

## CONCILIATION AGREEMENT

Between

THE U. S. DEPARTMENT OF LABOR  
OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

and

STERLING HERITAGE CORPORATION  
9912b Georgetown Pike, Suite 205  
Great Falls, Virginia 22066

### **PART I. PRELIMINARY STATEMENT**

The Office of Federal Contract Compliance Programs (“OFCCP”) conducted a complaint investigation at Sterling Heritage Corporation’s (“Sterling Heritage”) facility located at 9912B Georgetown Pike, Suite 205, Great Falls, Virginia 22066 and found that Sterling Heritage was not in compliance with Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (“Section 503”) and its implementing regulations at 41 C.F.R. Section 60-741. OFCCP notified Sterling Heritage of the specific violations found and the corrective actions required in a Notification of Results of Investigation issued on June 1, 2017. In the interest of resolving the violations without engaging in further legal proceedings and in exchange for the good and valuable consideration described in this document, OFCCP and Sterling Heritage enter this contract (“Conciliation Agreement” or “Agreement”) and agree to all the terms stated below.

### **PART II. GENERAL TERMS AND CONDITIONS**

1. In exchange for Sterling Heritage’s fulfillment of all obligations in Parts III and IV of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under Section 503 based on the violations described in more detail in Part III below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part III if Sterling Heritage violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. Sterling Heritage agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Sterling Heritage will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

3. Sterling Heritage understands that nothing in this Agreement relieves Sterling Heritage of its obligation to fully comply with the requirements of the Executive Order 11246, as amended ("E.O. 11246"), Section 503, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 ("VEVRAA"), their implementing regulations, and other applicable equal employment laws.
4. Sterling Heritage promises not to harass, intimidate, threaten, discriminate, or otherwise retaliate against any individual because the individual: benefits from this Agreement, files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 C.F.R. § 60-1.32(a).
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This document and its attachments contain the complete and final understanding of the parties with respect to the matters referenced herein. This Agreement contains all terms by which the parties are bound and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing, signed by all parties.
7. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
8. This Agreement becomes effective on the day it is signed by the Regional Director of the Mid-Atlantic Region (the "Effective Date") unless the Director of OFCCP indicates otherwise within 45 calendar days of the date the Regional Director signs the Agreement.
9. This Agreement will expire sixty (60) days after Sterling Heritage submits the final progress report required in Part IV-1.D, below, unless OFCCP notifies Sterling Heritage in writing prior to the expiration date that Sterling Heritage has not fulfilled all of its obligations under the Agreement, in which case the Agreement is automatically extended until the date that OFCCP determines Sterling Heritage has met all of its obligations under the Agreement.
10. If Sterling Heritage violates this Conciliation Agreement,
  - A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
    - 1) If OFCCP believes that Sterling Heritage violated any term of the Agreement while it was in effect, OFCCP will send Sterling Heritage a written notice stating the alleged violations and summarizing any supporting evidence.
    - 2) Sterling Heritage will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Conciliation Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
    - 3) If Sterling Heritage 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.

- 4) OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
- B. Sterling Heritage may be subject to the sanctions set forth in 41 C.F.R. § 60-741.66 and/or other appropriate relief for violation of this Agreement.
11. This Agreement does not constitute an admission by Sterling Heritage of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that Sterling Heritage violated any laws.

### **PART III. SPECIFIC VIOLATIONS AND REMEDIES**

**VIOLATION:** OFCCP found that Sterling Heritage was not in compliance with the nondiscrimination requirements of the equal opportunity clause of Section 503, in violation of 41 C.F.R. § 60-741.5(a)(1), 41 C.F.R. § 60-741.21(a)(6), and 41 C.F.R. § 60-741.69(a)(4).

**REMEDY:** Sterling Heritage will cease using the policies and practices that resulted in the discrimination identified in this violation. Sterling Heritage will provide make-whole relief to (b) (6), (b) (7)(C). Specifically,

- A. **Notice.** Within 15 calendar days of the Effective Date of this Agreement, Sterling Heritage must notify (b) (6), (b) (7)(C) of the terms of this Agreement by mailing by certified mail, return-receipt requested, the Notice to Affected Employee, (Attachment A, "Notice"), the Claim Form (Attachment B, "Claim Form"), the Release of Claims under Section 503 Form (Attachment C, "Release Form"), and a postage-paid return envelope. Sterling Heritage will notify OFCCP if the letter is returned as undeliverable within 10 calendar days after the response deadline. In addition, within 15 days after expiration of the response deadline set out in the Claim Form, Sterling Heritage will inform OFCCP if (b) (6), (b) (7)(C) has not yet responded to the Notice to Affected Employee and/or has not returned a signed Claim Form and Release Form. OFCCP will then attempt to obtain and provide an updated address to Sterling Heritage within 15 days of receiving the information from Sterling Heritage. Sterling Heritage agrees to send by certified mail, return-receipt requested, a second Notice to Affected Employee, Claim Form, Release Form, and a postage-paid return envelope to (b) (6), (b) (7)(C) within 15 days of receiving the updated address.
- B. **Eligibility.** (b) (6), (b) (7)(C) must sign and return the Claim Form and Release Form to Sterling Heritage within 45 days of the postmarked date on the envelope containing the first or second Notice to Affected Employee, the Claim Form, and the Release Form to receive the monetary settlement. If (b) (6), (b) (7)(C) receives, but does not return, the Claim Form and Release Form to Sterling Heritage within 45 days of the postmarked date on

the envelope containing the first or second Notice to Affected Employee, the Claim Form, and the Release Form, (b) (6), (b) (7) will no longer be entitled to a payment under this Agreement.

- C. Monetary Settlement. Sterling Heritage agrees to distribute \$55,140.48 in back pay and \$2,891.09 in interest (\$58,031.57 in total), less legal deductions required by law from back pay only (such as federal, state and/or local taxes and (b) (6), (b) (7)(C)'s share of FICA taxes) to (b) (6), (b) (7)(C). However, (b) (6), (b) (7)(C) has already received \$9,458.33 of this amount, so the balance owed by Sterling Heritage to (b) (6), (b) (7)(C) is \$48,573.24. Sterling Heritage will pay the Internal Revenue Service ("IRS") the employer's share of social security withholdings and will mail (b) (6), (b) (7)(C) an IRS W-2 Form reporting the portion of the payment representing back pay and an IRS Form 1099 for the portion of the payment representing interest. These IRS forms will be mailed at the end of the year. Sterling Heritage will disburse the monetary settlement within thirty (30) calendar days of its receipt of (b) (6), (b) (7)(C)'s completed Claim Form.

Within five (5) calendar days of Sterling Heritage's receipt of a check to (b) (6), (b) (7)(C) returned as undeliverable, Sterling Heritage will notify OFCCP of this fact via e-mail sent to District Director Tom G. Wells at (b) (6), (b) (7)(C)@dol.gov and Assistant District Director Tanya R. Bennett at (b) (6), (b) (7)(C)@dol.gov. OFCCP will attempt to locate (b) (6), (b) (7)(C) and if OFCCP obtains an alternate address, Sterling Heritage will re-mail the check within five (5) calendar days of receiving an alternate or corrected address. Any check that remains uncashed 120 days after the initial date the check was mailed to (b) (6), (b) (7)(C) will be void.

- D. Employment. Since (b) (6), (b) (7)(C) has indicated in writing to OFCCP that (b) (6), (b) (7) is not interested in working for Sterling Heritage, Sterling Heritage does not need to offer (b) (6), (b) (7) a job.

E. Revised Reasonable Accommodation and Termination Practices.

- 1) Eliminate Discriminatory Practices: Sterling Heritage agrees to immediately cease use of the reasonable accommodation and termination practices that negatively affected (b) (6), (b) (7)(C).

Review and Revisions Required: Sterling Heritage will revise, to the extent necessary, in writing, the practices, policies, and procedures it uses to terminate employees. Sterling Heritage will also revise, in writing, the practices, policies, and procedures it uses to reasonably accommodate applicants and employees with a disability, including for engaging in an interactive process with individuals to determine reasonable accommodations that are appropriate.

- 2) Training: Within 90 calendar days of the Effective Date of this Agreement, Sterling Heritage must train all individuals involved in any way in terminating employees, or in reasonably accommodating the disabilities of applicants or employees, in the practices, policies, and procedures described in Part III-1.E.2, above. Sterling

Heritage will meet with management and all individuals responsible for implementing its termination and reasonable accommodation processes and practices, and review its equal employment obligations and nondiscrimination policies. Specific attention will be directed to ensure that applicants and employees with a disability are not retaliated against.

- 3) Monitoring: Sterling Heritage agrees to monitor its termination and reasonable accommodation processes and practices. Sterling Heritage agrees to investigate any internal complaints it receives alleging failure to provide reasonable accommodation or termination based on disability status, and to resolve such allegations when warranted. Sterling Heritage agrees to maintain and make available to OFCCP records concerning these processes, practices, and internal complaints. This information will be maintained under the expiration of this Agreement or as long as required by the regulations, whichever is later.

#### **PART IV. REPORTS REQUIRED**

1. Sterling Heritage must submit the documents and reports described below to: Tom G. Wells, District Director, U.S. Department of Labor/OFCCP, 2 Hopkins Plaza, Suite 600, Baltimore, MD 21201.
  - A. The first report will be due no later than April 30, 2018 and will include:
    - 1) A copy of the Notice to Affected Employee sent to (b) (6), (b) (7)(C)
    - 2) A copy of the Claim Form returned by (b) (6), (b) (7)(C)
    - 3) A copy of the Release of Claims under Section 503 returned by (b) (6), (b) (7)(C)
    - 4) Documentation of monetary payment to (b) (6), (b) (7)(C), as specified in Part III-1.C. The documentation must include the number and the amount of the check (e.g., a pay stub) and the date the check cleared the bank. Sterling Heritage will provide OFCCP with a copy of the canceled check upon request.
    - 5) Copies of Sterling Heritage's revised policies and procedures, if any, governing terminations and providing reasonable accommodations.
    - 6) Documentation of the training provided to management and personnel involved in terminating employees or in reasonably accommodating the disabilities of applicants or employees, on Sterling Heritage's revised policies and procedures, its equal opportunity obligations, and its nondiscrimination policies. The documentation should include the agenda of any training meetings and a sign-in sheet showing attendance by personnel responsible for making or implementing such personnel decisions.

B. **The second report** will be due no later than November 30, 2018 and will include:

- 1) A summary of what Sterling Heritage learned by monitoring its termination and reasonable accommodation processes and practices.
  - 2) Copies of any internal complaints Sterling Heritage receives from employees who allege termination discrimination on the basis of disability status.
  - 3) Copies of all accommodation requests, and, for those requests that were denied, documentation of the reason for denial.
  - 4) Copies of any internal complaints Sterling Heritage receives from applicants or employees with a disability who allege a failure to provide reasonable accommodation.
  - 5) Documentation of Sterling Heritage's investigation of complaints it receives, and documentation demonstrating that substantiated complaints were addressed and resolved.
2. Sterling Heritage will retain all records and data pertinent to the violations resolved by this Agreement and/or used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever date occurs later.

**TERMINATION DATE:** This Conciliation Agreement shall remain in effect until sixty (60) days following Sterling Heritage's submission of the final report, or until such time as OFCCP has deemed that Sterling Heritage has met all conditions of this Agreement. The date of signature by the OFCCP Regional Director will constitute the effective date of this Agreement.

**INTEGRATION CLAUSE:** This Agreement represents the full Agreement between Sterling Heritage and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither Sterling Heritage nor OFCCP relies upon any promise, representation of fact or law, or other inducement that is not expressed in this Agreement. This Agreement may be modified only by written agreement of the Parties affected and may not be modified by any oral agreement.

**PART V. SIGNATURES**

This Conciliation Agreement is hereby executed by and between the OFCCP and Sterling Heritage Corporation, 9912B Georgetown Pike, Suite 205, Great Falls, Virginia, 22066.

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

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

  
LOUIS GAUDIO  
President  
Sterling Heritage Corporation

MICHELE HODGE   
Regional Director  
OFCCP/Mid-Atlantic Region

Date: 4/4/2018

Date: 4/6/2018

## Notice – Affected Employee

### Notice for (b) (6), (b) (7)(C)

*We are writing to provide information about a legal settlement between the U.S. Department of Labor and Sterling Heritage that may benefit you. This settlement involves claims of reasonable accommodation and retaliation, and our records show that you may be covered by the settlement. If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages.*

#### **WHAT IS THIS SETTLEMENT ABOUT?**

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) conducted a complaint investigation of Sterling Heritage's reasonable accommodation practices. OFCCP is the government agency responsible for enforcing the equal employment opportunity and affirmative action requirements that apply to federal contractors. OFCCP issued a Notice of Results of Investigation alleging that Sterling Heritage discriminated against (b) (6), (b) (7)(C) by failing to reasonably accommodate (b) (6), (b) (7)(C) disabilities and by retaliating against (b) (6), (b) (7)(C) by terminating (b) (6), (b) (7)(C) employment when (b) (6), (b) (7)(C) engaged in the protected activity of requesting reasonable accommodations. Sterling Heritage denies those claims. Ultimately, OFCCP and Sterling Heritage have agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the terms of an agreement to settle a Notice of Violations issued by OFCCP.

As a result, (b) (6), (b) (7)(C) is eligible to receive money (back wages).

#### **WHAT DOES THIS MEAN FOR YOU?**

**You may be eligible to receive a payment of at least \$55,140.48 (before taxes).** This payment represents your share of back wages Sterling Heritage is making to settle the lawsuit. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions. Sterling Heritage has also already paid \$9,458.33 of the payment amount, so the balanced owed by Sterling Heritage to (b) (6), (b) (7)(C) is \$48,573.24.

To get these benefits, you will need to sign the enclosed Claim and Release forms.

## WHAT IS YOUR NEXT STEP?

You should read this Notice, the Claim form, the Release form, and any other information you received from the U.S. Department of Labor or the Settlement Administrator, Louis Gaudio.

Please do not ignore these documents or throw them away. Otherwise, you could miss an opportunity to receive money.

To be eligible for a payment, you must complete, sign, and return the following enclosed Claim Form and Release Form by June 8, 2018 to:

Mr. Louis Gaudio  
President  
Sterling Heritage Corporation  
9912B Georgetown Pike, Suite 205  
Great Falls, VA 22066

**The documents must be received by June 8, 2018.**

You may receive some or all of these benefits only if these forms confirm that you are covered by the settlement. After correct completion and submission of these documents, a final decision will be made about your eligibility.

**If you fail to return the required documents by the deadline or if your documents do not verify your eligibility, you will not be eligible to receive any money or any other relief provided to you by the settlement.**

## HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact Mr. Gaudio at Sterling Heritage at (703) 831-1131 or OFCCP Compliance Officer (b) (6), (b) (7)(C) at (410) (b) (6), (b) (7)(C)

# Claim Form – (b) (6), (b) (7)(C)

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PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS CLAIM FORM.

## INSTRUCTIONS FOR FILING A CLAIM TO BE CONSIDERED FOR MONEY (BACK WAGES)

**DEADLINE TO RESPOND IS 06/08/2018**

If you complete this Claim Form, you may be eligible for a money payment from the settlement.

To receive an award (such as money), you must complete and return this Claim Form and Release Form postmarked or hand-delivered on or before June 8, 2018 to

Mr. Louis Gaudio  
President  
Sterling Heritage Corporation  
9912B Georgetown Pike, Suite 205  
Great Falls, VA 22066

If you do not submit a properly completed Claim Form and Release Form on or before June 8, 2018, then your claim will not be on time and **you will not receive any money from this settlement.**

Enclosed is a stamped, pre-addressed envelope you can use.

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**This Claim Form will only be used to confirm important information we need in order to make sure you are eligible to receive money under this settlement and process your payment.**

**Step 1: Please provide the following contact information to process your payment (print legibly).**

Name: \_\_\_\_\_

Home Phone: \_\_\_\_\_

Cell Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

- I confirm that the address on the cover letter is correct.
- The address on the cover letter is not correct. My correct address is:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Please provide the last four digits of your social security number:** \_\_\_\_ \_

*The last four digits of your Social Security Number are required in order to process your payment for tax purposes. Your Social Security Number will not be used for any other purpose.*

**Notify us at the address below if your address changes within the next three months, or contact us if you have any questions about this claim form, the notice, or the settlement.**

**Mr. Louis Gaudio  
President  
Sterling Heritage Corporation  
9912B Georgetown Pike, Suite 205  
Great Falls, VA 22066**

**Step 2: Sign and return along with the Release Form.**

I certify the above as true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## RELEASE OF CLAIMS UNDER SECTION 503

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**PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT**

*This Release of Claims under Section 503 ("Release") is a legal document. This document states that in return for Sterling Heritage ("Contractor") providing you with money, you agree that you will not file any lawsuit against Contractor for allegedly violating Section 503 in connection with reasonable accommodation and retaliation by termination. It also says that Contractor does not admit it violated any laws. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.*

In consideration of the payment of \$48,573.24 (less deductions required by law) by Contractor to me, which I agree is acceptable, I agree to the following:

I.

I hereby waive, release and forever discharge Contractor, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, owners, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under Section 503 of the Rehabilitation Act of 1973, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to reasonable accommodation and retaliation by termination during 2015.

II.

I understand that Contractor denies that it treated me unlawfully or unfairly in any way and that Contractor entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described above to resolve without further legal proceedings all issues related to OFCCP's complaint investigation of Contractor initiated on December 23, 2015. I further agree that the payment of the aforementioned sum by Contractor to me is not to be construed as an admission of any liability by Contractor.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own free will to sign this Release.

I understand that if I do not sign this Release and return it to Settlement Administrator Louis Gaudio at Sterling Heritage such that it is received by June 8, 2018, I will not be entitled to receive any payment (less deductions required by law).

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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