

Conciliation Agreement
Between the
U.S. Department of Labor/Office of Federal Contract Compliance Programs
and
LSC Communications US, LLC

I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs (“OFCCP”) evaluated the LSC Communications US, LLC (“Contractor”) establishment located at 1375 Harrisburg Pike, Lancaster, Pennsylvania 17601-2612, beginning on June 7, 2018. OFCCP found that Contractor failed to comply with Executive Order 11246, as amended (“EO 11246” or “the Executive Order”), Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 (“Section 503”), and/or the Vietnam Era Veterans’ Readjustment Assistance Act of 1973, as amended, 38 U.S.C. § 4212 (“VEVRAA”), and their respective implementing regulations at 41 CFR 60-1.12 and 60-2.17.

OFCCP notified Contractor of the specific violations and the corrective actions required in a Notice of Violation issued on February 6, 2020 (“NOV”).

In the interest of resolving the violations without engaging in further legal proceedings and in exchange for sufficient and valuable 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.

The attachments to this Agreement are deemed incorporated into this Conciliation Agreement.

II. GENERAL TERMS AND CONDITIONS

- A. 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 I, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
- B. 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 it requests, including those specified in this Agreement.
- C. 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 non-discrimination or equal employment opportunity through affirmative action.

- D. 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.
- E. The parties understand the terms of this Agreement and enter into it voluntarily.
- F. 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 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.
- G. This Agreement becomes effective on the day it is signed by the District Director (the "In Effect Date").
- H. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
- I. This Agreement will expire sixty (60) days after Contractor submits its final progress report required in Part 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.
- J. If Contractor violates this Agreement:
 - 1. 41 C.F.R. § 60-1.34, 41 C.F.R. 60-300.63 (2014), and/or 41 C.F.R. 60-741.63 (2014) will govern:
 - i. OFCCP will send Contractor a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. The Contractor shall have 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.
 - 2. Contractor may be subject to the sanctions set forth in 41 C.F.R. § 60-1.27, 41 C.F.R. § 60-741.66 (2014), or 41 C.F.R. § 60-300.66 (2014) and/or other appropriate relief for violating this Agreement.
- K. Contractor neither admits nor denies any violation of the Executive Order, Section 503 or VEVRAA, nor has there been an adjudication on the merits regarding any such violation.

- L. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
- M. 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.
- N. Each party shall bear its own fees and expenses with respect to this matter.
- O. 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.
- P. All references to “days” in this Agreement, and in the Timeline included as the Attachment, 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. SPECIFIC PROVISIONS

1. **VIOLATION:** During the period October 1, 2016 through September 30, 2018, LSC Communications failed to preserve complete and accurate personnel and employment records for a period of not less than two years from the date of the making of the record or the personnel action involved, whichever occurred later, as required by 41 CFR 60-1.12. Specifically, LSC Communications failed to maintain and have available records showing the gender, race, and ethnicity of each applicant or Internet Applicant, as defined at 41 CFR 60-1.3, as well as each hire and promotion.

REMEDY: LSC Communications will preserve complete and accurate personnel and employment 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, in accordance with 41 CFR 60-1.12. However, if LSC Communications 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 involved, whichever occurs later, as permitted by 41 CFR 60-1.12(a). Moreover, LSC Communications will maintain and have available records showing the gender, race, and ethnicity of each applicant or Internet Applicant, as defined at 41 CFR 60-1.3, as well as each hire and promotion.

2. **VIOLATION:** During the period October 1, 2016 through September 30, 2018, LSC Communications failed to properly identify problem areas so that it could perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist, as required by 41 CFR 60-2.17(b). Specifically, LSC Communications failed to properly identify problem areas because it did not correctly track applicant flow, hires, and promotions.

REMEDY: LSC Communications will properly identify problem areas so that it may perform in-depth analyses of its total employment process to determine whether and where impediments to equal employment opportunity exist, in accordance with 41 CFR 60-2.17(b).

3. **VIOLATION:** During the period October 1, 2016 through September 30, 2018, LSC Communications failed to develop and execute appropriate action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and to attain established goals and objectives, as required by 41 CFR 60-2.17(c). Specifically, LSC Communications failed to develop and execute appropriate action-oriented programs because it did not properly identify problems areas.

REMEDY: LSC Communications will develop and execute appropriate action-oriented programs designed to correct any problem areas identified pursuant to 41 CFR 60-2.17(b) and to attain established goals and objectives, as required by 41 CFR 60-2.17(c).

4. **VIOLATION:** During the period period October 1, 2016 through September 30, 2018, LSC Communications failed to develop and implement an internal audit and reporting system that periodically measures the effectiveness of its total affirmative action program (AAP), as required by 41 CFR 60-2.17(d). Specifically, LSC Communications failed to correctly track applicant flow, hiring, and promotions, and therefore failed to properly monitor its hiring and promotion activity to ensure the nondiscriminatory policy is carried out.

REMEDY: LSC Communications will develop and implement an internal audit and reporting system that periodically measures the effectiveness of its total AAP, as required by 41 CFR 60-2.17(d). Specifically, LSC Communications will corectly track applicant flow, hiring, and promotions so that it may properly monitor its hiring and promotion activity to ensure the nondiscriminatory policy is carried out.

IV. OFCCP MONITORING PERIOD

- A. **Recordkeeping.** Contractor agrees to retain all records relevant to the violations cited in Part III above and the reports submitted in compliance with Paragraph B, 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. Contractor will retain the records until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

B. Contractor Reports.

1. **Schedule and Instructions.** Contractor agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:
 - **Progress Report 1:** The first report will cover the period from January 1, 2020 through June 30, 2020 and will be due on August 31, 2020.
 - **Progress Report 2:** The second report will cover the period from July 1, 2020 through December 31, 2020 and will be due on February 28, 2021.

Contractor will submit reports to Compliance Officer (b) (7)(C), (b) (7)(E) and Assistant District Director Tanya Bennett at 2 Hopkins Plaza, Suite 600, Baltimore, Maryland 21201; or email reports to (b) (6), (b) (7)(C)@dol.gov and (b) (6), (b) (7)(C)@dol.gov.

2. Each report shall contain the following:
 - Personnel activity data for applicants, hires and promotions summarized by gender, race, and ethnicity (Hispanic or non-Hispanic);
 - The Job Group Analysis from the then prior-year AAP;
 - The Identification of Problem Areas section of the then current-year AAP;
 - The Action-Oriented Programs section of the then current-year AAP.

The first report shall also contain a description of the effective internal audit and reporting system put into place to correctly track applicant flow, hires and promotions in order to periodically measure the effectiveness of the total Affirmative action Program (AAP).

- C. **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 Part II, Paragraph I, 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 he or she is 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 LSC Communications US, LLC, 1375 Harrisburg Pike, Lancaster, Pennsylvania 17601-2612.

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

JAMES R. JOHNSON
Vice President of Platform Operations
LSC Communications US, LLC

DATE: 2/19/20

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

(b) (6), (b) (7)(E)
Compliance Officer
OFCCP Baltimore District Office
Mid-Atlantic Region

DATE: 02/26/20

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

for TANYA R. BENNETT
Assistant District Director
OFCCP Baltimore District Office
Mid-Atlantic Region

DATE: February 27, 2020

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

TOM G. WELLS
District Director
OFCCP Baltimore District Office
Mid-Atlantic Region

DATE: February 27, 2020

Attachment: Timeline

Progress Report	Due Date
1 st Report	August 31, 2020
2 nd Report	February 28, 2021