

Conciliation Agreement  
Between the  
U.S. Department of Labor Office of Federal Contract Compliance Programs  
and  
Ferrotherm Corporation  
4758 Warner Road  
Cleveland, Ohio 44125

**I. Preliminary Statement**

The Office of Federal Contract Compliance Programs (OFCCP) evaluated Ferrotherm Corporation (Ferrotherm), 4758 Warner Road, Cleveland, Ohio 44125, beginning on January 27, 2021. OFCCP found that Ferrotherm failed to comply with the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 (VEVRAA) and its respective implementing regulations at 41 CFR 60-300 due to the specific violations cited in Part II below.

OFCCP notified Ferrotherm of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on February 24, 2022.

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 Ferrotherm enter into this Conciliation Agreement (Agreement) and its attachments, and the parties agree to all the terms therein.

**II. General Terms and Conditions**

1. In exchange for Ferrotherm's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Ferrotherm 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 Ferrotherm'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. Ferrotherm 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 Ferrotherm 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. Ferrotherm 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 Ferrotherm submits its final progress report required in Section IV, below, unless OFCCP notifies Ferrotherm in writing before the expiration date that Ferrotherm 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 Ferrotherm has met all of its obligations under the Agreement.
10. If Ferrotherm violates this Agreement:
  - a. The procedures at 41 C.F.R. 60-300.63 will govern:
    - i. OFCCP will send Ferrotherm a written notice stating the alleged violations and summarizing any supporting evidence.
    - ii. Ferrotherm 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 Ferrotherm 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 Ferrotherm, 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. Ferrotherm may be subject to the sanctions set forth in 41 C.F.R. 60-300.66, and/or other appropriate relief for violating this Agreement.
11. Ferrotherm neither admits nor denies any violation of 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 period of January 1, 2020 through December 31, 2020, Ferrotherm failed to notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding that it is bound by the terms of VEVRAA and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, protected veterans in violation of 41 CFR 60-300.5(a)(10). Specifically, Ferrotherm failed to notify each labor organization or representative of workers with which it has a collective bargaining agreement that it is bound by the terms of VEVRAA and is committed to take affirmative action to employ and advance in employment and shall not discriminate against protected veterans.

**REMEDY:** Ferrotherm will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding that it is bound by the terms of VEVRAA and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, protected veterans.



2. **VIOLATION:** During the period of January 1, 2020 through December 31, 2020, Ferrotherm failed to include the equal opportunity clause for VEVRAA in its subcontracts and/or purchase orders, either directly or by reference, in the prescribed manner, in violation of 41 CFR 60-300.5(a)-(d). Specifically, Ferrotherm did not include the equal opportunity clause in each of its covered contracts or subcontracts.

**REMEDY:** Ferrotherm will include or reference the provisions of the equal opportunity clause in its subcontracts and purchase orders, as required by 41 CFR 60-300.5(a)-(d). If Ferrotherm incorporates the equal opportunity clause in its subcontracts and purchase orders by reference, rather than by restating the clause verbatim, it must incorporate the clause in the manner prescribed by 41 CFR 60-300.5(d).

3. **VIOLATION:** During the period of January 1, 2020 through December 31, 2020, Ferrotherm failed to immediately list all employment openings with either the state workforce agency job bank or a local employment service delivery system serving the location where the openings occurred in violation of 41 CFR 60-300.5(a)2-6. Specifically, Ferrotherm failed to advise the ESDS of contractor status as well as list all employment openings with the ESDS.

**REMEDY:** Ferrotherm will list all employment openings as they occur with an appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS) where the openings occur, in a manner and format that will allow the ESDS to provide priority referrals of protected veterans to Ferrotherm, as required by 41 CFR 60-300.5(a)2-6. With its initial listing, and as subsequently needed to update the information, Ferrotherm must also advise the employment service delivery system that it is a federal contractor that desires priority referrals of protected veterans for job openings at all locations within the state, and provide the employment service delivery system with the name and address of each of its hiring locations within the state and the contract information for the contractor official responsible for hiring at each location, in accordance with 41 CFR 60-300.5(a)4. Should any of the information in the disclosures change since it was last reported to the ESDS, Ferrotherm shall provide updated information simultaneously with its next job listing.

4. **VIOLATION:** During the period of January 1, 2020 through December 31, 2020, Ferrotherm failed to include (or ensure the inclusion of), in all solicitations and advertisements for employees, a statement that all qualified applicants will be considered for employment and will not be discriminated against based on their protected veteran status, in violation of 41 CFR 60-300.5(a)(12). Specifically, Ferrotherm failed to include a statement that all qualified applicants will be considered for employment and will not be discriminated against based on their protected veteran status in all solicitations and advertisements.

**REMEDY:** Ferrotherm will include (or ensure the inclusion of), in all solicitations and advertisements for employees, a statement that all qualified applicants will be considered for employment and will not be discriminated against on the basis of their protected veteran status.

5. **VIOLATION:** During the period of January 1, 2020 through December 31, 2020, Ferrotherm failed to invite applicants to inform it whether the applicant believes that he or she is a veteran protected by VEVRAA in violation of 41 CFR 60–300.42. Specifically, Ferrotherm Corporation failed to invite applicants to inform it whether the applicant believes that he or she is a veteran protected by VEVRAA post-offer.

**REMEDY:** Ferrotherm will invite applicants to inform it whether the applicant believes that he or she is a veteran protected by VEVRAA, as required by 41 CFR 60–300.42.

More specifically, Ferrotherm shall invite applicants for employment, prior to an offer of employment, to voluntarily identify as a protected veteran. Additionally, Ferrotherm shall invite applicants for employment, after an offer of employment but before applicants begin their job duties, to voluntarily inform it whether the applicant believes that he or she is a protected veteran. Ferrotherm may invite the applicant to also indicate if he or she belongs to one or more of the specific categories of protected veterans, as defined by 41 CFR 60–300.2(q). All invitations to self-identify as a protected veteran must comply with the requirements of 41 CFR 60–300.42(c). Ferrotherm must keep all self-identification information confidential and maintain it in a separate data analysis file, rather than in its personnel or medical files, in accordance with 41 CFR 60–300.42(e).

6. **VIOLATION:** During the period of January 1, 2020 through December 31, 2020, Ferrotherm failed to undertake appropriate 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). Specifically, Ferrotherm failed to externally disseminate its outreach and positive recruitment policy in accordance with 41 CFR 60-300.44(f).

**REMEDY:** Ferrotherm will undertake 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). Ferrotherm must annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-300.44(f)(3). Ferrotherm must document all activities it undertakes to comply with this section, in accordance with 41 CFR 60-300.44 (f)(4).

7. **VIOLATION:** During the period of January 1, 2020 through December 31, 2020, Ferrotherm failed to document and maintain the required data pertaining to applicants and hires, in violation of 41 CFR 60-300.44(k). Specifically, Ferrotherm failed to collect

an additional two years of computations and comparisons in accordance with 41 CFR 60-300.44 (k).

**REMEDY:** Ferrotherm will document the following computations or comparisons pertaining to applicants and hires, on an annual basis, and will maintain this data for three (3) years, as required by 41 CFR 60-300.44 (k):

- The number of applicants who self-identified as protected veterans, or who are otherwise known to be protected veterans;
- The total number of job openings and total number of jobs filled;
- The total number of applicants for all jobs;
- The number of protected veteran applicants hired; and
- The total number of applicants hired.

#### IV. OFCCP Monitoring Period

1. **Recordkeeping.** Ferrotherm agrees to retain all records relevant to the violations cited in Section III above and the reports 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 reports. Ferrotherm will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Contractor Reports.**

Ferrotherm agrees to furnish OFCCP with the following report during the Monitoring Period. Each report will contain the documentation specified according to the dates scheduled:

- a. Progress Report: Due on March 14, 2023 covering the period of February 28, 2022 through February 28, 2023.

Documentation of the following:

For Violation 1: Provide evidence of notification to each labor organization or representative of workers with which Ferrotherm has a collective bargaining agreement or other contract understanding that it is bound by the terms of VEVRAA and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, protected veterans.

For Violation 2: Provide copies of subcontracts and purchase orders, which include or reference the equal opportunity clause for VEVRAA for the covered year.

For Violation 3: Provide evidence that Ferrotherm listed all employment openings as they occurred with an appropriate employment service delivery system (ESDS)



(either the state workforce agency job bank or a local ESDS) where the openings occur, in a manner and format that will allow the ESDS to provide priority referrals of protected veterans during the covered year.

For Violation 4: Provide documentation of all solicitations and advertisements for employees, a statement that all qualified applicants will be considered for employment and will not be discriminated against on the basis of their protected veteran status.

For Violation 5: Provide evidence that all applicants were offered to self-identify as a protected veteran during the covered year.

For Violation 6: Provide documentation of the appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified protected veterans, document these activities, assess their effectiveness, for the covered year.

For Violation 7: Provide documentation of computations and comparisons pertaining to applicants and hires for the covered year.

Ferrotherm will submit reports to Compliance Officer (b) (6), (b) (7)(E), (b) (6), (b) (7)(C)@dol.gov. Ferrotherm 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 Ferrotherm provides in accordance with this Agreement are customarily kept private or closely-held, and Ferrotherm believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Ferrotherm will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request,

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

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## V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Ferrotherm Corporation, 4758 Warner Road, Cleveland, Ohio 44125-1117.

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

Thor Egeland  
President  
Ferrotherm Corporation  
Cleveland, Ohio

DATE: 3/4/22

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

Phyllis E. Lipkin  
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: \_\_\_\_\_