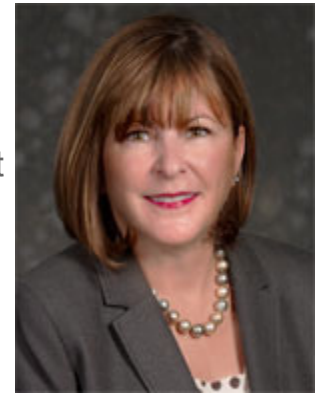


Getting tough on contractors

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By **Kathy Neal**

Think you're not a federal contractor? Think twice. Affirmative action requirements apply not only to federal contractors, but also subcontractors of federal contractors. Supply and service subcontractors are bound to the same requirements as federal contractors if they have a contract worth \$50,000 or more and at least 50 employees. You may not have the contract to sell military vehicles to the Department of Defense, but if you sell steel or office furniture or provide janitorial services to the vehicle maker, you must comply with affirmative action requirements.



The Office of Federal Contract Compliance Programs is an agency in the Department of Labor with audit and enforcement authority for Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and the Vietnam Era Veterans Readjustment Assistance Act of 1974. The executive order and laws prohibit discrimination in employment and also require federal contractors and subcontractors to take affirmative action to address and eradicate any impediments to equal employment opportunity.

Affirmative action is a set of policies and procedures designed to promote and advance equal employment of qualified minorities, women, people with disabilities, and covered veterans. This includes recruiting and advancing qualified minorities, training programs, and implementing written affirmative action plans that must be updated annually. Contractors and subcontractors must track applicant hiring, promotion and terminations and provide EEO-1 reports annually.

The OFCCP is undergoing a self-described period of renaissance. The Obama administration has charged the OFCCP, the Department of Justice and the Equal Employment Opportunity Commission to develop a unified civil rights agenda. Since 2010, the OFCCP has hired and trained more than 200 new compliance officers; its staff has increased by 35 percent in the past two years. The OFCCP, the DOJ, and the EEOC are updating agency protocols and memoranda of understanding. These efforts mean that under the Obama administration, the OFCCP has collected \$25 million in back wages for about 42,000 victims of discrimination.

Failure to comply with the executive order and laws can be costly. The OFCCP has the power to conduct audits and on-site reviews. It can issue orders of noncompliance, seek back pay on behalf of employees and applicants, require

hiring of minorities and veterans, and institute disbarment proceedings – all of which are costly.

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