

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
Federal Cartridge Company

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Federal Cartridge Company establishment located at 900 Ehlen Drive, Anoka, MN 55303, beginning on May 14, 2021. OFCCP found that Federal Cartridge Company failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order) and its respective implementing regulations at 41 Code of Federal Regulations (CFR) Chapter 60.

OFCCP notified Federal Cartridge Company of the specific violation and the corrective action required in a Notice of Violation (NOV) issued on September 8, 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 Federal Cartridge Company 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 Federal Cartridge Company'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 violation alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Federal Cartridge Company 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 Federal Cartridge Company'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. Federal Cartridge Company 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 Federal Cartridge Company 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. Federal Cartridge Company 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 Federal Cartridge Company submits its final progress report required in Section IV, below, unless OFCCP notifies Federal Cartridge Company in writing before the expiration date that Federal Cartridge Company 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 Federal Cartridge Company has met all of its obligations under the Agreement.
10. If Federal Cartridge Company violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34 will govern:
 - i. OFCCP will send Federal Cartridge Company a written notice stating the alleged violation(s) and summarizing any supporting evidence.
 - ii. Federal Cartridge Company 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 Federal Cartridge Company 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 Federal Cartridge Company, 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. Federal Cartridge Company may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. 60-1.27, and/or other appropriate relief for violating this Agreement.
- 11. Federal Cartridge Company 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

Violation: During the period of January 1, 2020 through December 31, 2020, Federal Cartridge Company failed to develop and execute action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and monitor records of all personnel activity, as required by 41 CFR 60-2.17(d)(1). Specifically, Federal Cartridge Company miscategorized employees into job groups throughout the Affirmative Action Program and failed to perform in-depth accurate analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist.

Remedy: Federal Cartridge Company will develop and execute action oriented programs designed to correct any problem areas identified pursuant to 41 CFR60-2.17(b) and monitor records of all personnel activity, as required by 41 CFR 60-2.17(d)(1).

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Federal Cartridge Company agrees to retain all records relevant to the violation cited in Section III above and the reports submitted in compliance with Paragraph 2, below. Specifically, the contractor must retain underlying data and information such as job applications, personnel records, and any other records or data used to generate the required reports. 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. Federal Cartridge Company will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. **Federal Cartridge Company Report**

Federal Cartridge Company agrees to furnish OFCCP with the following report during the Monitoring Period. The report will contain the documentation specified according to the date scheduled:

- a. Progress Report: Due on March 1, 2024, covering the period of January 1, 2023 through December 31, 2023.

Documentation of the internal audit process, results, and supporting data.

- a) For each job group and job title, the total number of applicants and the total number of hires, as well as the number of African-American/Black, Asian/Pacific Islander, Hispanic, American Indian/Alaskan Native, two or more races, White, and the number of female and male applicants and hires. For each job group and job title the total number of applicants for whom race and/or sex is not known should be included in the data submitted.
- b) For each job group and job title, the total number of promotions as well as the number of African-American/Black, Asian/Pacific Islander, Hispanic, American Indian/Alaskan Native, two or more races, White, and the number of female and male promotions.
- c) For each job group and job title, the total number of terminations as well as the number of African-American/Black, Asian/Pacific Islander, Hispanic, American Indian/Alaskan Native, two or more races, White, and the number of female and male terminations.
- d) The formation of job groups as of Jan 1, 2023, consistent with criteria given in 41 CFR § 60-2.12.

- e) Employee level compensation data for all employees as of the date of the 2023 job group analysis. As a minimum, the data should include: Employee ID, gender, race/ethnicity, hire date, job title, EEO-1 Category, and job group, as required by 41 CFR 60-2.17(d)(1). This data shall be provided as an electronic database.
- f) The results of the complete analysis of all jobs where Federal Cartridge Company identified problem areas pursuant to 41 CFR 60-2.17(b), based on the findings of the adverse impact studies and the development and execution of action-oriented programs as required by 41 CFR 60-2.14(c). Include all assessments and reports on the effectiveness of those programs.

Federal Cartridge Company will submit reports to Compliance Officer (b) (7)(C), (b) (6) at (b) (7)(C), (b) (6)@dol.gov. Federal Cartridge Company 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 Federal Cartridge Company provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and the Federal Cartridge Company believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Federal Cartridge Company will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will promptly notify Federal Cartridge Company of the FOIA request and provide Federal Cartridge Company an opportunity to object to disclosure. OFCCP will withhold disclosure of such reports to the maximum extent allowable by law.

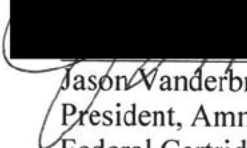
- 3. **Close of Monitoring Period and Termination of Agreement.** This Agreement shall remain in effect until the monitoring period is completed. The monitoring period will close once OFCCP accepts Federal Cartridge Company's final progress report as set forth in Section II, Paragraph 9 above. If OFCCP fails to notify Federal Cartridge Company in writing within sixty (60) days of the date of the final progress report that Federal Cartridge Company 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 Federal Cartridge Company within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Federal Cartridge Company has met all of its obligations under the Agreement.

V. SIGNATURES

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

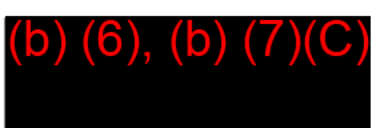
This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Federal Cartridge Company, 900 Ehlen Drive, Anoka, MN 55303.

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


Jason Vanderbrink
President, Ammunition
Federal Cartridge Company
900 Ehlen Drive
Anoka, MN 55303

DATE: 9/28/2022

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


ANDREW DALEY
Acting District Director
Milwaukee District Office
OFCCP – Midwest Region

DATE: 09/29/2022