

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

**I. Preliminary Statement**

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the Systema Technologies, Inc. (Systema) establishment located at 6500 Harbour Heights Parkway, Suite 202, Mukilteo, WA 98275, beginning on January 27, 2023. OFCCP found that Systema 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 Parts 60-1, 60-2, 60-300 and 60-741.

OFCCP notified Systema of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on February 8, 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 Systema 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 Systema'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 violations alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if Systema 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 Systema'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. Systema 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 Systema 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. Systima 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 Systima submits its final progress report required in Section IV, below, unless OFCCP notifies Systima in writing before the expiration date that Systima 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 Systima has met all of its obligations under the Agreement.
10. If Systima violates this Agreement:
  - a. The procedures at 41 C.F.R. 60-1.34, 41 C.F.R. 60-300.63, and/or 41 C.F.R. 60-741.63 will govern:
    - i. OFCCP will send Systima a written notice stating the alleged violation(s) and summarizing any supporting evidence.
    - ii. The Systima 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 Systima 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 the Systima, 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. Systima 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. Systima 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 of July 1, 2022, through December 31, 2022, Systima failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-1.12(a) and (e); and 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, Systima failed to keep applicant records when it became unable to access applicant data from the previous applicant tracking system provider. Consequently, Systima was unable to produce any applicant data to OFCCP for review from the above-referenced period.

**REMEDY:** Systima must keep and preserve complete and accurate personnel and employment records, in accordance with 41 CFR 60-1.12(a) and (e), and will keep and preserve those records for a period of not less than two years from the date of the making of the record or the personnel action, whichever occurs later. However, if Systima has a total workforce of 150 or fewer employees or does not have a government contract of at least \$150,000, the minimum record retention period shall be one year from the making of the record or the personnel action, whichever occurs later, as permitted by 41 CFR 60-1.12(a). Additionally, Systima must 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).

2. **VIOLATION:** During the period of July 1, 2022, through December 31, 2022, Systima 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)(1). Specifically, Systima failed to develop and implement an internal audit and reporting system that monitored placement activity during the above-referenced period, while it changed applicant tracking system providers.

**REMEDY:** Systima must 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)(1). Specifically, Systima must develop and implement an internal audit and reporting system that periodically measures the effectiveness of its total affirmative action program by monitoring all personnel activity, including placement activity, during the AAP year to ensure that its nondiscriminatory policy is carried out.

3. **VIOLATION:** During the period January 1, 2022, through December 31, 2022, Systima failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and recruit qualified protected veterans, as required by 41 CFR 60-300.44(f)(3).

**REMEDY:** Systima must annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-300.44(f)(3). If Systima concludes that the totality of its efforts were not effective in identifying and recruiting qualified protected veterans, it shall identify and implement alternative efforts listed in 41 CFR 60-300.44(f)(1) or (f)(2).

4. **VIOLATION:** During the period of January 1, 2022, through December 31, 2022, Systima failed to design and implement an audit and reporting system, as required by 41 CFR 60-300.44(h)(1). Specifically, Systima failed to document the actions taken to comply with the obligations of 41 CFR 60-300.44(h)(1)(i) through (v).

**REMEDY:** Systima must design and implement an audit and reporting system, as required by 41 CFR 60-300.44(h). Specifically, Systima must document the actions taken to comply with the obligations of 41 CFR 60-300.44(h)(1)(i) through (v).

5. **VIOLATION:** During the period of July 1, 2022, through December 31, 2022, Systima failed to document and maintain the required data pertaining to applicants and hires, in violation of 41 CFR 60-300.44(k). Specifically, Systima failed to document and maintain the total number of applicants for all jobs, the total number of applicants who

self-identified as protected veterans, and the number of protected veteran applicants hired for all jobs during this period, while it changed applicant tracking system providers.

**REMEDY:** Systima must 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).

- 1) The number of applicants who self-identified as protected veterans pursuant to 41 CFR 60-300.42, or who are otherwise known as protected veterans;
- 2) The total number of job openings and total number of jobs filled;
- 3) The total number of applicants for all jobs;
- 4) The number of protected veteran applicants hired; and
- 5) The total number of applicants hired.

6. **VIOLATION:** During the period of January 1, 2022, through December 31, 2022, Systima failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-300.80(a). Specifically, Systima failed to document reasonable accommodation requests that were received and their resolution.

**REMEDY:** Systima must keep and preserve complete and accurate personnel and employment records, including but not limited to, the documentation and retention of all requests for reasonable accommodation to physical and mental limitations in accordance with 41 CFR 60-300.80, and will keep and preserve those records specified in 41 CFR 60-300.80(a) for a period of two (2) years from the date of the making of the record.

7. **VIOLATION:** During the period of January 1, 2022, through December 31, 2022, Systima failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified individuals with disabilities, document these activities, assess their effectiveness, and document its review, in violation of 41 CFR 60-741.44(f).

**REMEDY:** Systima must undertake appropriate outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified individuals with disabilities, document these activities, assess their effectiveness, and document its review, as required by 41 CFR 60-741.44(f).

8. **VIOLATION:** During the period of January 1, 2022, through December 31, 2022 Systima failed to design and implement an audit and reporting system, as required by 41 CFR 60-741.44(h). Specifically, Systima failed to document the actions taken to comply with the obligations of 41 CFR 60-741.44(h)(1)(i) through (v).

**REMEDY:** Systima must design and implement an audit and reporting system, as

required by 41 CFR 60-741.44(h). Specifically, Systima must document the actions taken to comply with the obligations of 41 CFR 60-741.44(h)(1)(i) through (v):

9. **VIOLATION:** During the period of July 1, 2022, through December 31, 2022, Systima failed to document and maintain the required data pertaining to applicants and hires, in violation of 41 CFR 60-741.44(k). Specifically, Systima failed to document and maintain the total number of applicants for all jobs, the total number of applicants who self-identified as individuals with disabilities, and the number of applicants with disabilities hired for all jobs during this period, while it changed applicant tracking system providers.

**REMEDY:** Systima must 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) .

- 1) The number of applicants who self-identified as individuals with disabilities pursuant to 41 CFR 60-741.42, or who are otherwise known to be individuals with disabilities;
- 2) The total number of job openings and total number of jobs filled;
- 3) The total number of applicants for all jobs;
- 4) The number of applicants with disabilities hired; and
- 5) The total number of applicants hired.

10. **VIOLATION:** During the period of January 1, 2022, through December 31, 2022, Systima failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-741.80(a). Specifically, Systima failed to document reasonable accommodation requests that were received and their resolution.

**REMEDY:** Systima must keep and preserve complete and accurate personnel and employment records, including but not limited to, the documentation and retention of all requests for reasonable accommodation to physical and mental limitations, in accordance with 41 CFR 60-741.80, and will keep and preserve those records specified in 41 CFR 60-741.80(a) for a period of two (2) years from the date of the making of the record.

#### **IV. OFCCP Monitoring Period**

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

2. **Systema Technologies, Inc.'s Reports.**

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

Progress Report 1: Due on Aug 1, 2024, and covering the following periods:

- Current year AAP: January 1, 2024, to June 30, 2024
- Prior year data: January 1, 2023, to December 31, 2023

Progress Report 2: Due on February 1, 2025, and covering the following periods:

- Current year AAP: January 1, 2025, to December 31, 2025
- Prior year data: July 1, 2024, to December 31, 2024

- b. In each progress report, Systema will submit the following items:

- i. Pursuant to Remedy 1: A copy of Systema's personnel and employment records that are complete and accurate showing the gender, race, and ethnicity of each job applicant as specified in 41 CFR 60-1.12(c)(1). This includes summary data of applicants and hires for the specified prior year period. Additional information may be requested if necessary.
- ii. Pursuant to Remedy 2: A copy of Systema's 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)(1). This includes an electronic Excel applicant flow log for the specified prior year period, including all expressions of interest, for all open positions at the establishment. The log should contain data columns for:

- a. Name or applicant ID
- b. Race
- c. Gender
- d. Veteran status
- e. Disability status
- f. Date of application
- g. Requisition number applied to (if applicable)
- h. Job Title applied for
- i. Job Group applied for
- j. Referral Source
- k. Disposition, including if hired (provide a key if disposition codes are used)

This also includes an electronic Excel hire log for the specified prior year period, for all positions filled at the establishment. The log should contain data columns for:

- a. Name or Employee ID

- b. Race
  - c. Gender
  - d. Veteran status
  - e. Disability status
  - f. Date of hire
  - g. Requisition number hired under (if applicable)
  - h. Job Title hired for
  - i. Job Group hired for
  - j. Name and job title of the selecting official(s)
- iii. Pursuant to Remedy 3: A list of each outreach and recruitment activity designed to effectively identify and recruit qualified protected veterans that was conducted during the specified prior year period, including the date and a description of each activity. In addition to the following:
- 1) An assessment of the effectiveness of each outreach and recruitment activity targeting protected veteran applicants;
  - 2) The criteria used to assess each outreach and recruitment activity; and
  - 3) An assessment of the effectiveness of the totality of all the activities. If Systima concludes that the totality of its efforts were not effective in identifying and recruiting qualified protected veterans, it shall identify and report what alternative efforts were or will be made.
- iv. Pursuant to Remedy 4: A copy of Systima's documentation showing its actions taken to comply with the obligations of 41 CFR 60-300.44(h)(1)(i) through (v). This includes an internal self-audit conducted under VEVRAA.
- v. Pursuant to Remedy 5: A copy of Systima's documentation showing its computations or comparisons pertaining to protected veteran applicants and hires on an annual basis, including:
- 1) The number of applicants who self-identified as protected veterans pursuant to 41 CFR 60-300.42, or who are otherwise known as protected veterans;
  - 2) The total number of job openings and total number of jobs filled;
  - 3) The total number of applicants for all jobs;
  - 4) The number of protected veteran applicants hired; and
  - 5) The total number of applicants hired.
- vi. Pursuant to Remedy 6: A copy of Systima's documentation showing its retention of all requests for reasonable accommodation to physical and mental limitations, and the actions taken in response to any requests, in accordance with 41 CFR 60-300.80.

- vii. Pursuant to Remedy 7: A list of each outreach and recruitment activity designed to effectively identify and recruit qualified individuals with disabilities that was conducted during the specified prior year period, including the date and a description of each activity. In addition to the following:
  - 1) An assessment of the effectiveness of each outreach and recruitment activity targeting applicants with disabilities;
  - 2) The criteria used to assess each outreach and recruitment activity; and
  - 3) An assessment of the effectiveness of the totality of all the activities. If Systima concludes that the totality of its efforts were not effective in identifying and recruiting qualified individuals with disabilities, it shall identify and report what alternative efforts were or will be made.
- viii. Pursuant to Remedy 8: A copy of Systima's documentation showing its actions taken to comply with the obligations of 41 CFR 60-741.44(h)(i) through (v). This includes an internal self-audit conducted under Section 503.
- ix. Pursuant to Remedy 9: A copy of Systima's documentation showing its computations or comparisons pertaining to disabled applicants and hires on an annual basis, including:
  - 1) The number of applicants who self-identified as individuals with disabilities pursuant to 41 CFR 741.42, or who are otherwise known to be individuals with disabilities;
  - 2) The total number of job openings and total number of jobs filled;
  - 3) The total number of applicants for all jobs;
  - 4) The number of applicants with disabilities hired; and
  - 5) The total number of applicants hired.
- x. Pursuant to Remedy 10: A copy of Systima's documentation showing its retention of all requests for reasonable accommodation to physical and mental limitations, and the actions taken in response to any requests, in accordance with 41 CFR 60-741.80.

Systima will submit all progress reports to Assistant District Director (ADD) Quanda Evans at [\(b\) \(6\), \(b\) \(7\)\(C\)@dol.gov](mailto:(b) (6), (b) (7)(C)@dol.gov). Systima 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 Systima provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and Systima believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Systima will provide such reports to OFCCP marked as "Confidential". In the event of a FOIA



**V. SIGNATURES**

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

This Agreement is hereby executed by and between the U.S. Department of Labor, Office of Federal Contract Compliance Programs and the Systema Technologies, Inc. establishment located at 6500 Harbour Heights Parkway, Suite 202, Mukilteo, WA 98275.

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

Jonathan Beaudoin  
Division President  
Systema Technologies, Inc.  
6500 Harbour Heights Parkway  
Suite 202  
Mukilteo WA 98275

DATE: \_\_\_\_\_

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

Leigh Jones  
District Director  
Office of Federal Contract  
Compliance Programs  
Seattle and Portland Offices

DATE: 04/10/2024

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

Quanda Evans  
Assistant District Director  
Office of Federal Contract  
Compliance Programs  
Seattle District Office

DATE: 4/10/2024