

2019

Fiscal Year 2019
**Agency
Financial
Report**



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



How This Report Is Organized

This *Fiscal Year 2019 Agency Financial Report* (AFR) presents the U.S. Equal Employment Opportunity Commission's (the EEOC or agency) financial management and high-level performance information, including management challenges. We organize our AFR into the following major sections:

- **Management Discussion and Analysis (MD&A):** The MD&A provides an overview of the EEOC's performance and financial information, as well as the EEOC's operational highlights for fiscal year 2019. The MD&A highlights our strategic objectives and our accomplishments in achieving our mission. This section also highlights the agency's financial results and provides management's assurances on the agency's internal controls.
- **Financial Section:** This section outlines our efforts to be good stewards over the funds the agency receives to carry out its mission. Included is an independent auditor's opinion on the agency's financial statements.
- **Other Information:** This section includes the Inspector General's Statement on key management challenges, the agency's progress and plans to address them, and summary of Financial Statement Audit and Management Assurances tables.
- **Appendices:** Contains a glossary of the acronyms and definitions of terms used in the report.



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A Message from the Chair



I am pleased to present the U.S. Equal Employment Opportunity Commission's (EEOC) Agency Financial Report (AFR) for fiscal year (FY) 2019. 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.

On May 15, 2019, I was sworn in as chair of the EEOC. It is an honor to lead the Commission and I thank Victoria A. Lipnic, who served as the Acting Chair from January 2017 until my confirmation, and Commissioner Charlotte Burrows for their warm welcome and support.

Throughout its history, the EEOC has had a positive impact on workforces across the country. As Chair, I want to build upon the agency's legacy and continue to take on workplace discrimination, while striking a careful balance between enforcement and assistance in compliance through outreach and effective communication.

As this report highlights, in fiscal year 2019 the agency made critical investments needed to focus the Commission on effectively fulfilling our statutory responsibilities and addressing the needs and challenges of the workforce of the future. To maximize its effectiveness, the EEOC is deploying its resources toward those efforts that promote broad compliance with federal workplace anti-discrimination laws and enhance the agency's service to the public. In order to effectively align our resources in the most impactful manner, in fiscal year 2019, I identified the central principles highlighted below, and these priorities will continue into fiscal year 2020.

We at the EEOC will provide excellent customer service. The EEOC must be responsive to employees who raise discrimination claims. An employee's decision to bring a charge can be, in many instances, a courageous act – and that act can also be stressful for the individual and his or her family. We owe it to these employees, as well as everyone else involved, to respect that courage by swiftly addressing their concerns. It is the sad reality that too often, justice delayed is justice denied. Evidence can be misplaced, and memories fade with the passage of time. The opportunity to quickly stop and remedy a discriminatory practice can also be lost – potentially to the detriment of other impacted employees. To ensure quality service, it is critical that federal and private sector complaints and charges are handled promptly and fairly – and thus in fiscal year 2019, we worked to reduce backlogs across all program offices.

For example, in the private sector, with a focus on inventory reduction strategies and priority charge handling procedures, along with technological enhancements and the hiring of front-line staff, we were able to reduce the charge workload by 12.1 percent to 43,580. In fiscal year 2019, the EEOC also prioritized reducing the pending inventories in the federal sector, and as a result the agency made progress in reducing both the federal sector hearings and appeals inventories. Through



the development and implementation of strategies to increase efficiency, the agency reduced the pending inventory of federal sector hearings by 5 percent and increased its hearing resolutions 22.5 percent in fiscal year 2019. Similarly, through strategic efforts with the pending federal sector appellate inventory, the agency was able to reduce the size of the appellate inventory by 17.4 percent from the beginning of fiscal year 2018.

The EEOC also continued to embrace and leverage technology to improve our services – we have a powerful set of tools available to us. The EEOC has significantly increased the public’s access to the agency’s services through the launch of online systems for employees and employers involved in discrimination disputes. These secure systems give individuals and employers 24/7 access to submit inquiries, schedule interview appointments, check the status of charges, upload and download charge documents, make FOIA requests, and receive notices from the EEOC about investigative actions on charges. I was very pleased to announce the expansion of the EEOC Public Portal in fiscal year 2019, to allow federal employees, agencies, and EEOC employees to communicate, send, and receive documents and track the status of a case. The Portal allows federal employees and applicants to file and manage requests for hearings and appeals of their federal EEO complaints. It also affords parties an invitation to pursue Alternative Dispute Resolution at the hearing stage. These enhanced system capabilities, in conjunction with online FAQs and user guides on our public EEOC website, will improve the efficiency and transparency of the EEOC’s federal hearings and appeals process.

In an effort to accelerate the process of modernizing the EEOC’s systems, the agency engaged in a year long effort with the Technology Modernization fund (TMF), an innovative funding vehicle that makes limited funds available to federal agencies for technology improvements consistent with the President’s Management Agenda. The EEOC was recently awarded four million dollars from the TMF for the purpose of modernizing our major mission essential system, the Integrated Mission System (IMS). The EEOC now has the resources to modernize the legacy technology and data structure of IMS during fiscal years 2020 and 2021. Moving forward, we will continue to prioritize investing in technology upgrades to provide the public with on-demand access to our services.

Also, critically important to our common mission is outreach and education. In fiscal year 2019, the EEOC continued to actively partner with stakeholders to educate them on legal obligations and build on its work of providing tools to employers that allow them to comply with the law. In fiscal year 2019, the EEOC conducted 3,821 outreach events reaching 295,626 individuals nationwide. The EEOC focused on outreach to small and new businesses, especially those lacking the resources to maintain full-time professional human resources staff, as well as outreach to vulnerable communities.

In fiscal year 2019, the Commission also worked to reduce obsolete guidance that causes confusion among stakeholders. Since my arrival at EEOC, I established a working group to identify guidance that is out of date or has been superseded by statute or court decisions. The working group identified guidance and technical assistance documents that are candidates for updating or rescission, and the Commission has begun the process of updating and rescinding these documents. Along the same lines, I have prioritized harmonizing our guidance with other federal agencies when possible so that employers have a clear understanding of their obligations. When the EEOC is called upon to provide guidance or take regulatory action, we will do so in a way that is transparent and provides opportunities for all stakeholders to provide input. Honest, vigorous exchanges of views, sharing of best practices, and honest debate will result in a better product, which benefits all involved. In so doing, the Commission’s actions will comply with the Administrative Procedure Act.

The agency is also working vigorously to protect vulnerable workers. Who qualifies as a “vulnerable worker” may differ based upon various factors including geography, industry and profession. We are developing plans to target efforts to educate vulnerable workers about their rights and increase outreach efforts through the newly formed Vulnerable Worker Task Force Initiative. This Task Force will also analyze ongoing enforcement efforts and provide recommendations on



ways to enhance the agency's efforts. Pursuant to the President's Interagency Task Force to Monitor and Combat Trafficking in Persons, the Commission is also working to increase awareness of and reduce human trafficking. While vulnerable workers may be harder to reach, and cases may be more difficult to investigate, resources will be allocated appropriately to support this important effort.

The EEOC sits upon an enormous trove of employment discrimination data. Across the federal government, agencies are recognizing the importance of data-driven decision-making through enhanced data accountability and analytics. In fiscal year 2019, the EEOC's Office of Enterprise Data and Analytics (OEDA) has been diligently working to modernize EEOC's methods of data collection, reporting, and access in order to provide improved services to both internal and external stakeholders. I will continue to support OEDA in its efforts to upgrade the Commission's data capabilities to promote greater public access to the data, enhance transparency and augment agency use of modern data analytics to drive data-driven decision making.

Finally, I am pleased to share that the Commission received, for the 16th consecutive year, an unmodified opinion from independent auditors.

Historically, the EEOC has been a small agency with a huge mission. It is an honor to lead an agency of employees devoted to the mission to advance equal opportunity for all in the workplace and prevent and remedy unlawful employment discrimination.

A handwritten signature in black ink that reads "Janet Dhillon".

Janet Dhillon
Chair

November 19, 2019



Management's Discussion and Analysis



The Equal Employment Opportunity Commission's (the EEOC or agency) Agency Financial Report (AFR) provides fiscal data and summary performance results that enable the President, Congress, and American people to assess the EEOC's accomplishments for the 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.

In lieu of a combined Performance and Accountability Report, the EEOC has chosen to produce an AFR with a primary focus on financial results and a high-level discussion of performance results, along with an Annual Performance Report (APR), which details strategic goals and performance results. The EEOC will publish the APR in coordination with its Congressional Budget Justification in February 2020. Both reports will be available at <https://www.eeoc.gov/eeoc/plan/index.cfm>.

Mission, Major Programs and Organizational Structure

<p>Our Mission</p>	<p>Our Vision</p>
<ul style="list-style-type: none">• Prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace.	<ul style="list-style-type: none">• Respectful and inclusive workplaces with equal employment opportunity for all.

AGENCY OVERVIEW

Title VII of the Civil Rights Act of 1964 (Title VII) created the EEOC to enforce protections against employment discrimination on the 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

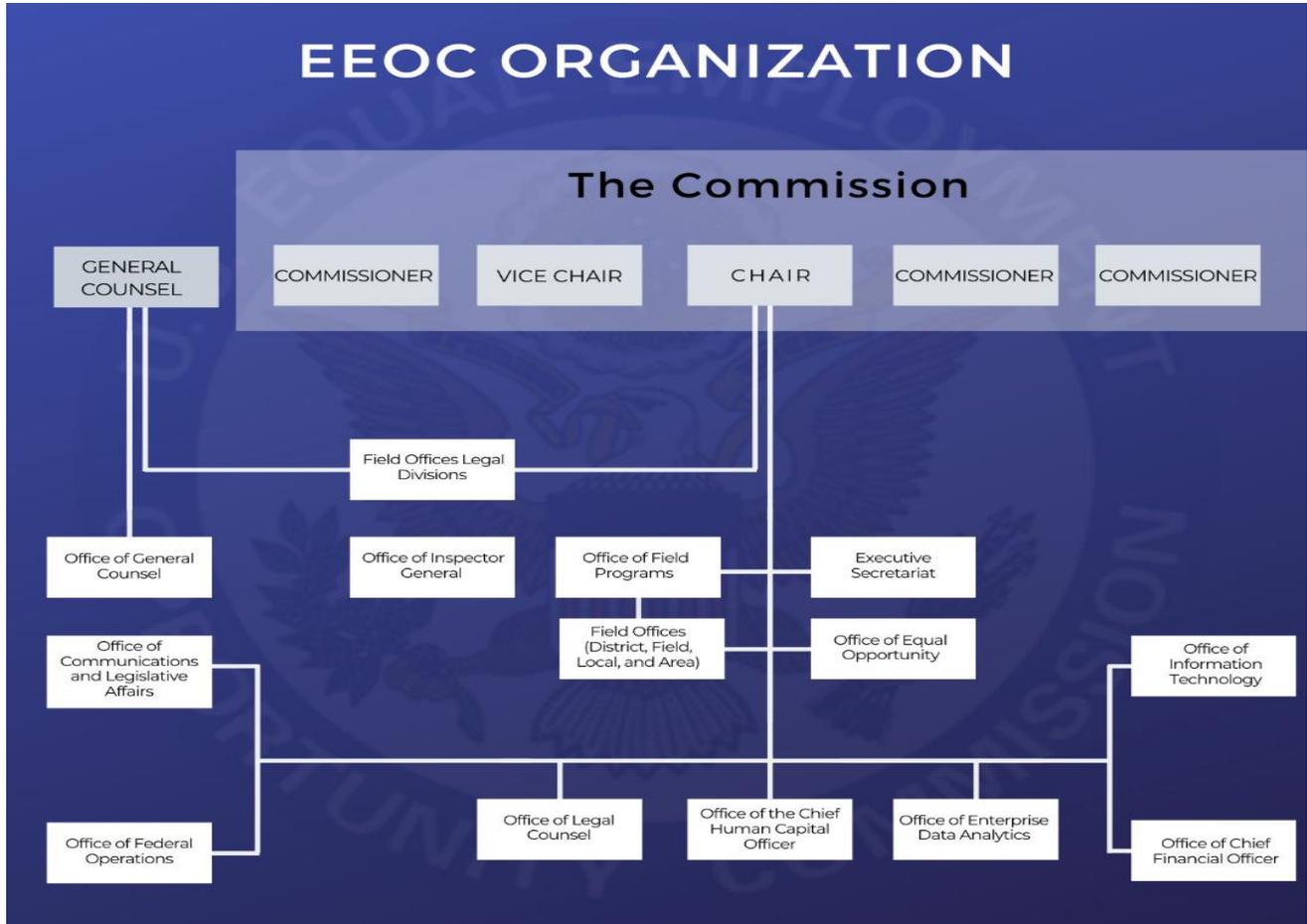
The EEOC is led by six presidential appointees – [five Commissioners \(including the Chair\) who serve staggered five-year terms and the General Counsel](#). No more than three Commissioners (including the Chair) may be from the same political party. The Chair is responsible for the administration and 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.

The Commissioners and General Counsel	Term Expires
CHAIR JANET DHILLON	2022
COMMISSIONER VICTORIA A. LIPNIC	2020
COMMISSIONER CHARLOTTE S. BURROWS*	2023
COMMISSIONER, VACANT	2021
COMMISSIONER, VACANT	2024
GENERAL COUNSEL SHARON FAST GUSTAFSON	2023

*Commissioner Chai R. Feldblum left the Commission in January 2019. Charlotte Burrows was confirmed to the term ending in 2023 on Aug. 1, 2019.



ORGANIZATION



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

For more information about specific EEOC offices, please see Appendix A.

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



Performance Goals, Objectives, and Results

FISCAL YEAR 2019 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. The EEOC's Strategic Plan establishes a framework for achieving the EEOC's mission to "Prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace," so that the nation may achieve the Commission's vision of "Respectful and inclusive workplaces, with equal employment opportunity for all." Through implementation of the Strategic Plan, the EEOC advances opportunity and ensures freedom from discrimination in the American workplace. Below are some of our performance highlights in achieving the agency's strategic objectives for fiscal year 2019.

The EEOC successfully combated and prevented employment discrimination through the strategic application of EEOC's law enforcement authorities in the following ways:

- Ensuring that federal and private sector complaints and charges are handled promptly and efficiently by:
 - Reducing the inventory of pending private sector charges by 12.1 percent – to 43,580 charges – the lowest in 13 years.
 - Reducing the federal sector hearings pending inventory for the second consecutive year – achieving a reduction of 5 percent in fiscal year 2019.
 - Reducing the number of federal sector appeals that were more than 500 days old by 84 percent, from 601 at the end of fiscal year 2018 to 97 at the end of fiscal year 2019.
 - Appeals that have been pending for more than 500 days now consist of only 3.2 percent of the total pending appeals inventory.
 - Continuing to build on our successful mediation program, including:
 - Achieving 6,394 successful mediations resulting in over \$159.6 million in benefits to charging parties.
 - Conducting 1,145 federal sector mediations, which contributed to the reduction of the federal sector inventory.
 - Achieving a satisfaction rate of 96.8 percent for the EEOC's private sector mediation program, which represents the percent of participants who would use the process again.
- Utilizing administrative and litigation authorities to promote broad compliance with federal workplace anti-discrimination laws, including:
 - Securing more than \$486 million for victims of discrimination, including:
 - Approximately \$346.6 million for victims of employment discrimination in private sector and state and local government workplaces through mediation, conciliation, and settlements.
 - \$39.1 million for charging parties and other aggrieved individuals through litigation; and
 - \$100.6 million for federal employees and applicants.
 - Resolving 10,608 federal sector hearings requests – a 22.5 percent increase over fiscal year 2018 - and securing \$87.8 million in relief for federal employees.
 - Resolving 4,094 federal sector appeals.
 - EEOC continued its significant resolution of appeals addressing the merits of employees' discrimination claims, including 101 findings of discrimination in fiscal year 2019.
 - Securing \$12.8 million in monetary relief as ordered in EEOC's federal appellate decisions.
 - Among the decisions issued by EEOC in fiscal year 2019, 95 were identified as implicating one or more Strategic Enforcement Plan (SEP) priorities.



- Resolving 173 lawsuits and achieving favorable results in approximately 95 percent of all district court resolutions.
 - A total of 2,479 individuals received approximately \$39.1 million in monetary relief as a direct result of litigation resolutions.
- Filing 144 lawsuits, including 100 suits on behalf of individuals, 27 non-systemic suits with multiple victims, and 17 systemic suits involving multiple victims or discriminatory policies.

The EEOC prevented employment discrimination and promoted inclusive workplaces through education and outreach in the following ways:

- Prioritizing education and outreach in the private and federal sectors, including:
 - Conducting more than 3,800 outreach events and providing more than 295,600 individuals nationwide with information about employment discrimination and their rights and responsibilities in the workplace, including:
 - More than 350 federal sector outreach, education, and training events, and providing more than 14,000 federal sector employees and EEO professionals with information about employment discrimination and their rights and responsibilities in the workplace.
 - Prioritizing outreach to the small business community, including:
 - Conducting over 485 outreach events for small business.
 - Promoting 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 and SBA highlighted EEOC's Small Business Resource Center as an example of agency compliance assistance initiatives.
 - Focusing on significant partnerships with advocacy and business groups, adding 55 new significant partners, bringing the combined total to 379 significant partnerships.
 - Hosting 70 joint events with employer and advocacy groups, reaching more than 6,983 attendees.
 - Conducting 744 significant partner activities, reaching 54,954 attendees.

The EEOC worked to achieve organizational excellence by:

- Continuing to develop and deliver digital services, making it easier and more efficient for employees, applicants, and employers to access the EEOC's services.
 - This year was the second year the EEOC utilized the online intake system in all offices, which allows potential charging parties to submit a pre-charge inquiry for review and schedule interview appointments on-line. The system offers portals for both respondents and charging parties to submit documents, update information, respond to offers of mediation and obtain information on the current status of the charge.
 - This year the EEOC also expanded our Public Portal to provide online services to public sector constituents, bringing EEOC's federal sector online services to par with its private sector services.
 - The online system has increased the public's access to the EEOC, with more than an 11 percent increase in the number of inquiries submitted to the Commission over last year's level.



EEOC'S PERFORMANCE MEASUREMENT PROCESS

The Government Performance and Results Modernization Act of 2010, (5 U.S.C. 306, as amended), requires executive departments, government corporations, and independent agencies to develop and post a Strategic Plan on their public websites every four fiscal years. The implementing guidance in Circular A-11 from the Office of Management and Budget (OMB) instructs agencies on the necessary elements required in an agency's plan and the requirements to publish a new plan with the beginning of each new term of an administration.

The U.S. Equal Employment Opportunity Commission Strategic Plan for FYs 2018-2022 ("the Strategic Plan") establishes a framework for achieving the EEOC's mission to "Prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace," so that the nation may realize the Commission's vision of "Respectful and inclusive workplaces, with equal employment opportunity for all." The Commission approved the EEOC's Strategic Plan on February 12, 2018. It is located at https://www.eeoc.gov/eeoc/plan/strategic_plan_18-22.cfm.

As discussed below, the Strategic Plan established three overarching strategic objectives, and 12 performance measures to gauge the agency's progress in meeting these objectives. Goal leaders, assigned by program office representatives in headquarters, lead the efforts on each of the agency's performance measures. The EEOC's Office of Enterprise Data and Analytics conducts periodic performance measure reviews. During these reviews, program office representatives report on the progress made achieving the agency's performance measures. In coordination with congressional budget preparation, the reports on performance measure progress are shared with the Office of the Chair for their review.

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

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

As mentioned above, following the requirements of the Government Performance and Results Modernization Act of 2010, the Commission approved the EEOC's [Strategic Plan for Fiscal Years 2018-2022](#) ("Strategic Plan," "Plan") 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 three strategic objectives.

Strategic Objective I, to combat and prevent employment discrimination through the strategic application of the EEOC's law enforcement authorities, reflects the EEOC's primary mission of preventing unlawful employment discrimination through: 1) the administrative (investigation and conciliation) and litigation 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.



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

Strategic Objective I: Combat and prevent employment discrimination through the strategic application of the EEOC’s law enforcement authorities.	
<p>Outcome Goal I.A: Discriminatory employment practices are stopped and remedied, and victims of discrimination receive meaningful relief.</p>	<p>Outcome Goal I.B: Enforcement authorities are exercised fairly, efficiently, and based on the circumstances of each charge or complaint.</p>
<p>Performance Measure 1: By FY 2022, a significant proportion of the EEOC and FEPA’s resolutions contain targeted, equitable relief.</p> <ul style="list-style-type: none"> • Sub-Measure 1a.: By FY 2022, 86-88% of the EEOC’s resolutions contain targeted, equitable relief. • Sub-Measure 1b.: By FY 2022, 17-19% of FEPA’s resolutions contain targeted, equitable relief. <p>Performance Measure 2: In each year through 2022, the EEOC continues to favorably resolve at least 90% of enforcement lawsuits.</p> <p>Performance Measure 3: Each year through 2022, the EEOC reports on its efforts to identify and resolve systemic discrimination.</p> <p>Performance Measure 4: By FY 2022, an increased percentage of federal agencies subject to oversight activities or compliance reviews change their employment practices based on the EEOC’s recommendations.</p>	<p>Performance Measure 5: By FY 2022, a significant proportion of investigations, conciliations, hearings, and appeals meet established quality criteria.</p> <ul style="list-style-type: none"> • Sub-Measure 1a.: By FY 2022, 88% of charge investigations and conciliations meet criteria established in the Quality Enforcement Practices Plan. • Sub-Measure 1b.: By FY 2022, 90% of federal sector hearings and appeals meet criteria established in the Federal Sector Quality Practices Plan.

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



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

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



The EEOC’s **Management Objective**, achieving organizational excellence, 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 across the agency to foster organizational excellence from internal and external perspectives.

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

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

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

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.

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.

STRATEGIC GOALS AND RESULTS OVERVIEW

SUMMARY OF PERFORMANCE RESULTS UNDER STRATEGIC PLAN PERFORMANCE

As discussed above, 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 2020. The below chart summarizes the agency's progress in meeting these measures.

EEOC FY 2019 Performance			
Measures	Targets Met or Exceeded	Targets Partially Met	Targets Not Met
12	12	0	0

SUMMARY OF ACCOMPLISHMENTS UNDER EEOC’S STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE I: COMBAT AND PREVENT EMPLOYMENT DISCRIMINATION THROUGH THE STRATEGIC APPLICATION OF EEOC'S LAW ENFORCEMENT AUTHORITIES

To maximize the EEOC’s effectiveness at preventing and remedying unlawful employment discrimination, the agency focuses its resources on efforts that promote broad compliance with federal workplace anti-discrimination laws and enhance the agency’s service to the public. A critical element of this effort depends upon the EEOC providing excellent customer service to employees, employers, and those involved in a charge of discrimination.

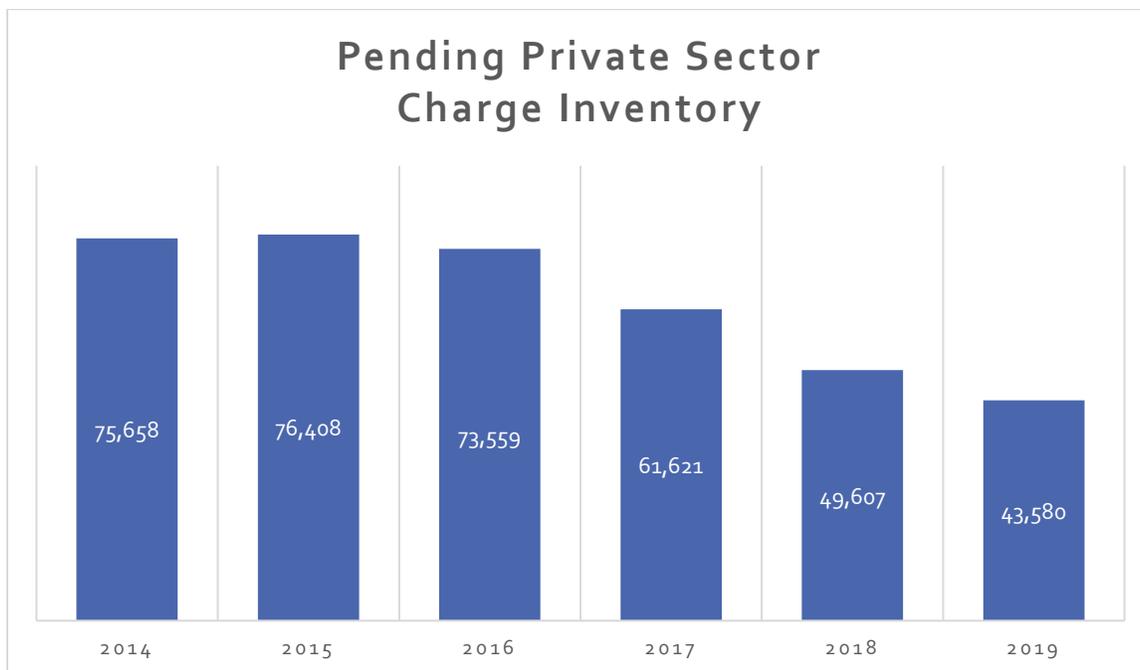


Each year the EEOC handles hundreds of thousands of calls, inquiries, and charges from workers in the private and public sector seeking assistance with potential complaints of discrimination. For example, in fiscal year 2019, the EEOC received over 497,000 calls to the toll-free number, more than 33,000 emails, and over 200,000 inquiries in field offices, including 123,688 inquiries through the online intake and appointment scheduling system, which resulted in 72,675 charges being filed.

To ensure quality service, it is critical that federal and private sector complaints and charges are handled promptly and fairly. Providing excellent customer service to all members of the public who seek assistance from the EEOC has been a focus of the agency in fiscal year 2019 and the agency continued to build upon our work to reduce backlogs across all program offices.

Continued Success in Reducing the Private Sector Charge Workload

An essential part of the agency's focus on combatting and preventing employment discrimination in fiscal year 2019 was a continued emphasis on reaching a manageable and sustainable private sector inventory so as to focus on charges with merit and provide improved customer service. With a focus on inventory reduction strategies and priority charge handling procedures, technological enhancements, and front-line staff hired in fiscal years 2018 and 2019, the agency was able to make significant progress managing our pending workload of charges. As a result, in fiscal year 2019 the EEOC reduced the charge workload by 12.1 percent to 43,580, which builds on the 20 percent decline in inventory realized in fiscal year 2018. Additionally, the merit factor rate increased to 15.6 percent and over \$346.6 million in monetary benefits was secured for victims of discrimination.



Overall, the EEOC's technological advances, including the Public Portal, Respondent Portal, and the entire Digital Charge System (DCS), have greatly improved private sector efficiency and customer service, while requiring fewer resources. The DCS allows potential charging parties to answer a series of questions leading to a self-screen (to determine if the EEOC is the proper agency to address their concern), as well as obtain referrals to other agencies, as appropriate, and ultimately, to



allow them to schedule an initial interview prior to filing a charge. The DCS provides an accessible and customer-friendly 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 of discrimination. As a result, 123,688 Potential Charging Parties (PCPs) initiated inquiries through the system (up from 111,363 in fiscal year 2018). Of these, 30,759 were formalized into charges of discrimination (up from 30,565 in fiscal year 2018).

These technological advances also 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 4.9 percent reduction in fiscal year 2019 charge receipts, even though the inquiries were up by 11.1 percent (more than 12,300 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.

Continued Success in Reducing the Federal Sector Inventories

In addition to our private sector enforcement activities, the Commission has adjudicatory responsibilities in the federal EEO complaints process. This involves hearings before administrative judges 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 2019.

While there was a 32.5 percent increase in the number of hearings receipts from 6,926 in fiscal year 2018 to 9,177 in fiscal year 2019, the federal sector hearings program still made major strides in managing its inventory of hearing requests. The EEOC successfully decreased the pending inventory of hearing receipts for the second consecutive year – a reduction of 5 percent, from 13,612 in fiscal year 2018 to 12,933 in fiscal year 2019. By developing and implementing strategies to increase efficiency, the hearings program also increased its resolutions to 10,608, an increase of 22.5 percent over fiscal year 2018. The hearings program successfully resolved some of the older cases in the inventory, by utilizing case management strategies to balance field inventories through the resolution of older cases and the closure of incoming cases. As a result, aged inventory was reduced by 65.5%.

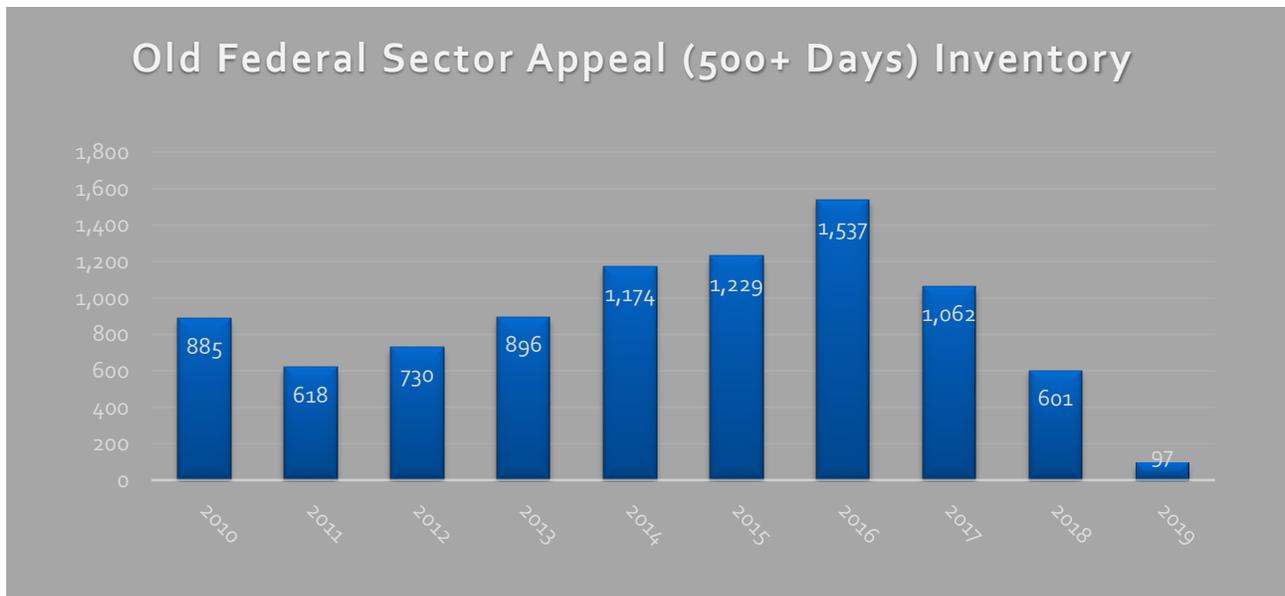
With an eye toward maintaining quality while also addressing the inventory management of federal hearings, metrics to assess and measure quality were implemented in fiscal year 2019. Additionally, an online portal was deployed nationwide through which complainants can submit their hearing requests and file appeals which increases the efficiency of case processing in the federal sector. The second phase of the portal, which launched in July 2019, expanded the available features for the parties and allows federal complainants to upload documents and view the status of their complaints. This expansion of the EEOC Public Portal also allows federal sector complainants to indicate their interest in alternative dispute resolution to resolve their complaint.

In fiscal year 2019, EEOC was also focused on reducing the inventory of federal sector appeals. While federal sector appellate receipts increased by 17 percent in fiscal year 2019, through the strategic efforts described below, the agency



successfully reduced the size of the pending appellate inventory by 16 percent from 3,658 at the start of fiscal year 2018 to 3,073 at the end of fiscal year 2019.

This fiscal year, the EEOC focused on both resolving the oldest appeals, as well as those that vindicate employees' legal rights and/or preserve their access to the EEO complaint process. Using these approaches, the EEOC resolved 4,094 appeals in fiscal year 2019. Resolutions resulted in a nearly 84 percent reduction in the pending cases that were more than 500 days old, from 601 appeals at the start of the fiscal year to 97 by the end of the fiscal year. Cases over 500 days old now comprise only 3.2% of the total pending inventory, as compared to fiscal year 2018 when one-fifth (20%) of the inventory was more than 500 days old. Another result of the focus on aged cases was the reduction in the average age of the pending appellate inventory by 25 percent, from 312 days at the start of the fiscal year to 234 days by the end of the fiscal year.



At the same time, more than 37 percent of the total resolutions were issued within 180 days of their receipt. These resolutions included 762 initial appeals from procedural dismissals that terminated complainants' participation in the EEO process, reversing over 34 percent of those dismissals with an order to the agency to continue processing the EEO complaint. Quickly addressing appeals involving procedural dismissals of complaints has been critical to effectively preserving access to the EEO complaint process.

The federal sector program also vigorously implemented case management strategies to more effectively allocate resources. These strategies allowed for the screening and categorization of cases early in the appellate process, including cases determined to have significant impact. This early screening process was greatly aided by the full implementation of the FedSEP digital portal, where agencies can upload the documentation necessary to process an appeal, as well as the public portal that was deployed during fiscal year 2019, enabling complainants to request appeals, upload selected documents, and manage their personal and representative's contact information. In addition, through training and educational outreach, the EEOC has partnered with federal agencies to speed record submissions, perfect defective



records, and reduce wasted efforts spent on records not ripe for adjudication. These technological innovations make the appellate process more transparent for all parties and will reduce EEOC's reliance on and costs for support staff to prepare and scan paper documentation received from the parties.

Continued Focus on Alternative Dispute Resolution

Alternative Dispute Resolution (ADR) is an effective and efficient tool to resolve charges of discrimination. The EEOC's ADR program provides an opportunity for complainants and employers to convene and discuss their respective positions with a neutral mediator. Successful mediations resolve charges early in the process, benefiting both workers and employers. In fiscal year 2019, the agency successfully resolved 6,394 of the 8,899 mediations conducted, resulting in over \$159.6 million in benefits to charging parties. Notably, mediators in the EEOC's ADR program also conducted 1,145 federal sector mediations, which contributed to efforts to reduce the federal sector inventory. Moreover, the program continues to receive overwhelmingly positive feedback from participants. In fiscal year 2019, 96.8 percent of all participants indicated that they would utilize the mediation process in a future charge filed with the EEOC.

Additionally, during fiscal year 2019, the agency continued its efforts to increase employer acceptance of mediation through an updated and targeted marketing campaign. During fiscal year 2019, a concerted effort was undertaken to develop marketing strategies and commit resources to increase respondent participation in the mediation program. Through these efforts in fiscal year 2019, a total of 357 ADR employer events were held by field offices and the agency saw an increase in the respondent participation rate to 30.7 percent over the fiscal year 2018 level of 27.6 percent. This reflects an 11.2 percent increase in respondent acceptance levels of mediation, which allowed the mediation program to contribute to inventory reduction efforts by conducting mediations where both parties agreed to attempt to resolve the issues before any investigation was launched.

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 a statutory 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 and worked to effectively reach meaningful resolutions which include appropriate targeted equitable relief. In fiscal year 2019 the EEOC continued its efforts to conciliate a greater percentage of cases – with successful conciliations rising from 27 percent in fiscal year 2010 to 40 percent in fiscal year 2019. The success rate for conciliation of systemic charges was 56 percent in fiscal year 2019, up from 46 percent in fiscal year 2018.

STRATEGIC OBJECTIVE II: PREVENT EMPLOYMENT DISCRIMINATION AND PROMOTE INCLUSIVE WORKPLACES THROUGH EDUCATION AND OUTREACH.

Another essential way in which the EEOC is focusing its resources on efforts that promote broad compliance with federal workplace anti-discrimination laws and enhance the agency's service to the public is through continued emphasis on outreach and 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.



Continued Emphasis on Outreach and Education in the Private Sector

During fiscal year 2019, outreach and education related to the White House and Commission's strategic focus areas as well as areas and topics particular to the specific jurisdictions and demographics of each District were prioritized. The EEOC supported the White House Initiative on Historically Black Colleges and Universities (WHIHBCU), the White House Initiative on Asian Americans and Pacific Islanders (WHIAPPI), and the Interagency Task Force to Monitor and Combat Trafficking in Persons. In fiscal year 2019, there were 76 outreach events with 6,987 attendees involving the WHIHBCU initiative, there were 142 outreach events with 22,526 attendees supporting the WHIAPPI initiative, and 188 outreach events with 11,237 attendees that addressed Trafficking issues.

Education and outreach programs to vulnerable communities continued to be critically important to the work of the EEOC in fiscal year 2019, as these efforts promote understanding of the law by workers who might not be familiar with their right to be free from employment discrimination. The EEOC strategically targeted outreach to vulnerable workers and underserved communities in fiscal year 2019, conducting 1,298 outreach events and reaching 112,410 participants, which represented approximately 34 percent of the EEOC's total outreach. 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.

Education and outreach to the small business community is also essential to promote broad compliance with the anti-discrimination laws, especially for those new and small businesses lacking the resources to maintain full-time professional human resources staff. In fiscal year 2019, the EEOC conducted 485 outreach events for small businesses, reaching 33,927 small business representatives, which represented approximately 13 percent of the EEOC's total outreach. The EEOC also continued to promote the Small Business Resource Center. 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 also participated in 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.

In fiscal year 2019, the EEOC also focused outreach and education on priorities identified in the agency's Strategic Enforcement Plan (SEP) for fiscal years 2017-2021.



National Priorities	Events	Attendees
Recruitment/Hiring	785	80,984
Vulnerable Workers (includes immigrant/migrant farmworkers, human trafficking, limited English proficiency, re-entry, youth and other vulnerable workers)	1,298	122,410
Emerging/Developing Issues	833	90,753
Disability Issues	576	71,591
Accommodating Pregnancy Related Restrictions	307	20,541
LGBT	354	25,707
Complex Employment Relationships	207	15,934
Backlash Discrimination	180	13,144
Equal Pay	514	53,641
Access to Legal System (includes retaliation, recordkeeping violations, waivers, mandatory arbitration)	864	79,176
Systemic Harassment (includes non-sexual and sexual harassment)	1,442	84,170

Continued Emphasis on Outreach and Education in the Federal Sector

Continued emphasis on outreach and education in the federal sector is equally important to the EEOC's efforts to promote broad compliance with federal workplace anti-discrimination laws and enhance the agency's service to the public. In fiscal year 2019 the EEOC built upon its robust education and outreach program that focuses on both free and fee-based education and training opportunities in the federal sector and leveraged the use of technology to strengthen and expand the impact of its education and outreach activities. In addition to hosting two in-person "Brown Bag" sessions this year, the EEOC began migrating its in-person sessions to a virtual webinar format and hosted six no-cost EEO Webinars and



seven online information sessions. Each of these sessions had 150 to 200 attendees. The EEOC also hosted six virtual fee-based training sessions, each of which reached the maximum capacity of 50 attendees.

EEOC's federal sector presence further grew on social media across YouTube, Twitter, Facebook, and Instagram during fiscal year 2019, and it created podcasts that soon will be available via Apple Podcast to reach a broader audience.

To meet the demand for in-person instructor led courses, EEOC's federal sector programs hosted 37 courses for federal EEO practitioners of varying skill levels, reaching approximately 1,295 attendees; offered 53 customer specific trainings to federal agencies across the country, reaching approximately 2,120 attendees; and delivered 178 Respectful Workplace Training sessions reaching 7,120 participants.

EEOC's federal sector training and outreach staff also formed internal and external partnerships to further EEO training and leadership development opportunities for EEO practitioners. In October 2018, EEOC hosted its annual Executive Leadership Training Conference in Charlottesville, VA, bringing together 75 EEO and Diversity and Inclusion professionals. Attendees built upon existing skills and learned techniques to capitalize on coalition building, and strategic thinking and planning.

During fiscal year 2019 EEOC federal sector staff also coordinated, attended, or hosted 62 no-cost outreach events. Throughout the year, EEOC federal sector staff participated at seven federal affinity group training conferences to facilitate EEO workshops, presented education materials on EEO topics, and offered federal sector EEO training at technical assistance programs in Birmingham, Baltimore and Philadelphia. In July 2019, EEOC staff executed a successful EEOC Examining Conflicts in Employment Laws (EXCEL) conference that included a one-day pre-conference and 45 workshops offered during the three-day main conference. It was one of the most successful EXCEL conferences in recent years, hosting 906 main conference attendees, 301 pre-conference attendees, and 39 specialty track attendees.

Emphasis on Clear and Accurate Guidance

Outreach and education are critical tools to prevent discrimination, and the EEOC works with hundreds of thousands of employees and employers every year to educate them on their legal rights and responsibilities. As part of these efforts the EEOC is committed to providing guidance and information to our stakeholders that is current, accurate, and clear.

Since the EEOC began issuing guidance documents in the 1980s there have been many changes in the laws we enforce. Some of EEOC's guidance and technical assistance documents have been superseded by legislation, court decisions, or newer and more complete guidance. Other guidance documents have become outdated because they were limited to narrow fact patterns that now rarely arise.

An internal work group has been reviewing EEOC's guidance and technical assistance documents with these criteria in mind and has identified some that are candidates for updating or rescission. The Commission has begun to update several guidance documents for consistency with current statutory requirements and court decisions, and has identified other documents that are obsolete or redundant. These efforts will continue in fiscal year 2020.



The EEOC took the following significant policy and regulatory actions in fiscal year 2019:

Action	Description	Location
Final Rule	Consistent with <i>AARP v. EEOC</i> , No. 16-2113 (D.D.C. Dec. 20, 2017), removes the section of the ADA regulation addressing the level of incentives employers may offer to employees for providing their current health information as part of a wellness program and its accompanying Interpretive Guidance.	83 Federal Register 65296 (Dec. 20, 2018)
Final Rule	Consistent with <i>AARP v. EEOC</i> , No. 16-2113 (D.D.C. Dec. 20, 2017), removes the section of the GINA regulation addressing the level of incentives employers may offer to employees for providing their current health information as part of a wellness program and its accompanying Interpretive Guidance.	83 Federal Register 65296 (Dec. 20, 2018)
Notice of Proposed Rulemaking	Proposes revisions to federal sector procedural regulations to provide that complainants who file an appeal with the EEOC may withdraw the appeal and file a lawsuit in federal court within 90 days of receipt of a final agency decision.	83 Federal Register 65296 (Dec. 20, 2018)
Notice of Proposed Rulemaking	Proposes revisions to procedural regulations to expressly provide for digital transmissions of documents; clarify the process for deferral to state and local agencies; update no cause determination procedures; and correct typographical errors.	84 Federal Register 5624 (Feb. 22, 2019)
60-day Paperwork Reduction Act Notice	Proposes revisions to the Employer Information Report (EEO-1) to separate Components 1 and 2; announces intent to seek Paperwork Reduction Act (PRA) clearance of Component 1 under a new OMB Control Number; and announces intent not to seek continued PRA approval of Component 2.	84 Federal Register 48138 (Sept. 12, 2019)



MANAGEMENT OBJECTIVE: ACHIEVE ORGANIZATIONAL EXCELLENCE

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, and services necessary to support the digital systems that will enable the agency to efficiently handle all its work.

Continued Use of Technology to Improve Services to the Public

The EEOC is committed to building a digital workplace to increase its 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.

In fiscal year 2019, the EEOC provided portal services to our public sector constituents – providing federal employees and applicants with the capability to submit hearings and appeals requests online, update their contact information and preferences, review status, and submit/receive electronic documents with email notification. The service was launched in July 2019. The agency also enhanced the companion Federal Sector EEO Portal (FedSEP), which provides online services to Federal Agency OEO offices, to integrate with the public sector side of the Public Portal for information and document exchange. The federal sector digital repository now includes over 1.2 million documents.

Within the private sector component of the Public Portal, the agency served 48,876 charges electronically in fiscal year 2019 (up from 48,304 the prior year), conservatively saving the agency over \$31,000 in printing, postage and related costs. Electronic service also resulted in savings for the field offices' clerical staff, freeing each enforcement office automation assistant from more than seven days of work to perform other tasks. Also in fiscal year 2019, 123,688 potential charging parties initiated inquiries through the Public Portal, up from 111,363 in fiscal year 2018. Of these, 30,759 were formalized into charges of discrimination (up from 30,565 in fiscal year 2018). In each of these instances, agency personnel were relieved of the task of data entry. Conservatively, the EEOC estimates that this saved over 40,000 hours of investigator time (almost two weeks per investigator) in fiscal year 2019, doubling our initial savings estimate. The EEOC's private sector digital repository now includes over 3.1 million documents.

During fiscal year 2019, the EEOC also continued investments in cloud technologies, migrating legacy infrastructure and applications to Microsoft Azure and Office 365/SharePoint. The agency also continued implementation of unified communications via Skype for Business – enabling staff to make, receive, and transfer calls in the office, at home, or on the road, using their phone, laptop, or mobile device without the need for a traditional phone system.

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. During fiscal year 2019, EEOC acquired systems and services that will enhance security capabilities related to advanced threat protection, continuous monitoring, and network access control.

LOOKING FORWARD

It is essential for the EEOC to continue to embrace and leverage technology to improve our services and upgrade the Commission's data capabilities to promote greater access to the data, enhance transparency, and augment agency use of modern data analytics to drive decision making. Looking forward, our agency will continue to focus on efforts to modernize our digital systems to build upon our ability to prevent and remedy unlawful employment discrimination, as well as other technological enhancements necessary to improve the quality of services to the public.



The agency's strategic plan requires that we "complete a shared vision and develop high-level plans with resource requirements for modernizing [our] charge/case management systems." To meet this goal, the agency engaged in a year-long effort with the Technology Modernization Fund (TMF), an innovative funding vehicle that uses a competitive vetting process to make limited funds available to federal agencies for technology improvements consistent with the President's Management Agenda. After a process that included developing project proposals, a high-level project plan, a technical architecture, and a full business case, the TMF Board recently awarded the agency four million dollars. The EEOC now has the resources to modernize the legacy technology and data structure of the its 17-year old Integrated Mission System (IMS) during fiscal years 2020 and 2021.

Also, in fiscal year 2020, the agency will launch a new public website that more effectively and efficiently meets the needs of our audience. The EEOC is utilizing open source web technologies to improve its user experience, better promote the agency's message, integrate more effectively with our social media activities, and reach full compliance with recent accessibility standards.

Over the next few years, the EEOC will also undertake a full review of the EEOC's current methods of data collection and reporting with a focus on modernizing the EEO-1, 3, 4, and 5 Survey data collections. This effort will be conducted with an eye toward identifying innovations and efficiencies that will ease the submission process and streamline reporting while also examining potential enhancements in content.

To protect the EEOC's restricted-access data released for research purposes, the agency in collaboration with NORC at the University of Chicago will also look to establish a modern, secure, and privacy protected data enclave to ensure access to protected data for external researchers. The EEOC Data Enclave will replace the agency's use of the Intergovernmental Personnel Act (IPA), which is a federal hiring authority previously utilized to allow researchers to access the EEOC's restricted, privacy protected data. The previous process did not comply with the requirements of FISMA 2014 and presented security and data protection issues that had to be addressed. It was discontinued in January 2018. The move toward a "data enclave" was well received by academic researchers and stakeholders at listening sessions that were held with stakeholders in December 2018.

The EEOC is also turning its attention to creating and disseminating public use files and user-friendly data query and visualization tools. These enhancements will aid the transparency of agency functions and operations by facilitating and simplifying access to agency publicly releasable data by creating easily accessible public use files, documentation, and a state-of-the-art consumer-friendly data visualization and mapping tool.

Looking forward, the EEOC will also evaluate the efficacy of existing relevant federal data sets. The EEOC will work to identify other federal sources of administrative and survey data (e.g. Bureau of Labor Statistics, Census Bureau) that — alone or in combination with existing EEOC data — may allow exploration into detecting and developing new tools and models for increasing understanding and awareness, identifying solutions, and implementing actions targeting the reduction of employment discrimination.



FINANCIAL HIGHLIGHTS

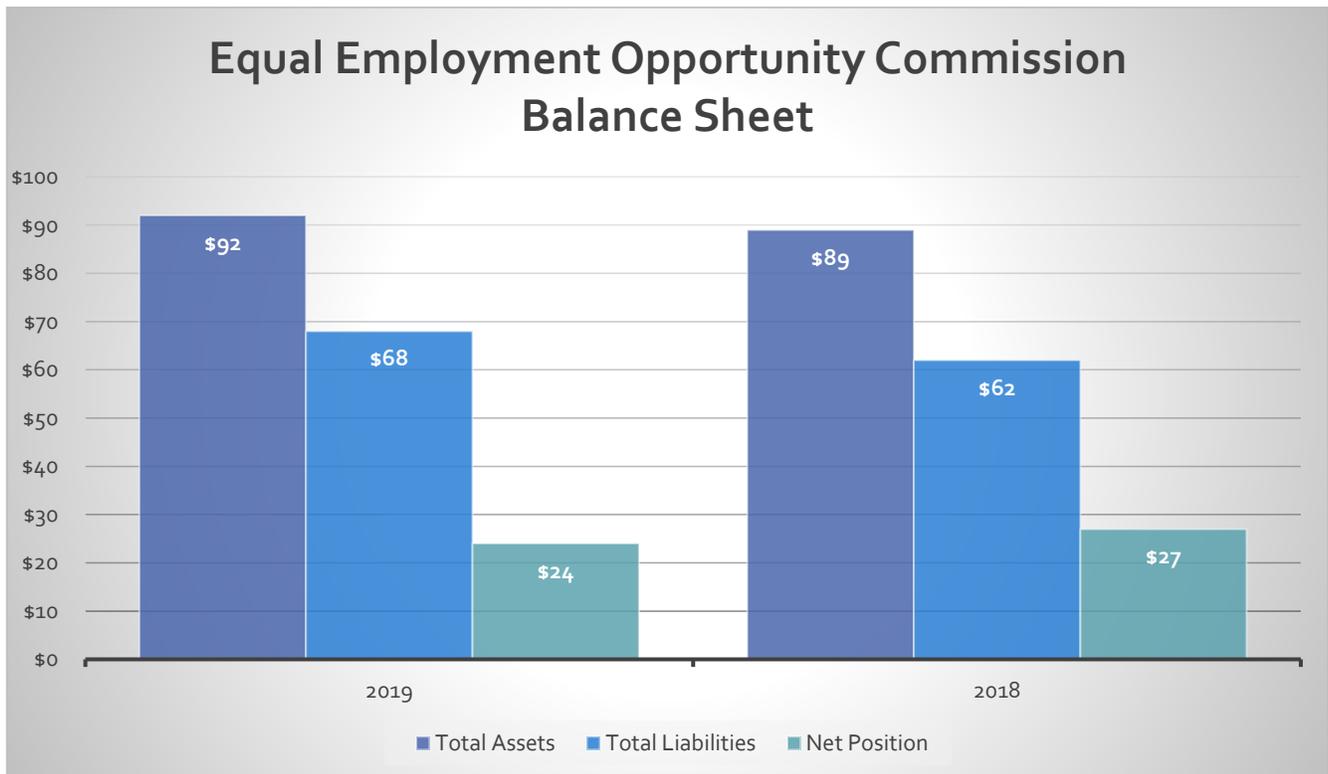
The Office of Management and Budget (OMB) Circular Number A-136 Revised dated June 28, 2019 was used as guidance for the preparation of the accompanying financial statements. EEOC prepares four financial statements: the Consolidated Balance Sheets, Consolidated Statements of Net Cost, Consolidated Statements 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 \$92 million at the end of fiscal year 2019 and \$89 million at the end of fiscal year 2018.

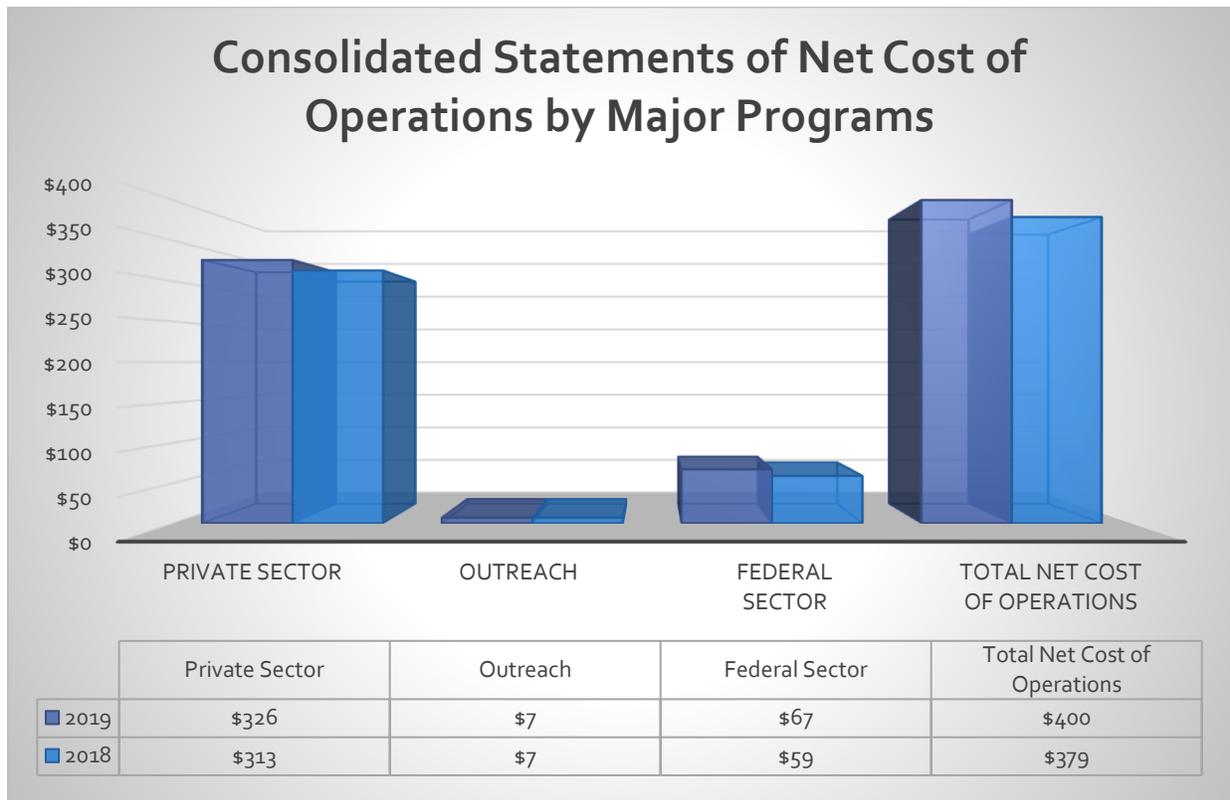
The Net Position is the sum of Unexpended Appropriations and the Cumulative Results of Operations. At the end of fiscal year 2019, EEOC's Net Position on its Balance Sheets and the Statement of Changes in Net Position show \$24 million at the end of fiscal year 2019 and \$27 million at the end of fiscal year 2018.





Consolidated Statements of Net Cost

The Consolidated Statements of Net Cost presents the gross cost incurred by all programs less any revenue earned. Overall, in fiscal year 2019, EEOC's Consolidated Statements of Net Cost of Operations increased by \$21 million or 6 percent. The fiscal year 2019 private sector contains net cost for private sector and net cost for outreach resulting in an overall increase of \$13 million or 4 percent, while the net cost for Federal Sector Programs has increased by \$8 million or 14 percent.



Consolidated Statement of Changes in Net Position

The Consolidated Statement of Changes in Net Position represent the change in the net position for fiscal year 2019 and fiscal year 2018 from the cost of operations, appropriations received and used and the financing of some costs by other government agencies. The Net Position decreased by \$3 million for fiscal year 2019 when compared to fiscal year 2018.

Combined Statements of Budgetary Resources

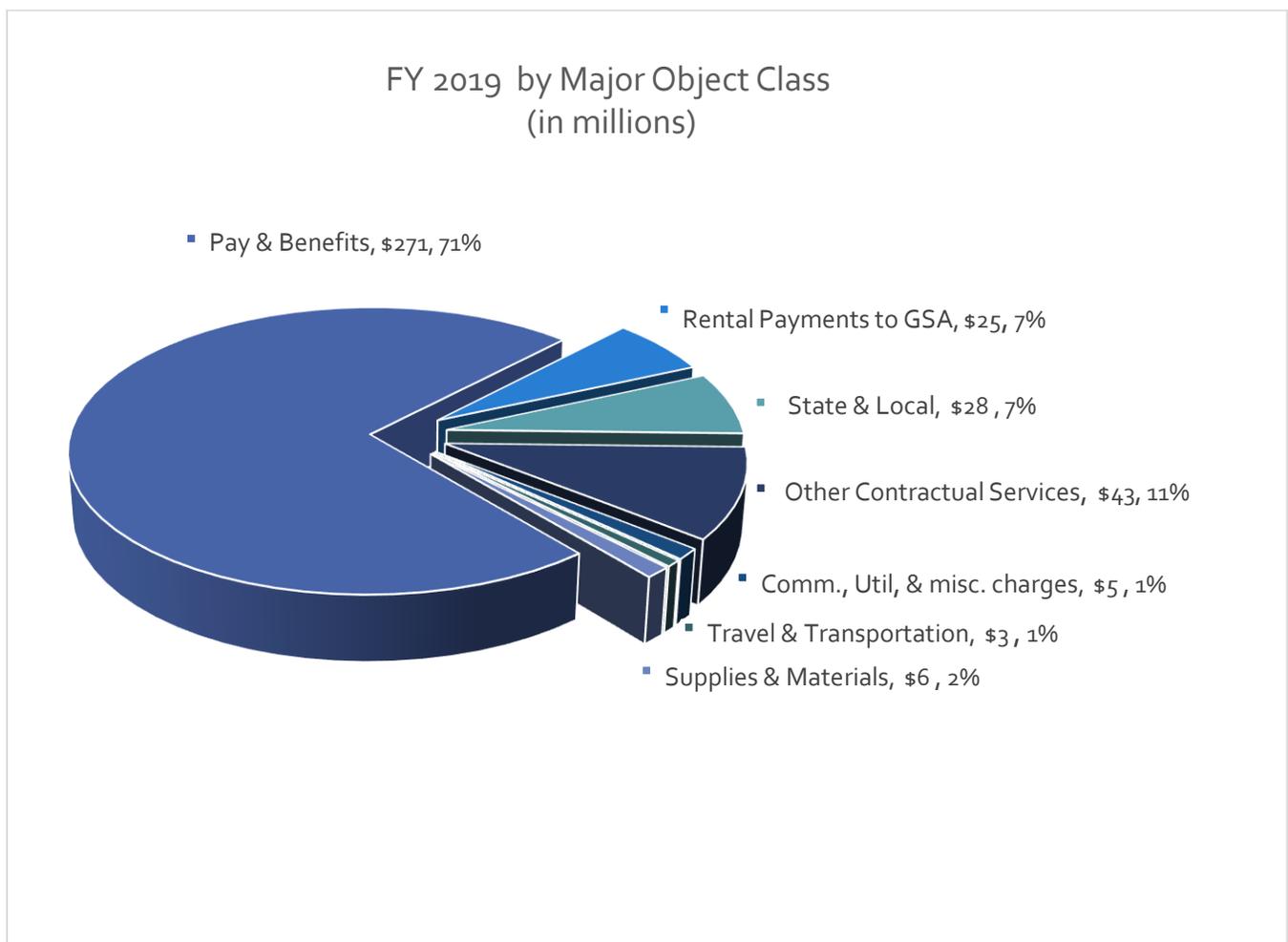
The Combined Statements of Budgetary Resources shows how budgetary resources were made available and the status of those resources at the end of the fiscal year. In fiscal year 2019, EEOC received a \$379.5 million in budget authority. EEOC ended fiscal year 2019 with an increase by \$ 1.5 million in total budgetary resources. Resources not available for new obligations at the end of the year totaled \$4 million and \$4 million in fiscal year 2019 and fiscal year 2018, respectively.



The unobligated balance not available represents expired budget authority from prior years that are no longer available for new obligations.

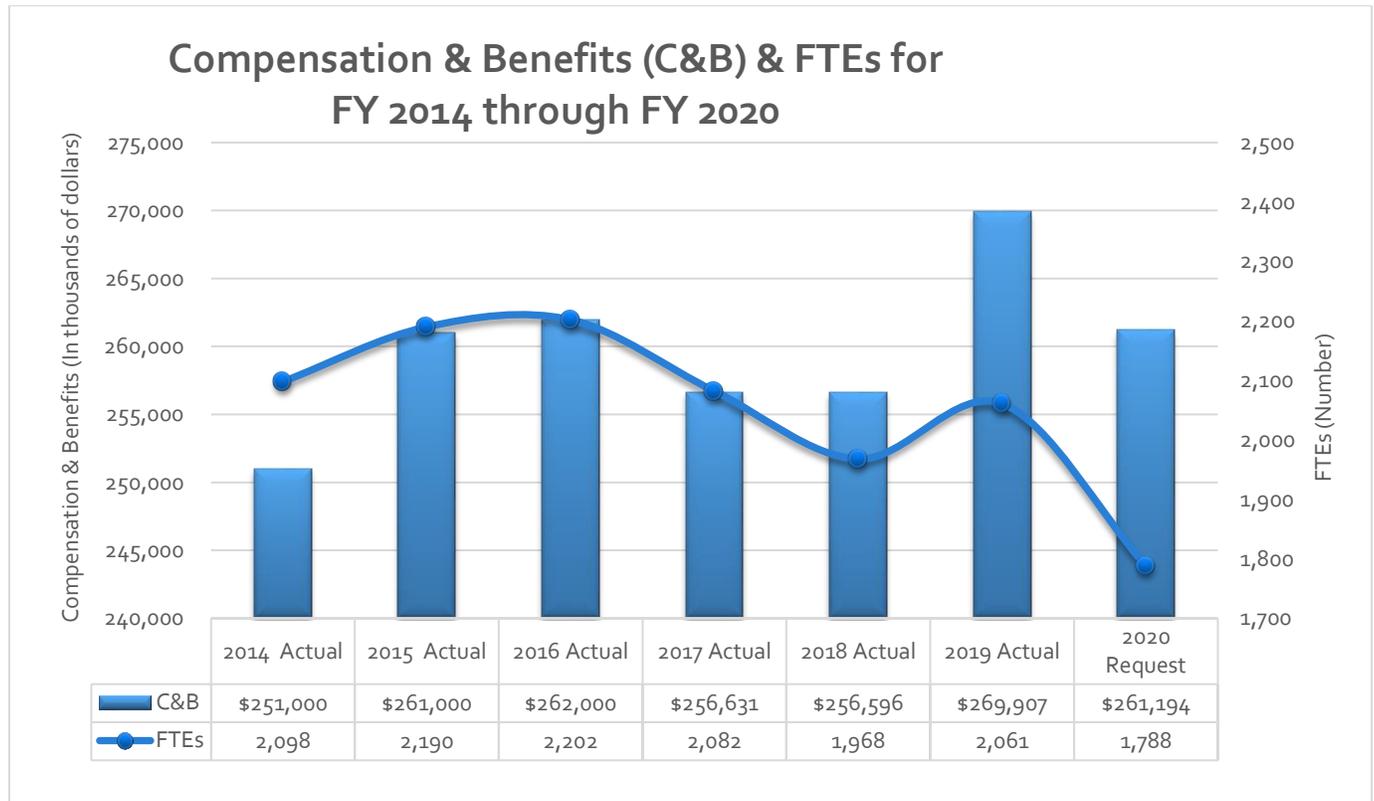
Use of Resources

The pie chart displays EEOC's fiscal year 2019 use of resources by major object class. The chart below shows costs actually incurred by EEOC. It does not include costs incurred by others on behalf of EEOC. The chart shows that Pay & 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, supplies & materials, etc.) consumed 4 percent of EEOC's resources for fiscal year 2019.





The dual axis chart below depicts EEOC's compensation and benefits versus full-time equivalents (FTE) over the past six years. EEOC ended fiscal year 2019 with 2,061 FTEs, a net increase of 93, or 5 percent, above fiscal year 2018.



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.



MANAGEMENT ASSURANCES

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT (FMFIA)

The EEOC's internal controls and financial management systems were sound during fiscal year 2019, which included four financial non-conformances that were fully corrected during the fiscal year. These financial non-conformances were identified in an audit report prepared by the Office of Inspector General (OIG): OIG Report No. 2018-002-AOIG, December 20, 2018. During fiscal year 2019, the agency implemented corrective action plans to resolve all of these uncorrected financial, non-conformances.

The EEOC's management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. The EEOC conducted its assessment of risk and internal controls in accordance with OMB Circular No. 1-123, Management's Responsibility for Enterprise Risk Management and Internal Control. Based on the signed representations of headquarters and district office directors, the agency can provide reasonable assurance that internal controls over operations, reporting, and compliance were operating effectively as of September 30, 2019.

The EEOC's management is also responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations. The EEOC conducted its assessment of the effectiveness of the agency's internal control over financial reporting in accordance with OMB Circular 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, 2019 was operating effectively and no material weaknesses were found in the design or operation of the agency's internal controls over financial reporting.

A handwritten signature in black ink that reads "Janet Dhillon".

Janet Dhillon
Chair
November 19, 2019



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.



Financial Section



Letter from the Inspector General Transmitting Audit



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

Office of Inspector General

November 19, 2019

MEMORANDUM

TO: Janet Dhillon
Chair

FROM: Milton A. Mayo, Jr. 
Inspector General

SUBJECT: Audit of the Equal Employment Opportunity Commission's Fiscal Year
2019 Financial Statements (OIG Report No. 2019-002-AOIG)

The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Harper, Rains, Knight & Company, P.A. (HRK) to audit the financial statements of the U.S. Equal Employment Opportunity Commission (EEOC) for fiscal years ended September 30, 2019 and 2018 to provide an opinion on internal control over financial reporting compliance with laws and other matters, and whether EEOC's financial management systems substantially complied with the requirements of the Federal Financial Management Improvement Act of 1996 (FMFIA). The contract required that HRK conduct the audit in accordance with U.S. generally accepted government auditing standards (GAGAS) contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) audit guidance, and U.S. Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency Financial Audit Manual.

HRK reported that EEOC's fiscal years ended September 30, 2019 and 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 2019 financial statements. HRK did not identify any instances of noncompliance or other matters that were required to be reported under GAGAS or OMB audit guidance.

In connection with the contract, OIG reviewed HRK's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit of the financial statements in accordance with GAGAS, was not intended to enable us to express, and we do not express, opinions on EEOC's financial statements or internal control over financial reporting, or conclusions whether EEOC's financial management systems substantially complied with FMFIA; or on compliance with laws and regulations. HRK is responsible for the attached auditor's report dated November 18, 2019, 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's 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.

Attachment

cc:

Reuben Daniels, Jr.
Mona Papillon
Grace Zhao
Brett Brenner
Bryan Burnett
Carlton Hadden
Chris Haffer
Nicholas Inzeo
Tabitha Jenkins
Pierrette McIntire
Malcolm Medley
Carol Miaskoff
Kevin Richardson



Independent Auditors' Report



Independent Auditors' Report

Inspector General
U.S. 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 balance sheets as of September 30, 2019 and 2018, and the related 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 19-03, *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

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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, 2019 and 2018, 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 Message from the Chair and Other Information section contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. 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 Message from the Chair and Other Information 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, 2019, in accordance with U.S. generally accepted government auditing standards and OMB Bulletin 19-03, *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, 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. However, material weaknesses may exist that have not been identified.

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 from 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 19-03, *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 2019 that would be reportable under U.S. generally accepted government auditing standards or OMB Bulletin 19-03, *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.

Hopper, Ramo, Knight & Company, P.A.
November 18, 2019



Equal Employment Opportunity Commission Consolidated Balance Sheets

CONSOLIDATED BALANCE SHEETS
As of September 30, 2019 and 2018
(in dollars)

	<u>2019</u>	<u>2018</u>
ASSETS:		
<i>Intragovernmental:</i>		
Fund Balance With Treasury (Note 2)	\$ 91,606,794	\$ 88,765,886
Advances and Prepayments	11,686	9,299
Total Intragovernmental	<u>\$ 91,618,480</u>	<u>\$ 88,775,185</u>
<i>Public:</i>		
Accounts Receivable, Net (Note 3)	104,650	91,853
General Property, Plant, and Equipment, Net (Note 4)	-	275,898
Total Assets	<u>\$ 91,723,130</u>	<u>\$ 89,142,936</u>
LIABILITIES:		
<i>Intragovernmental</i>		
Accounts Payable	\$ 684,595	\$ 170,712
Employer Payroll Taxes	2,394,169	2,107,048
Workers' Compensation liability	1,803,552	1,875,830
Total Intragovernmental	<u>\$ 4,882,316</u>	<u>\$ 4,153,590</u>
<i>Public:</i>		
Accounts Payable	23,994,238	21,589,211
Future workers' compensation liability	9,726,562	9,832,536
Accrued Payroll	9,007,786	8,114,007
Employer Payroll Taxes	345,376	299,801
Accrued Annual Leave	19,753,681	17,859,513
Deferred Revenue (Note 9)	-	181,876
Amounts Collected for Restitution	<u>56,597</u>	<u>55,740</u>
TOTAL LIABILITIES	<u>\$ 67,766,556</u>	<u>\$ 62,086,274</u>

The accompanying notes are an integral part of these statements.



CONSOLIDATED BALANCE SHEETS
As of September 30, 2019 and 2018
(in dollars)

	<u>2019</u>	<u>2018</u>
NET POSITION:		
<i>Funds from Dedicated Collections:</i>		
Cumulative Results of Operations (Note 9)	4,648,071	4,043,792
Total Net Position - Funds from Dedicated Collections	4,648,071	4,043,792
<i>All Other Funds:</i>		
Unexpended Appropriations - Other Funds	50,487,648	52,212,997
Cumulative Results of Operations - Other Funds	(31,179,145)	(29,200,127)
Total Net Position All Other Funds	\$ 19,308,503	\$ 23,012,870
TOTAL NET POSITION	<u>\$ 23,956,574</u>	<u>\$ 27,056,662</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 91,723,130</u>	<u>\$ 89,142,936</u>

The accompanying notes are an integral part of these statements.



Equal Employment Opportunity Commission Consolidated Statements of Net Cost

CONSOLIDATED STATEMENTS OF NET COST
For the Years Ended September 30, 2019 and 2018
(in dollars)

	<u>2019</u>	<u>2018</u>
COMBATTING EMPLOYMENT DISCRIMINATION THROUGH STRATEGIC LAW ENFORCEMENT		
Private Sector:		
Enforcement	\$ 184,699,987	\$ 179,438,694
Mediation	25,270,823	24,931,795
Litigation	76,555,729	70,932,713
Intake information	5,574,446	4,564,977
State and Local	33,679,145	33,041,209
Total Program Costs - Private Sector	\$ 325,780,130	\$ 312,909,388
Revenue	-	(207,668)
Net Cost - Private sector	\$ 325,780,130	\$ 312,701,720
Federal Sector:		
Hearings	\$ 36,048,086	\$ 30,901,380
Appeals	19,324,747	18,611,058
Mediation	743,260	1,053,456
Oversight	10,405,633	8,778,801
Total Program Cost - Federal Sector	\$ 66,521,726	\$ 59,344,695
Revenue	-	-
Net Cost - Federal Sector	\$ 66,521,726	\$ 59,344,695
Total Private, Federal Sector		
Program Costs	\$ 392,301,856	\$ 372,254,083
Revenue	-	(207,668)
Net Cost, Private, Federal Sector	\$ 392,301,856	\$ 372,046,415
PREVENTING EMPLOYMENT DISCRIMINATION THROUGH EDUCATION AND OUTREACH		
Outreach		
Fee Based	\$ 5,042,408	\$ 4,118,622
Non-Fee Based	7,804,225	7,725,345
Total Program Cost - Outreach	\$ 12,846,633	\$ 11,843,967
Revenue	(5,646,687)	(4,643,987)
Net Cost Outreach	\$ 7,199,946	\$ 7,199,980
Total, All Programs		
Program Cost	\$ 405,148,489	\$ 384,098,050
Revenue (Note 8)	(5,646,687)	(4,851,655)
Net Cost of Operations	\$ 399,501,802	\$ 379,246,395

The accompanying notes are an integral part of these statements.



Equal Employment Opportunity Commission Consolidated Statement of Changes in Net Position

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION For the Years Ended September 30, 2019 and 2018 (in dollars)

	2019		
	Consolidated Funds from Dedicated Collections	Consolidated All Other Funds	Consolidated Total
Unexpended Appropriations:			
Beginning Balances	\$ -	\$ 52,212,997	\$ 52,212,997
Beginning Balances, as Adjusted	-	52,212,997	52,212,997
Budgetary Financing Sources:			
Appropriations Received	-	379,500,000	379,500,000
Appropriations Used	-	(377,846,974)	(377,846,974)
Other Adjustments	-	(3,378,375)	(3,378,375)
Total Budgetary Financing Resources	-	(1,725,349)	(1,725,349)
Total Unexpended Appropriations	\$ -	\$ 50,487,648	\$ 50,487,648
Cumulative Results of Operations:			
Beginning Balances	\$ 4,043,792	\$ (29,200,127)	\$ (25,156,335)
Beginning Balances, as Adjusted	4,043,792	(29,200,127)	(25,156,335)
Budgetary Financing Sources:			
Appropriations Used	-	377,846,974	\$ 377,846,974
Other Financing Sources (Non Exchange):			
Imputed Financing (Note 10)	-	20,280,089	20,280,089
Total Financing Sources	-	398,127,063	398,127,063
Net Cost of Operations	604,279	(400,106,081)	(399,501,802)
Net Change	604,279	(1,979,018)	(1,374,739)
Cumulative Results of Operations	\$ 4,648,071	\$ (31,179,145)	\$ (26,531,074)
Net Position	\$ 4,648,071	\$ 19,308,503	\$ 23,956,574

The accompanying notes are an integral part of these statements.



CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION
For the Years Ended September 30, 2019 and 2018
(in dollars)

	2018		
	Consolidated Funds from Dedicated Collections	Consolidated All Other Funds	Consolidated Total
Beginning Balances	-	\$ 35,526,190	35,526,190
Beginning Balances, as Adjusted	-	35,526,190	35,526,190
Appropriations Received	-	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 Resources	-	16,686,807	16,686,807
Total Unexpended Appropriations	\$ -	\$ 52,212,997	52,212,997
Beginning Balances	\$ 3,518,427	\$ (28,650,686)	\$ (25,132,259)
Beginning Balances, as Adjusted	3,518,427	(28,650,686)	(25,132,259)
Appropriations Used	-	360,867,859	360,867,859
Imputed Financing (Note 10)	-	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.



Equal Employment Opportunity Commission Combined Statements of Budgetary Resources

COMBINED STATEMENTS OF BUDGETARY RESOURCES For the Years Ended September 30, 2019 and 2018 (in dollars)

	<u>2019</u>	<u>2018</u>
Budgetary resources		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 8,537,680	\$ 7,525,399
Appropriations (discretionary and mandatory)	379,500,000	379,500,000
Spending authority from offsetting collections (discretionary and mandatory)	<u>5,464,811</u>	<u>4,994,410</u>
Total budgetary resources	<u>\$ 393,502,491</u>	<u>\$ 392,019,809</u>
Status of budgetary resources		
New obligations and upward adjustments (total)	\$ 385,563,949	\$ 385,118,788
Unobligated balance, end of year		
Apportioned, unexpired accounts	3,819,522	2,470,329
Unapportioned, unexpired accounts	<u>-</u>	<u>1</u>
Unexpired unobligated balance, end of year (Note 2)	3,819,522	2,470,330
Expired unobligated balance, end of year	<u>4,119,020</u>	<u>4,430,691</u>
Unobligated balance, end of year (total)	<u>7,938,542</u>	<u>6,901,021</u>
Total budgetary resources	<u>\$ 393,502,491</u>	<u>\$ 392,019,809</u>
Budget Authority and Outlays, Net:		
Outlays, net (total)(discretionary and mandatory)	<u>373,281,575</u>	<u>358,717,491</u>
Agency outlays, net (discretionary and mandatory)	<u>\$ 373,281,575</u>	<u>\$ 358,717,491</u>

The accompanying notes are an integral part of these statements.



Notes to the Consolidated Financial Statement

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2019 and September 30, 2018
(In Dollars)

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Equal Employment Opportunity Commission (EEOC or 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. 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.



(1) Summary of Significant Accounting Policies - Continued

(c) Basis of Accounting

The Commission uses the Integrated Oracle Federal Financials (OFF) that incorporates funds control, management accounting, and a financial reporting system designed specifically for federal agencies. OFF is implemented and maintained by Interior Business Center (IBC).

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.



(1) Summary of Significant Accounting Policies - Continued

(f) Fund Balance with Treasury

Fund Balances with 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 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.



(1) Summary of Significant Accounting Policies - Continued

(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 \$19,000 of their gross earnings to the plan, for the calendar year 2019 and \$18,500 in calendar year 2018. 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 2019 and 2018.

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.



(1) Summary of Significant Accounting Policies - Continued

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-appropriated, or their use has been permanently or temporarily restricted. The obligated, but not yet disbursed, balance represents amounts designated for payment of goods and services ordered but not yet received, or goods and services received, but for which payment has not yet been made.

Annual appropriation balances returned to Treasury along with balances classified as miscellaneous receipts are not included in EEOC's fund balance presented on its balance sheet. For the period ended September 30, 2019 and September 30, 2018, funds in the cancelling appropriation of \$3,378,375 and \$1,945,334 will be returned to Treasury. As of September 30, 2019 and September 30, 2018, miscellaneous receipts of \$142,667 and \$73,608 will be returned to Treasury.

The Status of Fund Balance with Treasury as of September 30, 2019 and September 30, 2018 consists of the following:

<u>Status of Funds</u>	<u>FY 2019</u>	<u>FY 2018</u>
Unobligated balance:		
Available	\$ 3,819,522	\$ 2,470,330
Unavailable*	4,757,020	5,068,691
Obligated balance not yet disbursed	82,973,655	81,171,125
Non-budgetary Fund Balance with Treasury	<u>56,597</u>	<u>55,740</u>
Totals	<u>\$ 91,606,794</u>	<u>\$ 88,765,886</u>

*Note: The status of funds unavailable include the Revolving Fund sequestration of \$638,000 for fiscal year 2019 and fiscal year 2018.

(3) Accounts Receivable, Net

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, 2019 and September 30, 2018 are as follows:



(3) Accounts Receivable, Net - Continued

	<u>FY 2019</u>	<u>FY 2018</u>
With the public:		
Accounts receivable	\$ 238,561	\$ 197,282
Allowance for uncollectible receivables	<u>(133,911)</u>	<u>(105,429)</u>
Totals	<u>\$ 104,650</u>	<u>\$ 91,853</u>

(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.

<u>As of September 30, 2019</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 126,703	\$ (126,703)	\$ -
Capital leases	72,340	(72,340)	-
Internal use software	2,036,508	(2,036,508)	-
Leasehold improvements	<u>11,240,209</u>	<u>(11,240,209)</u>	-
Totals	<u>\$ 13,475,760</u>	<u>\$ (13,475,760)</u>	<u>\$ -</u>

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



(4) Property, Plant and Equipment, Net - Continued

Depreciation expense for the periods ended September 30, 2019 and September 30, 2018 is:

<u>FY 2019</u>	<u>FY 2018</u>
<u>\$ 275,898</u>	<u>\$ 1,103,593</u>

(5) Non-Entity Assets

The EEOC has \$0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2019, and \$0 of net receivables to collect on behalf of the U.S. Treasury as of September 30, 2018.

(6) Liabilities Not Covered by Budgetary Resources

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

Liabilities not covered by budgetary resources as of September 30, 2019 and September 30, 2018 are shown in the following table:

	<u>FY 2019</u>	<u>FY 2018</u>
Intragovernmental:		
Workers' compensation liability	<u>\$ 1,803,552</u>	<u>\$ 1,875,830</u>
Total Intragovernmental	1,803,552	1,875,830
Accrued annual leave	19,753,681	17,859,513
Future workers' compensation liability	<u>9,726,562</u>	<u>9,832,536</u>
Total liabilities not covered by budgetary resources	31,283,795	29,567,879
Total liabilities covered by budgetary resources	36,426,164	32,462,655
Total liabilities not requiring budgetary resources	<u>56,597</u>	<u>55,740</u>
Total liabilities	<u>\$ 67,766,556</u>	<u>\$ 62,086,274</u>



(6) Liabilities Not Covered by Budgetary Resources - Continued

Liabilities Analysis

Current and non-current liabilities as of September 30, 2019 are shown in the following table:

	<u>Current</u>	<u>Non-Current</u>	<u>Totals</u>
<i>Intragovernmental:</i>			
Accounts payable	\$ 684,595	\$ -	\$ 684,595
Employer payroll taxes	<u>2,394,169</u>	<u>-</u>	<u>2,394,169</u>
<i>Total Intragovernmental</i>	3,078,764	-	3,078,764
Accounts payable	23,994,238	-	23,994,238
Accrued payroll	9,007,786	-	9,007,786
Employer payroll taxes	<u>345,376</u>	<u>-</u>	<u>345,376</u>
Liabilities covered by budgetary resources	<u>\$ 36,426,164</u>	<u>-</u>	<u>\$ 36,426,164</u>
<i>Intragovernmental:</i>			
Workers' compensation liability	<u>1,803,552</u>	<u>-</u>	<u>1,803,552</u>
<i>Total Intragovernmental</i>	1,803,552	-	1,803,552
Accrued annual leave	19,753,681	-	19,753,681
Future workers' compensation liability	<u>-</u>	<u>9,726,562</u>	<u>9,726,562</u>
Liabilities not covered by budgetary resources	21,557,233	9,726,562	31,283,795
Amounts collected for restitution	<u>56,597</u>	<u>-</u>	<u>56,597</u>
Liabilities not requiring budgetary resources	<u>56,597</u>	<u>-</u>	<u>56,597</u>
Total liabilities	<u>\$ 58,039,994</u>	<u>\$ 9,726,562</u>	<u>\$ 67,766,556</u>



(6) Liabilities Not Covered by Budgetary Resources - Continued

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

	<u>Current</u>	<u>Non-Current</u>	<u>Totals</u>
<i>Intragovernmental:</i>			
Accounts payable	\$ 170,712	\$ -	\$ 170,712
Employer payroll taxes	<u>2,107,048</u>	<u>-</u>	<u>2,107,048</u>
<i>Total Intragovernmental</i>	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	<u>181,876</u>	<u>-</u>	<u>181,876</u>
Liabilities covered by budgetary resources	<u>\$ 32,462,655</u>	<u>\$ -</u>	<u>\$ 32,462,655</u>
<i>Intragovernmental:</i>			
Workers' compensation liability	<u>1,875,830</u>	<u>-</u>	<u>1,875,830</u>
<i>Total Intragovernmental</i>	1,875,830	-	1,875,830
Accrued annual leave	17,859,513	-	17,859,513
Future workers' compensation liability	<u>-</u>	<u>9,832,536</u>	<u>9,832,536</u>
Liabilities not covered by budgetary resources	19,735,343	9,832,536	29,567,879
Amounts collected for restitution	<u>55,740</u>	<u>-</u>	<u>55,740</u>
Liabilities not requiring budgetary resources	<u>55,740</u>	<u>-</u>	<u>55,740</u>
Total liabilities	<u>\$ 52,253,738</u>	<u>\$ 9,832,536</u>	<u>\$ 62,086,274</u>

(7) Leases

Operating Leases

The EEOC has several cancelable operating leases with the General Services Administration (GSA) for office space which do not have a stated expiration. The GSA charges rent that is intended to approximate commercial rental rates. Rental expenses for operating leases as of September 30, 2019 and 2018 are \$25,476,577 and \$29,817,562, respectively. The EEOC does not have any noncancellable operating leases with terms longer than one year.



(8) Earned Revenue

The EEOC charges fees to offset costs for education, training and technical assistance. These services are provided to other federal agencies, the public, and State and local agencies, as requested. In the chart below, the fees from services does not include intra-agency transactions. The Commission also has a small amount of reimbursable revenue from contracts with other federal agencies to provide on-site personnel. Revenue earned by the Commission as of September 30, 2019 and September 30, 2018 is as follows:

	<u>FY 2019</u>	<u>FY 2018</u>
Reimbursable revenue	\$ -	\$ 207,668
Fees from services	<u>5,646,687</u>	<u>4,643,987</u>
Total Revenue	<u>\$ 5,646,687</u>	<u>\$ 4,851,655</u>

(9) 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.

	<u>FY 2019</u>	<u>FY 2018</u>
Balance Sheets		
ASSETS		
Fund balance with Treasury	\$ 5,176,231	\$ 4,412,303
Advances and prepaid expenses	<u>2,279</u>	<u>2,279</u>
TOTAL ASSETS	<u>\$ 5,178,510</u>	<u>\$ 4,414,582</u>
LIABILITIES		
Accounts payable	530,439	188,914
Deferred revenue	<u>-</u>	<u>181,876</u>
TOTAL LIABILITIES	<u>\$ 530,439</u>	<u>\$ 370,790</u>



(9) Funds from Dedicated Collections (Permanent Indefinite Appropriations) - Continued

NET POSITION

Cumulative results of operations	<u>4,648,071</u>	<u>4,043,792</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 5,178,510</u>	<u>\$ 4,414,582</u>

Statements of Net Cost

Program Costs	5,042,408	4,118,622
Revenue	<u>(5,646,687)</u>	<u>(4,643,987)</u>
Net Cost (Revenue)	<u>\$ (604,279)</u>	<u>\$ (525,365)</u>

(10) 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, 2019 and September 30, 2018 consisted of:

	<u>FY 2019</u>	<u>FY 2018</u>
Judgment Fund	\$ 35,628	\$ 69,882
NPPD program from DHS	-	4,803
Office of Personnel Management:		
Pension expenses	7,584,338	6,307,332
Federal employees health benefits (FEHB)	12,624,516	11,938,595
Federal employees group life insurance (FEGLI)	<u>35,607</u>	<u>33,848</u>
Total Imputed Financing	<u>\$ 20,280,089</u>	<u>\$ 18,354,460</u>



(11) Undelivered Orders at the End of the Period

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

	<u>FY 2019</u>	<u>FY 2018</u>
Unpaid:		
Federal	\$ 15,457,149	\$ 17,915,189
Non-Federal	31,090,341	30,975,158
Paid:		
Federal	1,228,767	-
Non-Federal	<u>(1,217,081)</u>	<u>9,298</u>
Totals	<u>\$ 46,559,176</u>	<u>\$ 48,899,645</u>

(12) 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, 2018 is shown in the following tables. A reconciliation is not presented for the period ended September 30, 2019, since the President’s Budget for this period has not been issued by Congress.

The differences between the President’s 2018 budget and the Combined Statement of Budgetary Resources for 2018 are shown below:

<u>Dollars in millions</u>	<u>Budgetary Resources</u>	<u>Obligations</u>	<u>Outlays</u>
As reported on the Combined Statement of Budgetary Resources for FY 2018	\$ 392	\$ 385	\$ 359
(a) Revolving fund collections not reported in the budget	(5)	-	5
(b) Obligations in the revolving fund (no-year fund) not included in the President’s budget	-	(5)	(5)
(c) Carry-forwards and recoveries in the revolving fund (no-year fund) not included in the President’s Budget	(2)	-	-



(12) Explanation of Differences between the Statement of Budgetary Resources and the Budget of the United States Government - Continued

(d) Carry-forwards and recoveries in expired funds	(7)	-	-
(e) Obligations in expired funds	-	(1)	-
(f) Canceled appropriations	2	-	-
(g) Rounding differences	-	1	-
As reported in the President's Budget for FY 2018	\$ 380	\$ 380	\$ 359

- 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.



(13) Reconciliation of Net Cost to Net Outlays

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

Budget and Accrual Reconciliation

	Intragovernmental	With the public	Total FY 2019
Net Operating Cost (SNC)	\$106,298,510	\$293,203,292	\$399,501,802
Total Components of Net Cost That Are Not Part of Net Outlays:			
Property, plant, and equipment depreciation	-	(275,898)	(275,898)
Increase/(decrease) in assets:			
Accounts receivable	-	12,797	12,797
Other assets	-	2,388	2,388
Increase/(decrease) in liabilities:			
Accounts payable	(513,883)	(2,405,027)	(2,918,910)
Salaries and benefits	(287,121)	(939,354)	(1,226,475)
Insurance and guarantee program liabilities	-	-	-
Environmental and disposal liabilities	-	-	-
Other liabilities (Unfunded leave, Unfunded FECA, Actuarial FECA)	72,278	(1,606,318)	(1,534,040)
Other financing sources:			
Federal employee retirement benefit costs paid by OPM and imputed to the agency	(20,280,089)	-	(20,280,089)
NET OUTLAYS	\$85,289,695	\$287,991,880	\$373,281,575



Other Information



Inspector General's Statement



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 2019 Annual Financial Report (AFR).

MANAGEMENT CHALLENGES

EEOC faces evolving obstacles as it continues with its mission to “prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace.” This year, OIG presents three challenges — (1) Mission-Critical Data System Modernization, (2) Data Analytics Capabilities, and (3) Strategic Performance Management. Of these, Mission-Critical Data Modernization is the only challenge not included in our 2018 Management Challenges. Under the leadership of Chair Janet Dhillon, EEOC has the opportunity to address these three challenges in fiscal year (FY) 2020.

In FY 2019, as in FY 2018, EEOC took steps to improve the management of its human capital processes and development of its data analytics program. Because data analytics is early in its development and faced unforeseen obstacles in 2018, it remains a challenge. EEOC's data modernization is at a critical stage and should result in more useful information, which we believe could assist Agency leadership and management in developing and meeting strategic performance goals.

Mission-Critical Data System Modernization

The Integrated Mission System (IMS) is used by Agency staff to carry out EEOC's mission and is the system of record for: private and public sector charges filed with the EEOC and 92 state and local Fair Employment Practices Agencies (FEPAs); federal sector complaints, hearings and appeals; and litigation. EEOC has used IMS as its primary mission-critical information system for the past 17 years. The system's age and antiquated technology infrastructure constrain Agency efforts regarding strategic performance and operational management. This dated technology also constrains the development and expansion of other EEOC projects, such as the Public Portal.



EEOC's Office of Information Technology (OIT) is modernizing IMS with IMS NXG. The goals of IMS NXG are to improve content management and workflow-based activity processing, as well as improve reporting and analytical capabilities. To expedite IMS NXG development, EEOC requested \$4,000,000 from the General Services Administration (GSA)-managed Technology Modernization Fund (TMF). TMF was authorized through the Modernizing Government Technology Act of 2017 and is intended to aid Agencies in funding technology modernization projects. With the TMF funds, OIT estimates IMS NXG could be completed during FY 2021. However, without the funds, OIT estimates the project completion could be extended until the end of FY 2024. As of October 16, 2019, the TMF funds had not been awarded to EEOC. According to EEOC, timely completion of IMS NXG will position the Agency to use its mission-critical information to improve strategic decision making.

Data Analytics Capabilities

Data analytics is a process of inspecting, cleaning, transforming, and modeling data to discover useful information to support the decision-making process. The Office of Enterprise Data and Analytics (OEDA) is responsible for managing data analytics. The data analytics program is in the early stages of development at EEOC. The degree of success EEOC achieves in developing a robust data analytics program depends on a strong Agency-wide data analytics culture.

Building a strong data analytics culture is a long process, requiring both buy-in from many Agency senior managers and other personnel. During FY 2019, EEOC continued to build its analytic capabilities by completing several of the recommendations from the OIG's Evaluation of the EEOC's Data Analytics Activities, creating the Enterprise Analytics Team, and holding regular meetings of the Data Governance Board.¹ The team is led by newly hired data scientists skilled in state-of-the-art modeling approaches and model management techniques. Continuing to build upon these steps in FY 2020 is essential for growing the Agency's data analytics culture and capabilities.

The continued progress of the data analytics program is challenged due to EEOC's recent requirement to gather additional data from employers. On April 25, 2019, a federal judge ordered EEOC to collect detailed data on employee compensation and hours worked from covered employers by September 30, 2019. This placed strains on the development of data analytics because OEDA resources, funding, and personnel intended to grow the data analytics program were diverted to comply with the new requirement. Agency leadership should focus efforts to continue building data analytics capabilities in FY 2020 while continuing to meet the demands of the additional data requirement.

¹ <https://oig.eeoc.gov//reports/audit/2017-002-eoig>



Strategic Performance Management

In FY 2019, as well as in FY 2018, the Agency met some of its performance targets (three were met, and nine partially met, based on EEOC’s midyear data as of October 16, 2019). As noted last year, the 2018-2022 Strategic Plan contains three performance measures that assess “activity or milestones” rather than outcomes directly related to accomplishing EEOC’s mission. For example, Performance Measure 3 for Outcome Goal I.A states “each year through 2022, EEOC reports on its efforts to identify and resolve systemic discrimination.”² This measure concerns EEOC reporting on its activities rather than accomplishments towards fulfilling EEOC’s mission.

EEOC’s 2018-2022 Strategic Plan continues to lack a performance measure of the rate of employment discrimination. As we pointed out last year, the Office of Management and Budget (OMB) agreed, recommending that EEOC develop a baseline to measure and study EEOC’s impact in reducing employment discrimination. Given the mission of the EEOC includes preventing and remedying employment discrimination, EEOC should address this shortcoming in its strategic planning. While we recognize this is not easy, its importance justifies an increased focus by EEOC in FY 2020.

Respectfully, submitted:

A handwritten signature in black ink, appearing to read "Milton A. Mayo Jr.", written over a horizontal line.

Milton A. Mayo Jr.
Inspector General

² https://www.eeoc.gov/eeoc/plan/strategic_plan_18-22.cfm



Management Response to the Inspector General's Statement



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

Office of the Chair

November 8, 2019

MEMORANDUM

TO: Milt Mayo
Inspector General

FROM: Janet Dhillon
Chair

SUBJECT: OIG's Management Challenges Report

Thank you for the opportunity to respond to your letter in accordance with the Reports Consolidation Act of 2000. We appreciate the feedback and look forward to continued positive interactions between our offices and any insight or advice you and staff are willing to provide in support of the agency's mission.

Mission-Critical Data System Modernization

The EEOC has been moving its paper-based processes to online transactions and digital systems. While we have achieved some notable successes, the legacy technology and action code structure of the agency's 17-year-old Integrated Mission System (IMS) have slowed our efforts to transition to fully digital charge/case processing. We also suffered from a lack of resources to address the myriad needs and opportunities for process and technology improvements our staff and customers deserve.

The EEOC's strategic plan requires that we "complete a shared vision and develop high-level plans with resource requirements for modernizing [our] charge/case management systems." The effort to meet this goal led us to engage with the [Technology Modernization Fund \(TMF\)](#), an innovative funding vehicle that uses a competitive vetting process to make limited funds available to federal agencies for technology improvements consistent with the President's Management Agenda.

After submitting a proposal and making it through several phases of review, we were recently awarded four million dollars in no-year funding. For the first time in recent memory, the agency will have the resources to systematically undertake a complete overhaul of our internal digital systems. Removing the considerable barriers of old technology, transforming the EEOC to support fully digital services, and providing staff and partners with a modern system will better enable the agency to carry out its critical mission.



Data Analytics Capabilities

We agree that building a strong data analytics culture is a long process and plan to continue to build upon the agency's analytic capabilities through the Office of Enterprise Data and Analytics (OEDA). Unfortunately, as you noted, the court ruling requiring the EEOC to gather component 2 EEO-1 data for fiscal years 2017 and 2018 have placed unexpected financial strains on the agency that not only affect OEDA's resources, funding, and personnel, but that of the agency as a whole. The court has recently ordered the EEOC to continue to collect data through January 20, 2020. Thus, the negative impact on OEDA and the agency will continue in the second quarter of fiscal year 2020. The Commission will continue to comply with the court's order, which will unfortunately continue to slow these efforts.

Strategic Performance Management

The issue of a performance measure reflecting the rate of employment discrimination is longstanding, and as you noted, challenging. However, it is important to note that the OMB comment and recommendation included in the management challenges refers to a prior version of EEOC's strategic plan and was included as part of the Commission's research and data plan for fiscal years 2016-2019. That plan was drafted in FY 2015 by the Office of Research Information and Planning, precursor to the agency's current Office of Enterprise Data and Analytics (OEDA). Specifically, the recommendation was included in the long-term research projects section as something the Commission should consider as resources allow. As you are aware, resources in the years since the recommendation was made have been focused on other priorities, many of which you have identified as management challenges, including the development of more robust data analytics capabilities.

This is not to say that the Commission or OEDA are not interested in studying the ability of the agency to measure our impact on employment discrimination. However, it is not currently a measure in the most recent OMB approved strategic plan nor is it an outstanding deliverable. As OEDA further develops its analytics capabilities, we welcome any feedback your office could provide as we attempt to quantify this difficult measure.

Thank you again for your insight and providing me the opportunity to respond to you report.



Summary of Financial Statement Audit and Management Assurances

(1) Summary of Financial Statement Audit and Management Assurances

Summary of Financial Statement Audit

Audit Opinion	Unmodified				
Restatement	No				
Material Weakness	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Lack of sufficient control over financial management	0	0	0	0	0

Summary of Management Assurances

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

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



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

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



Payment Integrity

(2) Payment Integrity

Payment Integrity means ensuring payments made to people on behalf of the government are managed correctly to minimize the likelihood of errors. The Improper Payments Information Act (IPIA) of 2002, as amended by the Improper Payments Elimination and Recovery Act (IPERA) of 2010 the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), requires agencies to review all programs and activities and identify those which may be susceptible to significant erroneous payments. For all programs and activities in 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 IPAI risk assessment.

In fiscal year 2019, 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 fiscal year 2019. 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 fiscal year 2019 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 fiscal year 2019, 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 fiscal year 2019 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 fiscal year 2019. 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, 2019				
Source	Amount Identified FY 2019	Amount Recovered FY 2019	Amount Identified FY 2018	Amount Recovered FY 2018
Travel Payments	\$0	\$0	\$0	\$0

Fraud Reduction Report

(3) Fraud Reduction Report

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

In fiscal year 2019, EEOC increased its focus on risk management by reviewing the administrative and financial controls needed to insure the integrity of its programs, operations, business and financial systems. The agency conducted an assessment to identify risks and fraud vulnerabilities, and developed controls to mitigate those risks. The assessment included identifying risks; determining the likelihood and impact of the risks; developing risk mitigation strategies; and communicating the risk information to related offices. This systematic process enabled the agency to focus on key points of failure to reduce or eliminate the potential for disruptive events.

This approach promotes a shared understanding among agency leadership and staff of the information and analysis used in the decision-making process and, ultimately facilitates a better risk management structure and informed decision making.

In fiscal year 2019, the EEOC continued its proactive approach to addressing fraud risk. Financial and administrative controls were implemented to facilitate fraud reduction. The EEOC's strategies for developing an Enterprise Risk Management (ERM) capability provide a structured, disciplined, and consistent approach to risk management. ERM provides the EEOC with a means to align strategy, processes, people, technology, and knowledge for the purpose of evaluating and managing uncertainties in executing our mission. A consistent approach to risk management across the organization is essential for EEOC leaders to identify and prioritize strategic risks and to prioritize competing requirements in a very restricted funding environment. ERM enables the EEOC to more effectively manage enterprise level risks, and it enables agency leaders to consider the trade-offs between risks, associated costs, and value creation across the organization.

The EEOC's financial and administrative controls are listed below. Program reviews are conducted annually.



Functional Area	Supervisory Review	Risk Assessment
Travel	Day to Day controls established and maintained by management to ensure travel system integrity and compliance with Federal Travel Regulations.	Assesses whether day to day controls are non-compliant with the Federal Regulations.
Contracts and Simplified Acquisition (Purchase Card Program)	Purchase orders and competitive contracts authorized by Headquarters Contracting Officer. Contracting Officer approves procurement authorization for purchase card holders.	Assesses whether authorized employees are assigned as approving officials.
Disbursements, Receivable, General Ledger, Payables and Debt Collections, Payroll Processing	Financial reports are consistently reviewed and analyzed.	Assesses whether amounts recorded in the general ledger are accurate and valid.
Records, Space, Property, Vehicle, Printing and Mail Management	Requests are required to be reviewed and authorized.	Ensures that requests are properly authorized.



Civil Monetary Penalty Adjustments for Inflation

(4) Civil Monetary Penalty Adjustment for Inflation

Final rule adjusting the penalty for violation of notice-posting requirements. On March 21, 2019, 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	2019	\$559	N/A	84 Federal Register 10410 (March 21, 2019)



Appendices



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 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. The responsibility for conducting hearings of federal sector complaints also is performed in field offices under the oversight of the Office of Field Programs. 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, Local, and Tribal 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: Biographies of the Chair, Commissioners and General Counsel



Janet Dhillon, Chair

Janet Dhillon was sworn in as Chair of the U.S. Equal Employment Opportunity Commission on May 15, 2019. She is the 16th Chair of the EEOC. Dhillon was first nominated by President Donald J. Trump on June 29, 2017 and confirmed on May 8, 2019. Her term will end on July 1, 2022.

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



Victoria A. Lipnic, Commissioner/Former Acting Chair

Victoria A. Lipnic serves as a Commissioner of the U.S. Equal Employment Opportunity Commission. She was first named to the Commission by President Obama in 2010, when she was confirmed by the U.S. Senate for a five-year term. In 2015 she was re-nominated and confirmed by the U.S. Senate for a second five-year term. On January 25, 2017, she was named Acting Chair of the Commission by President Donald J. Trump, a position she held for nearly two and a half years until the confirmation and swearing in of Chair Dhillon.

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



Charlotte A. Burrows, Commissioner

Charlotte A. Burrows was initially nominated to serve as a Commissioner of the U.S. Equal Employment Opportunity Commission (EEOC) in 2014 and then re-nominated in 2019. By unanimous vote, the U.S. Senate confirmed her to a second term ending in 2023.

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

Sharon Fast Gustafson, General Counsel

Sharon Fast Gustafson was nominated to serve as the General Counsel of the U.S. Equal Employment Opportunity Commission (EEOC) on March 20, 2018. She was confirmed by the U.S. Senate on August 1, 2019 for a term ending in 2023.

For more information about General Counsel Gustafson, please see www.eeoc.gov/eeoc/gustafson.cfm.

Chai R. Feldblum, Former 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 ended on July 1, 2018. She continued to serve in a holdover capacity until January 3, 2019.



Appendix C: EEOC 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 D: Internet Links

EEOC: <https://www.eeoc.gov/>

ADEA 50th Anniversary: <https://www.eeoc.gov/eeoc/history/adea50th/index.cfm>

EEOC FY 2019 Performance Budget: <https://www.eeoc.gov/eeoc/plan/2019budget.cfm>

EEOC Statistics: <https://www.eeoc.gov/eeoc/statistics/index.cfm>

EEOC Strategic Plan: https://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: <https://www.eeoc.gov/eeoc/plan/archives/budgets/index.cfm>

Past EEOC Performance and Accountability Reports:
<https://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

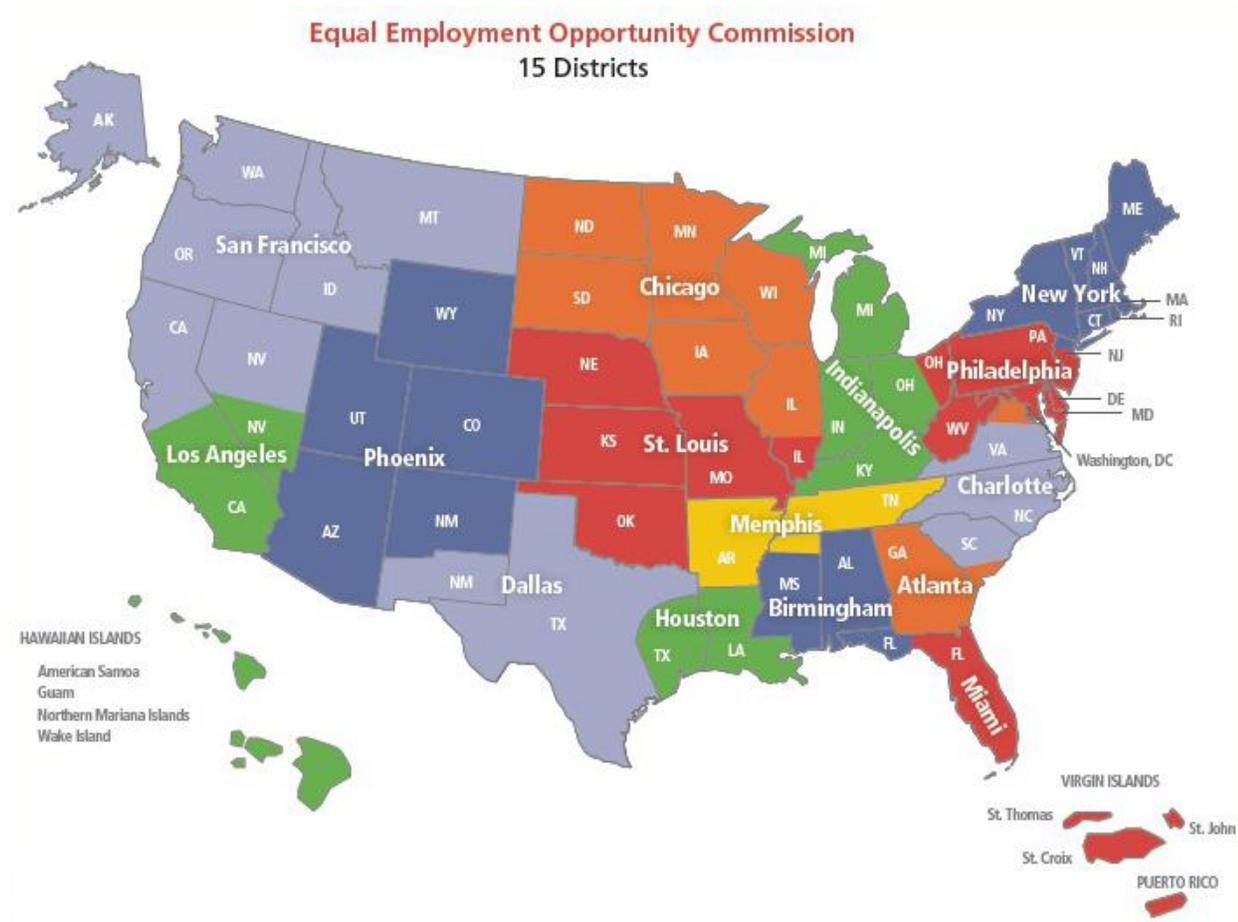
Small Business Resource Center: <https://www.eeoc.gov/employers/smallbusiness/index.cfm>

Strategic Enforcement Plan for FY 2017-2021: <https://www.eeoc.gov/eeoc/plan/sep-2017.cfm>

Youth@Work: <https://www.eeoc.gov/youth/>



Appendix E: EEOC Field Offices



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



Acknowledgments



The EEOC's fiscal year 2019 Agency Financial Report is a collaborative endeavor on the part of many EEOC employees and contractors. The Commission would like to acknowledge and thank them for their hard work and commitment in successfully preparing this report and in supporting the audit of the financial statement

We Welcome Your Comments

Thank you for your interest in the EEOC's fiscal year 2019 Agency Financial Report. We welcome your comments on how we can make this report more informative for our readers. Please send your comments to:

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