



DIRECTIVE (DIR) 2018-04

Directives (DIRs) provide guidance to OFCCP staff or federal contractors on enforcement and compliance policy or procedures. Directives do not change the laws and regulations governing OFCCP's programs and do not establish any legally enforceable rights or obligations.

Effective Date: August 10, 2018

1. **SUBJECT:** Focused reviews of contractor compliance with Executive Order 11246 (E.O.), as amended; Section 503 of the Rehabilitation Act of 1973 (Section 503), as amended; and Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), as amended.
2. **PURPOSE:** To direct that a portion of future scheduling lists include focused reviews as to each of the three authorities that the Office of Federal Contract Compliance Programs enforces – the E.O., Section 503, and VEVRAA – as described in 41 C.F.R. § 60-1.20, 41 C.F.R. § 60-300.60; 41 C.F.R. § 60-741.60; and the Federal Contractor Compliance Manual (FCCM) at 1A00.
3. **REFERENCES:**
 - A. Executive Order 11246 (Sept. 24, 1965), as amended;
 - B. Section 503 of the Rehabilitation Act of 1973, as amended;
 - C. Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended;
 - D. 41 C.F.R. § 60-1.20; 41 C.F.R. § 60-300.60; 41 C.F.R. § 741-60; and
 - E. FCCM 1A00.
4. **AFFECTED POLICY:** None.
5. **BACKGROUND:** The Office of Federal Contract Compliance Programs (OFCCP) enforces the E.O., Section 503, and VEVRAA. Collectively, these laws prohibit, federal contractors and subcontractors from discriminating on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, disability or status as a protected veteran. They also require federal contractors and subcontractors to take affirmative steps to ensure equal employment opportunity in their employment processes. Contractors and subcontractors also are prohibited from discriminating against applicants or employees because they inquire about, discuss, or disclose their compensation or that of others, subject to certain limitations. In addition, these laws require that federal contracting agencies include in all covered contracts, and that contractors include in their subcontracts, an equal-opportunity clause. For definitions of the terms "government contract," "subcontract," "prime contractor," and "subcontractor" see 41 C.F.R. § 60-1.3 (E.O. 11246); 41 C.F.R. § 60-300.2 (VEVRAA); and 41 C.F.R. § 60-741.2 (Section 503). The authority to administer these laws, and to promulgate these regulations, rests solely with the Secretary of Labor.

OFCCP is in the process of implementing a comprehensive initiative that seeks to ensure compliance with equal employment opportunity and anti-discrimination regulations. As part of this initiative, OFCCP intends for a portion of its future scheduling lists to include focused reviews as to each of the three authorities that OFCCP enforces: the E.O., Section 503, and VEVRAA.

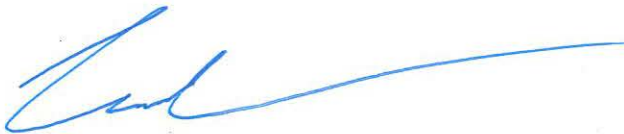
In the focused reviews anticipated by this Directive, OFCCP would go onsite and conduct a comprehensive review of the particular authority at issue. For example, in a Section 503 focused review, the compliance officer would review policies and practices of the contractor related solely to Section 503 compliance. The review would include interviews with managers responsible for equal employment opportunity and Section 503 compliance (such as the ADA coordinator) as well as employees affected by those policies. OFCCP would also seek to evaluate hiring and compensation data, as well as the handling of accommodation requests, to ensure that individuals with disabilities are not being discriminated against in employment. A similar approach would be used in a VEVRAA focused review to ensure compliance with equal employment opportunity and anti-discrimination obligations as to protected veterans. Finally, an E.O. focused review would ensure compliance with equal employment opportunity and anti-discrimination obligations as to all of the protections in the E.O.

6. **POLICY:** OFCCP staff is directed to work towards ensuring that a portion of future scheduling lists, starting in Fiscal Year 2019, include focused reviews as to each of the three authorities that OFCCP enforces: the E.O., Section 503, and VEVRAA. As such, these focused reviews will be selected from the same neutral selection system used to identify and create OFCCP's supply and service scheduling list.

OFCCP staff is further directed to develop a standard protocol for conducting the focused reviews anticipated by this Directive and to make this information available publicly in its FAQs prior to the next scheduling list being issued.

Finally, OFCCP staff is directed to develop staff training and contractor education and compliance assistance to provide guidance as to the focused reviews anticipated by this Directive.

7. **ATTACHMENTS:** None.



Craig E. Leen
Acting Director
Office of Federal Contract Compliance Programs