

CONCILIATION AGREEMENT

Between

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

and

SECURITY MANAGEMENT OF SOUTH CAROLINA, LLC
2712 MIDDLEBURG DRIVE-SUITE 207
COLUMBIA, SOUTH CAROLINA 29204-2415

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") evaluated the Security Management of South Carolina, LLC ("SMSC") establishment located at 2712 Middleburg Drive, Suite 207, Columbia, South Carolina 29204, beginning on December 7, 2018. As a result of this evaluation, OFCCP finds that SMSC failed to comply with Executive Order 11246, as amended ("EO 11246"), 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 implementing regulations at 41 CFR Sections 60-1 through 60-3, 60-300, and 60-741. OFCCP notified SMSC of the specific violations and the corrective actions required in a Notice of Violation issued on December 12, 2019 ("NOV").

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 SMSC will enter into this Conciliation Agreement ("Agreement") and the parties agree to all of the terms stated below.

PART II: GENERAL TERMS AND CONDITIONS

1. In exchange for SMSC'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 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 SMSC violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. SMSC agrees that OFCCP may review SMSC's compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. SMSC will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

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3. SMSC understands that nothing in this Agreement relieves SMSC of its obligation to fully comply with the requirements of E.O. 11246, Section 503, VEVRAA, their implementing regulations, and other applicable equal employment laws.
4. SMSC 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 CFR 60-1.32(a).
5. The parties understand the terms of this Agreement and enter into it voluntarily.
6. This Agreement, including its attachments, constitutes the entire Agreement and represents the complete and final understanding of the parties. This Agreement contains all of the terms binding on the parties 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 and 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 District Director of the Charlotte, North Carolina District Office (the "Effective Date").
9. This Agreement will expire sixty (60) days after SMSC submits the final progress report required in Part IV, below, unless OFCCP notifies SMSC in writing prior to the expiration date that SMSC has not fulfilled all of its obligations under the Agreement, in which case, the Agreement is automatically extended until the date that OFCCP determines SMSC has met all of its obligations under the Agreement.
10. If SMSC violates this Agreement,
 - A. The procedures set forth at 41 CFR 60-1.34 will govern:
 - 1) If OFCCP believes that SMSC violated any term of the Agreement while it was in effect, OFCCP will send SMSC a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) SMSC 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 SMSC 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. SMSC may be subject to the sanctions set forth in Section 209 of the Executive Order, 41 CFR 60-741.66, 41 CFR 60-300.66 and/or other appropriate relief for violation of this Agreement.

11. This Agreement does not constitute an admission by SMSC of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that SMSC violated any laws.

PART III. SPECIFIC VIOLATIONS AND REMEDIES

1. **VIOLATION:** SMSC failed to submit a copy of its current Executive Order AAP prepared in accordance with the requirements of 41 CFR 60-1.40, and 41 CFR 60-2.1 through 60-2.17. Specifically, SMSC's submission to OFCCP for desk audit reflected a copy of its preceding year Executive Order AAP.

REMEDY: On March 16, 2019, SMSC submitted a copy of its current Executive Order AAP prepared in accordance with the requirements of 41 CFR 60-1.40, and 41 CFR 60-2.1 through 60-2.17. SMSC will submit, within 30 days of any future request by OFCCP, its updated AAP and support data pursuant to Executive Order 11246, as amended, unless the request provides for a different time.

2. **VIOLATION:** SMSC failed to submit a copy of its current Section 503 AAP prepared in accordance with the requirements of 41 CFR 60-741.40 through 60-741.47. Specifically, SMSC's submission to OFCCP for desk audit reflected a copy of its preceding year Section 503 AAP.

REMEDY: On March 16, 2019, SMSC submitted a copy of its current Section 503 AAP prepared in accordance with the requirements of 41 CFR 60-741.40 through 60-741.47. SMSC will submit, within 30 days of any future request by OFCCP, its updated AAP and support data pursuant to Section 503 of the Rehabilitation Act of 1973, as amended unless the request provides for a different time.

3. **VIOLATION:** SMSC failed to submit a copy of its current Section 4212 AAP prepared in accordance with the requirements of 41 CFR 60-300.40 through 60-300.45. Specifically, SMSC's submission to OFCCP for desk audit reflected a copy of its preceding year VEVRAA AAP.

REMEDY: On March 16, 2019, SMSC submitted a copy of its current VEVRAA AAP prepared in accordance with the requirements of with the requirements of 41 CFR 60-300.40 through 60-300.45. SMSC will submit, within 30 days of any future request by OFCCP, its updated AAP and support data pursuant to the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended unless the request provides for a different time.

4. **VIOLATION:** During the period of January 1, 2017 through June 30, 2018, SMSC failed to invite its employees and applicants for employment to voluntarily self-identify as an individual with a disability, using the OMB-approved form for this purpose, in violation of 41 CFR 60-741.42. Specifically, applicants were not invited (pre-offer & post-offer) during the review period to voluntarily self-identify, using the OMB-approved invitation form. Further, SMSC indicated that it did not use the OMB-approved invitation form in conducting its initial survey of its current employees to voluntarily self-identify.

REMEDY: Effective immediately, SMSC will invite both its applicants for employment, and its employees, to voluntarily self-identify as an individual with a disability, in accordance with 41 CFR 60-741.42. All invitations to self-identify will be made using the OMB-approved form for this purpose (available on the OFCCP website).

More specifically, SMSC will invite each of its applicants for employment, prior to an offer of employment, to voluntarily inform it whether the applicant believes that he or she is an individual with a disability, as that term is defined in 41 CFR 60-741.2(g)(1)(i) or (ii). SMSC will also invite each of its applicants for employment, after an offer of employment has been made and before the applicant begins work, to voluntarily inform it whether the applicant believes that he or she is an individual with a disability. In addition, SMSC shall invite each of its employees to voluntarily self-identify as an individual with a disability, and then extend this invitation again at five year intervals, thereafter. At least once during each interval, SMSC will remind its employees that they may voluntarily update their disability-related self-identification information at any time. SMSC will keep all self-identification information confidential and maintain it in a separate data analysis file, rather than in its personnel or medical files, in accordance with 41 CFR 60-741.42(e).

5. **VIOLATION:** During the period of January 1, 2017 through June 30, 2018, SMSC 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). Specifically, SMSC failed to document all outreach recruitment activities and retain such documentation. Due to this failure, SMSC failed to evaluate each outreach and recruitment activity and come to a reasonable conclusion as to whether each activity is effective in identifying and recruiting qualified individuals with disabilities. Further, SMSC failed to conduct an assessment of its overall outreach and recruitment efforts and reach a conclusion regarding whether its efforts as a whole are effective.

REMEDY: Effective immediately, SMSC will undertake appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified individuals with disabilities, such as those described at 41 CFR 60-741.44(f)(2).

SMSC will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-741.44(f)(3). SMSC will document all activities it undertakes to comply with this section, in accordance with 41 CFR 60-741.44(f)(4). As part of these outreach and recruitment activities, SMSC will use the disability organizations listed below and/or other resources identified by SMSC to recruit qualified temporary and permanent job candidates:

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Sandy Jordan, Director of Employment Programs
Able South Carolina
135 Edinburgh Ct., Suite 101, Greenville, SC 29607
Phone: (864) 235-1421, ext. 310
Email: sjordan@able-sc.org

Roderick Brown, Employment Coordinator
U.S. Department of Veterans Affairs
Vocational Rehabilitation and Employment
6437 Garners Ferry Road, Columbia, SC 29209
Phone: (803) 647-2571
Email: roderick.brown3@va.gov

Karren Hill Gordon, Business Development Specialist
South Carolina Vocational Rehabilitation Department
516 Percival Road, Columbia, SC 29206
Phone: (803) 782-4239
Email: kgordon@scvrd.net

Mike Burns, Warriors to Work Specialist
Wounded Warrior Project
1990 Fordham Drive, Suite 100, Fayetteville, NC 28304
Phone: (910) 778.7185
Email: mburns@woundedwarriorproject.org

6. **VIOLATION:** During the period of January 1, 2017 through June 30, 2018, SMSC failed to document and maintain the required data pertaining to applicants and hires, in violation of 41 CFR 60-741.44(k). Specifically, SMSC failed to properly document and maintain the required information due to its failure to invite both its applicants for employment, and its employees, to voluntarily self-identify as an individual with a disability.

REMEDY: SMSC will document the following computations or comparisons pertaining to applicants and hires, on annual basis, and will maintain this data for (3) years, as required by 41 CFR 60-741.44(k):

- The number of applicants who self-identified as individuals with disabilities, or who are otherwise known to be individuals with disabilities;
 - The total number of job openings and total number of jobs filled;
 - The total number of applicants for all jobs;
 - The number of applicants with disabilities hired; and
 - The total number of applicants hired.
7. **VIOLATION:** During the period of January 1, 2017 through June 30, 2018, SMSC failed to properly evaluate its utilization of individuals with disabilities using the goal established by OFCCP, in violation of 41 CFR 60-741.45. Specifically, SMSC's utilization analysis was determined to be unacceptable due to its failure to invite employees to voluntarily self-identify as an individual with disability.

REMEDY: SMSC will annually evaluate its utilization of individuals with disabilities using the 7 percent goal established by OFCCP, as required by 41 CFR 60-741.45. When conducting this utilization, SMSC will use the job groups established for utilization analyses required by EO 11246, as required by CFR 60-741.45(d)(2). However, if SMSC has a total workforce of 100 or fewer employees, it may, instead, choose to measure the representation of individuals with disabilities in its workforce as a whole, using the 7 percent goal established by OFCCP, as permitted by 41 CFR 60-71.45(d)(2)(i). Should the percentage of individuals with disabilities in one or more job groups or in SMSC's workforce be less than the utilization goal, SMSC will take the steps, as required by 41 CFR 60-741.45(e), to determine whether and where impediments to equal employment exist, and develop and execute action-orientated programs to correct any identified problems, as required by 41 CFR 60-741.5(f).

8. **VIOLATION:** At least as of July 1, 2018, SMSC 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: Effective immediately, SMSC 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 SMSC, as required by 41 CFR 60-300.5(a)2-6. With its initial listing, and as subsequently needed to update the information, SMSC 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, SMSC shall provide updated information simultaneously with its next job listing. As part of these efforts, SMSC will use the local ESDS contact listed below:

Ramonn Lester, Veteran Business Consultant
Local Veteran Employment Representative
South Carolina Department of Employment and Workforce
700 Taylor Street, Columbia, SC 29201
Phone: (803) 737-5046
Email: rlester@dew.sc.gov

9. **VIOLATION:** During the period of January 1, 2017 through June 30, 2018, SMSC failed to undertake appropriate outreach and positive recruitment activities that were reasonably designed to effectively recruit qualified protected veterans, document these activities, assess their effectiveness, and document its review, in violation of 41 CFR 60-300.44(f). Specifically, SMSC failed to document and retain records associated with its outreach and recruitment activities. Due to this failure, SMSC failed to evaluate each outreach and recruitment activity and come to a reasonable conclusion as to whether each activity is

effective in identifying and recruiting qualified protected veterans.

REMEDY: Effective immediately, SMSC will undertake appropriate external outreach and positive recruitment activities that are reasonably designed to effectively recruit qualified protected veterans, such as those described at 41 CFR 60-300.44(f)(2).

SMSC will annually review its outreach and recruitment activities, assess their effectiveness, and document this review, in accordance with 41 CFR 60-300.44(f)(3). SMSC will document all activities it undertakes to comply with this section, in accordance with 41 CFR 60-300.44(f)(4).

PART IV: REPORTS REQUIRED

1. SMSC will submit the documents and reports described below to George Rouse, Assistant District Director, 1835 Assembly Street, Suite 608, Columbia, South Carolina 29201. Within the prescribed timeframes, SMSC will submit all documents and information referenced in Part IV.
2. SMSC 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.
3. Pursuant to Remedy 1, 2 & 3: SMSC is not required to furnish any written reports pursuant to this Agreement due to its March 16, 2019 submission of AAPs and support data pursuant to Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended.
4. The first progress report shall be due 30 days after the Effective Date of this Agreement and shall include the items listed below:
 - Pursuant to Remedy 4: A narrative discussion of the implementation of SMSC's Section 503 self-identification procedures. This narrative should include how SMSC conducted or plans to conduct the issuance of Section 503 self-identification forms and a copy of the OMB approved self-identification form issued pre and post-offer. In addition, SMSC will provide the date that it conducted or plans to conduct the canvass of all employees as required by Section 503.
5. The second report shall be due on January 31, 2021 and shall cover the period of January 1, 2020 through December 31, 2020 and shall include the following:
 - Pursuant to Remedy 4: Documentation that SMSC has invited both its applicants for employment, and its employees to voluntarily self-identify as an individual with a disability, in accordance with 41 CFR 60-741.42 and that all invitations to self-identify have been made using the OMB-approved form for this purpose (available on the OFCCP website). More specifically, that SMSC has invited each of its applicants for employment, prior to an offer of employment, to voluntarily inform

it whether the applicant believes that he or she is an individual with a disability, as that term is defined in 41 CFR 60-741.2(g)(1)(i) or (ii), including documentation that SMSC has also invited each of its applicants for employment, after an offer of employment has been made and before the applicant begins work, to voluntarily inform it whether the applicant believes that he or she is an individual with a disability. In addition, documentation that during the first year it is subject to this agreement, SMSC has also invited each of its employees to voluntarily self-identify as an individual with a disability, and then extended this invitation again at five year intervals, thereafter. At least once during each interval SMSC has reminded its employees that they may voluntarily update their disability related self-identification information at any time. Further, narrative documentation confirming that SMSC has kept all self-identification information confidential and maintained it in a separate data analysis file, rather than in its personnel or medical files, in accordance with 41 CFR 60-741.42(e).

- Pursuant to Remedy 5: Documentation to include (a) SMSC's efforts to recruit qualified individuals with disabilities for job vacancies, including contacts with and responses from the recruitment sources identified in Part III above and from all other recruitments sources SMSC used, along with a report on the number of applicants referred by job group, job title, recruitment source and the number of applicants hired, broken out by job group, job title and recruitment source; (b) a list containing all outreach and recruitment activities along with an assessment containing the criteria SMSC uses in its assessment evaluating whether each activity was effective or not in identifying and recruiting qualified individuals with disabilities; (c) an assessment of SMSC's overall outreach and recruitment efforts and, if SMSC concludes that those overall efforts are not effective, what efforts SMSC have taken in identifying and implementing alternative efforts.
- Pursuant to Remedy 6: Documentation to include SMSC's computations or comparisons pertaining to applicants and hires as required by 41 CFR 60-741.44(k), which include:
 - The number of applicants who self-identified as individuals with disabilities, or who are otherwise known to be individuals with disabilities;
 - The total number of job openings and total number of jobs filled;
 - The total number of applicants for all jobs;
 - The number of applicants with disabilities hired; and
 - The total number of applicants hired.
- Pursuant to Pursuant to Remedy 7: Documentation of SMSC's utilization analysis evaluating the representation of individuals with disabilities in each job group, using the 7 percent goal established by OFCCP. If SMSC has a total workforce of 100 or fewer employees, it may, instead, choose to measure the representation of individuals with disabilities in its workforce as a whole, using the 7 percent goal established by OFCCP. Additionally, should the percentage of individuals with disabilities in one or more job groups or in SMSC's workforce be less than the utilization goal, documentation of SMSC's determination as to whether and where

impediments to equal employment exist, and documentation of action oriented programs to correct any identified problems.

- Pursuant to Remedy 8: Documentation to include (a) a list of all job openings during the reporting period; (b) documentation of the job listings submitted to the state workforce agency job bank or appropriate employment service delivery system where the openings occur; (c) documentation that SMSC provided information about the job vacancy in a manner and format permitted by the employment service delivery system (d) with its initial listing, advised 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 (e) with its initial listing, provided the employment service delivery system with the name and address of each hiring location within the state and the contact information for the contractor official responsible for hiring at each location.
- Pursuant to Remedy 9: Documentation to include (a) SMSC's efforts to recruit qualified protected veterans for job vacancies, including contacts with and responses from all recruitments sources SMSC used, along with a report on the number of applicants referred by job group, job title, recruitment source and the number of applicants hired, broken out by job group, job title and recruitment source; (b) a list containing all outreach and recruitment activities along with an assessment containing the criteria SMSC uses in its assessment evaluating whether each activity was effective or not in identifying and recruiting qualified protected veterans; (c) an assessment of SMSC's overall outreach and recruitment efforts and, if SMSC concludes that those overall efforts are not effective, what efforts SMSC have taken in identifying and implementing alternative efforts.

Part V. TERMINATION DATE: This Agreement will expire pursuant to the terms included in Part II, Paragraph 9.

Part VI. INTEGRATION CLAUSE: This Agreement represents the full Agreement between SMSC and OFCCP and this Agreement supersedes any other agreements, oral or written. In signing this Agreement, neither SMSC 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 VII: SIGNATURES

The person signing this Conciliation Agreement on behalf of Security Management of South Carolina, LLC personally warrants that he is fully authorized to do so, that Security Management of South Carolina, LLC has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Security Management of South Carolina, LLC. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Security Management of South Carolina, LLC.

DATE: 12/17/2019

Ex (6), Ex (7)(C)

Paul Gillam, Jr.
Chief Executive Officer
Security Management of South Carolina, LLC
2712 Middleburg Drive, Suite 207
Columbia, South Carolina 29204-2415

DATE: 12/17/2019

Ex (6), Ex (7)(C)

Ex (7)(C), Ex (7)(E)

Compliance Officer—Columbia
Office of Federal Contract Compliance
Programs

DATE: 12/20/2019

Ex (6), Ex (7)(C)

George Rouse, III
Assistant District Director—Columbia/Raleigh
Office of Federal Contract Compliance
Programs

DATE: 12/20/2019

Ex (6), Ex (7)(C)

Pamela Quinn
District Director—Charlotte
Office of Federal Contract Compliance
Programs