY 2020 Performance (OMB) Budget* that aligns with the agency's Strategic Plan for Fiscal Years 2018–2022. The agency's fiscal year 2019 Congressional Budget Justification was submitted to Congress on February 6, 2018. On March 23, 2018, the President signed the fiscal year 2018 appropriation. The final fiscal year 2018 operating plan was approved by the Chair and transmitted to all offices on March 27, 2018. The fiscal year *2020 Performance (OMB) Budget* was submitted to OMB on September 10, 2018.

RELATED PROGRAM RESULTS AND ACTIVITIES

STRATEGIC LAW ENFORCEMENT

Strategic law enforcement is essential to ensure that the agency's resources are used most effectively. In fiscal year 2018, the EEOC continued to focus efforts on those activities likely to have the greatest impact in advancing equal opportunity in the workplace. The EEOC's Strategic Plan and Strategic Enforcement Plan provide the direction for targeted and coordinated national enforcement on substantive national priorities.

Significant Reduction in the Private Sector Charge Workload

Each year the EEOC handles hundreds of thousands of calls, inquiries, and charges from workers in the private and public sector seeking assistance with potential complaints of discrimination. During fiscal year 2018, the EEOC received over 519,000 calls to the toll-free number as well as more than 34,600 emails. Another significant part of our work is addressing inquiries which do not ultimately become charges. Nonetheless these inquiries involve significant amount of staff time. In many instances where inquiries are submitted, staff interview the individual in depth and counsel the individual as to their rights, responsibilities and the process. The EEOC received more than 200,000 inquiries in field offices, including 110,464 inquiries through the new online inquiry and appointment scheduling system, resulting in 76,418 charges being filed.

In fiscal year 2018, a continued emphasis on inventory reduction strategies and priority charge handling procedures, technological enhancements, and front-line staff hired in fiscal years 2017 and 2018 contributed to significant progress managing our pending workload of charges. As a result, in fiscal year 2018 the EEOC reduced the charge workload by 19.5 percent to 49,607, which builds on the 16 percent decline in inventory realized in fiscal year 2017.

The successful expansion of the pilot online intake system to include all of the EEOC's 53 field offices, allows potential charging parties to submit a pre-charge inquiry for review and on-line scheduling of appointments for interviews. This technological enhancement, launched on November 1, 2017, resulted in a more customer-friendly and accessible approach, and reflects the value of providing greater access for the public to speak with a member of our enforcement staff prior to filing a charge. Because of the expansion of the online intake and scheduling system, there has been an increase of 32 percent in the number of individuals who contacted us about their employment issue but who ultimately decided not to file a charge. The online system and the emphasis on conducting intake interviews — rather than having individuals complete the older paper-based intake document — resulted in approximately 22,000 individuals who went through our interview process and determined they did not want to file a charge of discrimination, an increase of nearly 8,000 over fiscal year 2017. This bolsters the value of interviews with our enforcement staff during charge intake as a critical aspect of the investigative process and the benefit of providing the online systems for the public to contact the EEOC.

These technological advances allowed the agency to further emphasize the EEOC's priority charge handling procedures to manage the pending inventory, including pre-charge counseling and pre-determination interviews. Effective pre-charge counseling ensures individuals make informed decisions about whether to file a charge of discrimination and the pre-determination interview allows us to communicate the basis for our decisions to the parties. Both are essential for good customer service and effective charge processing. Coupling pre-charge counseling with the online system's elimination of a paper intake questionnaire led to a 9.3 percent reduction in fiscal year 2018 charge receipts, even though the inquiries were up by 29.8 percent (more than 46,000 additional inquiries) over the prior fiscal year.

Additionally, increased focus on the reassessment of charges as soon as new evidence is obtained enables staff to make the critical decision as to whether additional investigation is likely to result in a cause finding. Offices also utilized and took full advantage of technological advances designed to improve the efficiency of the processes.

Finally, the implementation of the online charge status system in 2016 has continued to free a significant amount of staff time otherwise spent on calls about the status of investigations. On an annualized basis, more than 3,700 charges are resolved as a direct benefit of the charge status system, contributing to the agency's reduction of its inventory levels.

Increased Harassment Enforcement Through Investigations

Combatting all forms of workplace harassment — whether based on sex, race, color, disability, age, national origin, or religion — remained a top priority for the agency in fiscal year 2018. From the launch of the Select Task Force on the Study of Harassment in the Workplace in 2015, to the release of the Co-Chairs' Report in 2016, and through the public attention given sexual harassment and the #MeToo movement this past fiscal year, the EEOC ramped up its role as enforcer, educator, and leader.

To improve our ability to enforce the laws combatting workplace harassment, the agency undertook a variety of projects and activities, including the design and development of internal training on investigating harassment charges with a focus on sexual harassment. The training covers investigating harassment charges from intake to resolution with an emphasis on how and why to do a cognitive interview of a person who has been subjected to trauma. This training has been provided to a team of trainers in all of our 15 Districts and will be delivered to staff in early fiscal year 2019.

The agency also held a series of training sessions during fiscal year 2018 for all levels of enforcement managers and executives, as well as key positions including new investigators, mediators and administrative judges. These trainings included a strong emphasis on the handling of harassment charges and complaints, including those involving allegations of sexual harassment. The agency also conducted two webinars for all EEOC investigators and attorneys, which focused on harassment. The first was on Negotiating & Drafting Resolutions that Prevent Future Harassment and the second was on the EEOC's Sustained Commitment to Preventing and Combating Sexual Harassment in the Workplace.

Enforcement data also reflects the importance of the EEOC's work in this area, as there was an increase of 13.6 percent in charge receipts alleging sexual harassment in fiscal year 2018. Merit resolutions of sexual harassment charges also increased by 8 percent and the amount of monetary benefits recovered for victims of sexual harassment increased by 22 percent. Highlights of agency enforcement on all charges that reported an issue of harassment showed that there was an increase in the number of cause findings (970 in fiscal year 2017 to 1,199 in fiscal year 2018) as well as in successful conciliations, with nearly 350 in fiscal year 2017 to nearly 500 in fiscal year 2018.

Recovery for Victims of Discrimination

The EEOC secured more than $505 million for victims of discrimination in private, state and local government, and federal workplaces. This included:

- Approximately $354 million for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation, and settlements.
- $53.6 million for charging parties through litigation; and
- $98.6 million for federal employees and applicants.

Importantly, in each of these categories, the agency also obtained substantial changes to discriminatory practices to remedy violations of equal employment opportunity laws and prevent future discriminatory conduct in the workplace.

Mediation Benefits both Employees and Employers

Alternative Dispute Resolution (ADR) is an effective tool to resolve charges of discrimination quickly. Successful mediations resolve charges early in the process, benefiting both workers and employers. In fiscal year 2018, the agency successfully resolved 6,754 of the 9,437 mediations conducted, resulting in over $165.8 million in benefits to charging parties. Mediations were completed in an average of 93 days. Notably, federal sector mediations increased dramatically in fiscal year 2018 with 1,116 sessions conducted — a 436 percent increase from the 256 conducted in fiscal year 2017. Moreover, the program continues to receive overwhelmingly positive feedback from participants. In fiscal year 2018, 97.2 percent of all participants indicated that they would utilize the mediation process in a future charge filed with the EEOC.

Additionally, during fiscal year 2018 significant effort was made to increase employer acceptance of mediation through an updated marketing campaign. By the end of the fiscal year, 363 ADR employer events that highlighted the benefits of mediation for employers were held. In addition to these events held by field offices, two national efforts were undertaken to highlight the program's accomplishments. In April, EEOC staff made a plenary presentation to the American Bar Association's (ABA) Alternative Dispute Resolution section's national annual conference. This presentation led to an invitation for EEOC staff to write a featured article in the ABA's membership journal. The article, entitled "After 20 Years, Mediation is Mainstream at EEOC," was published in the July edition of the ABA's Dispute Resolution Journal. The EEOC also continued its efforts to increase participation of employers in mediation using Universal Agreements to Mediate (UAMs), and outreach materials. UAMs are agreements between the EEOC and employers to mediate all eligible charges filed against the employer, prior to an agency investigation or litigation. At the end of fiscal year 2018, the agency had secured a cumulative total of 2,907 UAMs, a 4 percent increase over the prior year (2,799). Early indications are that these promotional efforts have been successful as the employer participation rate increased to 27.6 percent in fiscal year 2018 from the 26.1 percent achieved during fiscal year 2017. The total number of mediations held increased by 7.9 percent.

Continued Success in Conciliating Private Sector Charges

The EEOC's conciliation efforts are another vital means to promote voluntary compliance with federal employment discrimination laws. If the EEOC determines there is reasonable cause to believe discrimination has occurred, the agency invites the parties to join the EEOC in seeking to settle the charge through an informal and confidential process known as conciliation. Conciliation is a voluntary process for employers, and the parties must agree to the resolution. The EEOC has an obligation to attempt to resolve findings of discrimination on charges through conciliation before the agency considers the matter for litigation.

This year the agency continued to emphasize the importance of conciliation, statutory requirements, and how to effectively reach meaningful resolutions which include appropriate targeted equitable relief. The EEOC has worked to conciliate a greater percentage of cases than at any time in recent history — with successful conciliations rising from 27 percent in fiscal year 2010 to 44 percent in fiscal years 2015 and 2016, 40 percent in fiscal year 2017 and 41 percent in fiscal year 2018. The success rate for conciliation of systemic charges was approximately 46 percent in fiscal year 2018, up slightly from 45 percent in fiscal year 2017.

Significant Reduction in Federal Sector Inventory

In addition to our private sector enforcement activities, the Commission has adjudicatory responsibilities in the federal EEO complaints process. This involves hearings on complaints of discrimination by federal employees or applicants, as well as adjudication of appeals from federal agency final decisions on employment discrimination complaints. Charges of discrimination in our federal workplaces are no less important than in the private sector, and reducing the pending inventory in the federal sector was also a priority for the agency during fiscal year 2018.

The federal sector hearings program made major strides in managing its inventory of hearing requests, resulting in a decrease in the pending inventory for the first time — a reduction of 8.6 percent, from 14,885 to 13,612. By developing and implementing strategies to increase efficiency, the hearings program increased its resolutions by 8,662 an increase of 30 percent over fiscal year 2017. The hearings program also resolved some of the older cases in the inventory.

With an eye toward maintaining quality while also addressing the inventory management of federal hearings, metrics to assess and measure quality were developed in fiscal year 2018 and will be implemented in fiscal year 2019. Additionally, an online portal was developed and deployed through which complainants can submit their hearing requests and file appeals.

The EEOC also hosted a Federal Sector Conference, where the agency's administrative judges and EEOC staff who work with the federal sector attended a three-day training conference focusing on harassment and other issues of interest to the federal sector community. Because of this conference, a number of joint initiatives will be implemented in fiscal year 2019 ensuring further communication and coordination within the EEOC's federal sector community.

The EEOC also adjudicates appeals from federal agency final decisions on employment discrimination complaints, including those following a decision by an EEOC administrative judge, and ensures agency compliance with decisions issued on those appeals. Additionally, the EEOC adjudicates appeals from decisions made in federal collective bargaining agreement grievances alleging employment discrimination, as well as reviews decisions by the Merit Systems Protection Board (MSPB) addressing allegations of discrimination, and actions originating under Section 304 of the Government Employees Rights Act of 1991.

During fiscal year 2018, the EEOC implemented vigorous case management strategies in its federal sector appellate program, reducing the overall pending inventory that will carry-over to next fiscal year by almost 20 percent, from 3,658 at the end of fiscal year 2017 to 2,942 at the end of fiscal year 2018. Further, the EEOC reduced the age of the pending appellate inventory by 14 percent, from 363 days in fiscal year 2017 to 313 at the end of fiscal year 2018. The EEOC resolved 4,320 appeals, which was over 700 more appeals than it received 3,604. The EEOC's adjudication efforts on appeal resulted in a 43 percent reduction in the pending cases that were more than 500 days old, from 1,062 at the start of the fiscal year to 601 by the end. At the same time, more than 46 percent of the total resolutions were issued within 180 days of their receipt.

During the year, the EEOC's appellate program strategically focused its resources in three main areas: (1) resolving the oldest cases in the inventory (those filed in fiscal year 2017 or earlier); (2) prioritizing cases with the greatest impact, including those addressing priority issues, and those that vindicate federal employees' legal rights; and (3) quickly addressing appeals involving procedural dismissals of complaints to preserve access to the EEO process. Critical to these case management strategies was the Commission's approval of a Federal Sector Quality Practices plan, developing practices designed to deliver excellent and consistent service in adjudicating federal sector hearings and appeals, and providing oversight of federal agencies' compliance with laws and regulations preventing employment discrimination. As a result of these case management strategies, the EEOC issued 122 findings of discrimination in fiscal year 2018, a 79 percent increase over the previous year's 68 findings. EEOC compliance staff secured $13.6 million in monetary relief as ordered in EEOC's appellate decisions, and closed 814 compliance matters. The EEOC also decided 977 initial appeals from procedural dismissals that terminated complainants' participation in the EEO process, reversing 34 percent of those dismissals with an order to the agency to continue processing the EEO complaint.

The EEOC's case management strategies were greatly aided by the full implementation of the federal sector digital portal, where agencies can upload the documentation necessary to process an appeal. The complementary complainant portal was deployed at the end of fiscal year 2018, enabling complainants to request appeals, upload selected documents, and manage their personal and representative's contact information.

The EEOC's federal sector appellate decisions develop and promulgate EEO policy in the federal sector. Moreover, these appellate decisions express policy and legal interpretation on emerging and evolving EEO law that impacts workers and employers throughout the nation. Finally, they serve to educate federal sector complainants, agencies, and the public about the law, guide agencies in their efforts to become model workplaces, and vindicate the public interest in eradicating discrimination in federal employment.

The following are summaries of some notable appellate decisions issued in fiscal year 2018:

Taylor G. v. United States Postal Service, 0120120164 (April 17, 2018)

The Commission held that it is not estopped from seeking victim-specific relief on behalf of a complainant who files for bankruptcy. Where the bankrupt complainant has prevailed, and is entitled to monetary relief, the agency's obligation is to remedy the discrimination, not to address the question of complainant's interest in the proceeds of any award by tendering the monies to the bankruptcy trustee or court rather than to the complainant.

Josefina L. v. Social Security Admin., 0120161760 (July 10, 2018)

The Commission sanctioned the agency on the ground that its Office of General Counsel had interfered with the investigative process when agency counsel reviewed and suggested revisions to the responsible management official's affidavit responses before the affidavit was submitted to the investigator. The Commission noted that during the non-adversarial portions of the EEO process, i.e., counseling and the investigation, an agency counsel "should not have a role in shaping the testimony of the witnesses or the evidence gathered by the investigator."

Jenna P. v. Dept. of Veterans Affairs, 0120150825 (March 9, 2018)

The Commission found that complainant established that she was subjected to unwelcome sexual conduct from her supervisor which created an offensive and hostile work environment. Despite the agency's arguments otherwise, the Commission determined that the agency should be held liable for the supervisor's harassment. The Commission found that while no further harassment occurred, the agency had not fully corrected the effects of the harassment on complainant.

Ross R. v. Dept. of Homeland Security, 0120162491 (July 25, 2018)

The Commission found that substantial record evidence supported the administrative judge's finding that complainant had not shown that he was subjected to discrimination, reprisal, or a hostile work environment. The Commission, however, agreed with the administrative judge that the atmosphere at the Norfolk Office was clearly rife with offensive and racially-hostile behavior. The record demonstrated that employees at the Norfolk Office used racial epithets and engaged in racial stereotyping. While most of the conduct alleged occurred prior to complainant's arrival and none of the conduct was directed at him, substantial record evidence showed that other African-American employees were subjected to the conduct based on their race. In addition, the management official (S2) responsible for some of the conduct at issue was in Complainant's chain-of-command.

Velva B., et al. v. United States Postal Service, 0520180094 & 0520180095 (March 9, 2018)

A denial of a request to reconsider the Commission's prior decision affirming an EEOC administrative judge's determination that the United States Postal Service violated the Rehabilitation Act on a class-wide basis affecting thousands of employees nationwide through the implementation of its National Reassessment Program (NRP). The NRP was ostensibly designed to save money by eliminating "make work" positions. The true purpose of the program was to get disabled employees off the agency's rolls without regard to their rights under the Rehabilitation Act.

Challenging Discrimination in Federal Court

In fiscal year 2018, EEOC field legal units filed 199 merits lawsuits, including 117 suits on behalf of individuals, 45 non-systemic suits with multiple victims, and 37 systemic suits. Merits lawsuits are direct suits or interventions alleging violations of the substantive provisions of the statutes enforced by the EEOC and suits to enforce administrative settlements. These merits filings alleged violations covering a wide variety of bases, including disability (84), sex (76), retaliation (51), race (16), religion (9), age (9), and national origin (8). The issues raised most frequently in these suits were discharge (118), harassment (66), reasonable accommodation (52), and hiring (36). At the end of fiscal year 2018, the EEOC had 302 cases on its active district court docket, of which 65 (21.5 percent) were non-systemic multiple victim cases and 71 (23.5 percent) involved challenges to systemic discrimination. The agency also filed 18 subpoena enforcement actions.

In fiscal year 2018, the EEOC's legal staff resolved 141 merits lawsuits in the federal district courts for a total monetary recovery of just over $53.5 million. The EEOC achieved a favorable result in 95.7 percent of all district court resolutions. A total of 7,141 individuals received monetary relief as a direct result of EEOC lawsuit resolutions. The Commission also resolved 15 subpoena enforcement actions during the fiscal year. Please refer to "Maximizing Impact through Focus on Systemic Discrimination" below for a description of the most significant systemic suit resolutions in fiscal year 2018.

Combatting all forms of workplace harassment has been a top priority of the agency. In fiscal year 2018, the EEOC filed 66 lawsuits challenging workplace harassment across the country to protect employees, including servers, nurses, administrative assistants, customer service staff, truck drivers, welders, and other workers at cleaners and country clubs, sports bars and airlines, in factories, health care and grocery stores. In June and August, the EEOC filed groups of harassment cases around the country on the same day to draw attention to the issue. Forty-one of these suits alleged a hostile work environment of sexual harassment, representing a 50 percent increase over the prior fiscal year. Thirteen other suits raised claims of hostile work environment based on race. Thirty-four harassment suits were class cases, and another 5 were systemic cases. In all, one in three lawsuits filed by the agency included an allegation of harassment.

The EEOC successfully resolved 38 harassment suits, which was exactly twice as many as last year. Six of these resolutions involved allegations of systemic harassment. The EEOC recovered about $14.5 million for 376 victims of harassment through its litigation program, eclipsing by a large margin the relief obtained and the number of victims benefited last year ($2.2 million for 36 victims). The most significant harassment suit resolutions are discussed in "Maximizing Impact through Focus on Systemic Discrimination" below.

Most harassment suit resolutions involved a hostile work environment based on sex. For example, in *EEOC v. 2098 Restaurant Group, LLC et al,* No. 3:17-cv-1002 (S.D. Ill.), the EEOC alleged that the general manager and two cooks at an Illinois restaurant franchise subjected numerous female waitresses, including teenagers, to sexual overtures, touching and threats, and the case was resolved by consent decree providing $975,000 to 17 victims. In *EEOC v. Discovering Hidden Hawaii Tours, Inc.,* No. 1:17-cv-67 (D. Haw.), the EEOC alleged that the male owner of a Hawaii tour company subjected numerous male employees to repeated sexual comments, requests for sex, and sexual touching, and the case was resolved by consent decree providing $570,000 to 18 victims. In *EEOC v. Bornt & Sons, Inc.,* No. 3:17-cv-678 (S.D. Cal.), the EEOC alleged that a California farm labor contractor's manager subjected female agricultural workers to unwanted touching, sexual comments and the offer of employment benefits in exchange for sex, and the case was resolved for $300,000 for 4 victims. In *EEOC v. Scottsdale Wine Café*, No. 2:17-cv-182 (D. Ariz.), the EEOC alleged that an Arizona restaurant subjected two servers to repeated, hostile comments based on their actual or perceived sexual orientation, and the case was resolved by consent decree providing $100,000.

Many other harassment suit resolutions involved hostile work environment based on race. For example, in *EEOC v. The Laquila Group, Inc.,* No. 1:16-cv-5194 (E.D.N.Y.), the EEOC alleged that a New York construction firm's foreman subjected numerous black employees to severe, verbal racial harassment, and the case was resolved by consent decree providing $625,000 to 6 victims. In *EEOC v. Aqua American, Inc.,* No. 17-4346 (E.D. Pa.), the EEOC alleged that a Delaware water service provider's superintendent subjected numerous black employees to severe, verbal racial harassment, and the case was resolved for $150,000 for 7 victims. The consent decrees resolving these sex and race harassment cases also require the defendants to take various affirmative steps to end and prevent the recurrence of a hostile work environment, such as anti-harassment training, civility training, the development of new policies on handling harassment complaints, and compliance monitoring.

Challenging Discrimination in the Federal Appellate Courts

In addition to its nationwide litigation program at the district court level, the EEOC maintains an active appellate program in the federal circuit courts of appeal. Notable appellate decisions in fiscal year 2018 include: *EEOC & Stephens v. R.G. & G.R. Harris Funeral Homes, Inc.,* a Title VII sex discrimination case involving a transgender woman (Aimee Stephens) fired from her job at a funeral home. The Sixth Circuit held that discrimination on the basis of transgender and transitioning status violates Title VII, reasoning that "it is analytically impossible to fire an employee based on that employee's status as a transgender person without being motivated, at least in part, by the employee's sex." Further, the panel said, "discrimination against transgender persons necessarily implicates Title VII's proscriptions against sex stereotyping." Terminating Stephens from her job after she announced her intention to transition from male to female therefore violated Title VII. The court also held that the religious beliefs of the funeral home's owner provided no defense under either the "ministerial exception" or the Religious Freedom Restoration Act (RFRA). The first defense was unavailable because Stephens was not a ministerial employee and the Funeral Home is not a religious institution. As to RFRA, the court ruled that the funeral home did not establish that allowing Stephens to wear female attire at work imposed a "substantial" burden on a religious exercise. The court also agreed with the EEOC that it met the "least restrictive means" part of the RFRA test because it showed that enforcing Title VII "is itself the least restrictive way to further EEOC's interest in eradicating discrimination based on sex stereotypes from the workplace."

In *EEOC & Atkins v. Dolgencorp, LLC,* the Sixth Circuit held that Dollar General violated the ADA by firing former cashier Linda Atkins, who has diabetes, over a $1.69 bottle of orange juice that she took and drank and immediately paid for to treat a hypoglycemic attack she experienced while working alone in a busy store. The court of appeals rejected Dollar General's argument that the jury could not find discrimination based on the company's categorical refusal to let Atkins keep her own juice at the register in case of a hypoglycemic attack. "Once Atkins requested this reasonable accommodation," the court reasoned, Dollar General had a duty to explore what types of accommodations could be made. Because the company did not do this, "the jury had a legally sufficient basis to conclude that Dollar General failed to provide Atkins with reasonable alternatives to keeping orange juice at her register." The court of appeals also rejected Dollar General's argument that it had a "legitimate nondiscriminatory reason for firing Atkins" — she violated a neutral policy against consuming company product before paying for it. A "neutral policy is of no moment when an employee presents direct evidence of discrimination," the court explained, and "failing to provide … a reasonable accommodation constitutes direct evidence of discrimination."

In *EEOC v. Costco Wholesale Corp.,* the Seventh Circuit declined to disturb a jury verdict for the EEOC on its Title VII hostile work environment claim. The court of appeals rejected Costco's argument that no rational jury could have found that former Costco employee Dawn Suppo was subjected to severe or pervasive sex-based harassment by customer Thad Thompson given testimony that Thompson "followed Suppo around the store," "monitored her movements," and "constantly" made advances — "even after [a manager] told him to stay away from her [and] even after he knew that Suppo had gone to the police." The panel further noted that Thompson's "behavior culminated in the bizarre, objectively frightening act of filming Suppo" and that Suppo ultimately obtained a stalking "no contact" order against Thompson in state court. The court also emphasized that harassment need not be overtly sexual and must be viewed in its totality, not carved up into separate incidents. The Seventh Circuit also agreed with the EEOC that backpay is not limited to discharge cases; rather, a plaintiff may seek backpay for the wages lost while on an unpaid leave that sexual harassment had forced the individual to take.

In *EEOC v. BNSF Railway Co.*, the Ninth Circuit affirmed the district court's liability ruling that BNSF violated the ADA by revoking a job offer because the applicant — who had a prior back injury but no current symptoms or limitations — failed to obtain an MRI at his own expense during the post-offer, pre-employment medical review process. The court explained that the ADA does not allow employers to impose this type of financial burden on job applicants with perceived or real impairments or disabilities. The Ninth Circuit further held that an injunction barring BNSF from shifting the cost of follow-up medical examinations onto prospective employees was appropriate, though it remanded to the district court to determine whether facts warranted applying the injunction nationwide.

The Fourth Circuit issued its third decision favorable to the agency in *EEOC v. Baltimore County.* After rulings finding the county liable for a retirement plan that required employees older when hired to contribute a higher percentage of their salaries to the plan than it did younger employees, the district court denied the EEOC any monetary relief, ruling that it had discretion to do so under the ADEA. On appeal, the Fourth Circuit agreed with the EEOC that the district court lacked that discretion. The court of appeals ruled that backpay is a mandatory legal remedy under the ADEA.

At the end of fiscal year 2018, the EEOC was handling 18 appeals in EEOC enforcement actions and participating as amicus curiae in 29 cases on appeal in private suits.

Maximizing Impact through Focus on Systemic Discrimination

Tackling systemic discrimination — where a discriminatory pattern, practice or policy has a broad impact on an industry, company or geographic area — is central to the mission of the EEOC. Systemic discrimination creates barriers to opportunity that causes widespread harm to workers, workplaces, and the economy. Without systemic enforcement, many discriminatory systems and structures would persist — leading to more harm to individuals subject to such discriminatory practices and potentially more individuals filing charges of discrimination against their employers. Research studies also document that systemic enforcement is a greater driver of employer compliance than individual investigations or cases.

The EEOC is studying the types of remedial provisions that work to advance opportunity and reduce discrimination in the workplace. In addition, the agency is exploring approaches to relief where the interests of the employees, employers, and the EEOC align to result in lasting improvements to workplace practices and policies.

In fiscal year 2018, EEOC field offices resolved 409 systemic investigations and obtained more than $30 million in remedies in those resolutions. The monetary relief the EEOC obtained this fiscal year in resolving systemic cases without resorting to litigation demonstrates the EEOC's continued commitment to resolving cases early in the process. In addition, the agency issued reasonable cause determinations finding discrimination in 204 systemic investigations, a significant increase over last year's 167 cause findings.

A few of the key systemic investigation resolutions achieved in fiscal year 2018 are listed below. [Note: due to the confidentiality provisions of Title VII, the ADA and GINA, the names of these companies who settled pre-litigation cannot be made public without their consent]:

Respondent, an employer in the oil and gas industry, agreed to provide $2.65 million to settle charges that managers, human resource officials, and co-workers regularly subjected female employees to unwelcome sexually offensive conduct, requests for sex and sexual favors, and retaliated against those who complained. As well as back-pay, compensatory damages and remedial relief, the company agreed to a new code of conduct, a third-party monitor, implementation of a hotline, sexual harassment training to be introduced to all employees by high level officials who will emphasize to employees the company's commitment to employment opportunity and the importance of the training being given. The agreement also requires the company to create and maintain documents regarding sexual harassment complaints, and post notices at their facilities. The EEOC will also monitor facilities to determine whether harassment recurs, and, if so, that it is dealt with effectively. All the measures are intended to prevent further incidents of harassment.

Respondent, an expert in plant and tree vegetation and its care, agreed to provide $2.2 million in class relief for 420 Black/African American class members who were harassed due to their race and discriminated against in hiring, assignment and promotion. The agreement also provided for a claims administrator; $180,000 to hire an outside expert; a new training program for promoting African Americans from Grounds person to Trimmer; a revised Harassment policy; specialized training for Human Resources, supervisors, and employees on harassment (including civility and by-stander intervention concepts); changes to recruitment and hiring policies and practices; recordkeeping changes; controls to improve accuracy in HRIS data input; mailings to employees on policy changes, EEO Notices; and quarterly reporting to the EEOC for three years on hires, promotions, and complaints.

Coca-Cola Refreshments USA, Inc. agreed to publicly announce the conciliation of ADA charges involving discharge, denial of reasonable accommodation, and policies regarding full duty return-to-work, maximum leave, and reassignment, for $1.75 million. Coca-Cola Refreshments USA, Inc. also agreed to revise ADA policies, provide training, and share their ADA policies, training modules, relevant forms, and the press release, with their independent bottlers who have contractual relationships with Respondent. The other important aspect of this conciliation is that Respondent agreed to provide $250,000 per year to one or more non-profit entities dedicated to helping individuals with disabilities find and keep employment.

The EEOC obtained $1.7 million in monetary relief from a Respondent that did not allow employees who were on medical leave for any reason to be reinstated unless they could return to work without any restrictions, and routinely denied requests for reasonable accommodations. Respondent also agreed to eliminate its discriminatory return to work policy and cease requiring employees to disclose prescription medications. Respondent also modified its reasonable accommodation policy to comply with the ADA and is providing ADA training to all supervisors and managers.

Cargill and the Teamsters Union agreed to publicly announce the conciliation of over 130 charges for monetary relief totaling $1.63 million. The charges against Cargill alleged denial of religious accommodations for prayer breaks, hostile work environment, discharge and constructive discharge. The charges against Teamsters involved hostile work environment, and denial of union representation by failing to pursue grievances. All of the Title VII claims were based on race, Black; religion, Muslim; national origin, Somali; and retaliation. In cooperation with the EEOC, Respondents also agreed to targeted equitable relief, including reporting requirements, training for all employees, notice posting, and review and revision, if needed, of policies and procedures regarding religious accommodations, and to provide its policies to employees in English, Spanish and Somali. Additionally, the Teamsters agreed to hire an outside consultant specializing in employment discrimination law to revise their written policies and procedures, to actively recognize, investigate and address complaints (including verbal complaints), actively commit to providing fair or equal representation to all members, and to prohibit retaliation. Lastly, Respondents agreed to provide proper translation services for their employees.

When efforts to combat systemic discrimination via voluntary compliance fail, litigation may be necessary to remedy and prevent future systemic discrimination. In fiscal year 2018, the Commission filed 37 systemic lawsuits, representing 18.6 percent of all merits suits filed. At the end of fiscal year 2018, a total of 71 cases on the active docket were systemic cases, accounting for 23.5 percent of all active merits suits. This past year, the EEOC resolved 26 systemic cases, two of which included over 1,000 victims and four of which included between 100–250 victims of discrimination. In total, the agency obtained just over $42.7 million in relief for 6,926 victims of systemic discrimination. The EEOC's litigation program achieved a remarkable 96 percent success rate in its systemic cases this year. Below is a sampling of significant outcomes of systemic discrimination lawsuits in fiscal year 2018.

American Airlines, Inc. & Envoy Air, Inc.,
No. 2:17-cv-04059 (D. Ariz. Nov. 16, 2017)

The EEOC alleged in this ADA lawsuit that the defendant airlines refused to provide reasonable accommodations to employees with disabilities, placed such employees on unpaid leave or discharged them because of their disabilities, and failed to rehire employees who were unable to return to work without restrictions. The suit was resolved by a consent decree, subject to U.S. Bankruptcy Court approval, which provided that the EEOC shall hold a General Unsecured Claim for $9.95 million in common stock of American Airlines Group, which a Settlement Administrator will convert into cash and handle the claim process for distribution to qualifying employees. The EEOC expects that the funds will be disbursed to around 1,500 victims of discrimination. Under the decree, Defendants are required to adopt policies and provide training to prevent similar discrimination in the future. Defendants are also required to appoint an ADA Coordinator, and are enjoined from adopting policies or practices that limit work opportunities based solely on the existence of medical restrictions, that allow the defendants to place restrictions on employees beyond those imposed by their treating physicians, or that require disabled employees to compete with non-disabled employees for reassignment when needed as a reasonable accommodation. The decree imposes periodic reporting requirements, and has a term of two years.

Koch Foods of Mississippi, Inc.,
No. 3:11-cv-00391 (S.D. Miss. Aug. 1, 2018)

The EEOC alleged in this Title VII lawsuit that the defendant poultry processing plant subjected seven charging parties and a class of over 100 other Hispanic employees to a hostile work environment and discrimination in terms and conditions of employment based on race/national origin (Hispanic) and/or sex (female), and retaliated against employees who complained. The suit was resolved by a consent decree requiring defendant to pay $3.75 million in compensatory damages to about 150 aggrieved individuals. Defendant is enjoined from future discrimination and retaliation, and is required to translate its EEO policies into Spanish and to provide anti-harassment training in both Spanish and English. The decree has a term of three years.

Alorica, Inc.,
No. 1:17-cv-01299 (E.D. Cal. July 31, 2018)

The EEOC alleged in this Title VII lawsuit that the defendant customer call center allowed supervisors and employees to engage in sexual harassment of both male and female employees, failed to properly investigate complaints of harassment, failed to institute proper procedures to prevent and remedy the harassment, and took retaliatory action against employees who complained. The suit was resolved by a consent decree requiring defendant to pay $3.5 million in compensatory damages to 44 aggrieved individuals. Under the decree, the Defendant must create and implement an anti-harassment policy and complaint resolution process, report complaint receipts and resolutions, and remain subject to compliance monitoring for three years. The decree also requires Defendant to hire a Deputy General Counsel/Diversity and Inclusion Officer, to retain an outside EEO Monitor, to designate an internal EEO Consultant, to conduct self-audits, and to provide anti-harassment and civility training.

GMRI, Inc. d/b/a Seasons 52 Fresh Grill,
1:15-cv-20561 (S.D. Fla. May 3, 2018)

The EEOC alleged in this ADEA lawsuit that the defendant, which operates a nationwide upscale restaurant chain, refused to hire two charging parties and a nationwide class of individuals age 40 and older, at new restaurant openings. The suit was resolved by a consent decree requiring defendant to pay $2.85 million in monetary relief, with a third-party Claims Administrator providing monetary awards to qualified individuals who were not hired because of their ages. Defendant is enjoined from future violations, and is required to revise its hiring policies and selection procedures, provide compliance training for managers and hiring officials, report complaint receipts and resolutions, and remain subject to compliance monitoring for three years.

University of Denver,
No. 1:16-cv-02471 (D. Colo. May 18, 2018)

The EEOC alleged in this concurrent Title VII and Equal Pay Act lawsuit that the defendant educational institution paid female tenured law school professors less than similarly situated male colleagues performing the same or substantially similar work. The suit was resolved by a consent decree requiring defendant to pay $2.6 million to seven aggrieved female law school professors. Defendant is enjoined from discriminating against members of one sex by paying them less than members of the opposite sex for the performance of substantially equal work, and is subject to compliance monitoring and reporting at yearly intervals. The consent decree has a six-year term.

SBEEG Holdings, Inc. d/b/a SLS Hotel South Beach,
No. 1:17-cv-21446 (S.D. Fla. July 27, 2018)

The EEOC alleged in this Title VII lawsuit that the defendant hotel operator discharged black Haitian stewards and dishwashers because of their race (black), national origin (Haitian), and color. The suit was resolved by a consent decree requiring defendant to pay $2.5 million in back pay and compensatory damages to 17 charging parties and aggrieved class members. Defendant is enjoined from future violations, and is required to provide neutral job references to all aggrieved individuals, required to provide compliance training for managers and supervisors, make and file reports on complaint receipts and resolutions every six months, and remain subject to compliance monitoring for three years.

OUTREACH & EDUCATION

The EEOC has strengthened our efforts, many in collaboration with our enforcement partners in federal, state, and local government as well as with employer, employee, and academic communities, to maximize the impact of our collective knowledge and resources.

Rather than addressing persistent problems after they occur, the agency is examining the underlying causes of discriminatory patterns, and focusing on developing solutions to the most complex problems. Building active and engaged partnerships to develop innovative solutions to the workplace challenges facing many employers and employees today is one way to do this. The Select Task Force on the Study of Harassment in the Workplace is a prime example of this effort as it brought together employers, workers' advocates, academics, and others experienced with harassment issues to identify underlying problems leading to harassment claims and effective strategies for preventing and remedying workplace harassment.

Harassment Outreach

In fiscal year 2016, the co-chairs of the Select Task Force on the Study of Harassment in the Workplace, Commissioners Chai R. Feldblum and Victoria A. Lipnic, issued a Report, recommending resources and tools for promising prevention strategies. To implement recommendations from the report and provide employers with methods to address workplace harassment, the EEOC began, in fiscal year 2018, to offer innovative training programs which go above and beyond traditional anti-harassment training for both employers and employees. The content is built around the universal desire for a respectful workplace. Rather than teaching solely about unlawful behaviors, each program focuses on a continuum of behaviors that undermine respect, from rude and uncivil behavior to abusive behavior and unlawful harassment. The program is customizable for different types of workplaces and includes a section for reviewing employers' own harassment prevention policies and procedures. By the end of the fiscal year, the agency had trained over 20,000 individuals in the private sector through its Customer Specific Training, which included presentations of the Respectful Workplace, Leading for Respect, and Compliance Training developed in response to the EEOC's Select Task Force on the Study of Harassment in the Workplace report. In addition, materials were developed and existing outreach brochures were updated that can be used at events for the public, advocacy groups and other agency partners to help in sharing information about how victims of harassment can bring their claims to the agency.

In fiscal year 2018, the EEOC also reconvened the Select Task Force on the Study of Harassment in the Workplace for a public meeting, "Transforming #MeToo into Harassment-Free Workplaces," to examine difficult legal issues and to share innovative strategies to prevent harassment, including app-based reporting, simple color-coded reporting, and panic buttons for hotel workers.

There were 1,513 free outreach events involving harassment, reaching 151,671 attendees. As reflected in the chart below, 949 of these events covered the topic of sexual harassment and were attended by 96,735 participants. During fiscal year 2018, the agency updated and developed new outreach and resource materials that staff will use in fiscal year 2019. Slideshow presentations targeted for different audiences such as advocacy, employee and human resources audiences have been created for staff to conduct outreach and training on harassment. Also, tool kits for advocacy groups and employers are being developed that will contain useful materials to educate and prevent harassment.

	2018 Total Events	2018 Total Attendees
All Harassment	1,513	151,671
Harassment — Sexual	949	96,735
Harassment — Non-Sexual	762	75,712

In the federal sector, through fee-based training and targeted outreach, the EEOC conducted 34 "Preventing Workplace Harassment" sessions, educating almost 1,200 federal employees throughout the continental United States and the Commonwealth of Puerto Rico. In addition, using the newly developed training aimed at addressing the roots of workplace harassment, and customized for a federal audience, the agency conducted thirty-five sessions on "Leading for Respect and Respectful Workplace" for some 1,400 federal supervisors and non-supervisory employees. At the annual EXCEL conference, a total of five sessions were dedicated to exploring harassment and its prevention, and a no-cost webinar was presented on "A Criminological Perspective on Preventing Harassment in the Workplace."

During fiscal year 2018, the agency also published an article in the EEO Digest that provided support that workplace civility training should focus on building a sense of community in the workplace and that sanctions for harassment should be swift, certain, and proportionate. The article added that alternative dispute resolution methods, including mediation, could be effective even in severe cases of harassment. This research was also presented during the 2018 Federal Sector Training Conference and in a brown bag webinar that compared harassment prevention methods and crime prevention methods.

Age Discrimination Outreach

Persistent age discrimination and stereotypes about older workers remains a significant and costly problem for workers, their families, and our economy. In June 2017, the Commission had an open meeting entitled The *ADEA @ 50 — More Relevant Than Ever* to begin the agency's year-long recognition of the importance of the Age Discrimination in Employment Act (ADEA). In fiscal year 2018, the EEOC continued to recognize the 50th anniversary of the ADEA. The EEOC launched a webpage in December 2017 to bring renewed focus to the basic purpose of the ADEA, that ability matters, not age. We culminated the year-long focus on Age Discrimination in June 2018 with the issuance of a comprehensive report, "The State of Age Discrimination and Older Workers in the U.S. 50 Years After the Age Discrimination in Employment Act (ADEA)."

Small Business Outreach

In fiscal year 2018, the EEOC continued to assist and prioritize outreach to small businesses. Approximately 16 percent of the EEOC's outreach is to small and new businesses, especially those lacking the resources to maintain full-time professional human resources staff. Agency staff conducted 620 no-cost outreach events for small businesses in fiscal year 2018, reaching 42,619 small business representatives.

The EEOC continued to update and promote the Small Business Resource Center, launched in fiscal year 2016 under the leadership of Commissioner Constance S. Barker. The site provides a user-friendly one-stop source for information on federal employment anti-discrimination laws tailored to meet the needs of small businesses.

Working with the Small Business Administration's (SBA) Office of the National Ombudsman, the EEOC participated in several round table discussions at various locations around the country with small businesses and organizations that represent small businesses as well as a Regulatory Fairness Hearing held in Washington, DC.

The SBA Ombudsman's Report grades all federal agencies on their responsiveness to small business concerns and their compliance with the Small Business Regulatory Enforcement Fairness Act of 1996. The Ombudsman's preliminary report for fiscal year 2017, gives the EEOC an "A" rating across-the-board, the highest rating possible, reflecting the SBA's recognition of the EEOC's strong commitment to assist this important sector of the economy. The SBA highlighted the EEOC's Small Business Resource Center as an example of agency compliance assistance initiatives in the preliminary report for fiscal year 2017.

Outreach to Vulnerable Communities

Education and outreach programs are critically important to the work of the EEOC, as they promote understanding of the law and voluntary compliance. As the EEOC strategically targets outreach to vulnerable workers and underserved communities, approximately 34 percent of the outreach conducted is to these communities. This focused outreach includes immigrant and farm worker communities, as well as communities where individuals are reluctant to come forward to complain about employment discrimination. For example, the EEOC is working diligently with various organizations, governmental and non-governmental, to raise awareness and address human trafficking that occurs in various industries. In fiscal year 2018, the EEOC conducted 188 events focused on human trafficking issues, reaching 9,372 people. Additionally, in fiscal year 2018, the EEOC hosted 73 events that reached 4,222 people in communities with limited English proficiency.

As part of the efforts to further strengthen collaborative efforts to provide immigrant, migrant, and otherwise vulnerable workers and their employers with guidance and information about their rights and responsibilities under anti-discrimination laws, the EEOC maintains partnerships through Memoranda of Understanding (MOU) with various embassies and consulates. In fiscal year 2018, the EEOC renewed a national MOU with the Embassy of Philippines. One of EEOC's field offices entered into a new MOU with the El Salvadorian Consulate and several EEOC field offices renewed MOUs with the Consulates of Mexico.

Through the Youth@Work Initiative, the EEOC raises awareness and educates youth, who are working or about to enter the workforce, about various forms of employment discrimination including sexual harassment and the responsible use of social media. In fiscal year 2018, field offices conducted 447 Youth@ Work events, reaching 38,178 individuals.

The table below shows the number of outreach events and the number of attendees for fiscal year 2018 at events that covered all of the EEOC's national priorities identified in the agency's Strategic Enforcement Plan for fiscal years 2018–2022.

2018 TABLE OF EVENTS AND ATTENDEES

National Priorities	Events	Attendees
Recruitment/Hiring	**881**	**85,887**
Vulnerable Workers Including Immigrant and Migrant Workers and Underserved Communities	**1,320**	**108,174**
Emerging/Developing Issues (Total)	**994**	**122,367**
Americans with Disabilities Amendments Act (ADAAA)	687	88,800
Pregnancy Discrimination Act/ADA	416	24,995
LGBT	500	43,776
Complex Employment Relationships	143	10,346
Backlash Discrimination	233	13,239
Equal Pay	**648**	**72,465**
Access to Legal System (includes retaliation, recordkeeping violations, waivers, mandatory arbitration)	**976**	**70,354**
Systemic Harassment (includes non-sexual and sexual harassment)	**1,511**	**151,367**

Leveraging Partnerships to Maximize Strategic Enforcement

Working in partnership with other enforcement agencies and stakeholder communities allows the EEOC to incorporate diverse perspectives, achieve savings and efficiencies, eliminate duplication of efforts and avoid the pursuit of conflicting enforcement objectives.

The EEOC continues to collaborate with the Office of Federal Contract Compliance Programs of the Department of Labor (DOL), the Department of Justice (DOJ), state and local Fair Employment Practice Agencies (FEPAs), and Tribal Employment Rights Organizations (TEROs) to coordinate investigative and enforcement strategies and activities when doing so promotes efficiency or enhanced law enforcement.

The agency also continues to work with these enforcement partners to develop and conduct joint outreach, public education, and staff training programs. For example, the EEOC has collaborated with other federal government agencies and contributed to the work of intergovernmental efforts such as the Presidential Interagency Task Force to Monitor and Combat Trafficking, the White House Initiative on Asian Americans and Pacific Islanders, and the White House Initiative on Historically Black Colleges and Universities.

In addition to these partnership efforts, through outreach, training and education, the EEOC enhances public awareness of emerging issues of employment discrimination in America's workplaces. Agency outreach provides knowledge and an understanding of workplace conditions that may give rise to violations of the statutes that the EEOC enforces. Approximately 35 percent of agency outreach is conducted through partnerships with employee advocates, human resource professionals, employer groups, human rights commissions and Fair Employment Practice Agencies. In fiscal year 2018, the EEOC conducted over 3,920 outreach events reaching 398,665 individuals nationwide.

In fiscal year 2018, the EEOC further developed and strengthened its significant partnerships with advocacy and business groups, with 58 new partnerships added, bringing the combined total to 324 significant partnerships. Also, as outlined in Strategic Measure 7 discussed above, the EEOC started to leverage its sustained partnerships with advocacy and business groups to educate the public about employment discrimination. The EEOC facilitated active interactions between advocacy and business groups forging combined efforts to raise awareness about and devise solutions to address employment discrimination.

Providing Customer Service through the Information Intake Group

The Information Intake Group (IIG) — in its tenth year of operation — is the Agency's point of contact for members of the public who use the Agency's toll-free number, e-mail address, and direct video service for general inquiries. The IIG received 519,768 phone calls and 34,699 emails in fiscal year 2018. Approximately 43 percent of the callers use the Interactive Voice Response System to find answers to their inquiries, without further assistance from the Intake Information Representatives (IIRs). The rest of the callers are assisted by IIRs using an extensive knowledge database to respond, in both English and Spanish, to these calls and e-mails. In fiscal year 2018, approximately 77 percent of calls and emails answered by the IIRs were fully resolved by the IIR without being referred to other staff in EEOC field offices. The EEOC continues to be one of few federal agencies providing direct video service for the Deaf and Hard of Hearing community.

Providing Employers and Employees with Education and Technical Assistance

The EEOC Training Institute (the Institute) provides fee-based training and technical assistance to stakeholders in the private and public sectors. The Institute is funded through the EEOC's Revolving Fund, established by Congress in 1992 to enable the EEOC to charge "reasonable fees" for specialized products and services developed and delivered as part of the Commission's training and technical assistance efforts.

In fiscal year 2018, the Institute trained over 25,000 individuals at more than 425 events, including 33 one- and two-day Technical Assistance Program Seminars (TAPS), 5 half-day workshops, 34 federal courses, and over 350 on-site trainings (customer-specific training delivered at the workplace for private sector employers and federal agencies). The half-day, one- and two-day TAPS seminars are responsive to employers' needs and address their respective rights and obligations in the workplace, and provide detailed information about identifying and preventing workplace discrimination.

In July 2018, the agency held its 21st annual Examining Conflicts in Employment Laws (EXCEL) Training Conference for both federal sector and private sector EEO practitioners. This year's conference offered separate tracks for the more than 1,000 attendees from the federal sector and private sector. The conference offered over 70 workshops that covered a wide array of subjects of interest to EEO practitioners. Among the highlights of the conference, which had as its theme "Inspiration, Innovation, Action" were presentations by keynote speakers including the EEOC's Acting Chair Victoria A. Lipnic, Commissioner Chai Feldblum, author and diversity expert Lenora Billings-Harris, former Major League Baseball player and manager Johnnie "Dusty" Baker, Jr., and former Director of the U.S. Office of Personnel Management (OPM) Jeff T.H. Pon.

Providing Clarity through Regulations, Enforcement Guidance and Technical Assistance

Clear regulations and guidance about the law informs individuals and employers of their legal rights and responsibilities, aids EEOC employees in conducting their work, and serves as references for the courts when resolving novel legal issues. General information about EEOC regulations, policy guidance, and resource documents can be found on the EEOC website at www.eeoc.gov/laws/index.cfm.

In fiscal year 2018, the agency completed a regulatory update, provided clear information to employers about preventing workplace harassment, and issued a factsheet for individuals who believed they had been harassed at work. In addition, the agency assessed its current guidance and technical assistance documents, and considered which ones most need updating.

Regulatory Actions:

To fulfill the reporting requirements of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, the EEOC is reporting the information in the following table as the most recent adjustment to civil monetary penalties.

Statutory Authority	Penalty	Year Enacted	Latest Year of Adjustment	Current Penalty Level	Sub-Agency/ Bureau/ Unit	Locations for Penalty Update Details
Section 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	2018	$545	N/A	83 Federal Register 2536 (Jan. 18, 2018)

Resource Documents:

- *Promising Practices for Preventing Harassment* (posted online on November 11, 2017). As many employers recognize, adopting proactive measures may prevent harassment from occurring. *The Report of the Co-Chairs of EEOC's Select Task Force on the Study of Harassment in the Workplace* (Report) identified five core principles that have generally proven effective in preventing and addressing harassment. This "promising practices" document discusses these five core principles and lists promising practices that are derived from them. These promising practices are not legal requirements under federal employment discrimination laws, but they may enhance employers' compliance efforts.

- *What You Should Know: What to Do if You Believe You Have Been Harassed at Work* (posted online on October 10, 2017). In plain English, this straightforward document encourages employees to tell the person who is harassing them to stop if they are comfortable doing so. It also tells individuals what to do if their employer has a formal policy against harassment, and what to do if their employer does not have a policy. It provides links to a wide array of EEOC information about harassment.

Providing Strong Leadership and Oversight for Federal Agencies

The EEOC provides leadership and guidance to federal agencies on all aspects of their equal employment opportunity (EEO) programs. As part of this role, the EEOC ensures federal agency and department compliance with federal sector regulations; provides technical assistance to federal agencies concerning EEO complaint adjudication; monitors and evaluates federal agencies' affirmative employment programs; produces an annual report on federal sector complaint processing, appellate case processing, and compliance; produces reports on significant issues and government-wide trends in the federal sector; develops and distributes federal sector educational material; and conducts training for stakeholders.

The EEOC continued using program evaluations as a valuable tool in its leadership and oversight role. During fiscal year 2018, EEOC staff submitted a final report for one large cabinet level agency and completed a government-wide evaluation report of promotion and retention practices in public safety occupations. The EEOC currently monitoring one additional cabinet level agency's implementation of the EEOC's recommendations to address areas of concern regarding their EEO practices. The EEOC also began two new agency program evaluations during fiscal year 2018.

In January 2017, the EEOC issued a final rule to amend the regulations implementing Section 501 of the Rehabilitation Act of 1973 (Section 501). The rule consolidates and strengthens existing regulations in several ways, including establishing representation goals for persons with disabilities (PWDs), imposing a new requirement to provide personal assistance services (PAS) to employees who are persons with targeted disabilities (PWTD), and specifying affirmative action report requirements. To eliminate duplication between the Section 501 rule and MD-715 reporting requirements, in fiscal year 2018 the EEOC issued revisions to the 2003 MD-715 instructions. Among other changes, agencies will be required to submit new information about the recruitment, hiring, advancement, and retention of PWDs. Using these MD-715 submissions, the EEOC automatically will generate agencies' Affirmative Action Plans (AAPs), which also must be uploaded to the agencies' public websites.

In fiscal year 2018, the EEOC established a goal to issue feedback letters to agencies within 90 days of receiving their AAPs. The EEOC timely issued feedback letters to 92 percent of the agencies. In the 160 feedback letters issued in fiscal year 2018, the EEOC evaluated whether agencies demonstrated that they: (1) had compliant reasonable accommodation procedures; (2) posted their PAS on their public websites; and (3) adopted the regulatory goals for PWDs and PWTDs in the grade level clusters. The EEOC approved 23 percent of the submitted AAPs. Of the AAPs that the EEOC did not approve, 88 percent of agencies had not posted their PAS procedures on their websites; 66 percent of agencies did not issue compliant reasonable accommodation procedures; and 50 percent of agencies had not adopted the regulatory goals.

To assist agencies in issuing compliant reasonable accommodation procedures, the EEOC established a goal in fiscal year 2018 to provide feedback within 60 days of receiving a request to review the procedures. In fiscal year 2018, the EEOC received 149 requests from 116 agencies to review their procedures. The EEOC timely issued feedback letters for 83 percent of the requests and approved 16 percent of the agencies' procedures. In fiscal year 2019, the EEOC expects to continue to review agencies' reasonable accommodation procedures until they comply with the regulations.

To improve the timeliness and efficiency of the federal sector EEO process, the EEOC's regulations allow federal agencies the opportunity to request variances from the current administrative process set forth in 29 C.F.R. §1614. During fiscal years 2017 and 2018, the Commission reviewed proposals for "pilot projects" and approved one for the Department of Transportation Federal Aviation Administration. During fiscal year 2018, OFO staff monitored quarterly the previously-approved pilots for the U.S. Department of the Air Force and the U.S. Department of the Interior.

In addition to its overall, ongoing initiatives and process improvements, the EEOC has made progress in addressing priority areas set forth in its Strategic Enforcement Plan and Federal Sector Complement Plan, including:

During fiscal year 2018, the EEOC produced its computerized Hiring and Promotions Barrier Analysis Tools. Focusing specifically on the hiring and promotion phases of the employment life-cycle, these tools identify triggers (red flags) and potential barriers to equal employment opportunities and provide recommendations for the next steps federal agencies should take to identify and remedy the root causes of discrimination.

As part of the EEOC's review of AAPs, it provided feedback to agencies on the status of their disability program, including their plans to recruit, develop, advance, and retain PWD and PWTD. Moreover, the EEOC evaluated agencies' efforts to remove barriers that impede PWD and PWTD within the workplace. In most letters, the EEOC provided guidance on conducting barrier analysis on mission-critical occupations, the senior grade levels, management positions, and separations. In addition, the EEOC partnered with the OPM and the DOL and hosted quarterly Federal Exchange on Employment and Disability (FEED) meetings to assist agencies in understanding and removing barriers that impact PWD and PWTD.

The EEOC also updated its fee-based training by revamping its MD-715 and Barrier Analysis courses to reflect the Section 501 regulatory changes. To ensure that the information on new MD-715 reporting procedures reached a diverse body of stakeholders, the EEOC provided four no-cost educational webinars.

The EEOC has worked with the Government Accountability Office and OPM to explore possible pay disparities in the federal sector. In fiscal year 2014, OPM published its report setting forth a government strategy for advancing pay equality and a guide for conducting pay data analysis. The EEOC has supported this effort and in fiscal year 2016, began more refined research on the impact gender and parenthood have on the earnings of federal employees. That research became the subject of a nationwide program evaluation, issued in fiscal year 2018, that focused on opportunities for women in federal public safety occupations (law enforcement, fire prevention and security) and is intended as a resource on innovative leading recruitment and hiring practices for federal agencies to consider in their efforts to increase the participation of women in these occupations. The EEOC also is in the process of a second program evaluation on promotion and retention barriers for women in these occupations, which will provide further guidance to agencies on these issues.

The EEOC continued efforts it began during fiscal year 2015 to research the behavioral science associated with retaliatory behavior. To update and further educate stakeholders about its retaliation research, in fiscal year 2018, the EEOC presented a workshop at the EXCEL conference entitled: "Social Science of Reprisal Discrimination, an Overview." The EEOC also held a podcast and a no-cost brown bag session for those unable to attend EXCEL.

ENHANCING SERVICE TO THE PUBLIC BY IMPROVING AND LEVERAGING TECHNOLOGY

The EEOC continued to invest in technology and build digital systems and services to increase efficiency and to provide timely service to the public. This encompasses everything the agency does, from increasing the effectiveness of its administrative processes to better supporting efforts to advance opportunity and freedom from discrimination. This effort is organized around three strategic goals:

- Transform the way the EEOC serves the public by making its charge, complaint, and appeal processes transparent and providing information to its constituents online and on demand.
- Streamline processes to improve customer service for constituents, including individuals, state and local partners, Federal agencies, businesses and other organizations.
- Improve productivity by providing agency employees ready access to the tools, data and documents they require.

To lead the country in advancing equal opportunity in the workplace, the EEOC must ensure that it is providing excellent service to the public. That means investing in the infrastructure, software, services, and equipment necessary to support the digital systems that will enable the agency to efficiently handle all its work.

To this end, the EEOC has implemented a new "Digital Charge System" that enables the online exchange of documents and communications between the EEOC, potential charging parties, charging parties, and respondents involved in private sector charges. The EEOC receives over 200,000 inquiries and approximately 76,418 charges per year, making its charge system the agency's most common interaction with the public. The Digital Charge System aims to improve customer service, enhance security, ease the administrative burden on staff, and reduce the use of paper submissions and files. This initiative also improves collaboration and knowledge sharing, enhances data integrity, reduces paper file storage and manual archiving/destruction requirements, and enables a more mobile workforce.

The EEOC expanded the Online Inquiry and Scheduling system to all offices in early fiscal year 2018, enabling the public to perform self-screening, submit a pre-charge inquiry, schedule an appointment for an intake interview, electronically sign the charge of discrimination, choose to participate in mediation, request an electronic copy of the Respondent's Position Statement, and submit their own evidentiary documents electronically via the portal. In fiscal year 2018, 110,464 inquiries were initiated through the Online Inquiry and Scheduling system, of which 30,230 were formalized as charges of discrimination. Continued enhancements including delivery of closure documents, are scheduled for fiscal year 2019.

In late fiscal year 2018, the EEOC expanded its Public Portal to provide online access for federal sector complainants to request hearings and file appeals of their federal sector EEO complaints. The EEOC also continued the digital build-out of the Federal sector operations through enhancement of the Federal Sector EEO Portal (FedSEP). EEOC administrative judges can upload their orders and decisions into FedSEP for access by the parties in cases before them. Federal agencies can also upload all documents required for hearings and appeals, including requests for reconsideration. FedSEP with the expansion to both Hearings and Appeals, now includes over 1 million documents in its digital repository.

Additionally, both the Public Portal's and FedSEP's user interfaces were redesigned to be mobile responsive in fiscal year 2018. These enhancements represent an expansion of the EEOC's efforts to provide online services for its stakeholders.

The EEOC's Digital Charge System now includes over 1,960,841 documents in its repository and the agency served notice of 56,271 charges through the system in fiscal year 2018, saving the agency more than $36,000 in printing, postage and related costs. In addition, through the EEOC's Online Charge Status system, individuals viewed information on the charge status, possible next steps and staff contact information of private party charges 579,000 times in fiscal year 2018.

Integral to the advances in technology is ensuring that our employees' input is received and suggestions and comments are addressed in subsequent updates of the system. To secure this input, a user survey was conducted in spring 2018, for field staff using the IMSNXG/Online Intake/Scheduling system. Users were able to provide feedback both on the satisfaction with the system and their recommendations for enhancements. The survey was designed in coordination with a staff Social Science Analyst to develop questions that would best elicit input. With an over 47 percent response rate, the survey results have been analyzed and have assisted in guiding further system developments to address user concerns as well as recommendations for enhancements that will make the system more user friendly and responsive to both EEOC staff and the public. Staff have been kept advised of the value of their input to create changes in this vital system.

Digital charge capabilities also were provided to state and local government Fair Employment Practices Agencies (FEPAs), to enable electronic notifications and document exchange between the EEOC and FEPAs. In September 2017, the DCS Document Module was deployed to all FEPAs, providing the foundation for automatic transmission of uploaded charges of discrimination (Form 5) that are dual-filed with the FEPAs and the EEOC. During fiscal year 2018, the EEOC worked with several FEPAs to pilot the uploading of electronic files to charges, including a signed charge of discrimination that is automatically transferred to the EEOC office at which the charge is jointly filed. This capability was expanded in August 2018 to all FEPAs who use the EEOC's Integrated Mission System (IMS) to provide bi-directional notification of Charges of Discrimination (Form 5) from the EEOC to FEPAs, automation of the Notice of Dual-Filing Form (Form 212), and electronic submission of FEPA charge documentation to the EEOC for substantial weight review — replacing the practice of transmitting copies of dual-filed charges and charge files by paper and mail.

Another key agency focus is Enterprise Analytics and Reporting. The EEOC recognizes the need to better utilize its data for analytics, such as to support decision making and operational reporting, to support mission results. Presently, the EEOC uses four separate toolsets for analytics and operational reporting. During fiscal year 2018, the EEOC acquired and deployed Microsoft Power BI. The initial use was for private sector operational reporting, as Power BI replaced an aging and unsecure Hyperion environment for field office management reporting.

In fiscal year 2018, the EEOC continued implementing SharePoint as a content management solution, storing all new litigation case files within the EEOC's repository. Using SharePoint allows EEOC staff to access case files regardless of the office wherein the litigation is being managed. The increased availability, search-ability and share-ability also facilitates cross-office collaboration. Security of the case files has been strengthened through SharePoint's data-at-rest encryption.

Also in fiscal year 2018, the EEOC completed the acquisition of a modern eDiscovery Review Management System. This acquisition will modernize existing infrastructure and will give the Commission's litigators the ability to efficiently manage the large amounts of electronically stored information that must be collected, reviewed and produced in complex and/or document-intensive litigation. This new system will allow for more efficient management of voluminous discovery using a user-friendly interface that supports greater analytic functionality, such as near-duplicate identification, e-mail thread organization, conceptual search and clustering and machine-assisted categorization.

Securing the EEOC's digital workplace is a critical component of the agency's plans, with priorities developed and put in place to protect data that is central to the agency's mission and the privacy of the people the EEOC serves. Previously, the agency focused on providing additional security controls for its public-facing digital services and implementing automated controls on its desktop applications. These steps resulted in a significant reduction in successful malware attacks, while reducing costs associated with remediation by $300,000. The implementation of Microsoft Exchange Online Protection in fiscal year 2018 provided additional malware prevention and protection.

In fiscal year 2018, the EEOC implemented both Office 365 multi-factor authentication and PIV-based device authentication for privileged users. The EEOC plans to roll-out PIV-based authentication to all users during fiscal year 2019.

The EEOC actively addressed vulnerabilities for compliance with Binding Order Directive (BOD) 18-01, including enabling HTTP Strict Transport Security (HSTS), mitigating weak ciphers, and establishing Domain-based Message Authentication, Reporting, and Compliance (DMARC) settings. The EEOC continues to work with Microsoft to address the remaining items and acquired security services to assist in the implementation of “DMARC p=reject” settings by the October 2018 due date.

The EEOC also is actively engaged with the Department of Homeland Security to fully implement the Einstein 3A (E3A) and Continuous Diagnostics and Mitigation (CDM) programs. The EEOC completed traffic aggregation to E3A in fiscal year 2016, deployed DNS sink-holding in late fiscal year 2017, and initiated E3A email filtering in late fiscal year 2018.

On the privacy front, the agency was active within the new Federal Privacy Council, continues to review its privacy program per the A-130 July update, and published its revised Policy on the *Protection of Sensitive Information.* During fiscal year 2018, the EEOC implemented Office 365 data loss prevention technologies to monitor outgoing external email transmissions for content containing social security numbers. The EEOC will continue to utilize data-at-rest encryption and other data loss prevention technologies within Office 365 to better protect and secure sensitive data.

INVESTING IN THE AGENCY OF THE FUTURE

The EEOC has started to make the critical investments needed to focus the Commission on addressing the needs and challenges of the workforce of the future. The agency has focused on making maximum use of our limited resources to achieve the greatest return on the investment of taxpayer dollars. The EEOC’s employees are highly committed to the mission of the agency and look forward to fulfilling the promise of the laws we are charged with enforcing. The mission of the EEOC remains the same, but we will continue to innovate and motivate our employees to maximize resources, improve performance management and seek to provide excellent service to our stakeholders and the public.

Improvements to Data Capabilities: Creation of the Office of Enterprise Data and Analytics (OEDA)

In fiscal year 2018, the EEOC revamped and upgraded the agency’s data analytics capabilities. Across the federal government, agencies are recognizing the importance of data-driven decision-making through enterprise-wide data and data analytics in enhancing mission effectiveness. In recent years, the Commission issued a Research and Data Plan to examine the data currently maintained by the EEOC, and how to use that data more efficiently and effectively. The EEOC’s Office of Inspector General also assessed the agency’s knowledge and use of data analytics strategies and capabilities and identified improvements, opportunities, and best practices for the EEOC’s data analytics activities.

Recognizing the need to enhance our agency’s data analytics capabilities, Acting Chair Lipnic appointed the agency’s first Chief Data Officer (CDO) in November 2017. It is the responsibility of the new CDO to develop an enterprise-wide data analytics strategy which not only supports the mission of the EEOC, but also makes agency data readily available and easily accessible to those within the agency, as well as the public. To accomplish this task, the EEOC’s Office of Research, Information and Planning (ORIP) needed to take on new additional data governance and data transparency functions, and make certain changes to its organizational structure to position itself as a 21st century data analytics organization. ORIP was originally created in 1997 and since that time had not undergone any changes or reorganizations.

Effective May 29, 2018, ORIP officially became the EEOC’s Office of Enterprise Data and Analytics (OEDA). Additionally, in April 2018, the agency created its first Data Governance Board (DGB) to provide executive leadership and oversight for the development and implementation of the policies and processes which govern the collection or creation, management, use, and disclosure of EEOC data. The guiding principle of the EEOC’s

DGB is to ensure intra-agency data transparency to promote efficient and appropriate use of, and investment into, agency data resources.

The EEOC recognizes the importance of data-driven decision-making and the transformative role data can have to make the federal government more efficient and to better serve the American people. Unfortunately, however, the EEOC's current methods of data collection, reporting, and access are outdated and inefficient. OEDA's new and additional functions have been designed to help the EEOC achieve its mission, as well as allow OEDA to provide greater and improved services to its customers both inside and outside of the agency. As part of the EEOC's fiscal year 2018 hiring, OEDA filled vacant positions and hired new employees with data analytics and data modeling experience to provide a solid foundation on which to build a new agency-wide data analytics organization.

Improving Hiring and Position Management in the EEOC

The EEOC plays a critical role in demonstrating the value of diversity and inclusion in the workplace because of its unique mission. Living out the concepts and principles of equal employment is essential — not only to serve as a model — but also to strengthen the workplace to accomplish more for its customers and stakeholders. All levels across the agency work to foster an inclusive work culture that emphasizes collaboration and innovation.

The EEOC is working to ensure that the agency's positions are appropriately structured and staffed with a high quality, diverse workforce to effectively accomplish the agency's mission.

The EEOC has streamlined the recruitment process to improve time-to-hire rates. As of September 30, 2018, the agency hired 182 employees; 117 (or 64 percent) of the hires were made within the 78-day deadline. This does not include the 135 hires that have entry on duty after October 1, 2018, pending selections, tentative offers, suitability, or firm offers. Overall, the EEOC processed 7,733 personnel actions (as of September 22, 2018) in fiscal year 2018, a decrease of 17.5 percent over fiscal year 2017.

The EEOC increased the number of persons with disabilities in the workforce. In fiscal year 2018, 15.3 percent of the GS-11 and above population identified as individuals with disabilities and 2.5 percent as targeted disabilities; for GS-10 and below, 8 percent identified as individuals with disabilities and 1.9 percent as targeted disabilities. The agency benchmark for individuals with disabilities and targeted disabilities is 12 percent and 2 percent, respectively. One effective strategy the EEOC used to increase the presence of individuals with disabilities is, through its IIG operations, the agency employs seven individuals as IIRs who were hired in coordination with the National Telecommuting Institute (NTI), a non-profit organization whose mission is to identify and develop work-at-home jobs for home-based individuals who are physically disabled. All of these employees are part of the Social Security Administration's Ticket to Work Program and were hired with the provision that they could perform their work 100 percent remotely.

Performance Management

Accountability remained the focus of performance management in fiscal year 2018. We conducted 14 training sessions for EEOC employees and managers on performance related topics. The objective of the training was to promote and sustain a high-performance culture and meet EEOC organizational goals. Fiscal year 2018 marks the first full fiscal year of implementing the Employee Performance Management and Appraisal Program Handbook, EEOC Order 540.008, and the revised employee performance plans.

For the first time in the agency's history, the Office of the Chief Human Capital Officer (OCHCO) implemented its electronic performance appraisal system, USA Performance. This system, automates the issuance and evaluation of all employee performance — e.g., signing performance standards and issuing ratings of record in a central location managed by OCHCO. USA Performance has assisted agency supervisors and managers with performance monitoring, engagement, and assessments.

Employee and Labor Relations

As part of the effort to maximize performance, the EEOC is continuing its proactive approach to addressing employee conduct and performance issues. In fiscal year 2018, the agency conducted several training and outreach sessions to better equip managers and supervisors when rewarding high performers, addressing conduct issues, and proper interaction with the Union. We also bargained important agency initiatives with the Union, including the agency's Voluntary Transfer Directive and the Furlough procedures. We are committed to continuing the collaboration with the Union, in fiscal year 2019.

Employee Engagement

The EEOC participates in the OPM's Federal Employee Viewpoint Survey (FEVS) each year. The EEOC's fiscal year 2018 FEVS response rate was a record-breaking 71.3 percent; 30.7 percent over the government-wide response rate of 40.6 percent. This represents the agency's highest response rate since the instrument was first administered in 2004.

The FEVS measures employee engagement and inclusiveness via the Employee Engagement Index (EEI) and the Inclusiveness Quotient (IQ); the four-year government-wide average is 65 percent and 58 percent, respectively. In 2018, the EEOC surpassed the established benchmark on both indices EEI (70 percent) and IQ (64 percent).

The EEOC made a concerted effort to increase employee engagement and inclusion throughout the agency in fiscal year 2018. Noteworthy initiatives undertaken to increase FEVS scores and foster a culture of inclusion include, but are not limited to, the following: conducting three employee information sessions via the "ASK the Agency" forum; instituting a new internal Order on Harassment accompanied by mandatory training; compiling and publishing internal EEOC employee engagement best practices on the intranet and encouraging senior leaders and managers to adopt the techniques; co-sponsoring a FEVS video contest; and conducting a "Life in a Shoebox" agency-wide exercise.

PROGRAM EVALUATIONS

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

Independent program evaluations continue to play an important role in formulating the strategic objectives and performance goals detailed in the EEOC's Strategic Plan for Fiscal Years 2018–2022 and helped shape some of the program issues and key focus areas for improvement. They are an invaluable management tool to guide the agency's strategic efforts in attaining overall productivity and program efficiency, effectiveness, and accountability.

Consistent with the agency's focus on improving the effectiveness of government through rigorous evaluation and evidence-based policy initiatives, the EEOC will continue to consider appropriate program areas for evaluation each year. This will ensure that the agency's efforts align with the EEOC's budget and other programmatic priorities.

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. We will continue efforts to ensure the accuracy of program information and any analysis of the information.

The EEOC continually reviews the information we collect in our databases for accuracy by using software editing programs and program reviews of a sample of records during field office technical assistance visits. In addition, headquarters offices regularly conduct analyses to review the information collected in order to identify any anomalies that indicate erroneous entries requiring correction to collection procedures.

Recent implementation of the Federal Sector EEO Portal that enables all federal agencies to electronically submit annual equal employment opportunity statistics (EEOC Form 462 and MD-715) continues to improve the quality and timeliness of the information received electronically. Finally, we continue to improve the collection and validation of information for our Integrated Mission System (IMS), which consolidates our mission data on charge intake, investigation, mediation, litigation, and outreach functions into a single shared information system. IMS includes many automated edit checks and rules to enhance data integrity. Since several of our performance measures require us to use data to assess our achievements, it is significant that we can now obtain this data much more quickly and with greater data accuracy.

The EEOC's Office of Inspector General (OIG) continues to review aspects of the status of the agency's data validity and verification procedures, information systems, and databases and offer recommendations for improvements in our reports. We use the OIG's information and recommendations to continually improve our systems and data.

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

Office of
Inspector General

BACKGROUND

In accordance with the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) is reporting what it has determined are the most serious management and performance challenges facing the U.S. Equal Employment Opportunity Commission (EEOC). This annual report provides our views on the most serious management and performance challenges facing EEOC for inclusion in the 2018 Agency Performance and Accountability Report.

MANAGEMENT CHALLENGES

EEOC faces barriers to significantly advance its mission to "prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace." We identify three challenges — (1) strategic performance management, (2) data analytics, and (3) human capital. Of these, human capital is the only challenge not included in our 2017 Management Challenges. In fiscal year 2018, EEOC improved management of data analytics. In addition, we believe that EEOC is improving its human capital processes to correct serious and long-standing performance management inadequacies.

Strategic Performance Management

The Agency continues to face serious challenges in managing strategic performance, particularly in strategic planning and performance measurement. In fiscal year 2018, the Agency developed a new Strategic Plan for fiscal years 2018-2022, (adopted February 12, 2018). In FY 2018, as well as in fiscal years 2016 and 2017, the Agency met some of its performance targets (nine met, two partially met, one not met, based on EEOC's preliminary data as of October 11, 2018).

In our most recent Management Challenges, we advocated that in developing the new strategic plan, the Agency should track progress towards reducing unlawful employment discrimination. The new strategic plan contains 12 performance measures, but lacks the measurement of employment discrimination. The Office of Management and Budget recommended that EEOC develop a baseline to measure and study EEOC's impact in reducing employment discrimination. EEOC acknowledges that it is important to collect data and conduct research to measure performance. We agree and believe EEOC should make it a higher priority to measure EEOC's impact on reducing employment discrimination.

In addition, it contains three performance measures that assess "activity or milestones" rather than critical outcomes directly related to accomplishing the mission. For example, in Performance Measure 3 "EEOC reports on its efforts to identify and resolve systemic discrimination." This is not highly useful because the measure does not quantify the effectiveness of EEOC's efforts. As we noted in last year's management challenges and in our March 2013 evaluation of the strategic plan's performance measures (https://oig.eeoc.gov/reports/audit/2012-010-pmev), EEOC needs to better measure critical outcomes for its stakeholders and customers.

Data Analytics

EEOC made significant progress in data analytics in FY 2018, but faces barriers to effectively create and implement a strong data analytics program. EEOC recognizes both the challenges and opportunities for managing data analytics. In FY 2018, EEOC made major improvements to its data analytics organizational structure and its capacity to produce data analytical work, by reorganizing the Office of Research, Information and Planning (ORIP) into the Office of Enterprise Data and Analytics (OEDA). ORIP had been the office responsible for overseeing data analytics, but did not have a centralized analytics team focused on multiple stakeholders throughout the enterprise.

OEDA includes a Data Analytics Division and establishes an enterprise data governance framework. EEOC added new leadership and key staff to OEDA and formed a data governance board. The Acting Chair, Victoria Lipnic, led development of these improvements and continues to champion the development of a robust data analytics capability.

In September 2018, an OIG evaluation performed by Elder Research Inc. stated that EEOC lacks analytics teams in four key areas and the foundational components of infrastructure to support both reporting and data analytics initiatives. The evaluation recommends improvements for EEOC's data analytics activities.[1] The improvements are divided into five areas—culture, people, analytical capability, process, and infrastructure.

As the evaluation noted, EEOC needs some "quick wins" to ensure data analytics is seen as valuable to stakeholders who benefit from the wins. Examples of near-term target areas EEOC could focus on are in the areas of automating methods to prepare data for analysis and emerging trend identification.

As the data analytics evaluation states, EEOC should not be discouraged, but "[r]ather, the EEOC should be encouraged by the opportunity that lies ahead: effective implementation of the recommendations contained within this report holds the potential to unlock substantial value and significantly improve the EEOC's ability to accomplish its core mission." OIG will monitor EEOC's progress in its management of data analytics.

Human Capital

The U.S. Office of Personnel Management (OPM) conducted a periodic evaluation of the Agency's human capital activities. OPM conducted similar evaluations in 2009 and 2013. OPM conducts evaluations of federal agencies to assess strategic management of human capital, the efficiency and effectiveness of its human resources programs, and compliance with merit system principles, laws, and regulations. The merit system principles provide a framework for responsible behavior and are key to mission success. The five component processes of effective performance management — planning, monitoring, developing, appraising, and rewarding.

The January 2018 OPM evaluation, *Human Capital Management Evaluation, Equal Employment Opportunity Commission*, identified several important areas for improvement. Many of the areas where improvement is required match those identified in OPM's 2009 and 2013 reports. The OPM report requires EEOC to take 19 actions to address these deficiencies. Both EEOC operations and credibility may suffer until this challenge is met.

[1] https://oig.eeoc.gov//reports/audit/2017-002-eoig

OPM stated in its January 2018 report that although actions have been taken to improve human capital programs, many longstanding issues identified in previous OPM reports remain. These challenges include staffing problems that reveal quality control gaps and lack of Agency accountability structures including continued failure to comply with provisions of EEOC's Interagency Delegated Examining Agreement with OPM. OPM stated that improving the culture of evaluation and accountability over EEOC's human capital programs is imperative.

The OPM report found deficiencies within strategic planning and alignment, performance culture, talent management, and evaluation (using data to support decision making) areas of EEOC's human capital management. Major areas to improve include:

- tying performance goals to improvements in human capital policies and programs
- improving the Performance System (employee performance standards and related matters)
- managing talent (e.g., recruiting)

Office of the Chief Human Capital Officer (OCHCO) began to complete many of the required actions. The previous and current Chief Human Capital Officers took significant steps including hiring OCHCO staff and contractors and meeting with both groups to ensure OPM required actions occur. For example, OCHCO advised staff to promptly notify job applicants of their status and to audit case files in a timely manner. Moving forward, EEOC needs to follow through in the coming year to complete all the required actions and conduct appropriate follow-up to ensure thorough implementation.

Respectfully, submitted:

Milton A. Mayo Jr.

Inspector General

LETTER FROM THE INSPECTOR GENERAL

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

Office of
Inspector General

November 15, 2018

MEMORANDUM

TO: Victoria A. Lipnic
Acting Chair

FROM: Milton A. Mayo, Jr.
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year 2018 Financial Statements (OIG Report No. 2018-01-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 2018. 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) Bulletin 19-01, *Audit Requirements for Federal Financial Statements*.

HRK reported that EEOC's fiscal year 2018 financial statements and notes were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. HRK did not identify any instances of material weaknesses or significant deficiencies in the fiscal year 2018 financial statements. HRK did not identify any instances of noncompliance or other matters that were required to be reported under GAGAS or OMB Bulletin 19-01.

In accordance with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or conclusions about the effectiveness of internal controls, or whether EEOC's financial management systems substantially complied with Federal Financial Management Improvement Act (FFMIA); or conclusions on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 15, 2018, and the conclusions expressed in the report. However, OIG's review disclosed no instances where HRK did not comply, in all material respects, with generally accepted government auditing standards. EEOC management was given the opportunity to review the draft report and to provide comments. Management comments are included in the report.

The Office of Management and Budget 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.

cc:

Reuben Daniels, Jr.
Mona Papillon
Donald McIntosh
Germaine Roseboro
Selma Cowan
Bryan Burnett
Carol Miaskoff
Nicholas Inzeo
Chris Haffer
Kevin Richardson
Pierrette McIntire
Brett Brenner
Carlton Hadden
Timotheus Cannon
Malcolm Medley

Harper, Rains, Knight & Company

Independent Auditors' Report

Inspector General
Equal Employment Opportunity Commission

Report on the Financial Statements

We have audited the accompanying financial statements of the Equal Employment Opportunity Commission (EEOC). EEOC's financial statements comprise the consolidated balance sheets as of September 30, 2018 and 2017, and the related consolidated statements of net cost and changes in net position, and combined statements of budgetary resources, for the fiscal years then ended, and the related notes to the financial statements.

Management's Responsibility

EEOC's management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; (2) preparing, measuring, and presenting the Required Supplementary Information (RSI) in accordance with accounting principles generally accepted in the United States of America; (3) 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 (4) maintaining effective internal control over financial reporting, including 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin 19-01, *Audit Requirements for Federal Financial Statements*. Those standards and OMB require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the auditors' assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal

Certified Public Accountants · Consultants · hrkcpa.com

1052 Highland Colony Parkway, Suite 100
Ridgeland, MS 39157
p: 601-605-0722 · f: 601-605-0733

700 12th Street NW, Suite 700
Washington, DC 20005
p: 202-558-5162 · f: 601-605-0733

Inspector General
Equal Employment Opportunity Commission (continued)

Auditors' Responsibility (continued)

control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audits also included performing such other procedures as we considered necessary in the circumstances.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Financial Statements

In our opinion, EEOC's financial statements present fairly, in all material respects, EEOC's financial position as of September 30, 2018 and 2017, 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.

Other Matters

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, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditors' inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on EEOC's financial statements. The information in the A Message from the Chair 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. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements.

Inspector General
Equal Employment Opportunity Commission (continued)

Other Matters (continued)

The A Message from the Chair section has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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, 2018, in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 19-01, *Audit Requirements for Federal Financial Statements*, we considered the entity's internal control over financial reporting 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 the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the entity's internal control over financial reporting. We did not consider all internal controls relevant to operating objectives as broadly established by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to preparing performance information and ensuring efficient operations. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EEOC's financial statements are free form material misstatement, we performed tests of its compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the financial statements. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 19-01, *Audit Requirements for Federal Financial Statements*. We caution that noncompliance may occur and not be detected by these tests.

Management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the entity.

Inspector General
Equal Employment Opportunity Commission (continued)

Compliance and Other Matters (continued)

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to the entity that have a direct effect on the determination of material amounts and disclosures in the entity's financial statements and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to EEOC.

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2018 that would be reportable under U.S. generally accepted government auditing standards or OMB Bulletin 19-01, *Audit Requirements for Federal Financial Statements*. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to EEOC. Accordingly, we do not express such an opinion.

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* section is solely to describe the scope of our testing of internal control and compliance and the result 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 U.S. generally accepted government auditing standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harper, Rains, Knight & Company, P.A.

November 15, 2018

CONSOLIDATED BALANCE SHEETS

as of September 30, 2018 and 2017 (in dollars)

	2018	2017
ASSETS:		
Intragovernmental:		
Fund Balance With Treasury (Note 2)	$ 88,765,886	$ 69,909,869
Accounts Receivable, Net (Note 3)	—	39,004
Advances and Prepayments	9,299	32,389
Total Intragovernmental	$ 88,775,185	$ 69,981,262
Public:		
Accounts Receivable, Net (Note 3)	91,853	167,611
General Property, Plant, and Equipment, Net (Note 4)	275,898	1,379,491
Total Assets	$ 89,142,936	$ 71,528,364
Stewardship PP&E		
LIABILITIES:		
Intragovernmental:		
Accounts Payable (Note 6 and 7)	$ 170,712	$ 252,264
Employer Payroll Taxes (Note 7)	2,107,048	2,063,497
Workers' Compensation liability (Note 7)	1,875,830	2,090,034
TOTAL INTRAGOVERNMENTAL	$ 4,153,590	$ 4,405,795
Public:		
Accounts Payable (Note 7)	21,589,211	20,795,192
Future worker's compensation liability (Note 7)	9,832,536	10,242,147
Accrued Payroll (Note 7)	8,114,007	7,413,488
Employer Payroll Taxes (Note 7)	299,801	286,885
Accrued annual Leave (Note 7)	17,859,513	17,859,513
Deferred Revenue (Note 7)	181,876	94,515
Amounts collected for restitution (Note 7)	55,740	36,898
TOTAL LIABILITIES	$ 62,086,274	$ 61,134,433

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2018 and 2017 (in dollars)

	2018	2017
NET POSITION:		
Funds from Dedicated Collections:		
Cumulative Results of Operations (Note 12)	$ 4,043,792	$ 3,518,427
Total Net Position—Funds from Dedicated Collections	4,043,792	3,518,427
All Other Funds:		
Unexpended Appropriations—Other Funds	52,212,997	35,526,190
Cumulative Results of Operations—Other Funds	(29,200,127)	(28,650,686)
Total Net Position All other Funds	$ 23,012,870	$ 6,875,504
TOTAL NET POSITION	$ 27,056,662	$ 10,393,931
TOTAL LIABILITIES AND NET POSITION	$ 89,142,936	$ 71,528,364

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2018 and 2017 (in dollars)

	2018	2017
COMBAT AND PREVENT EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC APPLICATION OF EEOC'S LAW ENFORCEMENT AUTHORITIES		
Private Sector:		
Enforcement	$ 179,438,694	$ 178,809,993
Mediation	24,931,795	25,296,763
Litigation	70,932,713	69,652,730
Intake information	4,564,977	3,811,841
State and Local	33,041,209	37,542,718
Total Program Costs—Private Sector	$ 312,909,388	$ 315,114,045
Revenue	(207,668)	(56,437)
Net Cost—Private Sector	$ 312,701,720	$ 315,057,608
Federal Sector:		
Hearings	30,901,380	29,801,665
Appeals	18,611,058	16,980,019
Mediation	1,053,456	1,386,124
Oversight	8,778,801	7,970,213
Total Program Cost—Federal Sector	$ 59,344,695	$ 56,138,021
Revenue	—	—
Net Cost—Federal Sector	$ 59,344,695	$ 56,138,021
Total Private, Federal Sector		
Program Costs	$ 372,254,083	$ 371,252,066
Revenue	(207,668)	(56,437)
Net Cost, Private, Federal Sector	$ 372,046,415	$ 371,195,629
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH		
Outreach		
Fee Based	4,118,622	4,275,678
Non-Fee Based	7,725,345	8,316,744
Total Program Cost—Outreach	11,843,967	12,592,422
Revenue	(4,643,987)	(4,190,856)
Net Cost Outreach	$ 7,199,980	$ 8,401,566
Total, All Programs		
Program Cost	384,098,050	383,844,488
Revenue (Note 9)	(4,851,655)	(4,247,293)
Net Cost of Operations (Note 16)	$ 379,246,395	$ 379,597,195

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2018 and 2017 (in dollars)

	2018		
	Consolidated Funds from Dedicated Collections	**Consolidated All Other Funds**	**Consolidated Total**
UNEXPENDED APPROPRIATIONS:			
Beginning Balances	$ —	$ 35,526,190	$ 35,526,190
Beginning Balances, as Adjusted	—	35,526,190	35,526,190
Budgetary Financing Sources:			
Appropriations Received (Note 10)	—	379,500,000	379,500,000
Appropriations Used	—	(360,867,859)	(360,867,859)
Other Adjustments		(1,945,334)	(1,945,334)
Total Budgetary Financing Sources	—	16,686,807	16,686,807
Total Unexpended Appropriations	$ —	$ 52,212,997	$ 52,212,997
CUMULATIVE RESULTS OF OPERATIONS:			
Beginning Balances	$ 3,518,427	$ (28,650,686)	$ (25,132,259)
Beginning Balances, as Adjusted	3,518,427	(28,650,686)	$ (25,132,259)
Budgetary Financing Sources:			
Appropriations Used	$ —	$ 360,867,859	$ 360,867,859
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 13 and 16)	—	18,354,460	18,354,460
Total Financing Sources	—	379,222,319	379,222,319
Net Cost of Operations	525,365	(379,771,760)	(379,246,395)
Net Change	525,365	(549,441)	(24,076)
Cumulative Results of Operations	$ 4,043,792	$ (29,200,127)	$ (25,156,335)
Net Position	$ 4,043,792	$ 23,012,870	$ 27,056,662

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2018 and 2017 (in dollars)

	2017		
	Consolidated Funds from Dedicated Collections	Consolidated All Other Funds	Consolidated Total
UNEXPENDED APPROPRIATIONS:			
Beginning Balances	$ —	$ 39,152,737	$ 39,152,737
Beginning Balances, as Adjusted	—	39,152,737	39,152,737
Budgetary Financing Sources:			
Appropriations Received (Note 10)	—	364,500,000	364,500,000
Appropriations Used	—	(365,472,609)	(365,472,609)
Other Adjustments	—	(2,653,938)	(2,653,938)
Total Budgetary Financing Sources	—	(3,626,547)	(3,626,547)
Total Unexpended Appropriations	$ —	$ 35,526,190	$ 35,526,190
CUMULATIVE RESULTS OF OPERATIONS:			
Beginning Balances	$ 3,603,249	$ (28,231,034)	$ (24,627,785)
Beginning Balances, as Adjusted	3,603,249	(28,231,034)	(24,627,785)
Budgetary Financing Sources:			
Appropriations Used	$ —	$ 365,472,609	$ 365,472,609
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 14)	—	13,620,112	13,620,112
Total Financing Sources	—	379,092,721	379,092,721
Net Cost of Operations	(84,822)	(379,512,373)	(379,597,195)
Net Change	(84,822)	(419,652)	(504,474)
Cumulative Results of Operations	$ 3,518,427	$ (28,650,686)	$ (25,132,259)
Net Position	$ 3,518,427	$ 6,875,504	$ 10,393,931

The accompanying notes are an integral part of these statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2018 and 2017 (in dollars)

	2018	2017
BUDGETARY RESOURCES:		
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	$ 7,525,399	$ 11,477,568
Appropriations (Discretionary and Mandatory) (Note 10)	379,500,000	364,500,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	4,994,410	4,387,420
Total Budgetary Resources	$ 392,019,809	$ 380,364,988
STATUS OF BUDGETARY RESOURCES:		
New Obligations and Upward Adjustments (Total) (Note 11)	$ 385,118,788	$ 373,853,745
Unobligated Balance, End of Year:		
Apportioned, Unexpired Accounts (Note 2)	2,470,329	1,880,603
Unapportioned, Unexpired Accounts (Note 2)	1	4,630,640
Unexpired Unobligated Balance, End of Year	2,470,330	6,511,243
Expired Unobligated Balance, End of Year (Note 2)	4,430,691	—
Unobligated Balance, End of Year (Total)	6,901,021	6,511,243
Total Budgetary Resources	$ 392,019,809	$ 380,364,988
BUDGET AUTHORITY AND OUTLAYS, NET:		
Outlays, Net (Total) (Discretionary and Mandatory)	358,717,491	364,030,899
Agency Outlays, Net (Discretionary and Mandatory)	$ 358,717,491	$ 364,030,899

The accompanying notes are an integral part of these statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2018 and September 30, 2017 (In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Equal Employment Opportunity Commission (EEOC; Commission) was created by Title VII of the Civil Rights Act of 1964 (78 Stat. 253:42 U.S.C. 2000e, et seq.) as amended by the Equal Employment Opportunity Act of 1972 (Public Law 92261), and became operational on July 2, 1965. Title VII requires that the Commission be composed of five members, not more than three of whom shall be of the same political party. The members are appointed by the President of the United States of America, by and with the consent of the Senate, for a term of 5 years. The President designates one member to serve as Chairman and one member to serve as Vice Chairman. 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.

The Commission is concerned with discrimination by public and private employers with 15 or more employees (excluding elected or appointed officials of state and local governments), public and private employment agencies, labor organizations with 15 or more members, or agencies which refer persons for employment or which represent employees of employers covered by the Act, and joint labor-management apprenticeship programs of covered employers and labor organizations. The Commission carries out its mission through investigation, conciliation, litigation, coordination, regulation in the federal sector, and through education, policy research, and provision of technical assistance..

(b) Basis of Presentation

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

(c) Basis of Accounting

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

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

(d) Revenues, User Fees and Financing Sources

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

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

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

(e) Assets and Liabilities

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

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

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

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

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

(g) Accounts Receivable

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

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

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

(h) Property, Plant and Equipment

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

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

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

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

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

(i) Advances and Prepaid Expenses

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

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

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

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

(k) Retirement Benefits

EEOC employees participate in the Civil Service Retirement System (CSRS) or the Federal Employees' Retirement System (FERS). On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most employees hired after December 31, 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 $18,500 of their gross earnings to the plan, for the calendar year 2018 and $18,000 in calendar year 2017. However, CSRS employees receive no matching agency contribution. There is also an additional $6,000 that can be contributed as a "catch-up" contribution for those 50 years of age or older, for the calendar years 2018 and 2017.

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.

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

(l) Workers' Compensation

A liability is recorded for estimated future payments to be made for workers' compensation pursuant to the Federal Employees' Compensation Act (FECA). The FECA program is administered by the U.S. Department of Labor (DOL), which initially pays valid claims and subsequently seeks reimbursement from federal agencies employing the claimants. Reimbursements to the DOL on payments made occur approximately 2 years subsequent to the actual disbursement. Budgetary resources for this 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, an estimate of the expected future liability for death, disability, medical and miscellaneous costs for approved compensation cases is recorded, as well as a component for claims that have been incurred but have not yet been reported. The EEOC computes this estimate using a DOL-provided model for non-CFO Act agencies that uses actual benefit payments for the EEOC from the past 9 to 12 quarters to project these future payments. The estimated liability is not covered by budgetary resources and will require future funding. This estimate is recorded as a noncurrent liability.

(m) Contingent Liabilities

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

(n) Amounts Collected for Restitution

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

(o) Cost Allocations to Programs

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

(p) Unexpended Appropriations

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

(q) Income Taxes

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

(r) Use of Estimates

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

(2) Fund Balance with Treasury

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

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

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's fund balance presented on its balance sheet. For FYs ended September 30, 2018 and September 30, 2017, funds in the cancelling appropriation of $1,945,334 and $2,653,938 were returned to Treasury. As of September 30, 2018 and September 30, 2017, miscellaneous receipts of $73,608 and $61,813 were returned to Treasury.

The Status of Fund Balance with Treasury as of September 30, 2018 and September 30, 2017 consists of the following:

	FY 2018	FY 2017
Status of Funds		
Unobligated balance:		
Available	$ 2,470,329	$ 1,880,603
Unavailable	*5,068,692	*5,268,640
Obligated balance not yet disbursed	81,171,125	62,723,728
Non-budgetary Fund Balance with Treasury	55,740	36,898
Totals	**$ 88,765,886**	**$ 69,909,869**

*Note: The status of funds unavailable include the Revolving Fund sequestration of $638,000 for FY2018 and FY2017.

(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.

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, 2018 and September 30, 2017 are as follows:

	FY 2018	FY 2017
Intragovernmental:		
Accounts receivable (see detail below)	$ —	$ 39,004
Totals	**$ —**	**$ 39,004**

		FY 2018		FY 2017
With the public:				
Accounts receivable	$	197,282	$	253,924
Allowance for uncollectible receivables		(105,429)		(86,313)
Totals	**$**	**91,853**	**$**	**167,611**

Amounts due from various federal agencies are for accounts receivable as of September 30, 2018 and September 30, 2017. These are related to registered participants' training fees due to the revolving fund and appropriated interagency agreements as shown in the table below:

		FY 2018		FY 2017
Agency:				
Department of the Army	$	—	$	4,409
Department of Agriculture		—		4,332
Department of Commerce — NOAA		—		4,332
US Coast Guard		—		4,050
Department of Defense		—		3,525
Department of the Navy		—		3,387
Department of Energy		—		2,490
Social Security Administration		—		2,918
Export-Import Bank of US		—		1,800
Environmental Protection Agency		—		1,700
Department of State		—		1,700
Federal Bureau of Investigation		—		1,145
Department of Education		—		975
Bureau of Land Management		—		349
Selective Service System		—		1,543
Department of Justice		—		349
Totals	**$**	**—**	**$**	**39,004**

(4) Property, Plant and Equipment, Net

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

As of September 30, 2018		Cost		Accumulated Depreciation		Net Book Value
Equipment	$	165,912	$	(165,912)	$	—
Capital leases		90,475		(90,475)		—
Internal use software		2,757,593		(2,757,593)		—
Leasehold improvements		11,255,209		(10,979,311)		275,898
Totals	**$**	**14,269,189**	**$**	**(13,993,291)**	**$**	**275,898**

As of September 30, 2017		Cost		Accumulated Depreciation		Net Book Value
Equipment	$	523,022	$	(523,022)	$	—
Capital leases		126,745		(126,745)		—
Internal use software		4,115,134		(4,115,134)		—
Leasehold improvements		11,772,261		(10,392,770)		1,379,491
Totals	**$**	**16,537,162**	**$**	**(15,157,671)**	**$**	**1,379,491**

Depreciation expense for the periods ended September 30, 2018 and September 30, 2017 is:

	FY 2018		FY2017
$	**1,103,593**	**$**	**1,103,593**

(5) Non-Entity Assets

The EEOC has $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2018, and $0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2017.

(6) Liabilities Owed to Other Federal Agencies

As of September 30, 2018 and September 30, 2017, the following amounts were owed to other federal agencies::

	FY 2018	FY 2017
Agency:		
General Services Administration	$ 164,612	$ 4,026
Department of Health and Human Services	4,611	4,611
Department of Homeland Security	1,224	1,225
Equal Employment Opportunity Commission	265	—
Department of the Interior	—	25,462
Executive Office of the President	—	171,959
Government Printing Office	—	35,000
Department of Labor	—	9,978
Office of Personnel Management	—	3
Totals	**$ 170,712**	**$ 252,264**

(7) 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, 2018 and September 30, 2017 are shown in the following table:

	FY 2018	FY 2017
Intragovernmental:		
Workers' compensation liability	$ 1,875,830	$ 2,090,034
Total Intragovernmental	1,875,830	2,090,034
Accrued annual leave	17,859,513	17,859,513
Future workers' compensation liability	9,832,536	10,242,147
Total liabilities not covered by budgetary resources	29,567,879	30,191,694
Total liabilities covered by budgetary resources	32,462,655	30,905,841
Total liabilities not requiring budgetary resources	55,740	36,898
Total liabilities	**$ 62,086,274**	**$ 61,134,433**

Liabilities Analysis

Current and non-current liabilities as of September 30, 2018 are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental:			
Accounts payable	$ 170,712	$ —	$ 170,712
Employer payroll taxes	2,107,048	—	2,107,048
Total Intragovernmental	2,277,760	—	2,277,760
Accounts payable	21,589,211	—	21,589,211
Accrued payroll	8,114,007	—	8,114,007
Employer payroll taxes	299,801	—	299,801
Deferred Revenue	181,876	—	181,876
Liabilities covered by budgetary resources	$ 32,462,655	—	$ 32,462,655
Intragovernmental:			
Workers' compensation liability	1,875,830	—	1,875,830
Total Intragovernmental	1,875,830	—	1,875,830
Accrued annual leave	17,859,513	—	17,859,513
Future workers' compensation liability	—	9,832,536	9,832,536
Liabilities not covered by budgetary resources:	19,735,343	9,832,536	29,567,879
Amounts collected for restitution	55,740	—	55,740
Liabilities not requiring budgetary resources	55,740		55,740
Total liabilities	**$ 52,253,738**	**$ 9,832,536**	**$ 62,086,274**

Current and non-current liabilities as of September 30, 2017 are shown in the following table:

	Current	Non-Current	Totals
Intragovernmental:			
Accounts payable	$ 252,264	$ —	$ 252,264
Employer payroll taxes	2,063,497	—	2,063,497
Total Intragovernmental	2,315,761	—	2,315,761
Accounts payable	20,795,192	—	20,795,192
Accrued payroll	7,413,488	—	7,413,488
Employer payroll taxes	286,885	—	286,885
Deferred Revenue	94,515	—	94,515
Liabilities covered by budgetary resources	$ 30,905,841	$ —	$ 30,905,841

	Current	Non-Current	Totals
Intragovernmental:			
Workers' compensation liability	2,090,034	—	2,090,034
Liability of non-entity asset	—	—	—
Total Intragovernmental	2,090,034	—	2,090,034
Accrued annual leave	17,859,513	—	17,859,513
Future workers' compensation liability	—	10,242,147	10,242,147
Liabilities not covered by budgetary resources:	19,949,547	10,242,147	30,191,694
Amounts collected for restitution	36,898	—	36,898
Liabilities not requiring budgetary resources	36,898	—	36,898
Total liabilities	**$ 50,892,286**	**$ 10,242,147**	**$ 61,134,433**

(8) Leases

Operating leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases are all Federal, as of September 30, 2018 and 2017 are $29,817,562 and $30,025,723, respectively. The EEOC does not have any noncancellable operating leases with terms longer than one year.

(9) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and State and local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The Commission also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the Commission as of September 30, 2018 and September 30, 2017 is as follows:

	FY 2018	FY 2017
Reimbursable revenue	$ 207,668	$ 56,437
Fees from services	4,643,987	4,190,856
Total Revenue	**$ 4,851,655**	**$ 4,247,293**

(10) Appropriations Received

Warrants received by the Commission as of September 30, 2018 and September 30, 2017 are:

	FY 2018	FY 2017
Warrants/Continuing Resolution received	**$ 379,500,000**	**$ 364,500,000**

The EEOC received no warrant reductions for FYs 2018 and 2017.

(11) New Obligations and Upward Adjustments

Direct and Reimbursable new obligations, by apportionment category, incurred as of September 30, 2018 and September 30, 2017 are:

	FY 2018	FY 2017
Obligations		
Direct A	$ 350,784,451	$ 339,660,604
Direct B	29,471,367	29,890,477
Subtotal Direct Obligations	380,255,818	369,551,081
Reimbursable — Direct A	4,862,970	4,302,664
Total New Obligations and Upward Adjustments	**$ 385,118,788**	**$ 373,853,745**

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

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

	FY 2018	FY 2017
Balance Sheets		
ASSETS		
Fund balance with Treasury	$ 4,412,303	$ 3,711,263
Accounts receivable (net of allowance)	—	45,098
Advances and prepaid expenses	2,279	2,279
TOTAL ASSETS	**$ 4,414,582**	**$ 3,758,640**
LIABILITIES		
Accounts payable	188,914	145,698
Deferred revenue	181,876	94,515
TOTAL LIABILITIES	**$ 370,790**	**$ 240,213**
NET POSITION		
Cumulative results of operations	4,043,792	3,518,427
TOTAL LIABILITIES AND NET POSITION	**$ 4,414,582**	**$ 3,758,640**
Statements of Net Cost		
Program Costs	4,118,622	4,275,678
Revenue	(4,643,987)	(4,190,856)
Net Cost (Revenue)	**$ (525,365)**	**$ 84,822**

(13) Imputed Financing

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. Expenses of the EEOC paid or to be paid by other federal agencies at September 30, 2018 and September 30, 2017 consisted of:

	FY 2018	FY 2017
Judgment Fund	$ 69,882	$ 42,198
NPPD program from DHS	4,803	—
Office of Personnel Management:		
Pension expenses	6,307,332	4,296,358
Federal employees health benefits (FEHB)	11,938,595	9,247,754
Federal employees group life insurance (FEGLI)	33,848	33,802
Total Imputed Financing	**$ 18,354,460**	**$ 13,620,112**

(14) Undelivered Orders at the End of the Period

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

	FY 2018	FY 2017
Unpaid:		
Federal	$ 17,915,189	$ —
Non-Federal	30,975,158	—
Paid:		
Non-Federal	9,298	—
Totals	**$ 48,899,645**	**$ 31,943,855**

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

Information from the President's Budget and the Combined Statement of Budgetary Resources for the period ended September 30, 2017 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2018, since the President's Budget for this period has not been issued by Congress.

The differences between the President's 2017 budget and the Combined Statement of Budgetary Resources for 2017 are shown below:

Dollars in Millions	Budgetary Resources	Obligations	Outlays
As reported on the Combined Statement of Budgetary Resources for FY 2017	$ 380	$ 374	$ 364
(a) Revolving fund collections not reported in the budget	(4)	—	4
(b) Obligations in the revolving fund (no-year fund) not included in the President's budget	—	(4)	(4)
(c) Carry-forwards and recoveries in the revolving fund (no-year fund) not included in the President's Budget	—	—	—
(d) Carry-forwards and recoveries in expired funds	(14)	—	—
(e) Obligations in expired funds	—	(5)	—
(f) Canceled appropriations	3	—	—
(g) Rounding differences	—	—	(1)
As reported in the President's Budget for FY 2017	**$ 365**	**$ 365**	**$ 363**

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

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

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

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

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

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

(g) Difference due to rounding by millions.

(16) Reconciliation of Net Cost of Operations to Budget

The objective of the information shown below is to provide an explanation of the differences between budgetary and financial (proprietary) accounting. This is accomplished by means of a reconciliation of budgetary obligations and non-budgetary resources available to the EEOC with its net cost of operations.

	FY 2018	FY 2017
Resources Used to Finance Activities		
New Obligations and Upward Adjustments	$ 385,118,788	$ 373,853,745
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Actual Offsetting Collections	(5,069,988)	(4,498,114)
Change in Unfilled Customer Orders	(87,361)	(92,815)
Recoveries of Prior Year Unpaid Obligations	(2,796,551)	(6,460,177)
Other Financing Resources		
Imputed Financing Sources	18,354,460	13,620,112
Total Resources Used to Finance Activity	$ 395,519,348	$ 376,422,751
Resources Used to Finance Items Not Part of the Net Cost of Operations		
Budgetary Obligations and Resources not in the Net Cost of Operations		
Change in Unfilled Customer Orders	87,361	92,815
Change in Undelivered Orders	(16,955,791)	2,585,016
Components of the Net Cost of Operations which do not Generate or use Resources in the Reporting Period		
Revenues without Current Year Budgetary Effect		
Bad Debt Expenses	28,517	(5,375)
Change in NonFederal Receivables	55,394	90,379
Other Financing Sources Not in the Budget	(18,354,460)	(13,620,112)
Costs without Current Year Budgetary Effect		
Accrued Annual Leave—Future Funded Expense	(214,204)	(339,467)
Depreciation and Amortization	1,103,593	1,103,593
Imputed costs	18,354,460	13,620,112
Other Expenses Not Requiring Budgetary Resources	(377,823)	(352,517)
Net Cost of Operations	**$ 379,246,395**	**$ 379,597,195**

OTHER INFORMATION

(1) Improper Payments Elimination and Recovery Act

The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010 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 which the risk of improper payments is significant, agencies are to estimate the annual amount of improper payments in the susceptible programs and activities. Office of Management and Budget (OMB) requires agencies to report the results of their improper payment activities. The IPERIA also requires conducting payment recapture audits.

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

In FY 2018, the EEOC reviewed the programs and activities it administers to identify those which may be susceptible to significant erroneous payments. The risk assessment included 1) consideration of certain risk factors that are likely to contribute to a susceptibility to significant improper payments, and 2) transaction testing on a sample basis of payments made during FY 2018. The risk assessment was performed for the following programs:

Vendor payments (includes a separate review of travel payments).

Office of Management and Budget (OMB) Memorandum M-18-20 prescribes guidance for agencies to use in implementing IPERA. OMB guidance defines "significant improper payments", for FY 2018 reporting, as those in any particular program or activity that exceed both 1.5 percent 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 is cross-serviced by the Department of Interior, Interior Business Center (DOI/IBC) for accounting system support and accounts payable processing. As a result, the implementation of the Do Not Pay (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 not a match, the EEOC submits a new vendor request to IBC. The IBC Vendor Maintenance Team verifies EEOC's entire new employee and Non-Federal Vendor requests against the Department of Treasury's Do Not Pay (DNP) database using the DNP portal on-line search capability. If the IBC Vendor Maintenance Team finds a positive match, they advise the EEOC. The EEOC reviews the match, determines if the payment is proper, and reports the result.

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

In FY 2018, EEOC's testing of its payments resulted in improper payment of $0.

Since the level of risk of improper payment is determined to be low and baseline estimates have been established, the EEOC is only required to conduct a formal risk assessment every three years unless the program experiences a significant change. The EEOC will conduct a follow up review in FY 2018 of its programs and activities to determine whether the programs have experienced any unexpected changes. If so, the EEOC will re-assess the programs' risk susceptibility and make a statistically valid estimate of improper payments for any programs determined to be susceptible to significant erroneous payments.

Recapture of Improper Payments

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

The EEOC has determined that implementing a payment recapture audit program for vendor payments is not cost-effective. That is, the benefits or recaptured amounts associated with implementing and overseeing the program do not exceed the costs, including staff time and resources, or payments to a contractor for implementation, of a payment recapture audit program. In making this determination, the EEOC considered its low improper payment rate based on testing conducted in FY 2018. The EEOC also considered whether sophisticated software and other cost-efficient matching techniques could be used to identify significant overpayments at a low cost per overpayment, or if labor intensive manual reviews of paper documentation would be required. In addition, the EEOC considered the availability of tools to efficiently perform the payment recapture audit and minimize payment recapture audit costs, and determined such tools to not be cost effective.

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

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

Overpayments Recaptured (in dollars) **as of September 30, 2018**

Source	Amount Identified FY 2018	Amount Recovered FY 2018	Cumulative Identified	Cumulative Recovered
Travel Payments	$ 0	$ 0	$ 11,966	$ 11,966

(2) 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

Statement of Assurance—Unmodified

Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Lack of sufficient control over financial management	0	0	0	0	0

(3) Civil Monetary Penalty Adjustment for Inflation

Final rule adjusting the penalty for violation of notice-posting requirements. On January 18, 2018, the Commission, in accordance with the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, published this final rule in the *Federal Register* to adjust for inflation the civil monetary penalty for violation of the requirement that every employer, employment agency, labor organization, and joint-labor management committee controlling an apprenticeship or other training program post notices describing the pertinent nondiscrimination provisions of Title VII of the Civil Rights Act, the ADA, and GINA.

Statutory Authority	Penalty	Year Enacted	Latest Year of Adjustment	Current Penalty Level	Sub-Agency/ Bureau/ Unit	Locations for Penalty Update Details
Sections 711(a) & (b) of Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000e-10(a) & (b); 29 C.F.R. §§ 1601.30(a) & (b)	Willful Violation	1964	2018	$545	N/A	82 Federal Register 2536 (January 18, 2018)

APPENDIX A: ORGANIZATION AND JURISDICTION

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

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

- **Title VII of the Civil Rights Act of 1964**, which prohibits employment discrimination on the basis of race, color, religion, sex, and national origin.
- **Pregnancy Discrimination Act**, which amended Title VII to clarify that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes sex discrimination and requires employers to treat pregnancy and pregnancy-related medical conditions as any other medical disability with respect to terms and conditions of employment, including health benefits.
- **Equal Pay Act of 1963 (included in the Fair Labor Standards Act)**, which prohibits sex discrimination in the payment of wages to men and women performing substantially equal work in the same establishment.
- **Age Discrimination in Employment Act of 1967**, which protects workers 40 and older from discrimination in hiring, discharge, pay, promotions, fringe benefits, and other aspects of employment. ADEA also prohibits the termination of pension contributions and accruals on account of age and governs early retirement incentive plans and other aspects of benefits planning and integration for older workers.
- **Title I and Title V of the Americans with Disabilities Act of 1990**, as amended by the Americans with Disabilities Act Amendments Act of 2008, which prohibits employment discrimination by private sector respondents and state and local governments against qualified individuals on the basis of disability.
- **Section 501 of the Rehabilitation Act of 1973**, which prohibits employment discrimination on the basis of disability in the federal government.
- **Title II of the Genetic Information Nondiscrimination Act**, 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.
- **Lilly Ledbetter Fair Pay Act of 2009**, which overturned adverse Supreme Court precedent and restored the EEOC's long-held position on the timeliness of pay discrimination claims.

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

Additionally, through the **Office of Field Program's State and Local Program**, the EEOC maintains work sharing agreements and a contract services program with 92 state and local **Fair Employment Practices Agencies (FEPAs)** for the purpose of coordinating the investigation of charges dual-filed under state and local laws and federal law, as appropriate. The EEOC partners with more than 60 **Tribal Employment Rights Offices (TEROs)** to promote equal employment opportunity on or near Indian reservations.

The **Office of Legal Counsel** develops policy guidance, provides technical assistance to employers and employees, and coordinates with other agencies and stakeholders regarding the statutes and regulations enforced by the Commission. The Office of Legal Counsel also includes an external litigation and advice division, which defends the agency in actions brought by charging parties, respondents, tort claimants, FOIA requesters and other members of the public, and advises the agency on administrative issues such as contracts, disclosures, ethics, fiscal law, and recordkeeping matters, and a Freedom of Information Act unit.

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

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

APPENDIX B: ADDITIONAL INFORMATION ON EEOC INVESTIGATIONS AND LITIGATION REQUESTED BY CONGRESS

INVESTIGATIONS

The number of investigations initiated in fiscal year 2018 based on a directed investigation or Commissioner charge and the nature of the alleged discrimination:

In fiscal year 2018, EEOC initiated 10 investigations by Commissioner charges. These charges alleged:

- harassment and paying wages on the basis of sex and in retaliation for protected activity;
- harassment and sexual harassment on the basis of sex;
- constructive discharge, discharge, discipline, sexual harassment and retaliation on the basis of sex;
- failure to promote and unequal wages on the basis of sex and national origin;
- failure to hire on the basis of race and sex;
- assignment, hiring, promotion, segregated locals, and wages on the basis of sex;
- harassment, terms and conditions, and wages on the basis of national origin and race;
- layoff on the basis of race;
- providing benefits/insurance on the basis of disability and genetic information;
- medical inquiry/exam in violation of the ADA and GINA

In fiscal year 2018, EEOC initiated 78 directed investigations. These investigations alleged age discrimination in advertising, hiring, terms and conditions of employment, discharge, testing, and unequal pay based on sex.

The number of ongoing investigations in fiscal year 2018, initiated by a directed investigation or Commissioner charge and the nature of the alleged discrimination:

At the close of fiscal year 2018, there were approximately 69 ongoing investigations initiated by a Commissioner charge. These investigations alleged:

- failure to hire on the basis of sex, race, national origin, religion, disability, genetic information, color, in retaliation for protected activity;
- discriminatory terms and conditions of employment based on national origin, disability, race, sex, genetic information, color, religion, in retaliation for protected activity;
- retaliation, intimidation, and breach of confidentiality;
- harassment based on sex, race, national origin, and in retaliation for protected activity;
- sexual harassment based on sex and in retaliation for protected activity;
- assignment on the basis of race, sex, national origin, disability, in retaliation for protected activity;
- discipline on the basis of race, sex, disability, in retaliation for protected activity, national origin, religion;
- discharge based on sex, race, national origin, disability, color, religion, and genetic information, and in retaliation for protected activity;
- testing which discriminates on the basis of sex;
- referring applicants and employees in ways that discriminate on the basis of sex; disability, in retaliation for protected activity, race, national origin, religion, color;
- failing to promote based on race, national origin, sex, and color;
- paying wages on the bases of sex, race, and national origin, and reducing wages in retaliation for engaging in protected activity;
- layoff based on race;
- segregated facilities and locals on the basis of race, sex, and national origin;
- medical inquiries prohibited by the ADA and GINA including medical exams;

- failure to accommodate disabilities;
- exclusion on the basis of race, sex, and national origin;
- failure to reinstate in retaliation for protected activity;
- discrimination in benefits and insurance based on disability and genetic information;
- waiver which retaliates against employees for engaging in protected activity;
- job classification based on color, national origin, disability, race, religion, retaliation, and sex;
- training based on sex.

At the close of fiscal year 2018, there were approximately 49 ongoing investigations initiated by a directed investigation. These investigations alleged age discrimination in advertising, hiring, assignment, referral, promotion, discharge, wages, testing, demotion, waivers, terms and conditions, retaliatory terms and conditions, and unequal pay based on sex.

LITIGATION

The number of lawsuits filed in fiscal year 2018 based on a directed investigation or Commissioner charge:

The EEOC filed two lawsuits in fiscal year 2018 based on a directed investigation or Commissioner charge:

DDZ, Inc. f/k/a Zoo Printing, No. 18-cv-199 (W.D. Ky.) — filed Mar. 30, 2018 & resolved Apr. 13, 2018 — The EEOC alleged that the defendant manufacturer failed to hire women into entry level boxer/packer positions at its Louisville, Kentucky facility, and subjected the few women hired into other positions to a hostile work environment. The case was resolved by consent decree, providing $625,400 in back pay and other monetary damages to around 50 victims of discrimination, determined through a claims process. The suit was based on a Commissioner charge filed by Commissioner Chai Feldblum.

Michigan Dep't of Health & Human Servs., No. 18-cv-1127 (W.D. Mich.) — filed Sep. 28, 2018 — The EEOC alleged that the state defendant's psychiatric hospital failed to hire one individual based on age, and harassed and constructively discharged another individual based on age. The suit was based on an individual charge and a directed investigation under the ADEA, and is pending.

Final attorneys' fees awarded against the EEOC in which the defendant prevailed on the merits:

No final award of attorney's fees based on the defendant having prevailed on the merits of the suit was made against the EEOC.

The number of cases of systemic discrimination brought in court by the EEOC under section 706 or 707 of the Civil Rights Act of 1964:

The EEOC initiated 37 systemic suits this fiscal year:

Absolut Facilities Management, LLC, W.D.N.Y., No. 1:18-cv-01020, filed Sep. 17, 2018 — Alleging that Defendant required employees to disclose all medical conditions, failed to accommodate employees with permanent disabilities, and failed to accommodate and discharged pregnant employees.

Albertsons Companies, Inc., S.D. Cal., No. 3:18-cv-00852-MMA-BGS, filed May 3, 2018 — Alleging that Defendant subjected Hispanic employees to harassment and a hostile work environment by prohibiting them from speaking Spanish.

American Airlines, Inc. & Envoy Air, Inc., D. Ariz., No. 2:17-cv-04059-DAZ, filed Nov. 3, 2017 — Alleging that Defendants refused accommodations to employees with disabilities, placed them on unpaid leave or discharged them, and failed to rehire them if they were unable to return to work without restrictions.

A Plus Care Solutions, Inc., W.D. Tenn., No. 1:18-cv-01188, filed Sep. 27, 2018 — Alleging that Defendant enforced a policy under which in-home healthcare employees were discharged at the 5th month of pregnancy regardless of the employee's ability to work.

Appalachian Wood Products, W.D. Va., No. 3:18-cv-00198-KRG, filed Sep. 17, 2018 — Alleging that Defendant made unlawful pre-offer medical inquiries and refused to consider or hire applicants for specific positions if they took certain medications, without conducting individualized assessments.

Century Care of Laurinburg, Inc., d/b/a Scottish Pines Rehab. & Nursing Center, M.D.N.C., No. 1:18-cv-170, filed Mar. 7, 2018 — Alleging that Defendant maintained a practice of refusing to accommodate the work restrictions of pregnant employees while accommodating the work restrictions of non-pregnant employees similar in their ability or inability to work.

Chicago Meat Authority, Inc., N.D. Ill., No. 1:18-cv-1357, filed Feb. 22, 2018 — Alleging that Defendant failed to recruit and hire blacks for bargaining unit positions, subjected black employees to racial harassment, and discharged the charging party in retaliation for complaining about discrimination.

Corizon Health, Inc. & Corizon, LLC, D. Ariz., No. 2:18-cv-02942, filed Sep. 18, 2018 — Alleging that Defendants refused to provide reasonable accommodations for employees with disabilities, and required them to be able to work without any job restrictions.

Crossmark, Inc., S.D. Ill., No. 3:18-cv-01760, filed Sep. 24, 2018 — Alleging that Defendant failed to accommodate a nationwide class of "Event Specialist" employees with disabilities, who needed to use a stool, but who were permitted to sit for no more than 10 minutes every two hours.

DDZ, Inc., d/b/a Zoo Printing, W.D. Ky., No. 3:18-cv-00199-JHM-CHL, filed Mar. 30, 2018 — Alleging that Defendant failed or refused to hire qualified female applicants into entry-level boxer/packer positions and subjected its few female employees to a hostile work environment.

Del Taco #0137, C.D. Cal., No. 5:18-cv-01978, filed Sep. 17, 2018 — Alleging that Defendant subjected young female employees to sexual harassment, and retaliated against those who complained by adversely changing their scheduled days and shifts, and by reducing their working hours.

DH San Antonio Management, LLC d/b/a La Cantera Resort & Spa, W.D. Tex., No. 5:18-cv-00990-DAE, filed Sep. 24, 2018 — Alleging that Defendant subjected Hispanic employees to a hostile work environment based on national origin and retaliated against employees who opposed a restrictive language policy.

Family Healthcare Network, E.D. Cal., No. 1:18-cv-00893, filed June 28, 2018 — Alleging that Defendant refused to provide additional leave as an accommodation for disabled and pregnant employees, and discharged those who were unable to return to work at the end of scheduled leave.

First Metropolitan Financial Services, Inc., N.D. Miss., No. 1:18-cv-00177-SA-DAS, filed Sep. 18, 2018 — Alleging that Defendant paid the charging party and a class of other female employees less money than it paid males for performing substantially equal work in the branch manager position.

Hawaii Medical Services Association, D. Haw., No. 1:18-cv-00253, filed June 28, 2018 — Alleging that Defendant denied intermittent leave to employees with disabilities without discussing other possible accommodation options, and thus forced employees to work without an accommodation or resign.

Hirschbach Motor Lines, Inc., D. Maine, No. 2:18-cv-00175-GZS, filed Apr. 30, 2018 — Alleging that Defendant used a pre-hire test for applicants for truck driver positions that screened out individuals with disabilities and was not job-related and consistent with business necessity.

Honold Enterprises, Inc. d/b/a Burgers & Beer, S.D. Cal., No. 3:18-cv-02014-DMS-NLS, filed Aug. 28, 2018 — Alleging that Defendant discriminated against male applicants for server positions, by routinely rejecting them in favor of female applicants.

Imperial Trading Co., Inc., E.D. La., No. 2:18-cv-08930, filed Sep. 26, 2018 — Alleging that Defendant made illegal medical inquiries, used a "no restrictions" policy to screen out individuals with disabilities, failed to provide leave as an accommodation, and discharged employees with disabilities.

Jacksonville Plumbers and Pipefitters Joint Apprenticeship and Training Trust, M.D. Fla., No 3:18-cv-00862-J-32JRK, filed July 10, 2018 — Alleging that Defendant discriminated against black applicants for an apprenticeship program by use of a hiring process under which interviewers arbitrarily scored applicants, resulting in substantially lower selection rates for black applicants.

JBS Carriers, Inc., D. Colo., No. 1:18-cv-02498, filed Sep. 28, 2018 — Alleging that Defendant made post-offer, pre-employment medical inquiries to obtain information used to screen out individuals with disabilities, including the charging party and others who might need accommodations.

Loflin Fabrication, LLC, M.D. N.C., No. 1:18-cv-00813, filed Sep. 27, 2018 — Alleging that Defendant subjected employees to unlawful medical inquiries and terminated an office manager for failing to disclose her lawful medical prescription.

Mueller Industries, Inc., C.D. Cal., No. 2:18-cv-05729, filed June 28, 2018 — Alleging that Defendant failed to provide leave as an accommodation and discharged employees who exceeded its maximum 180-day leave policy

NDI Office Furniture, LLC, N.D. Ala., No. 2:18-cv-1592-JHE, filed Sep. 28, 2018 — Alleging that Defendant failed or refused to hire women for warehouse work and fired a female applicant's son after she complained about discriminatory hiring practices.

Nevada Restaurant Services, Inc. d/b/a Dotty's Casino, D. Nev., No. 2:18-cv-00954, filed May 24, 2018 — Alleging that Defendant required employees with disabilities to be 100 percent healed before returning to work, and thus failed to provide reasonable accommodations for such employees.

Nix Hospitals System, LLC, W.D. Tex., No. 5:18-cv-01004, filed Sep. 25, 2018 — Alleging that Defendant discriminated against pregnant employees by denying them light duty as an accommodation, and by discharging the charging party because she requested such an accommodation.

Norfolk Southern Corp., D. N.J., No. 2:18-cv-14272, filed Sep. 26, 2018 — Alleging that Defendant followed a policy or practice of not hiring applicants age 52 or older for its "special agent" position, including a qualified 56-year-old charging party.

Oceanic Time Warner Cable, LLC, D. Haw., No. 1:18-cv-00357, filed Sep. 19, 2018 — Alleging that Defendant maintained leave and attendance policies that denied additional leave as an accommodation for employees with disabilities, who were thus required to return to full duty or be discharged.

Oncor Electric Delivery Co., LLC, N.D. Tex., No. 3:18-cv-1786, filed Jul. 11, 2018 — Alleging that Defendant required employees to disclose prescription and non-prescription medications that could affect the employee's job performance, and discharge of an individual who refused to sign an agreement to abide by the medication disclosure policy.

Professional Endodontics, P.C., E.D. Mich., No. 4:17-cv-13466-LVP-RSW, filed Oct. 24, 2017 — Alleging that Defendant maintains a policy that requires mandatory retirement at age 65, and therefore discharged the charging party from her receptionist position after 37 years of service when she attained age 65.

Pruitt Health Raleigh, LLC, E.D.N.C., No. 5:18-cv-165, filed Apr. 18, 2018 — Alleging that Defendant maintained a practice of refusing to accommodate the work restrictions of pregnant employees while accommodating the work restrictions of non-pregnant employees similar in their ability or inability to work.

Pulmonary Specialists of Tyler, P.A. & Sleep Health DME, LLC, E.D. Tex., No. 6:18-cv-00338-RWS, filed July 10, 2018 — Alleging that Defendants required employees to complete an unlawful medical questionnaire, and discharged the charging party after she responded by identifying a permanent disability rating and previous surgery.

Simplicity Ground Services, LLC, E.D. Mich., No. 2:18-cv-10989, filed Mar. 27, 2018 — Alleging that Defendant maintained a practice of refusing to accommodate the work restrictions of pregnant employees while accommodating the work restrictions of non-pregnant employees similar in their ability or inability to work.

Staffing Solutions of Western New York, Inc., W.D.N.Y., No. 1:18-cv-00562, filed May 17, 2018 — Alleging that Defendant staffing agency discriminated against blacks, women, and individuals with disabilities by failing to hire them or by placing them in the least desirable jobs and by destroying rejected applications.

Urbana School District No. 116 & Urbana Education Association, N.D. Ill., 2:18-cv-02212-CSB-EIL, filed Aug. 10, 2018 — Alleging that Defendants discriminated against teachers over the age of 45 by limiting the salary increases that older teachers could earn and receive, pursuant to an provision of a collective bargaining agreement.

Wal-Mart Stores East, LP, W.D. Wis., 3:18-cv-00783, filed Sep. 20, 2018 — Alleging that Defendant discriminated against a class of pregnant employees by denying them light duty as an accommodation.

Washington Hospital Center Corp. d/b/a Medstar Washington Hospital Center, D.D.C., No. 1:18-cv-2160, filed Sep. 19, 2018 — Alleging that Defendant maintained a practice or policy of requiring disabled employees whose modified duty assignments expire or are revoked to return to work without any restrictions and a practice or policy whereby disabled employees who need reassignment to a vacant position for which they are qualified are required to compete for such positions.

Workforce Integration, Inc. d/b/a Strataforce, S.D. Ind., No. 1:17-cv-04104-SEB-MPB, filed Nov. 6, 2017 — Alleging that Defendant subjected applicants to prohibited pre-employment medical inquiries regarding whether they were individuals with disabilities.

The EEOC's success rate at the appellate level in fiscal year 2018:

On merits cases, the EEOC prevailed in eight appeals; the EEOC did not prevail in one appeal. In subpoena enforcement cases, the EEOC prevailed in the one case decided on appeal.

Victoria A. Lipnic, Acting Chair

Victoria A. Lipnic was named Acting Chair of the U.S. Equal Employment Opportunity Commission by President Donald J. Trump on January 25, 2017. She began her service as a Commissioner of the EEOC in April 2010, having been confirmed by the Senate for an initial term ending on July 1, 2015. In November 2015, she was confirmed by the Senate for a second term ending on July 1, 2020.

Acting Chair Lipnic has brought to the EEOC a breadth of experience working with federal labor and employment laws. From 2002 to 2009, she served as the U.S. Assistant Secretary of Labor for Employment Standards, where she oversaw the Wage and Hour Division, the Office of Federal Contract Compliance Programs, the Office of Workers' Compensation Programs, and the Office of Labor Management Standards. She has also worked on Capitol Hill as Workforce Policy Counsel to the Committee on Education and the Workforce in the U.S. House of Representatives. Before her work for Congress, she acted as in-house counsel for labor and employment matters to the U.S. Postal Service for six years. She also served as a special assistant for business liaison on the staff of then U.S. Secretary of Commerce, Malcolm Baldrige. Immediately prior to her service at the Commission, she was of counsel to the law firm of Seyfarth Shaw LLP in its Washington, D.C., office.

For more information about Acting Chair Lipnic, please see: www.eeoc.gov/eeoc/lipnic.cfm

Chai R. Feldblum, Commissioner

Chai R. Feldblum began her service as a Commissioner of the Equal Employment Opportunity Commission in April 2010. She was confirmed by the Senate for a second term, which will end on July 1, 2018.

During Commissioner Feldblum's service on the Commission, she has focused in particular on the employment of people with disabilities, pregnancy accommodation, sexual orientation and transgender discrimination, harassment prevention, the structure and process of the federal sector complaint system and strategic planning for the Commission.

Prior to her appointment to the EEOC, Feldblum was a Professor of Law at the Georgetown University Law Center where she had taught since 1991. At Georgetown, she founded the Law Center's Federal Legislation and Administrative Clinic, a program designed to train students to become legislative lawyers. As Co-Director of Workplace Flexibility 2010, Feldblum worked to advance flexible workplaces in a manner that works for employees and employers. She also previously served as Legislative Counsel to the AIDS Project of the American Civil Liberties Union. In this role, she developed legislation, analyzed policy on various AIDS-related issues, and played a leading role in drafting the ground-breaking Americans with Disabilities Act of 1990. Later, as a law professor, she was equally instrumental helping in the passage of the ADA Amendments Act of 2008.

For more information about Commissioner Feldblum, please see: www.eeoc.gov/eeoc/feldblum.cfm

Charlotte A. Burrows, Commissioner

Charlotte A. Burrows was nominated to serve as a Commissioner of the EEOC by President Obama on Sept. 12, 2014, and was confirmed as Commissioner on Dec. 3, 2014 by a Senate vote of 93-2.

Prior to her appointment at the EEOC, Burrows served as associate Deputy Attorney General at the Department of Justice (DOJ), where she worked on a broad range of legal and policy issues, including employment litigation, tribal justice, voting rights, and implementation of the Violence Against Women Act, among others.

Burrows previously served as general counsel for Civil and Constitutional Rights to Senator Edward M. Kennedy on the Senate Committee on Health, Education, Labor and Pensions in 2009, and on the Senate Judiciary Committee from 2007 to 2008, after having served as legal counsel on the Senate Judiciary Committee from 2003 to 2007.

Before working on Capitol Hill, Burrows served in the Civil Rights Division's Employment Litigation Section at DOJ first as a trial attorney, and later as special litigation counsel and then as deputy chief. She served as a judicial clerk for the Honorable Timothy K. Lewis of the U.S. Court of Appeals for the Third Circuit and an associate at Debevoise & Plimpton.

For more information about Commissioner Burrows, please see: www.eeoc.gov/eeoc/burrows.cfm

Jenny R. Yang, Former Commissioner

Jenny R. Yang was a Commissioner of the U.S. Equal Employment Opportunity Commission from May 13, 2013 until she left the Commission on January 3, 2018. She served as Chair of the Commission from September 1, 2014 to January 22, 2017. Prior to that, Ms. Yang served as Vice Chair of the EEOC beginning on April 28, 2014. She was unanimously confirmed by the Senate to serve a term ending July 1, 2017.

Throughout her career in the government, private, and nonprofit sectors, Ms. Yang has worked to ensure fairness and equal opportunity in the workplace. Under her leadership as Chair, the Commission promoted transparency by providing the public with an opportunity to submit feedback on proposed guidance documents. Through this initiative, the Commission updated its guidance on retaliation, the most frequent workplace complaint, as well as its guidance on national origin discrimination, addressing issues ranging from human trafficking to workplace harassment. Ms. Yang also led EEOC's efforts to advance pay equality by enhancing the agency's data collection to include summary employer pay data by sex, race, and ethnicity.

Yang was a partner of Cohen Milstein Sellers & Toll PLLC. She joined the firm in 2003, and has represented employees across the country in numerous complex civil rights and employment actions. As chair of the firm's hiring and diversity committee, Yang has experience with the myriad issues employers confront in making hiring and other personnel decisions.

For more information about Commissioner Yang, please see: http://www.eeoc.gov/eeoc/yang.cfm

APPENDIX D: GLOSSARY OF ACRONYMS

ADA	Americans with Disabilities Act of 1990
ADEA	Age Discrimination in Employment Act of 1967
ADR	Alternative Dispute Resolution
AJ	Administrative Judge
CFO	Chief Financial Officer
CHCO	Chief Human Capital Officer
DMS	Document Management System
EEO	Equal Employment Opportunity
EEOC	Equal Employment Opportunity Commission
EPA	Equal Pay Act of 1963
EXCEL	Examining Conflicts in Employment Laws
FEPA	Fair Employment Practice Agency
FMFIA	Federal Managers Financial Integrity Act
FOIA	Freedom of Information Act
GINA	Genetic Information Nondiscrimination Act of 2008
GSA	General Services Administration
IIG	Intake Information Group
OFO	Office of Federal Operations
OFP	Office of Field Programs
OGC	Office of General Counsel
OIG	Office of Inspector General
OMB	U.S. Office of Management and Budget
OPM	U.S. Office of Personnel Management
PCHP	Priority Charge Handling Procedures
TAPS	Technical Assistance Program Seminar
TERO	Tribal Employment Rights Offices
UAM	Universal Agreement to Mediate

APPENDIX E: INTERNET LINKS

EEOC:

http://www.eeoc.gov/

ADEA 50th Anniversary:

https://www.eeoc.gov/eeoc/history/adea50th/index.cfm

EEOC FY 2018 Performance Budget:

http://www.eeoc.gov/eeoc/plan/2018budget.cfm

EEOC Statistics:

http://www.eeoc.gov/eeoc/statistics/index.cfm

EEOC Strategic Plan:

http://www.eeoc.gov/eeoc/plan/strategic_plan_18-22.cfm

Meetings of the Commission:

https://www.eeoc.gov/eeoc/meetings/index.cfm

Newsroom:

https://www.eeoc.gov/eeoc/newsroom/index.cfm

Past EEOC Performance Budgets:

http://www.eeoc.gov/eeoc/plan/archives/budgets/index.cfm

Past EEOC Performance and Accountability Reports:

http://www.eeoc.gov/eeoc/plan/archives/annualreports/index.cfm

Report of the Select Task Force for the Study of Harassment:

https://www.eeoc.gov/eeoc/task_force/harassment/report.cfm

Small Business Resource Center:

https://www.eeoc.gov/employers/smallbusiness/index.cfm

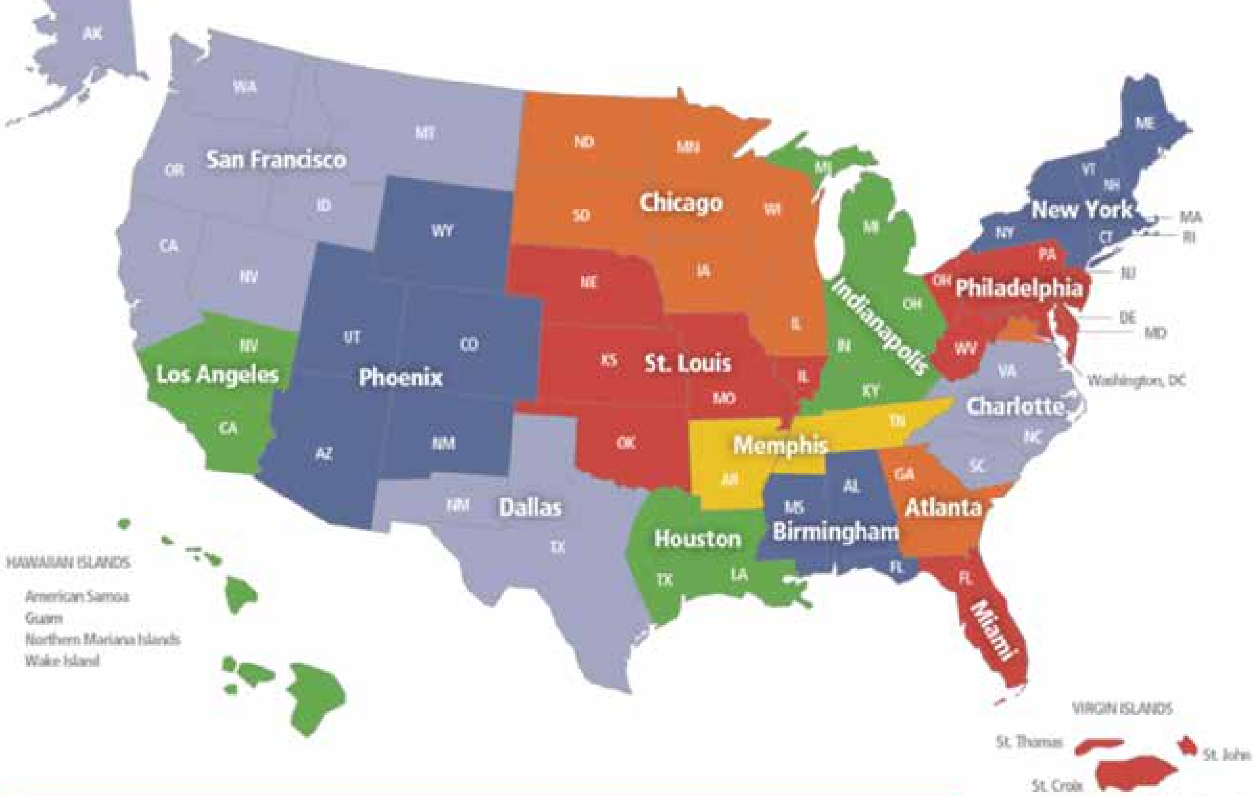
Strategic Enforcement Plan for FY 2017–2021:

https://www.eeoc.gov/eeoc/plan/sep-2017.cfm

Youth@Work:

https://www.eeoc.gov/youth/

Equal Employment Opportunity Commission
15 Districts



Atlanta District Office
Savannah Local Office

Birmingham District Office
Jackson Area Office
Mobile Local Office

Charlotte District Office
Raleigh Area Office
Greensboro Local Office
Greenville Local Office
Norfolk Local Office
Richmond Local Office

Chicago District Office
Milwaukee Area Office
Minneapolis Area Office

Dallas District Office
San Antonio Field Office
El Paso Area Office

Houston District Office
New Orleans Field Office

Indianapolis District Office
Detroit Field Office
Cincinnati Area Office
Louisville Area Office

Los Angeles District Office
Fresno Local Office
Honolulu Local Office
Las Vegas Local Office
San Diego Local Office

Memphis District Office
Little Rock Area Office
Nashville Area Office

Miami District Office
Tampa Field Office
San Juan Local Office

New York District Office
Boston Area Office
Newark Area Office
Buffalo Local Office

Philadelphia District Office
Baltimore Field Office
Cleveland Field Office
Pittsburgh Area Office

Phoenix District Office
Albuquerque Area Office
Denver Field Office

San Francisco District Office
Seattle Field Office
Oakland Local Office
San Jose Local Office

St. Louis District Office
Kansas City Area Office
Oklahoma City Area Office

Washington Field Office

ACKNOWLEDGMENTS

The EEOC's FY 2017 Performance and Accountability Report is a collaborative endeavor on the part of many EEOC employees and contractors. The Commission would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statements.

We Welcome Your Comments

Thank you for your interest in the EEOC's *Fiscal Year 2018 Performance and Accountability Report*. We welcome your comments on how we can make this report more informative for our readers. Please send your comments to:

Executive Officer
Office of the Executive Secretariat
U.S. Equal Employment Opportunity Commission
131 M Street, NE
Washington, DC 20507-0001
(202) 663-4070
TTY (202) 663-4494