

Conciliation Agreement  
Between the  
U.S. Department of Labor Office of Federal Contract Compliance Programs  
And  
Labcorp – Phoenix AZ Sunshine Lab

**I. Preliminary Statement**

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Labcorp – Phoenix AZ Sunshine Lab (“Labcorp”) establishment located at 5005 S 40th Street, Phoenix, AZ 85040, beginning on November 22, 2021. OFCCP found that Labcorp failed to comply with 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 60-741.44(f)(3) and 41 CFR 60-300.44(f)(3).

OFCCP notified Labcorp of the specific violations and the corrective actions required in a Notice of Violation issued on April 19, 2022.

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

**II. General Terms and Conditions**

1. In exchange for Labcorp’s fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under 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 Labcorp 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 Labcorp’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. Labcorp 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 Labcorp 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. Labcorp 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 Labcorp submits its final progress report required in Section IV, below, unless OFCCP notifies Labcorp in writing before the expiration date that Labcorp 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 Labcorp has met all of its obligations under the Agreement.
10. If Labcorp violates this Agreement:
  - a. The procedures at 41 C.F.R. 60-300.63 and 41 C.F.R. 60-741.63 will govern:
    - i. OFCCP will send Labcorp a written notice stating the alleged violations and summarizing any supporting evidence.
    - ii. Labcorp 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 Labcorp 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 the contractor, 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. Labcorp may be subject to the sanctions set forth in 41 C.F.R. 60-741.66, 41 C.F.R. 60-300.66, and/or other appropriate relief for violating this Agreement.
11. Labcorp 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.
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 review period of January 1, 2020 through December 31, 2020, it is the OFCCP’s position that Labcorp failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and recruit qualified individuals with disabilities as required by 41 CFR 60-741.44(f)(3). Specifically, Labcorp failed to document the evaluative criteria used to assess effectiveness of each effort, including the required data collected pursuant to section (k).

**REMEDY:** Labcorp agrees to annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-741.44(f)(3). If Labcorp concludes that the totality of its efforts were not effective in identifying and recruiting qualified individuals with disabilities, it shall identify and implement alternative efforts listed in 41 CFR 60-741.44(f)(1) or (f)(2).

2. **VIOLATION:** During the review period of January 1, 2020 through December 31, 2020, it is the OFCCP’s position that Labcorp failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and

recruit qualified protected veterans, as required by 41 CFR 60-300.44(f)(3). Specifically, Labcorp failed to document the evaluative criteria used to assess effectiveness of each effort, including the required data collected pursuant to section (k).

**REMEDY:** Labcorp 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). If Labcorp concludes that the totality of its efforts were not effective in identifying and recruiting qualified protected veterans, it shall identify and implement alternative efforts listed in 41 CFR 60-300.44(f)(1) or (f)(2).

#### IV. OFCCP Monitoring Period

1. **Recordkeeping.** Labcorp agrees to retain all records relevant to the violations cited in Section III above and the reports submitted in compliance with Paragraph 2, below. Labcorp agrees to retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Contractor Reports.**
  - a. **Schedule and Instructions.** Labcorp agrees to furnish OFCCP with the following report during the Monitoring Period according to the following schedule:

Progress Report 1: Due on February 1, 2023, covering the period of January 1 2022 through December 31, 2022. The report shall contain documentation that Labcorp has annually reviewed the effectiveness of its outreach and recruitment efforts taken over the previous twelve months to identify and recruit qualified protected individuals with disabilities and veterans, specifying evaluative criteria used to assess effectiveness of each effort and including the required data from sections 41 CFR 60-741.44(k) and 41 CFR 60-300.44(k), respectively.

Labcorp will submit its report to Marvin Jordan at (b) (6), (b) (7)(C)@dol.gov. Labcorp 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 Labcorp provides in accordance with this agreement are customarily kept private or closely-held, and Labcorp believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Labcorp 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.

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 Labcorp’s progress report as set forth in Part II, Paragraph 10 above. If OFCCP fails to notify Labcorp in writing within sixty (60) days of the date of the progress report that Labcorp 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 Labcorp within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Labcorp has met all of its obligations under the Agreement.

## V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Labcorp – Phoenix AZ Sunshine Lab, 5005 S 40th Street, Phoenix, AZ 85040.

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

ROBERT L. NELSON, JR.  
Senior Vice President  
Labcorp - Phoenix AZ Sunshine Lab  
Phoenix, AZ

DATE: 5/24/2022

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

MARVIN R. JORDAN  
Director  
OFCCP Phoenix District and Las Vegas Field Offices  
Pacific Region

DATE: \_\_\_\_\_

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

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

Compliance Officer  
OFCCP Phoenix District Office  
Pacific Region

DATE: 5/24/2022