

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
American Environmental Group
3600 Brecksville Road, Suite 100
Richfield, Ohio 44286

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the American Environmental Group establishment located at 3600 Brecksville Road, Suite 100, Richfield, Ohio 44286, beginning on April 3, 2019. OFCCP found that Contractor failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order), Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (Section 503), and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA) and their respective implementing regulations at its implementation regulations at 41 CFR Chapter 60 due to the specific violations cited in Part II below.

OFCCP notified American Environmental Group of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on June 28, 2021.

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

II. General Terms and Conditions

1. In exchange for American Environmental Group'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 American Environmental Group violates any provision of this Agreement, as set forth in Paragraph 10, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review American Environmental Group'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. American Environmental Group 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 OFCCP requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves American Environmental Group 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. American Environmental Group 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.
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This Agreement 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.
7. This Agreement becomes effective on the day it is signed by the District Director (Effective Date).
8. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
9. This Agreement will expire sixty (60) days after American Environmental Group submits its final progress report required in Section IV, below, unless OFCCP notifies American Environmental Group in writing before the expiration date that American Environmental Group 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 American Environmental Group has met all of its obligations under the Agreement.
10. If American Environmental Group violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34, 41 C.F.R. 60-300.63, and/or 41 C.F.R. 60-741.63 will govern:
 - i. OFCCP will send American Environmental Group a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. American Environmental Group 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 American Environmental Group is unable to demonstrate that it has not violated the Agreement, or if OFCCP 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 the American Environmental Group, 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 in the Agreement.
 - b. American Environmental Group 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, or 41 C.F.R. 60-300.66, and/or other appropriate relief for violating this Agreement.
11. American Environmental Group does not admit any violation of the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.
12. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
13. 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.
14. Each party shall bear its own fees and expenses with respect to this matter.
15. 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.
16. All references to “days” in this Agreement 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 time period of January 1, 2018 through December 31, 2018, American Environmental Group failed to identify, where possible, the gender, race and ethnicity of each applicant or Internet Applicant, as defined in 41 CFR 60-1.3, whichever is applicable to the particular position, as required by 41 CFR 60-1.12(c). Specifically, American Environmental Group submitted on May 7, 2019 an affirmative action program containing applicant flow data for both the Richfield, Ohio and Houston, Texas establishments. The applicant flow data was also problematic regarding identification of correct job title and job group, as well as geographic area of consideration.

Remedy: American Environmental Group submitted a revised affirmative action program on March 5, 2021, which reflected only corrected applicant flow data for the Richfield, Ohio establishment, which is the establishment subject to the compliance review. American Environmental Group indicated the error was due to miscoding of employees in the HRIS system. American Environmental Group agrees to identify, where possible, the gender, race and ethnicity of each applicant or Internet Applicant, as defined in 41 CFR 60-1.3, whichever is applicable

to the particular position.

2. **Violation:** During the time period of January 1, 2018 through December 31, 2018, American Environmental Group failed to develop and maintain a written affirmative action program pursuant to Executive Order 11246, and its requirements at 41 CFR 60-1.40(a) and CFR 60-2.10-17. Specifically, American Environmental Group submitted on May 7, 2019 an affirmative action program containing data for both the Richfield, Ohio and Houston, Texas establishments.

Remedy: American Environmental Group submitted a revised affirmative action program on March 5, 2021, which reflected only data for employees at the Richfield, Ohio establishment, which is the establishment subject to the compliance review. American Environmental Group indicated the error was due to miscoding of employees in the HRIS system. American Environmental Group will develop and maintain a written affirmative action program (AAP) pursuant to Executive Order 11246, and its requirements at 41 CFR 60-1.40(a) and CFR 60-2.10. This AAP shall set forth American Environmental Group's policies and procedures in accordance with 41 CFR 60-2.10-17. This AAP may be integrated into or kept separate from other AAPs. American Environmental Group shall review and update its AAP pursuant to 41 CFR 60-2.10-17.

3. **Violation:** During the time period of January 1, 2018 through December 31, 2018, American Environmental Group failed to develop and implement an auditing system that periodically measures the effectiveness of its total affirmative action program, as required by 41 CFR 60-2.17(d). Specifically, American Environmental Group submitted on May 7, 2019 an affirmative action program and supporting documentation for both the Richfield, Ohio and Houston, Texas establishments.

Remedy: American Environmental Group submitted a revised affirmative action program on March 5, 2021, which reflected only data for employees at the Richfield, Ohio establishment, which is the establishment subject to the compliance review. American Environmental Group indicated the error was due to miscoding of employees in the HRIS system. American Environmental Group agrees to develop and implement an auditing system that periodically measures the effectiveness of its total affirmative action program. The actions listed below are key to a successful affirmative action program:

- a) Monitor records of all personnel activity, including referrals, placements, transfers, promotions, terminations, and compensation, at all levels to ensure the nondiscriminatory policy is carried out;
- b) Require internal reporting on a scheduled basis as to the degree to which equal employment opportunity and organizational objective are attained;
- c) Review report results with all levels of management; and
- d) Advise top management of program effectiveness and submit recommendations to improve unsatisfactory performance.

4. **Violation:** During the time period of January 1, 2018 through December 31, 2018, American Environmental Group failed to prepare and maintain an affirmative action program for protected veterans at each establishment, in violation of 41 CFR 60-300.40(b). Accordingly, American Environmental Group failed to comply with any of its AAP obligations set forth in Subpart C of the regulations, 41 CFR 60-300.40-45. Specifically, American Environmental Group submitted

on May 7, 2019 an affirmative action program containing data for both the Richfield, Ohio and Houston, Texas establishments.

Remedy: American Environmental Group submitted a revised affirmative action program on March 5, 2021, which reflected only data for employees at the Richfield, Ohio establishment, which is the establishment subject to the compliance review. American Environmental Group indicated the error was due to miscoding of employees in the HRIS system. American Environmental Group will prepare and maintain an affirmative action program (AAP) for protected veterans at each establishment. The AAP shall set forth American Environmental Group's policies and procedures in accordance with 41 CFR 60- 300.40-45. This AAP may be integrated into or kept separate from other AAPs. American Environmental Group shall review and update its AAP pursuant to 41 CFR 60-300.40(c), and must comply with all obligations set forth in Subpart C of the regulations, 41 CFR 60-300.40- 45.

5. **Violation:** During the time period of January 1, 2018 through December 31, 2018, American Environmental Group failed to prepare and maintain an affirmative action program for qualified individuals with disabilities at each establishment, in violation of 41 CFR 60- 741.40(b). Accordingly, American Environmental Group failed to comply with any of its AAP obligations set forth in Subpart C of the regulations, 41 CFR 60-741.40-45. Specifically, American Environmental Group submitted on May 7, 2019 an affirmative action program containing data for both the Richfield, Ohio and Houston, Texas establishments.

Remedy: American Environmental Group submitted a revised affirmative action program on March 5, 2021, which reflected only data for employees at the Richfield, Ohio establishment, which is the establishment subject to the compliance review. American Environmental Group indicated the error was due to miscoding of employees in the HRIS system. American Environmental Group will prepare and maintain an affirmative action program (AAP) for qualified individuals with disabilities at each establishment. The AAP shall set forth American Environmental Group's policies and procedures in accordance with 41 CFR 60- 741.40-45. This AAP may be integrated into or kept separate from other AAPs. American Environmental Group shall review and update annually its AAP pursuant to 41 CFR 60- 741.40(c), and must comply with all obligations set forth in Subpart C of the regulations, 41 CFR 60-741.40-45.

IV. OFCCP Monitoring Period

1. **Recordkeeping.** American Environmental Group agrees to retain all records relevant to the violations cited in Section III above and the report submitted in compliance with Paragraph 2, below. These records 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 report. American Environmental Group will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Contractor Reports.**

American Environmental Group agrees to furnish OFCCP with the following report during the Monitoring Period. American Environmental Group will only furnish the

report if the Richfield, Ohio establishment has 50 or more employees at the time the report is due. If the Richfield, Ohio establishment of American Environmental Group does not meet the 50 employee threshold, American Environmental Group will notify OFCCP at the time the process report is due, and provide a current payroll run to verify the employee count. The report will contain the documentation specified according to the date scheduled:

- a. Progress Report 1: Due on February 15, 2022, covering the period from the Effective Date of this Agreement through December 31, 2021.

Documentation of the following:

- 1) A copy of the current Executive Order 11246 AAP prepared in accordance with the requirements of 41 CFR 60-1.40 and 60-2.1 through 2.17
- 2) A copy of the current VEVRAA AAP prepared in accordance with the requirements of 41 CFR 60-300.40 through 60-300.45
- 3) A copy of the current Section 503 AAP prepared in accordance with the requirements of 41 CFR 60-741.40 through 60-741.47
- 4) Applicant flow data for each job group, by gender, race and ethnicity for the immediately preceding AAP year
- 5) Data on all other employment activity, including hires, promotions and terminations, for each job group, by gender, race and ethnicity for the immediately preceding AAP year
- 6) Evidence of an internal audit and reporting system, to include monitoring records of all personnel activity, internal reporting on a scheduled basis as to the degree to which equal opportunity and organization objectives are attained; review of internal reporting with all levels of management; and advisement of top management regarding program effectiveness and recommendations to improve unsatisfactory performance

American Environmental Group will submit a report to (b) (6), (b) (7)(E), Compliance Officer, at (b) (6), (b) (7)(C)@dol.gov. American Environmental Group and OFCCP have a common interest in the information being provided in the report pursuant to this Agreement. To the extent any of the report American Environmental Group provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and American Environmental Group believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, American Environmental Group will provide such reports to OFCCP marked as “Confidential”. In the event of a FOIA request, OFCCP will promptly notify American Environmental Group of the FOIA request and provide American Environmental Group an opportunity to object to disclosure. OFCCP will withhold disclosure of such reports to the maximum extent allowable by law.

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 American Environmental Group's progress report as set forth in Section II, Paragraph 9 above. If OFCCP fails to notify American Environmental Group in writing within sixty (60) days of the date of the progress report that American Environmental 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 American Environmental Group within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines American Environmental Group has met all of its obligations under the Agreement.

V. SIGNATURES

The person signing this Agreement on behalf of American Environmental Group personally warrants that he is fully authorized to do so, that American Environmental Group has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on American Environmental Group.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and American Environmental Group, 3600 Brecksville Road, Suite 100, Richfield, Ohio 44286.

(b) (6), (b) (7)(C)

Ken Karl
Operating Unit Leader
American Environmental Group
Richfield, Ohio

DATE: 9/21/21

(b) (6), (b) (7)(C)

Phyllis E. Lipkin
District Director
Midwest Region
Columbus Area Office

DATE: _____

(b) (6), (b) (7)(C)

Karen Johnson-Robinson
Assistant District Director
Midwest Region
Columbus Area Office

DATE: _____

(b) (6), (b) (7)(C)

(b) (6), (b) (7)(E)
Compliance Officer
Midwest Region
Columbus Area Office

DATE: 9/21/2021