

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
TFC Manufacturing Inc
R00309906

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the TFC Manufacturing Inc (Contractor) establishment located at 4001 Watson Plaza Drive, Lakewood, CA 90712, beginning on 9/22/2023. OFCCP found that Contractor 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.

OFCCP notified Contractor of the specific violations and the corrective actions required in a Notice of Violation (NOV) issued on March 25, 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 Contractor 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 Contractor'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 Contractor 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 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 OFCCP requests, including those specified in this Agreement.
3. Nothing in this Agreement relieves Contractor 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. 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.
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 Assistant District Director Germaine Ling (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 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.
10. If Contractor violates this Agreement:
 - a. The procedures at 41 CFR 60-1.34, 41 CFR 60-300.63, and 41 CFR 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 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 in the Agreement.

- b. Contractor may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-1.27, 41 CFR 60-741.66, or 41 CFR 60-300.66, and other appropriate relief for violating this Agreement.
11. Contractor 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 September 1, 2022 through August 31, 2023, Contractor failed to immediately list all employment openings with either the state workforce agency job bank or a local employment service delivery system serving the location where the openings occurred, in violation of 41 CFR 60-300.5(a) 2-6.

REMEDY: Contractor agrees to 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 Contractor, as required by 41 CFR 60-300.5(a)2-6. With its initial listing, and as subsequently needed to update the information, Contractor 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, Contractor shall provide

updated information simultaneously with its next job listing.

- 2. VIOLATION:** Contractor's EO 11246 AAP failed to include the action-oriented programs component specified in 41 CFR 60-2.17 (c), as required by 41 CFR 60-2.10(b)(2)(iii).

REMEDY: Contractor agrees to include in its EO 11246 AAP the action oriented programs component specified in 41 CFR 60-2.17 (c), as required by 41 CFR 60-2.10(b)(2)(iii).

- 3. VIOLATION:** Contractor's EO 11246 AAP failed to include minority and female placement goals, as required by 41 CFR 60-2.10(b)(1)(vi) and 60-2.16.

REMEDY: Contractor agrees to establish and include in the EO 11246 AAP minority and female placement goals, as required by 41 CFR 60-2.10(b)(1)(vi) and 60-2.16.

- 4. VIOLATION:** Contractor's EO 11246 failed to include the identification of problem areas component specified in 41 CFR 60-2.17 (b), as required 41 CFR 60-2.10(b)(2)(ii)

REMEDY: Contractor agrees to include in its EEO 11246 AAP the identification of problem areas specified in 41 CFR 60-2.17 (b), as required 41 CFR 60-2.10(b)(2)(ii)

- 5. VIOLATION:** Contractor's EO 11246 failed to include the documentation that satisfied its obligation to evaluate its compensation system to determine whether there are gender, race or ethnicity-based disparities, as required in 41 CFR 60-2.17(b)(3).

REMEDY: Contractor agrees to include in its EO 11246 AAP the documentation that satisfied its obligation to evaluate its compensation system.

- 6. VIOLATION:** During the period September 1, 2022 through August 31, 2023, Contractor failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-1.12(a) and (e). Specifically, Contractor failed to keep records of goals.

REMEDY: Contractor agrees to 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 of not less than two years from the date of the making of the record or the personnel action, whichever occurs later. However, if Contractor 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).

7. **VIOLATION:** Contractor's Section 503 and VEVRAA AAP failed to include all the required contents, as required by 41 CFR 60-741.44 and 41 CFR 60-300.44. Specifically, Contractor's AAPs failed to include the data collection analysis element described in 41 CFR 60-741.44(k) and 41 CFR 60-300.44(k).

REMEDY: Contractor agrees to include the data collection analysis described in 41 CFR 60-741.44(k) and 41 CFR 60-300.44(k) in its Section 503 AAP and VEVRAA AAP, as required by 41 CFR 60-741.44 and 41 CFR 60-300.44.

8. **VIOLATION:** During the period September 1, 2022 through August 31, 2023, Contractor failed to keep and preserve complete and accurate personnel and employment records, in violation of 41 CFR 60-741.80. Specifically, Contractor failed to keep applicant, testing, interview, hiring or other general personnel or employment records; and failed to keep the records specified in 60-741.80(b) for three years.

REMEDY: Contractor agrees to 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

9. **VIOLATION:** During the period September 1, 2022 through August 31, 2023, Contractor failed to annually review the effectiveness of the outreach and recruitment efforts it took over the previous twelve months to identify and recruit qualified individuals with disabilities and protected veterans as required by 41 CFR 60-741.44(f)(3) and 41 CFR 60-300.44(f)(3). The contractor failed to assess individual outreach and recruitment efforts and the totality of the outreach and recruitment efforts.

REMEDY: Contractor agrees to annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-741.44(f)(3) and 41 CFR 60-300.44(f)(3). If Contractor concludes that the totality of its efforts were not effective in identifying and recruiting qualified individuals with disabilities or qualified protected veterans, it shall identify and implement alternative efforts listed in 41 CFR 60-741.44(f)(1) or (f)(2) and 41 CFR 60-300.44(f)(1) or (f)(2).

10. **VIOLATION:** During the period September 1, 2022 through August 31, 2023, Contractor failed to document the hiring benchmark it established; and failed to maintain hiring benchmark records for three years, as required in 41 CFR 60-300.45(c).

REMEDY: Contractor agrees to establish a hiring benchmark for each of its establishments, on an annual basis, using one of the two methods prescribed in 41 CFR 60-300.45(b). Contractor must document its hiring benchmark, and, if Contractor sets its benchmark using the five-factor approach described in 41 CFR 60-300.45(b)(2), it will also document each factor that it considered in establishing its benchmark and the relative significance it accorded to each one. Contractor must retain these records for three years, as required by 41 CFR 60-300.45(c).

IV. OFCCP Monitoring Period

1. **Recordkeeping.** Contractor agrees to retain all records relevant to the violations cited in Section III above and the reports submitted in compliance with Paragraph 2, below. Contractor must retain, implement, and maintain an acceptable written affirmative action program and supporting data for Executive Order 11246, Section 503, and VEVRAA. 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. Contractor will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.
2. **Contractor Reports.**

Contractor 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: July 1, 2025 covering the period of June 1, 2024 through May 31, 2025.

- A. Documentation of current E.O. 11246 Affirmative Action Program prepared in accordance with the requirements of 41 CFR 60-1.40 and 60-2.1 through 60-2.17d
- B. Documentation of Section 503 Affirmative Action Program prepared in accordance with the requirements of 41 CFR 60-741.40 through 60-741.47
- C. Documentation of your current VEVRAA Affirmative Action Program prepared in accordance with the requirements of 41 CFR 60-300.40 through 60-300.45
- D. Documentation of the results of the evaluation of the effectiveness of outreach and recruitment efforts that were intended to identify and recruit qualified protected veterans and qualified individuals with disabilities as described in 41 CFR 60-300.44(f)(3) and 41 CFR 60-741 .44(f)(3).
- E. Documentation showing that Contractor listed all employment openings as they occur with an appropriate ESDS where the openings occur, in a manner and format that will allow the ESDS to provide priority referrals of protected veterans, as required by 41 CFR 60-300.5(a) 2-6.
- F. Documentation satisfying Contractor's obligation to evaluate its compensation system to determine whether there are gender, race, or ethnicity-based disparities, as required in 41 CFR 60-2.17(b)(3).

Contractor will submit reports to (b) (6), (b) (7)(C) at (b) (6), (b) (7)(C)@dol.gov. Contractor 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 Contractor provides in accordance with this Agreement are trade secrets, commercial, and/or financial in nature, and customarily kept private or closely-held, and the Contractor believes should remain confidential under Exemption 4 of the Freedom of Information Act (FOIA) in the event of a FOIA request, Contractor will provide such reports to OFCCP marked as “Confidential”. In the event of a FOIA request, OFCCP will promptly notify Contractor of the FOIA request and provide Contractor 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 Contractor’s final progress report as set forth in Section II, Paragraph 9 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 they are 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 TFC Manufacturing Inc, located at 4001 Watson Plaza Drive, Lakewood, CA 90712.

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

Majid Shahbazi
President
TFC Manufacturing Inc
4001 Watson Plaza Drive
Lakewood, CA 90712

DATE: 5-8-2024

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

Germane ~~Z~~ing
Assistant District Director
U.S. Department of Labor
Office of Federal Contractor Compliance Programs – Pacific Region

DATE: 5/8/24