

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
Innova Solutions Inc. (Formerly American Cybersystems Inc.)

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated Innova Solutions Inc. (Innova) (Formerly American Cybersystems Inc.) at 2400 Meadowbrook Pkwy Duluth, GA 30096-4635, beginning on Nov. 4, 2022. OFCCP found that Innova failed to comply with Executive Order 11246, as amended (E.O. 11246) and its respective implementing regulations at 41 CFR Chapter 60.

OFCCP notified Innova of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued May 26, 2023.

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 Innova 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 Innova's fulfillment of all its obligations in this Agreement, OFCCP will not institute administrative or judicial enforcement proceedings under E.O. 11246 based on the violation(s) alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Innova 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 Innova'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. Innova 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 Innova 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.

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4. Innova 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 Sybil Shy-Demmons (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 Innova submits its final progress report required in Section IV, below, unless OFCCP notifies Innova in writing before the expiration date that Innova 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 Innova has met all of its obligations under the Agreement.
10. If Innova violates this Agreement:
 - a. The procedures at 41 CFR 60-1.34 will govern:
 - i. OFCCP will send Innova a written notice stating the alleged violation(s) and summarizing any supporting evidence.
 - ii. Innova 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 Innova 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 Innova, 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.

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- b. Innova 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. Innova 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 1:** During the period July 01, 2021 through June 30, 2022, Innova failed to maintain and/or have available records showing the gender, race, and ethnicity of each employee; and where possible, the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, as required by 41 CFR 60-1.12(c).

Remedy 1: Innova will maintain and/or have available records showing the gender, race, and ethnicity of each employee; and where possible, the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, as required by 41 CFR 60-1.12(c).

2. **Violation 2:** During the period July 01, 2021 through June 30, 2022, Innova failed to perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exists, as required by 41 CFR 60-2.17(b). Specifically, Innova failed to conduct a thorough and complete in-depth analysis of its hiring activity due to the lack of inviting all applicants to self-identify their race and gender during the review period.

Remedy 2: Innova will perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exists, as required by 41 CFR 60-2.17(b). Specifically, Innova must complete a thorough and in-depth analysis of its hiring activity for inviting all applicants to self-identify their race and gender and determine whether there are selection disparities.

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Innova agrees to retain all records relevant to the violation(s) 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. Innova will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. **Contractor Reports.**

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

- a. Progress Reports 1 and 2 will be the same: Progress Report 1 is due on Feb. 1, 2024 covering the period of July 1, 2023 through Dec. 31, 2023. Progress Report 2 is due on Aug. 1, 2024 covering the period of Jan. 1, 2024 through June 30, 2024.
 1. Documentation of any record Innova maintains pursuant to 41 CFR 60-1.12(c) Innova must be able to identify the gender, race and ethnicity of each employee and applicant or Internet Applicant as defined in 41 CFR 60.13. For each job group or job title, the analysis must consist of the total number of applicants identified by gender and by race/ethnicity. If the gender and/or race are unknown, then that information should also be included in the data submitted. This also applies to the total number of hires.
 2. Documentation of the results of the complete in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exists where you identified any problem areas pursuant to 41 CFR 60-2.17(b). For any identified problem areas, please provide documentation that you made good faith efforts to remove identified barriers, expand employment opportunities, and produce measurable results. Include all assessments and reports on the effectiveness of action-oriented programs.

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Innova will submit reports to Compliance Officer (b) (6), (b) (7)(C) (b) (6), (b) (7)(C)@dol.gov) and Assistant District Director Charles Robinson (b) (6), (b) (7)(C)@dol.gov). Innova 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 Innova provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and Innova believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Innova will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will promptly notify Innova of the FOIA request and provide Innova 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 Innova's final progress report as set forth in Section II, Paragraph 9 above. If OFCCP fails to notify Innova in writing within sixty (60) days of the date of the final progress report that Innova 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 Innova within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Innova has met all of its obligations under the Agreement.

V. SIGNATURES

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

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This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Innova Solutions Inc. (Formerly American Cybersystems, Inc.) 2400 Meadowbrook Parkway, Duluth, GA 30096.

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

Shelton Guinn
Senior Vice President of Human Resources
Innova Solutions Inc.
Duluth, GA

DATE: JUNE 16, 2023

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

Sybil Shy-Demmons
District Director
Atlanta District Office
Southeast Region

DATE: June 27, 2023

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

Compliance Officer
Atlanta District Office
Southeast Region

DATE: 06/27/2023