# Conciliation Agreement Between the

U.S. Department of Labor Office of Federal Contract Compliance Programs and

Illinois Tool Works, Inc. OFCCP Complaint No. I00302236

#### I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") conducted a complaint investigation of Illinois Tool Works, Inc. ("Contractor") and found that the Contractor failed to comply with the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973, as amended ("Section 503"), the Americans with Disabilities Act of 1990, as amended ("ADA"); and their implementing regulations at 41 Code of Federal Regulations ("C.F.R.") § Chapter 60-300, 41 C.F.R. § Chapter 60-741, and 29 C.F.R. § Part 1630. OFCCP notified Contractor of the specific violation in a Notice of Results of Investigation on February 28, 2023.

In the interest of resolving the violation without engaging in further legal proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and Contractor 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

- In exchange for Contractor's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under VEVRAA, Section 503, or the ADA based on the violations alleged in the Notice of Results of Investigation. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Contractor 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 Contractor'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. Contractor 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 Contractor of its obligation to fully comply with the requirements of VEVRAA, Section 503, the ADA, their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.

- 4. Contractor and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under VEVRAA, Section 503, and the ADA.
- Contractor 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 Regional Director ("Effective Date").
- 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 Contractor submits its final progress report required in Section IV, below, unless OFCCP notifies Contractor in writing before the expiration date that Contractor 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 Contractor has met all of its obligations under the Agreement.

#### 11. If Contractor 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 Contractor a written notice stating the alleged violations and summarizing any supporting evidence.
  - ii. The Contractor 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 Contractor 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. Contractor may be subject to the sanctions set forth in 41 C.F.R. § 60-300.66, 41 C.F.R. § 60-741.66, and/or other appropriate relief for violating this Agreement.
- 12. Contractor neither admits nor denies any violation of VEVRAA, Section 503, or the ADA, 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 A, 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. FINDING AND REMEDIES

- 1. <u>VIOLATION:</u> OFCCP found that Contractor is not in compliance with 41 C.F.R. § 60-300.21, 41 CFR § 60-741.21 and 29 CFR § 1630.4, when the Complainant was subjected to harassment based on Complainant's status as a protected veteran and disability.
- 2. <u>REMEDY</u>: Contractor agrees to provide appropriate monetary remedy to Complainant; immediately comply with 41 C.F.R. § 60-300.21, 41 CFR § 60-741.21 and 29 CFR § 1630.4, and develop and implement practices, policies, procedures, and training specified below in accordance with the deadlines set forth in the agreement.
  - a. Monetary Settlement. Contractor will provide Complainant a monetary settlement in the amount of \$105,181.00 (one hundred five thousand one hundred eighty-one dollars and zero cents), which is a negotiated amount of back pay for make whole relief. Contractor's share of taxes on the portion representing back pay (such as federal, state and/or local taxes and Federal Income Contributions Act (FICA)) is not part of the settlement. Contractor will be responsible for all employer-paid taxes. Contractor will provide OFCCP with documentation of payment made by the deadline set forth in the Agreement. If the check remains uncashed 90 days after the date the check was mailed to the Complainant, it will be void. Contractor shall mail



Complainant an IRS Form W-2 for the payment. This IRS form will be provided either at the time of payment or at the end of the year of payment. Complainant will not be required to complete a W-4 or W-9 to receive a payment under this settlement.

h. Notice Documents. Within fifteen (15) days of the Effective Date of this Agreement, Contractor will mail the Notice Documents contained in Attachments B and C to Complainant. The Notice Documents include a Notice and Release of Claims and a postage-paid return envelope. These documents will be sent by Priority Mail with a tracking number to the best available mailing address for Complainant by the date set forth in this Agreement. If the envelope from the initial mailing notice is returned with a forwarding address, Contractor will re-mail the Notice Documents within ten (10) days of receipt of the forwarding address. OFCCP will provide Contractor with updated information for a second mailing in accordance with the Timeline (Attachment A).

The final deadline for Complainant to respond to the Notice Documents will be set forth in these documents and be sixty (60) days from the date of the Notice Documents. Contractor will prominently display the deadline on all materials it distributes to the Complainant regarding this Agreement and explain that failure to respond by this deadline will result in forfeiture of any relief provided by this Agreement.

Contractor will mail the payment via check to the Complainant within five (5) days of receipt of a signed Release of Claims (Attachment C). The check shall be mailed via express delivery service with confirmation receipt to the address noted on the Release of Claims. Within five (5) days of issuing payment to the Complainant, Contractor will notify OFCCP that a signed Release of Claims was received and the check was mailed to the Complainant.

- c. Positive Letter of Reference. Contractor agrees that should it be contacted by any third party regarding a reference for Complainant, it will provide a reference consisting of Complainant's dates of employment, last position held, that performance met expectations, and voluntarily resigned for personal reasons.
- d. Outplacement Assistance. Upon written request by Complainant within six (6) months of the Effective Date, Contractor agrees to provide four (4) consecutive months of outplacement assistance to Complainant by a Contractor-selected professional.
- e. Policy. Within thirty (30) days of the Effective Date, Contractor will review, revise, and adopt a revised policy for investigating complaints of discrimination, including harassment, based on disability and/or status as a protected veteran. The policy and its implementation shall include revisions to employee manual, handbooks, and intranet sites. Current employees shall be advised of the policy and/or policy revisions within sixty (60) days of the Effective Date.

f. Employee Training. Contractor will conduct training on the non-discrimination, including non-harassment, provisions of VEVRAA, Section 503, the ADA, and their implementing regulations. The purpose of the training is to educate all employees at its Zeeland, Michigan facility on the rights and responsibilities of employees and employers to maintain a workplace free from discrimination, including harassment, based on disability and status as a protected veteran. Prior to the implantation of the training, the proposed trainer, schedule, and content of the training shall be submitted to OFCCP for review pursuant to the below and the attached Timeline.

Within sixty (60) days of the Effective Date, Contractor shall provide the following for the training session:

- i. Name, title, resume, and qualifications of trainer(s);
- ii. Proposed date(s), time(s) and location(s) of the training;
- iii. Proposed schedule of the training;
- iv. Proposed contents of the training; and
- v. All proposed materials to be distributed to the participants of the training.

After the information in the above paragraph has been submitted to OFCCP and OFCCP has not objected within fifteen (15) days of receipt of the information, the Contractor will begin implementation of the training pursuant to its proposed schedule. If OFCCP objects to the proposed training, Contractor will submit a new proposal for training within ten (10) days of receiving OFCCP's objections.

g. Complaint Investigation Training. Contractor will provide targeted training to personnel involved in the receipt, review, investigation, and disposition of discrimination complaints based on disability and/or status as a protected veteran, including harassment, made by employees and/or applicants at its Zeeland, Michigan facility. Additionally, this training will cover company policy and procedures regarding the investigation of internal discrimination complaints. Prior to the implantation of the training, the proposed trainer, schedule and content of the training shall be submitted to OFCCP for review pursuant to the below and the attached Timeline.

Within sixty (60) days of the Effective Date, Contractor shall provide the following for the Complaint Investigation training session:

- i. Name, title, resume, and qualifications of trainer(s);
- ii. Proposed date(s), time(s) and location(s) of the trainings;
- iii. Proposed schedule of the trainings;
- iv. Proposed contents of the trainings;
- v. All proposed materials to be distributed to the participants of the training; and
- vi. Name and position title of each individual who will attend the Complaint Investigation Training session.

After the information in the above paragraph has been submitted to OFCCP and OFCCP has not objected within fifteen (15) days of receipt of the training information, the Contractor will begin implementation of the trainings pursuant to its proposed schedules. If OFCCP objects to the proposed training, Contractor will submit a new proposal for training within ten (10) days of receiving OFCCP's objections.

Contractor agrees to certify to OFCCP within fifteen (15) days of the delivery of the trainings that the training was conducted and that all employees attended by listing each attendee's name, signature, and position title.

#### IV. REPORTING

Contractor shall submit the following five (5) reports to OFCCP, via email to Laura Goulding, Assistant District Director, (b) (6). (b) (7)(C) @dol.gov.

- 1. First Report. Within ninety (90) days of the Effective Date of this Agreement, Contractor shall provide:
  - a. Documentation that it mailed the Notice Documents to Complainant.
  - b. A copy of the signed Release of Claims.
  - c. Documentation that it mailed the monetary payment to the Complainant within five (5) days of receipt of a signed Release of Claims, including the tracking information and a copy of the check.
  - d. Documentation of any reference and employment verification request(s) Contractor received from third parties regarding Complainant, and its response(s) to each request received.
  - e. Documentation of any written request(s) made by Complainant for the Outplacement Assistance, and documentation of any Outplacement Assistance provided to Complainant, as described per paragraph III(2)(d).
  - f. Documentation of Contractor's review and revision of written policy and a copy of the revised policy for investigating complaints of discrimination, including harassment, based on disability and/or status as a protected veteran.
  - g. If completed by the First Report Due date, Contractor agrees to certify that the training specified in paragraphs III(2)f and III(2)g that the training was conducted and that all employees attended by listing each attendee's name, signature, and position title.
- 2. **Second Report**. Six (6) months from the Effective Date of this Agreement, Contractor shall provide:

- a. Documentation of any reference and employment verification request(s) Contractor received from third parties regarding Complainant, and its response(s) to each request received.
- b. Documentation of any written request(s) made by Complainant for Outplacement Assistance, and documentation of any Outplacement Assistance provided to Complainant, as described per paragraph III(2)(d).
- c. A list containing the following information for each internal or external complaint of discrimination based on disability and/or status as a protected veteran made during the preceding six (6) months by an applicant or employee of Contractor at its Zeeland, Michigan facility:
  - 1. first and last name of complainant;
  - 2. last known home address of complainant;
  - 3. last known home cellular phone number of complainant;
  - 4. last known personal email address of complainant;
  - 5. date of complaint;
  - 6. content of complaint; and
  - 7. ultimate disposition of the complaint.
- d. If not previously provided in the First Report, Contractor agrees to certify that the training specified in paragraphs III(2)f and III(2)g that the training was conducted and that all employees attended by listing each attendee's name, signature, and position title.
- 3. **Third Report.** One (1) year after the Effective Date of this Agreement, Contractor shall provide:
  - a. Documentation of any additional reference and employment verification request(s) Contractor received from third parties regarding Complainant, and its response(s) to each request received.
  - b. A list containing the following information for each internal or external complaint of discrimination based on disability and/or status as a protected veteran made or in investigation during the preceding six (6) months at Contractor's Zeeland, Michigan facility:
    - 1. first and last name of complainant;
    - 2. last known home address of complainant;
    - 3. last known home cellular phone number of complainant;
    - 4. last known personal email address of complainant;
    - 5. date of complaint;
    - 6. content of complaint; and
    - 7. ultimate disposition of the complaint.

- 4. **Fourth Report.** Eighteen (18) months from the Effective Date of this Agreement, Contractor shall provide:
  - a. Documentation of any additional reference and employment verification request(s)
     Contractor received from third parties regarding Complainant, and its response(s) to each request received.
  - b. A list containing the following information for each internal or external complaint of discrimination based on disability and/or status as a status veteran made or in investigation during the preceding six (6) months at Contractor's Zeeland, Michigan facility:
    - 1. first and last name of complainant;
    - 2. last known home address of complainant;
    - 3. last known home cellular phone number of complainant;
    - 4. last known personal email address of complainant;
    - 5. date of complaint;
    - 6. content of complaint; and
    - 7. ultimate disposition of the complaint.
- 5. **Fifth Report.** Two (2) years from the Effective Date of this Agreement, Contractor shall provide:
  - a. Documentation of any additional reference and employment verification request(s) Contractor received from third parties regarding Complainant, and its response(s) to each request received.
  - b. A list containing the following information for each internal or external complaint of discrimination based on disability and/or status as a status veteran made or in investigation during the preceding six (6) months at Contractor's Zeeland, Michigan facility:
    - 1. first and last name of complainant;
    - 2. last known home address of complainant;
    - 3. last known home cellular phone number of complainant;
    - 4. last known personal email address of complainant;
    - 5. date of complaint;
    - 6. content of complaint; and
    - 7. ultimate disposition of the complaint.
- 6. Recordkeeping. Contractor will retain all records relevant to the Violation cited in Section III above and the reports described in Section IV for this Agreement until this Agreement expires or for the period consistent with regulatory requirements, whichever is later. The records include all underlying data and information. To the extent any of the reports provided in accordance with this Agreement are customarily kept private or closely held, and Contractor believes should remain confidential under Exemption 4 of the Freedom of Information Act ("FOIA"), Contractor will provide such reports and

information to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will treat any such documents received as confidential documents.

7. 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 Contractor's final report as set forth in Part IV, Paragraphs (1)-(6) above. If OFCCP fails to notify Contractor in writing within sixty (60) days of the date of the final progress report that Contractor 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 Contractor within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Contractor has met all of its obligations under the Agreement.

#### V. SIGNATURES

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

Programs and Illinois Tool Works, Inc.

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

LAURA ROSENBERG

Human Resources Director
Illinois Tool Works, Inc.

DATE:	0	151	909	3
(b) (	<b>(6)</b> ,	(b	<b>(7</b>	7)(C)

CARMEN NAVARRO Regional Director Midwest Regional Office, OFCCP

	6/21/23		
DATE:			

## Attachments:

- A. Timeline
- B. Notice Document
- C. Release of Claims Under VEVRAA, Section 503, and the ADA for Complainant

## Attachment A: Timeline

Due Date	Days	Action Required
7/6/2023	15	Contractor Mails Notice Documents to Complainant
7/21/2023	30	Contractor reviews, revises and adopts new policy per III(2)e
8/20/2023	60	Contractor advises employees of policy revisions per III(2)e
8/20/2023	60	Contractor submits proposed Training Plans per III(2)f and III(2)g
2	15 days after training conducted	Contractor certifies training per III(2)f was conducted.
	15 days after training conducted	Contractor certifies training per III(2)g was conducted.
ja Panton ja ponjum	80 days or less	Contractor mails payment via check to the Complainant within five (5) days of receipt of a signed Release of Claims.
9/19/2023	90	Report 1 due
12/21/2023	183	Report 2 due
6/20/2024	365	Report 3 due
8/25/2024	431	Report 4 due
6/20/2025	730	Report 5 due

## Attachment B: Notice Document

Via USPS Priority Mail

DATE



Illinois Tool Works, Inc. ("Contractor") and the United States Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP") have entered into a Conciliation Agreement ("Agreement") to remedy the violations of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973, as amended ("Section 503"); and the Americans with Disabilities Act of 1990, as amended ("ADA"), that OFCCP found during a complaint investigation of Contractor. OFCCP's investigation found that the Contractor failed to comply with its obligations under the nondiscrimination provisions of VEVRAA, Section 503, and the ADA when the Contractor subjected you to harassment based on your disability and status as a protected veteran. The Contractor has not admitted to any violation of VEVRAA, Section 503, and the ADA and there has not been any adjudicated finding that the Contractor violated any laws. OFCCP and the Contractor entered into the Agreement to resolve the matter without resorting to further legal proceedings.

Under the Agreement you are eligible to receive the following in exchange for agreeing to waive the right to pursue the allegations raised in your complaint under VEVRAA, Section 503, and/or the ADA:

- 1. A payment of \$105,181.00 (one hundred five thousand one hundred eighty-one dollars and zero cents) representing make whole relief (less deductions required by law).
- 2. Four (4) consecutive months of outplacement assistance paid for by the Contractor upon your written request within six months of {Effective Date of Agreement}. Such written request should be sent to {Name, position title, contact information}.
- 3. A positive letter of reference to any third parties that states your dates of employment, last position held, that your job performance met expectations, and that you voluntarily resigned for personal reasons. Third parties should be directed to {Name, position title, contact information} for such reference.

To be eligible for a payment, you must complete, sign, and return the enclosed Release of Claims Form. You may have a personal attorney review the Release. This form should be mailed as soon as possible to the address below. For you to be eligible to participate in the settlement, your documents must be received by [insert date: 60 days from date notice is mailed].

### Attachment B: Notice Document

Laura Rosenberg
Human Resources Director
Illinois Tool Works, Inc.
500 N Fairview Road
Zeeland, MI 49464
(b) (6), (b) (7)(C)@itw-drawform.com

You may use the enclosed postage-paid return envelope to return the completed and signed Release of Claims Form.

IF YOU FAIL TO COMPLETE AND RETURN THE ENCLOSED DOCUMENT TO ILLINOIS TOOL WORK, INC. BY [insert date by which must respond], YOU WILL NOT BE ELIGIBLE TO RECEIVE A PAYMENT.

Sincerely,

Laura Rosenberg Human Resources Director Illinois Tool Works, Inc.

Enclosures: Release of Claims Form

#### **Attachment C: Release of Claims**

## RELEASE OF CLAIMS

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT.

This Release of Claims ("Release") under the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973, as amended ("Section 503"), and the Americans with Disabilities Act of 1990, as amended ("ADA") is a legal document. The document states that in return for Illinois Tool Works, Inc. ("Contractor") paying you the amount specified below and agreeing to the additional terms specified below, you agree that you will not file any lawsuit against the Contractor for allegedly violating VEVRAA, Section 503, or the ADA as it relates to the allegations raised in the complaint you filed with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP"). It also says that the Contractor does not admit it violated any laws. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of the following:

- (a) \$105,181.00 (one hundred five thousand one hundred eighty-one dollars and zero cents) representing back pay, less deductions required by law;
- (b) Four (4) consecutive months of outplacement assistance paid for by the Contractor upon your written request within six months of {Effective Date of Agreement}; and
- (c) A positive letter of reference to any third parties that states your dates of employment, last position held, that your job performance met expectations, and that you voluntarily resigned for personal reasons;

I.

I hereby waive, release and forever discharge Contractor, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under VEVRAA, Section 503, or the ADA which I or my representatives (heirs, executors, administrators, or assigns) have or may have as they relate to the allegations raised in the complaint I filed with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and which arose prior to the date of my signature on this Release. By signing this agreement, I agree that I have been made whole for any such claims.

#### Attachment C: Release of Claims

Π.

I understand that the Contractor denies that it treated me unlawfully or unfairly in any way and that the Contractor entered into a Conciliation Agreement with the OFCCP and agreed to make the payment described above to resolve the matter without further legal proceedings. I further agree that the payment of the aforesaid sum by the Contractor to me is not to be construed as an admission of any liability by the Contractor.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own free will to sign this Release.

IV.

I understand that if I do not sign this Release and return it to the contact listed on the enclosed Notice by the deadline listed on the Notice, I will not be entitled to receive any payment (less deductions required by law) from the Contractor.

deductions required by law) from the Contractor.
IN WITNESS WHEREOF, I have signed this document on thisday of, 2023.  (Month)
(Signature) (b) (6), (b) (7)(C)
Mailing Address:
Street Address
City, State, Zip Code