

## **Conciliation Agreement**

**Between**

**U.S. Department of Labor  
Office of Federal Contract Compliance Programs**

**and**

**HITCO Carbon Composites, Inc.  
1600 West 135<sup>th</sup> Street  
Gardena, California 90249**

### **PART I: General Provisions**

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter "OFCCP") and HITCO Carbon Composites, Inc. (hereinafter "HITCO") located at 1600 West 135<sup>th</sup> Street, Gardena, California 90249.
2. The violations identified in this Agreement were found during a compliance evaluation of HITCO which began on February 1, 2011, and were specified in a Notice of Violation issued on November 7, 2011. OFCCP alleges that HITCO has violated Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and implementing regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by HITCO of any violation of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and implementing regulations.
4. The provisions of this Agreement will be part of HITCO's Affirmative Action Program (hereinafter "AAP"). Subject to the performance by HITCO of all promises and representations contained herein, and its AAP, all identified violations in regard to the compliance of HITCO with all OFCCP programs will be deemed resolved. However, HITCO is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
5. HITCO agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to HITCO's compliance. HITCO shall permit access to its premises during normal business hours for these purposes.

6. Nothing herein is intended to relieve HITCO from the obligation to comply with the requirements of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. HITCO agrees that there will be no retaliation of any kind against any beneficiary of this Agreement, or against any person who has provided information or assistance to OFCCP, or who files a complaint, or who participates in any manner in any proceedings under Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).
8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the District Director, unless the Director or Regional Director for OFCCP indicates otherwise within 45 days of the District Director's signature on this Agreement.
9. If at any time in the future, OFCCP believes that HITCO has violated any portion of this Agreement during the term of this Agreement, HITCO will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide HITCO with 15 days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes HITCO has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

Liability for violation of this Agreement may subject HITCO to sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-300.66, and 41 CFR 60-741.66 and other appropriate relief.

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**PART II: Specific Provisions**

1. **VIOLATION:** HITCO failed to ensure that its employees are compensated without regard to their race or gender as required by 41 CFR 60-1.4(a) and 41 CFR 60-20.3. A review of compensation practices for the (b) (7)(C) position as of February 1, 2011 revealed that a female non-minority employee received a lower wage rate than her similarly-situated male minority counterpart.

Specifically, a review of the available records, job descriptions and pay information provided by HITCO and the results of interviews with managers and employees conducted during the compliance evaluation support the finding that a female non-minority employee received a lower wage rate than her similarly-situated male minority counterpart. Unlike the male minority counterpart, the female non-minority employee was not given the opportunity to negotiate her starting wage.

**REMEDY:** HITCO agrees to revise its compensation practices and take steps to ensure that its compensation system provides an equal opportunity to all of its employees, regardless of race or gender. This applies to all aspects of compensation, including, but not limited to, initial salary at time of hire and progression into higher paying categories. In order to resolve this violation, HITCO agrees to the following:

- a. Provide back pay in the amount of \$5,387.20 and interest in the amount of \$798.01 to (b) (7)(C) for the period February 1, 2008 to January 31, 2009. Interest will accrue until this violation is resolved through a signed conciliation agreement.
  - b. Conduct an analysis of its compensation practices as they impact all employees.
  - c. Develop and implement compensation policies and procedures that will not differentiate compensation on the basis of race and gender of employees.
  - d. Provide training to those managers who participate in the application of any component of the compensation system at HITCO. The purpose is to familiarize those managers with principles underlying the uniform application of criteria, which are used to establish compensation.
2. **VIOLATION:** HITCO failed to undertake appropriate outreach, recruitment and dissemination of its affirmative action policy for covered veterans and individuals with disabilities as required by 41 CFR 60-300.44(f) and 60-741.44(f).

**REMEDY:** HITCO agrees to undertake appropriate outreach, recruitment and dissemination of its affirmative action policy for covered veterans and individuals with disabilities.

HITCO agrees these violations will not be repeated.

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**PART III: Reporting**

HITCO agrees to retain records pertinent to the violations resolved by this Conciliation Agreement. HITCO agrees to submit one progress report, as specified below, to the U.S. Department of Labor, Office of Federal Contract Compliance Programs, Los Angeles District Office, 1640 S. Sepulveda Blvd., Suite 440 Los Angeles, California 90025.

**REPORTING PERIOD**

Effective Date of Agreement – April 30, 2012

**DUE DATE**

May 31, 2012

**The progress report will include the following:**

1. Evidence of back pay given to (b) (7) (c) in the amount of \$6,185.21 plus any additional accrued interest.
2. Evidence of training provided to managers who participate in the application of any component of the compensation process, including the date and the location of the training, names and positions of the trainers, names and positions of the managers who attended and copies of the sign-in sheet and training materials.
3. Evidence of good faith efforts to recruit individuals with disabilities and veterans for employment opportunities and promotions including:
  - a. Copies of correspondence showing HITCO has established linkages with recruitment sources and notified these sources of all job openings within sufficient time prior to the closing date of the vacancy;
  - b. Copies of correspondence showing HITCO has outlined its application and employment process to these sources;
  - c. Evidence of any and all referrals HITCO has received, including a copy of each resume and/or application from all applicants for each vacancy; and
  - d. All interview notes, job offers, salary offers, rejections and the reasons for rejecting any persons referred from the recruitment sources.

**Termination Date:**

This Agreement shall remain in effect until May 31, 2012 or until OFCCP's written acceptance of the progress report, whichever date is later.

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**PART IV: Signatures**

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and HITCO located at 1600 West 135<sup>th</sup> Street, Gardena, California 90249.

DATE: Jan. 3, 2012

DATE: 1/17/12

(b) (7) (c)

ANTHONY LAWSON  
President  
HITCO Carbon Composites, Inc.  
1600 West 135<sup>th</sup> Street  
Gardena, California 90249

(b) (7) (e)

Compliance Officer  
Office of Federal Contract Compliance Programs  
Los Angeles District Office

DATE: 1/17/2012

(b) (7) (c)

ROBERT DOLES  
Assistant District Director  
Office of Federal Contract Compliance Programs  
Los Angeles District Office

DATE: 1/23/12

(b) (7) (c)

JANE SEHR  
District Director  
Office of Federal Contract Compliance Programs  
Los Angeles District Office