

**Conciliation Agreement**  
**Between the U.S. Department of Labor**  
**Office of Federal Contract Compliance Programs**  
**And**  
**McKinsey and Company, Incorporated.**

**I. Preliminary Statement**

800  
29  
The Office of Federal Contract Compliance Programs (OFCCP) evaluated McKinsey and Company, Incorporated ("McKinsey") establishment located at 140 Fountain Parkway N Suite 1000, St. Petersburg, Florida, beginning on February 07, 2019. OFCCP found that McKinsey failed to comply with Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (Section 503), and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA) and their respective implementing regulations at 41 CFR Sections 60-1, 60-2, 60-300 and 60-741.

OFCCP notified McKinsey of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on October 21, 2020.

In the interest of resolving the alleged violations without engaging in further legal proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and McKinsey enter into this Conciliation Agreement (Agreement) and its attachments, and the parties agree to all the terms therein.

The attachments to this Agreement are deemed incorporated into this Agreement.

**II. General Terms and Conditions**

1. In exchange for McKinsey's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246, Section 503, and/or VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if McKinsey violates any provision of this Agreement, as set forth in Paragraph 11, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review McKinsey's compliance with this Agreement. As part of this review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. McKinsey will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all hard copy or electronic reports and documents it requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves McKinsey of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations,

or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.

4. McKinsey and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246, Section 503, and/or VEVRAA.
5. McKinsey agrees that it will not retaliate against any potential or actual beneficiary of this Agreement or against any person who files a complaint, who has provided information or assistance, or who participates in any manner in any proceeding in this matter.
6. The parties understand the terms of this Agreement and enter into it voluntarily.
7. This Agreement, including its attachments, constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains all of the terms binding the parties and it supersedes all prior written and oral negotiations and agreements. Any modifications or amendments to this Agreement must be agreed upon in writing and signed by all parties. If an administrative error is found, OFCCP will work in good faith with all parties to make the corrections.
8. This Agreement becomes effective on the day it is signed by the District Director.
9. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
10. This Agreement will expire sixty (60) days after McKinsey submits its final progress report required in Section VIII, below, unless OFCCP notifies McKinsey in writing before the expiration date that McKinsey has failed to fulfill all of its obligations under the Agreement. In this instance, the Agreement is automatically extended until the date that OFCCP determines that McKinsey has met all of its obligations under the Agreement.
11. If McKinsey violates this Agreement:
  - a. The procedures at 41 C.F.R. 60-1.34, 41 C.F.R. 60-300.63 (2014) and 41 C.F.R. 60-741.63 (2014) will govern:
    - i. OFCCP will send McKinsey a written notice stating the alleged violations and summarizing any supporting evidence.
    - ii. McKinsey shall have fifteen (15) days from receipt of the notice to respond, except in those cases in which such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
    - iii. If McKinsey is unable to demonstrate that it has not violated the Agreement, or if OFCCP's alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement.



- iv. In the event of a breach of this Agreement by McKinsey, OFCCP may elect to proceed to a hearing on the entire case and seek full make-whole relief, and not be limited to the terms agreed to in the Agreement.
  - b. McKinsey may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. 60-1.27, 41 C.F.R. 60-741.66 (2014), 41 C.F.R. 60-300.66 (2014), and/or other appropriate relief for violating this Agreement.
- 12. McKinsey neither admits nor denies any violation of the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.
- 13. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
- 14. The parties understand and agree that nothing in this Agreement is binding on other governmental departments or agencies other than the United States Department of Labor.
- 15. Each party shall bear its own fees and expenses with respect to this matter.
- 16. This Agreement is limited to the facts of this case. Neither this Agreement, nor any part of the negotiations that occurred in connection with this Agreement, shall constitute admissible evidence with respect to any OFCCP policy, practice or position in any lawsuit, legal proceeding, administrative proceeding, compliance evaluation or audit, except for legal or administrative proceedings concerning the enforcement or interpretation of this specific Agreement.
- 17. All references to "days" in this Agreement, and in the Timeline included as Attachment B, are calendar days. If any deadline for an obligation scheduled to be performed under this Agreement falls on a weekend or a Federal holiday, that deadline will be extended to the next business day.

### **III. Technical Violations and Remedies**

- 1. **VIOLATION:** During the period January 1, 2018 through December 31, 2018, OFCCP alleges that McKinsey failed to preserve all personnel or employment records for a period of not less than two years from the date of the making of the record or the personnel action involved, whichever occurs later, in violation of 41 CFR 60-1.12(a). Specifically, OFCCP alleges that McKinsey failed to preserve all records pertaining to applicant data management, documentation of screening methods used by recruiters and hiring managers, and interview notes.

**CORRECTIVE ACTION:** McKinsey will preserve all personnel and employment records for a period of not less than two years from the date of the making of the

record or the personnel action involved, whichever occurs later, in accordance with the requirements of 41 CFR 60-1.12(a).

2. **VIOLATION:** During the period January 01, 2018 through December 31, 2018, OFCCP alleges that McKinsey failed to maintain and have available records showing the gender, race, and ethnicity of each employee and, where possible, the gender, race, and ethnicity of the each applicant or Internet Applicant as defined in 41 CFR 60-1.3, as required by 41 CFR 60-1.12(c).

**CORRECTIVE ACTION:** McKinsey will maintain and have available records showing the gender, race, and ethnicity of each employee and, where possible, the gender, race and, ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, as required by 41 CFR 60-1.12(c).

3. **VIOLATION:** During the period of January 01, 2018 through December 31, 2018, OFCCP alleges that McKinsey failed to perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist, as required by 41 CFR 60-2.17(b). Specifically, OFCCP alleges that:
  - a. McKinsey's internal audit and reporting system failed to monitor records of all personnel activity, as required by 41 CFR 60-2.17(d)(1). Specifically, McKinsey failed to identify data integrity problems in its monitoring of internal and external applicants;
  - b. McKinsey failed to maintain and have available for inspection accurate records disclosing the impact of its selection procedures on the employment opportunities of persons by identifiable race, sex or ethnic group as set forth in 41 CFR 60-3.4B, as required by 41 CFR 60-3.4 and 3.15(a)(2).

**CORRECTIVE ACTION:** McKinsey will develop and implement internal audit and reporting systems to help ensure accurate records of internal and external applicants, compliant with the requirements of 41 CFR 60-1.3 and 41 CFR 60-1.12(c). McKinsey will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exists, as required by 41 CFR 60-2.17(b). Specifically, McKinsey will perform adverse impact determinations of its selection procedures at least annually. Where the total selection process for a job has adverse impact against groups of applicants and/or Internet applicants by identifiable gender, race, or ethnic group listed in 41 CFR 60-3.4B, McKinsey will maintain and have available for inspection records or other information showing which components have adverse impact, consistent with 41 CFR 60-3.15(a)(2).

4. **VIOLATION:** During the period of January 01, 2018 through December 31, 2018, OFCCP alleges that McKinsey failed to undertake appropriate external outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified protected veterans, document these activities, assess their effectiveness, and document its review, in violation of 41 CFR 60-300.44(f).



**CORRECTIVE ACTION:** McKinsey will undertake, and continue to take, appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified protected veterans, such as those described at 41 CFR 60-300.44(f)(2). McKinsey will annually review its outreach and recruitment activities, assess their effectiveness, and document its review, in accordance with 41 CFR 60-300.44(f)(4). McKinsey will document all activities it undertakes to comply with this section, in accordance with 41 CFR 60-300.44(f)(4). Among its outreach and recruitment activities, McKinsey will solicit the assistance and support of at least the following organizations by sending job vacancy announcements for positions that will be filled through external hire:

CareerSource Tampa Bay Area  
Hillsborough County  
Jesse B. Liebau,  
Liaison Veterans Employment  
Representative  
813-397-2044  
liebauj@careersourcetampabay.com

CareerSource Tampa Bay Area  
Pinellas County  
Mr. Joshua Kaun,  
Liaison Veterans Employment  
Representative  
727-608-2432  
jkaun@careersourcepinellas.com

University of South Florida  
Office of Veteran Success  
Ms. Jeanine Frederick  
VA VetSuccess on Campus Counselor  
813-974-6060  
Jeanine.Frederick@va.gov

U. S. Department of Veterans Affairs  
Tampa Vet Center  
Fountain Oaks Business Plaza  
3637 W. Waters Ave., Suite 600  
Tampa, FL 33614-2783  
Mr. Michael Evans  
Vet Center Director  
813-228-2621

5. **VIOLATION:** During the period of January 01, 2018 through December 31, 2018, OFCCP alleges that McKinsey failed to undertake appropriate external outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified protected individuals with disabilities, document these activities, assess their effectiveness, and document its review, in violation of 41 CFR 60-741.44(f).

**CORRECTIVE ACTION:** McKinsey will undertake, and continue to take, appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified protected individuals with disabilities, such as those described at 41 CFR 60-741.44(f)(2). McKinsey will annually review its outreach and recruitment activities, assess their effectiveness, and document its review, in accordance with 41 CFR 60-741.44(f)(4). McKinsey will document all activities it undertakes to comply with this section, in accordance with 41 CFR 60-741.44(f)(4). Among its outreach and recruitment activities, McKinsey will solicit the assistance and support of at least the following organizations by sending job vacancy announcements for positions that will be filled through external hire:

Abilities, Inc. of Florida  
2735 Whitney Road  
Clearwater, Florida 33760  
Ms. Lori Simpson  
727-600-8924  
lori.simpson@servicesource.org

A Plus Alliance Support Care Services, Inc.  
5470 E. Busch Blvd, Ste 425  
Temple Terrace, Florida 33617  
Ms. Latasha Walters Jackson  
727-222-5317  
aglusalliancehca@gmail.com

Avenues Coaching  
233 36th Avenue, Northeast  
St. Petersburg, Florida 33704  
Mr. Scott Peterson  
727-743-4220  
[scott@avenuescoaching.com](mailto:scott@avenuescoaching.com)

Florida Department of Education Division  
of Vocational Rehabilitation  
1313 North Tampa Street, Suite 801  
Tampa, Florida 33602-3330  
Mr. John Howell, Area Director  
813-233-3600  
John.Howell@vr.fldoe.org

#### IV. OFCCP Monitoring Period

##### 1. Recordkeeping

McKinsey agrees to retain records relevant to the violations cited in Part III above, and to the reports submitted in compliance as shown below. These records shall include underlying data and information such as Human Resources Information System (HRIS) and payroll data, job applications and personnel records, and any other records or data used to generate the required reports. The records will be retained until the expiration of this Agreement or consistent with regulatory requirements, whichever is later.

##### 2. Contractor Reports

- a. **Schedule and Instructions.** Contractor agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

McKinsey will submit reports to: **Ex (6), Ex (7)(C)**@dol.gov;  
**Ex (6), Ex (7)(C)**@dol.gov; and **Ex (6), Ex (7)(C)**@dol.gov.

McKinsey and OFCCP have a common interest in the information being provided in the reports pursuant to this Agreement. To the extent any of the reports McKinsey provides in accordance with this agreement are customarily kept private or closely-held, and the McKinsey believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, McKinsey will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will treat any such documents received as confidential documents.

- i. The first progress report shall cover the period of January 1, 2021 through June 30, 2021 and is due on August 15, 2021.
- ii. The second progress report shall cover the period of July 1, 2021 through



December 31, 2021 and is due on February 15, 2022.

- b. **Affirmative Action Programs.** McKinsey will submit its current year AAP narratives for E.O. 11246, Section 503, and VEVRAA with the first Progress Report.
  - c. **Corrective Actions for Violations 1 and 2:** A database, preferably in Excel, of all internal and external applicants and placements during the reporting period, including contract labor and temporary employees. The database will include at least gender, race/ethnicity, job group, job title, applicant type (internal or external), placement type (new hire, rehire, promotion, transfer) or reason for non-selection.
  - d. **Corrective Actions for Violation 3:** Documentation of a) McKinsey's correction of its internal audit and reporting systems to prevent reoccurrence of data integrity problems; and (b) documentation of its in depth analysis of its total employment process, as required by 41 CFR 60-2.17(b), including documentation of efforts to correct any adverse impact against protected groups.
  - e. **Corrective Actions for Violations 4 and 5:** For each progress report due, McKinsey will provide Assessments of all of its outreach and recruitment efforts during the applicable reporting period. The Assessments will include -- but not be limited to -- those efforts directed toward the organizations listed in the corrective actions to violations 4 and 5. McKinsey will maintain and provide for review upon request all documentation of vacancy announcements sent to and communications with at least the organizations listed above.
3. **Close of Monitoring Period and Termination of Agreement.** This Agreement shall remain in effect until the monitoring period is completed. The monitoring period will close once OFCCP accepts McKinsey's final progress report as set forth in Part II, Paragraph 10 above. If OFCCP fails to notify McKinsey in writing within sixty (60) days of the date of the final progress report that McKinsey has not fulfilled all of its obligations under the Agreement, OFCCP will be deemed to have accepted the final report and the Monitoring Period and this Agreement will terminate. If OFCCP notifies McKinsey within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines McKinsey has met all of its obligations under the Agreement.

## V. SIGNATURES

The person signing this Agreement on behalf of McKinsey personally warrants that he or she is fully authorized to do so, that McKinsey has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on McKinsey. This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and McKinsey and Company, Incorporated, St. Petersburg, Florida 33716-1274.

Date: 2/12/21

Date: 02/16/21

**Ex (6), Ex (7)(C)**

**Ex (6), Ex (7)(C)**

**Nancy Gilled**

Tampa Shared Services Center Site Leader  
McKinsey and Company Incorporated  
140 Fountain Parkway N Suite 1000 800 ng.  
St. Petersburg, FL 33716-1274

**Ex (6), Ex (7)(E)**

Compliance Officer-Miami  
Office of Federal Contract Compliance  
Program

Date: 02/16/2021

Date: 02-19-2021

**Ex (6), Ex (7)(C)**

**Ex (6), Ex (7)(C)**

**Jacqueline Ortiz-Baerga**

Assistant District Director  
Office of Federal Contract Compliance  
Program

**E. Michelle Hernandez**

District Director  
Office of Federal Contract Compliance  
Program