

Conciliation Agreement
Between the
U.S. Department of Labor Office of Federal Contract Compliance Programs
and
SmithGroup JJR Inc.

I. Preliminary Statement

The Office of Federal Contract Compliance Programs (OFCCP) evaluated the SmithGroup JJR Inc. (SmithGroup) establishment located at 500 Griswold Street, Suite 1700, Detroit, Michigan 48226-3480, beginning on November 6, 2019. OFCCP found that SmithGroup failed to comply with Executive Order 11246, as amended and its respective implementing regulations at 41 CFR 60-1.12 (c)(1)(i)(ii).

OFCCP notified SmithGroup of the specific violation and the corrective action required in a Notice of Violation issued on May 29, 2020 (“NOV”).

In the interest of resolving the violation without engaging in further legal proceedings and in exchange for sufficient and valuable consideration described in this document, OFCCP and SmithGroup enter into this Conciliation Agreement (“Agreement”), and the parties agree to all the terms therein.

II. General Terms and Conditions

1. In exchange for SmithGroup’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 violation alleged in the NOV. However, OFCCP retains the right to initiate legal proceedings to enforce this Agreement if SmithGroup violates any provision of this Agreement, as set forth in Paragraph II, below. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. OFCCP may review SmithGroup’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. SmithGroup 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.
3. Nothing in this Agreement relieves SmithGroup 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. SmithGroup and OFCCP agree that any release of claims required by this Agreement will only pertain to claims under E.O. 11246, Section 503, and/or VEVRAA.

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5. SmithGroup 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.
6. The parties understand the terms of this Agreement and enter into it voluntarily.
7. 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.
8. This Agreement becomes effective on the day it is signed by the District Director (the “In Effective Date”).
9. If one or more provisions of this Agreement is deemed unlawful or unenforceable, the remaining provisions will remain in full force and effect.
10. This Agreement will expire sixty (60) days after SmithGroup submits its final progress report required in Section IV, below, unless OFCCP notifies SmithGroup in writing before the expiration date that SmithGroup 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 SmithGroup has met all of its obligations under the Agreement.
11. If SmithGroup violates this Agreement:
 - a. The procedures at 41 C.F.R. 60-1.34 will govern:
 - i. OFCCP will send SmithGroup a written notice stating the alleged violations and summarizing any supporting evidence.
 - ii. SmithGroup 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 SmithGroup 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 SmithGroup, 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 agreed to in the Agreement.

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- b. SmithGroup 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 (2014), or 41 CFR 60-300.66 (2014), and/or other appropriate relief for violating this Agreement.
12. SmithGroup 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.
13. OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.
14. 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.
15. Each party shall bear its own fees and expenses with respect to this matter.
16. 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.
17. 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. Violation

VIOLATION: During the period January 1, 2018 through June 30, 2019, SmithGroup failed to identify the gender, race and ethnicity of each employee; and where possible, the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, whichever is applicable to the particular position. Specifically, SmithGroup submitted personnel activity data with numerous unknown gender and race applicants under the review period. This is a violation of 41 CFR 60-1.12 (c)(1)(i)(ii).

REMEDY: SmithGroup will maintain and be able to identify the gender, race, and ethnicity of each employee, and where possible, the gender, race, and ethnicity of each applicant or Internet Applicant as defined in 41 CFR 60-1.3, whichever is applicable to the particular position.

IV. OFCCP Monitoring Period

1. **Recordkeeping.** SmithGroup agrees to retain all records relevant to the violations cited in Part 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. SmithGroup will retain the records

until this Agreement expires or for the time period consistent with regulatory requirements, whichever is later.

2. SmithGroup Reports.

a. Schedule and Instructions. SmithGroup agrees to furnish OFCCP with the following reports during the Monitoring Period according to the following schedule:

SmithGroup will submit a summary narrative describing how it has changed and corrected its record-keeping procedures and process. SmithGroup will also submit corrected and accurate data of the complete number of applicants and the complete number of hires for each job group for the twelve (12) month period ending May 31, 2021. This information will be delineated by sex, race, and/or ethnic group where possible of each applicant as stipulated in the regulations found at 41 CFR 60-1.12 (c)(1)(i)(ii). This data will be provided to the OFCCP Detroit District Office not later than June 30, 2021.

- 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 SmithGroup's progress report as set forth in Part IV, Paragraph 2 above. If OFCCP fails to notify SmithGroup in writing within sixty (60) days of the date of the final progress report that SmithGroup 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 SmithGroup within the allotted time that it has not fulfilled all of its obligations, this Agreement is automatically extended until the date that OFCCP determines SmithGroup has met all of its obligations under the Agreement.

V. SIGNATURES

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

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and SmithGroup JJR Inc., Detroit, Michigan 48226-3480

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

Jeffrey J. Hausman
Sr. Vice President/Office Director
SmithGroup JJR Inc.
Detroit, MI 48226-3480

DATE: June 12, 2020

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

Phyllis E. Lipkin
District Director
Detroit

DATE: 06/15/2020

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

Laila E. Turner, PhD
Assistant District Director
Detroit
Midwest

DATE: 06/15/2020

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

(b) (6), (b) (7)(E)

Compliance Officer
Detroit
Midwest

DATE: June 10, 2020