

Conciliation Agreement  
Between the  
U.S. Department of Labor Office of Federal Contract Compliance Programs  
and  
Masters Drug Company, Inc.

**I. Preliminary Statement**

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the establishment located at 3600 Pharma Way, Mason, Ohio 45036 (“Masters Drug”)<sup>1</sup>, beginning on January 18, 2022. OFCCP found that Masters Drug failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order) and its respective implementing regulations at Title 41 of the Code of Federal Regulations (C.F.R.) Chapter 60.

OFCCP notified Masters Drug of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on July 13, 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 Masters Drug 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 Masters Drug’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 violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Masters Drug 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 Masters Drug’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. Masters Drug 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 Masters Drug of its obligation to fully comply with the requirements of E.O. 11246, Section 503 of the Rehabilitation Act of 1973, as amended (Section 503), Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended (VEVRAA), their implementing regulations, or other applicable laws requiring nondiscrimination or equal employment opportunity through affirmative action.

<sup>1</sup> The Affirmative Action Programs during the relevant timeframe contained employees of two different legal entities, Masters Drug Company, Inc., and RxCrossroads 3PL LLC. All references to and compliance obligations relating to “Masters Drug” in this Agreement apply to Masters Drug Company Inc. and RxCrossroads 3PL LLC, each respectively for its own employees.

4. Masters Drug 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 Masters Drug submits its final progress report required in Section IV, below, unless OFCCP notifies Masters Drug in writing before the expiration date that Masters Drug 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 Masters Drug has met all of its obligations under the Agreement.
10. If Masters Drug violates this Agreement:
  - a. The procedures at 41 C.F.R. § 60-1.34 will govern:
    - i. OFCCP will send Masters Drug a written notice stating the alleged violations and summarizing any supporting evidence.
    - ii. Masters Drug 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 Masters Drug 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 Masters Drug, 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. Masters Drug 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. Masters Drug 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:** During the period January 1, 2021 through December 31, 2021, Masters Drug failed to preserve complete and accurate personnel and employment records made or kept by Masters Drug for not less than two years from the date of the making of the record or the personnel action involved, whichever occurs later, as required by 41 CFR § 60-1.12. Specifically, Masters Drug failed to keep the name of interviewing manager(s), interview notes, interview details, pre-qualification (knockout) questions, and pre-qualification (knockout) answers for some Material Handler candidates; and failed to keep the records for a period of not less than two years from the date of the making of the record or the personnel action, whichever occurred later.

**REMEDY:** Masters Drug will preserve all names of interviewing manager(s), interview notes, interview details, pre-qualification (knockout) questions, and pre-qualification (knockout) answers for a period of not less than two years from the date of the making of the record or the personnel action involved, whichever occurs later, as required by 41 CFR § 60-1.12.

2. **VIOLATION:** During the period January 1, 2021 through December 31, 2021, Masters Drug 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, Masters Drug’s hiring activity showed adverse impact

in the Material Handler position during the review period and Masters Drug failed to conduct in-depth analyses of the adverse impact.

**REMEDY:** Masters Drug will continue 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, Masters Drug shall evaluate the individual components of the selection process if the total selection process for a position results in adverse impact.

3. **VIOLATION:** During the period January 1, 2021 through December 31, 2021, Masters Drug failed to develop and implement an internal audit and reporting system that periodically measures the effectiveness of its total affirmative action program, as required by 41 CFR § 60-2.17(d). Specifically, Masters Drug failed to monitor records of all personnel activity, including referrals, placements, transfers, promotions, terminations, and compensation, at all levels to ensure the nondiscriminatory policy is carried out.

**REMEDY:** Masters Drug will continue to develop and implement an auditing system that periodically measures the effectiveness of its total affirmative action program, as required by 41 CFR § 60-2.17(d).

#### IV. OFCCP Monitoring Period

1. **Recordkeeping.** Masters Drug 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. Masters Drug will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Masters Drug Reports.**

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

**Progress Report 1:** Due on July 15, 2024 covering the period of the Effective Date of this Agreement through June 30, 2024.

**Progress Report 2:** Due on January 15, 2025 covering the period of July 1, 2024 through December, 31, 2024.

Each Progress Report shall include:

For Violation 1: Documentation to include but not limited to application, testing, interview, hiring or other general personnel or employment records of each Material Handler applicant or Internet Applicant, including the name of interviewing manager(s), interview notes, interview details, pre-qualification (knockout) questions, and pre-qualification (knockout) answers.

For Violation 2: The total number of applicants for and hires into the Material Handler position, and the breakdown by race of all applicants for and hires into the Material Handler position during the reporting period, including all temporary, part-time, full-time, and seasonal workers (if applicable).

- i. For the Material Handler position, the results of Masters Drug's analysis as to whether its total selection process has an adverse impact, as defined in 41 C.F.R. § 60-3.4D, on those members of groups set forth in 41 C.F.R. § 60-3.4B.
- ii. For each case in which the total selection process has an adverse impact, as defined in 41 C.F.R. § 60-3.4D, the results of Masters Drug's evaluation of the individual components of the selection process for adverse impact.
- iii. The actions taken by Masters Drug upon determining that any component of the selection process has an adverse impact on members of any protected group.
- iv. The in-depth analyses performed by Masters Drug pursuant to items iii and iv above.

For Violation 3: Evidence of Masters Drug's internal audit and reporting system that measures the effectiveness of its total affirmative action program, to include monitoring records of all personnel activity, including referrals, placements, transfers, promotions, terminations and compensation, at all levels to ensure the nondiscriminatory policy is carried out; internal reporting on a scheduled basis as to the degree to which equal opportunity and organizational objectives are attained; review of internal reporting with all levels of management; and advice to top management regarding program effectiveness and recommendations to improve unsatisfactory performance, if any.

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

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**V. SIGNATURES**

The persons signing this Agreement on behalf of Masters Drug Company, Inc. and RxCrossroads 3PL LLC personally warrant that they are fully authorized to do so, that each entity has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on Masters Drug Company, Inc. and RxCrossroads 3PL LLC.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs, Masters Drug Company, Inc., and RxCrossroads 3PL LLC, 3600 Pharma Way, Mason, Ohio 45036,

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

DATE: 1/19/2024

Bill Ng  
Vice President and General Manager  
Masters Drug Company, Inc.  
3600 Pharma Way

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

DATE:

Josh Morton  
Senior Director, Operations  
RxCrossroads 3PL LLC  
3600 Pharma Way  
Mason, Ohio 45036

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

DATE:

Phyllis E. Lipkin  
OFCCP  
District Director  
Columbus Area Office  
Midwest Region