

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
Rhoads Industries, Inc.

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Rhoads Industries, Inc. (Contractor) establishment located at 1900 Kitty Hawk Ave., Suite 108 E., Philadelphia, PA 19112, beginning on June 6, 2023. OFCCP found that Rhoads Industries, Inc. failed to comply with Executive Order 11246, as amended (E.O. 11246 or the Executive Order), 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 § Chapter 60 due to the specific violations cited in Section III below.

OFCCP notified Rhoads Industries, Inc. of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on February 23, 2024.

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 Rhoads Industries, Inc. 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 Rhoads Industries, Inc.'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 VEVRAA based on the violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Rhoads Industries, Inc. 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 Rhoads Industries, Inc.'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. Rhoads Industries, Inc. 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 Rhoads Industries, Inc. 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. Rhoads Industries, Inc. 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 Rhoads Industries, Inc. submits its final progress report required in Section IV, below, unless OFCCP notifies Rhoads Industries, Inc. in writing before the expiration date that Rhoads Industries, Inc. 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 Rhoads Industries, Inc. has met all of its obligations under the Agreement.
10. If Rhoads Industries, Inc. violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34, 41 C.F.R. 60-300.63, and 41 C.F.R. 60-741.63 will govern:
 - i. OFCCP will send Rhoads Industries, Inc. a written notice stating the alleged violation(s) and summarizing any supporting evidence.
 - ii. Rhoads Industries, Inc. 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 Rhoads Industries, Inc. 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 Rhoads Industries, Inc., 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. Rhoads Industries, Inc. may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 C.F.R. 60-1.27, 41 C.F.R. 60-741.66, or 41 C.F.R. 60-300.66, and/or other appropriate relief for violating this Agreement.
11. Rhoads Industries, Inc. 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 OFCCP.
 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, 2022 through December 31, 2022, Rhoads Industries, Inc. failed to maintain and/or have available records showing 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). Specifically, Rhoads Industries, Inc. failed to maintain complete applicant records.

Remedy: Rhoads Industries, Inc. will maintain and/or have available records showing, 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:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. 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, Rhoads Industries, Inc. failed to analyze applicant flow and hire activity to determine whether there were gender-, race-, or ethnicity-based selection disparities as required by 41 CFR 60-2.17(b)(2).

Remedy: Rhoads Industries, Inc. 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, Rhoads Industries, Inc. will analyze applicant flow and hire activity to determine whether there were selection disparities.

3. **Violation:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. 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, Rhoads Industries, Inc. failed to monitor records of all personnel activity, including applicants and hires at all levels to ensure the non-discriminatory policy is carried out.

Remedy: Rhoads Industries, Inc. will include in its AAP the internal audit and reporting systems component specified in 41 CFR 60-2.17(d), as required by 41 CFR 60-2.10(b)(2)(iv). Specifically, Rhoads Industries, Inc. will monitor records of all personnel activity, including applicants and hires, at all levels to ensure the non-discriminatory policy is carried out.

4. **Violation:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. failed to develop and execute action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and to attain established goals and objectives, as required by 41 CFR 60-2.17(c). Specifically, Rhoads Industries, Inc. failed to develop and execute action-oriented programs to improve recruitment and increase the applicant flow of minorities in the Professionals job group.

Remedy: Rhoads Industries, Inc. will develop and execute action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and to attain established goals and objectives, as required by 41 CFR 60-2.17(c). Rhoads Industries, Inc. will ensure that its action-oriented programs consist of procedures to increase applicant flow in the Professionals job group. Rhoads Industries, Inc. will demonstrate that it has made good-faith efforts to remove identified barriers, expand employment opportunities, and produce measurable results. Among its recruitment activities, Rhoads Industries, Inc. will solicit the assistance and support of the following organizations by sending them its job vacancy announcements:

Philadelphia Job Corps Center OA CTS
Address: 2810 S. 20th Street Bldg 12, Philadelphia, PA 19145
Website: <http://philadelphia.jobcorps.gov/>
Contact Phone Number: 8007335627

Philadelphia Opportunities Industrialization Center
Address: 1231 North Broad Street, Philadelphia, PA 19122
Website: <http://www.philaoic.org>
Contact: Latoya Edmond
Contact Email: (b) (6), (b) (7)(C)@philaoic.org
Contact Phone Number: 2152367700

Nationalities Service Center
Address: 1216 Arch Street 4th Floor, Philadelphia, PA 19107

Website: <http://www.nscphila.org>

Contact: Pamela Jones-Burnley

Contact Email: (b) (6), (b) (7)(C)@nscphila.org

Contact Phone Number: (b) (6), (b) (7)(C)

5. **Violation:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. failed to immediately list all employment openings with either the state workforce agency job bank or a local employment service delivery system (ESDS) serving the location where the openings occurred in violation of 41 CFR 60-300.5(a)2-6.

Remedy: Rhoads Industries, Inc. will list all employment openings as they occur with an appropriate employment service delivery system (ESDS) (either the state workforce agency job bank or a local ESDS) where the openings occur, in a manner and format that will allow the ESDS to provide priority referrals of protected veterans to Rhoads Industries, Inc., as required by 41 CFR 60-300.5(a)2-6. With its initial listing, and as subsequently needed to update the information, Rhoads Industries, Inc. will also advise the employment service delivery system that it is a federal contractor that desires priority referrals of protected veterans for job openings at all locations within the state, and provide the employment service delivery system with the name and address of each of its hiring locations within the state and the contact information for the contractor official responsible for hiring at each location, in accordance with 41 CFR 60-300.5(a)4. Should any of the information in the disclosures change since it was last reported to the ESDS, Rhoads Industries, Inc. shall provide updated information simultaneously with its next job listing.

6. **Violation:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. failed to document and maintain the required data pertaining to applicants and hires, in violation of 41 CFR 60-300.44(k).

Remedy: Rhoads Industries, Inc. will document the following computations or comparisons pertaining to applicants and hires, on an annual basis, and will maintain this data for three (3) years, as required by 41 CFR 60-300.44(k): (a) The number of applicants who self-identified as protected veterans, or who are otherwise known to be protected veterans; (b) The total number of job openings and total number of jobs filled; (c) The total number of applicants for all jobs; (d) The number of protected veteran applicants hired; and (e) The total number of applicants hired.

7. **Violation:** During the period January 1, 2022, through December 31, 2022, Rhoads Industries, Inc. failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-300.80(a). Specifically, Rhoads Industries, Inc. failed to keep applicant, personnel, or employment records specific to its VEVRAA obligations.

Remedy: Rhoads Industries, Inc. will keep and preserve complete and accurate personnel and employment records, in accordance with 41 CFR 60-300.80(a), and will keep and preserve those records specified in 41 CFR 60-300.80(b) for a period of three years from the date of the making of the record.

8. **Violation:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. failed to document and maintain the required data pertaining to applicants and hires, in violation of 41 CFR 60-741.44(k).

Remedy: Rhoads Industries, Inc. will document the following computations or comparisons pertaining to applicants and hires, on an annual basis, and will maintain this data for three (3) years, as required by 41 CFR 60-741.44(k): (a) The number of applicants who self-identified as individuals with disabilities, or who are otherwise known to be individuals with disabilities; (b) The total number of job openings and total number of jobs filled; (c) The total number of applicants for all jobs; (d) The number of applicants with disabilities hired; and (e) The total number of applicants hired.

9. **Violation:** During the period January 1, 2022 through December 31, 2022, Rhoads Industries, Inc. failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-741.80. Specifically, Rhoads Industries, Inc. failed to keep applicant, personnel, or employment records specific to its Section 503 obligations.

Remedy: Rhoads Industries, Inc. will keep and preserve complete and accurate personnel and employment records, in accordance with 41 CFR 60-741.80, and will keep and preserve those records specified in 41 CFR 60-741.80(b) for a period of three years from the date of the making of the record.

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Rhoads Industries, Inc. 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. Rhoads Industries, Inc. will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. **Contractor Reports.**

Rhoads Industries, Inc. agrees to furnish OFCCP with two (2) reports during the Monitoring Period. Each report will contain the documentation specified according to the dates scheduled:

- a. Progress Report 1: Due on January 30, 2025, covering the period of January 1, 2024, through December 31, 2024.
- b. Progress Report 2: Due on January 30, 2026, covering the period of January 1, 2025, through December 31, 2025.

Each progress report will contain the following items:

- i. An applicant flow log that includes the gender, race, and ethnicity of each applicant or Internet Applicant, the job group and job title applied for, the date they applied, the date hired (as applicable), and the disposition of each applicant.
- ii. Documentation of the internal audit and reporting system Rhoads Industries, Inc. implemented to periodically measure the effectiveness of its total affirmative action program. This documentation will include, but not be limited to, documentation that demonstrates Rhoads Industries, Inc.; monitored records of all personnel activity at all levels to ensure that nondiscriminatory policy is carried out; the schedule implemented for internal auditing that is designed to ensure equal employment opportunity and organizational objectives are attained; a review of the report results conducted with all levels of management; and top management was advised of program effectiveness and recommendations submitted to improve unsatisfactory performance.
- iii. Documentation of Rhoads Industries, Inc. performed in-depth analyses of hiring activity. At a minimum, this documentation will include:
 1. Rhoads Industries, Inc. evaluation of its personnel activity (applicant flow and hires) to determine whether there are selection disparities, including all impact ratio analyses; and
 2. Rhoads Industries, Inc. evaluation of its selection, recruitment, referral, and other personnel procedures to determine whether they result in disparities in the employment or advancement of minorities or women.
- iv. (1) A list of all employment openings, except executive and senior management, those positions that were filled from within the contractor's organization, and positions lasting three days or less, and (2) Documentation of all employment openings were listed with the appropriate state workforce agency job bank or a local ESDS. Should any of the information in the disclosures change since it was last reported to the ESDS, Rhoads Industries, Inc. shall provide documentation demonstrating that it updated information simultaneously with its next job listing.
- v. Documentation that demonstrates Rhoads Industries, Inc. provided applicants the opportunity, both pre- and post-offer, to self-identify their veteran status and their status as an individual with disabilities. Rhoads Industries, Inc. will provide a copy of screen capture of the self-identification form used to voluntarily self-identify as an individual with disabilities so that OFCCP can confirm compliance.
- vi. Rhoads Industries, Inc. will provide documentation of their good-faith efforts undertaken in outreach and recruitment over the review period to identify and recruit qualified minorities in the Professionals job group. Documentation of outreach to the sources, utilizing, at minimum, the sources provided in Remedy Four, above. For each source, provide the number of referrals sent, the number of job offers made (if any) and the number hires made (if any). For all

referrals/applicants, offers and hires, please include the name, race, gender, and job title of each selected individual.

- vii. Rhoads Industries, Inc. will provide data pertaining to applicants and hires in accordance with 41 CFR 60-300.44(k) and 41 CFR 60-741.44(k). Specifically, (a) The number of applicants who self-identified as protected veterans/individuals with disabilities; (b) The total number of job openings and total number of jobs filled; (c) The total number of applicants for all jobs; (d) The number of applicants hired that identified as protected veterans/individuals with disabilities; and (e) The total number of applicants hired.
- viii. Documentation that demonstrates Rhoads Industries, Inc. kept and preserved complete and accurate personnel and employment records, as required by 41 CFR 60-300.80 and 41 CFR 60-741.80.

Rhoads Industries, Inc. will submit reports to District Director Edward Rogers via e-mail at (b) (6), (b) (7)(C)@dol.gov and Compliance Officer (b) (6), (b) (7)(C) at (b) (6), (b) (7)(C)@dol.gov. Rhoads Industries, Inc. 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 Rhoads Industries, Inc. provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and the Rhoads Industries, Inc. believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Rhoads Industries, Inc. will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA request, OFCCP will promptly notify Rhoads Industries, Inc. of the FOIA request and provide Rhoads Industries, Inc. 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 Rhoads Industries, Inc.' final progress report as set forth in Section II, Paragraph 9 above. If OFCCP fails to notify Rhoads Industries, Inc. in writing within sixty (60) days of the date of the final progress report that Rhoads Industries, Inc. 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 Rhoads Industries, Inc. within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines Rhoads Industries, Inc. has met all of its obligations under the Agreement, at which point the procedures at 41 C.F.R. 60-1.32 will govern.

V. SIGNATURES

The person signing this Agreement on behalf of Rhoads Industries, Inc. personally warrants that they are fully authorized to do so, that Rhoads Industries, Inc. has entered into this Agreement voluntarily and with full knowledge of its effect, and that execution of this Agreement is fully binding on Rhoads Industries, Inc.

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Rhoads Industries, Inc. located at 1900 Kitty Hawk Ave., Suite 108 E., Philadelphia, PA 19112.

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

Dan Rhoads
CEO
Rhoads Industries, Inc.
Philadelphia, PA 19112

DATE: 03/21/24

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

Edward J. Rogers
District Director
Mid-Atlantic - Philadelphia

DATE: March 22, 2024

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

Tracey D. Reid
Assistant District Director
Mid-Atlantic - Philadelphia

DATE: March 22, 2024

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

Compliance Officer
Mid-Atlantic - Philadelphia

DATE: 3/22/2024