

Conciliation Agreement
Between the United States Department of Labor
Office of Federal Contract Compliance Programs
And
DSE, Inc.
5201 S. Westshore Boulevard
Tampa, Florida 33611

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and DSE, Inc. (hereinafter DSE).
2. The violations identified in this Agreement were found during a compliance evaluation of DSE at its establishment located at 5201 S. Westshore Boulevard, Tampa, Florida which began on September 25, 2009, and it was specified in a Notice of Violation issued September 20, 2010. OFCCP alleges that DSE has violated Executive Order 11246, as amended, and its implementing regulations at 41 CFR Chapter 60, due to the specific violations cited in Part II below.
3. This Agreement does not constitute an admission by DSE of any violation of Executive Order 11246, as amended, and its implementing regulations.
4. The provisions of this Agreement will become part of DSE's affirmative action program (AAP). Subject to the performance by DSE of all promises and representations contained herein and in its AAPs, all named violations in regard to the compliance of DSE with all OFCCP programs will be deemed resolved. However, DSE is advised that the commitments contained in this Agreement do not preclude future determinations of noncompliance based on a finding that the commitments are not sufficient to achieve compliance.
5. DSE agrees that OFCCP may review compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents, as may be relevant to the matter under investigation and pertinent to DSE's compliance. DSE shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve DSE from the obligation to comply with the requirements of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and their implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. DSE agrees that there will be no retaliation of any kind against any beneficiary of this Agreement or against any person who has provided information or assistance, or who files a complaint, or who participates in any manner in any proceedings under 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 (38 U.S.C. 4212).

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8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the Regional Director, OFCCP, unless the Deputy Assistant Secretary, OFCCP, indicates otherwise within 45 days of the Regional Director's signature on this Agreement.
9. If, at any time in the future, OFCCP believes that DSE has violated any portion of this Agreement during the term of this Agreement, DSE will be promptly notified of that fact in writing. This notification will include a statement of the facts and circumstances relied upon in forming that belief. In addition, the notification will provide DSE with 15 days from receipt of the notification to respond in writing, except where OFCCP alleges that such a delay would result in irreparable injury.

Enforcement proceedings for violation of this Agreement may be initiated at any time after the 15-day period has elapsed (or sooner, if irreparable injury is alleged) without issuing a Show Cause Notice.

Where OFCCP believes that DSE has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violation resolved by this Agreement.

Liability for violation of this Agreement may subject DSE to sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief.

PART II: Specific Provisions

1. **VIOLATION:** Compensation data provided by DSE for employees in hourly positions as of January 1, 2009 revealed that DSE provided lower compensation to: (a) minority employees as compared to similarly situated non-minority employees in the Operator job title; and (b) to female employees as compared to similarly situated male employees in the Inspector job title. Time with DSE, time in current job title, experience, and performance did not explain the differences in salaries. Accordingly, OFCCP finds that DSE failed to afford equal employment opportunity in compensation practices to 19 minority Operator and to 5 female Inspector employees (hereinafter Class Members), because of their race and gender, in violation of 41 CFR 60-1.4(a)(1).

REMEDY: Although DSE asserts that this disparity in pay was unintentional, DSE will execute the following Remedy.

Within 15 days of the signing of this Agreement by the Regional Director, OFCCP, DSE will contact the Class Members whose names are listed on Attachment A to this Agreement by "Certified Mail, Return Receipt Requested" using Attachment B, "Notice to Class Members," and Attachment C, "Release of Claims under the Executive Order." Class Members will have 25 calendar days from the date of the post mark of the certified "Notice to Class Members" to mail or send to DSE the signed "Release of Claims under the Executive Order."

DSE will attempt to locate any Class Members who terminated employment with DSE after January 1, 2009. DSE will notify OFCCP, Orlando District Office in writing of all the terminated Class Members it has located and of all the terminated Class Members it has not located within 60 days after the signing of this Agreement by the Regional Director, OFCCP.

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OFCCP will attempt to locate the terminated Class Members not located by DSE. Within 30 days of receiving the list of terminated Class Members located and not located by DSE, OFCCP will provide DSE, in writing, with a list of addresses OFCCP has obtained for terminated Class Members not located by DSE. DSE will have an additional 30 days from receiving the addresses located by OFCCP to notify these terminated employees of their status as Class Members.

DSE will distribute \$42,239.99 in back pay, \$1,012.17 in interest and \$329.69 in back benefits for a total financial settlement of \$43,581.85. The back pay, interest, and back benefits will be disbursed as indicated on Attachment A to this Agreement and paid in a lump sum, less appropriate legal deductions, to each Class Member who executes and returns the "Release of Claims under the Executive Order."

DSE will complete the process of monetary distribution to the eligible Class Members no sooner than 45 days and no later than 150 days after the Regional Director, OFCCP signs this Agreement and all efforts to locate terminated Class Members have been exhausted by the parties in accordance with this Agreement.

DSE will adjust the annual salaries of the Class Members named on Attachment A who are currently employed by DSE in the amounts designated on Attachment A to this Agreement no later than 90 days from the date this Agreement is signed by the Regional Director, OFCCP. DSE will provide a total of \$31,680.00 in salary adjustments.

Within 180 days of the Regional Director's signature on this Agreement, DSE will provide OFCCP with evidence of monetary disbursement and salary adjustments, including copies of back pay checks issued and cancelled, pay slips showing legal deductions and salary change forms with its **second report**, as indicated in Part III of this Agreement.

DSE will not retaliate, harass, or engage in any form of reprisal or other adverse action against any Class Member based on or in relation to the terms or provisions of this Agreement.

Within 180 days of the Regional Director's signature on this Agreement, DSE will provide training on its equal employment opportunity programs and equitable compensation for all persons involved in DSE's compensation processes. DSE estimates the cost of this training to be \$15,000.00. DSE will update this training annually.

DSE will immediately modify its compensation system to ensure that this violation ceases. In addition, DSE will review its compensation system within 90 days and at least annually, and revise its compensation procedures, as needed, to ensure that this violation does not recur.

2. **VIOLATION:** DSE failed to evaluate its compensation system to determine whether there are gender-, race-, or ethnicity-based disparities. 41 CFR 60-2.17(b) (3).

REMEDY: DSE will evaluate its compensation system annually to determine whether there are gender-, race- or ethnicity-based disparities and make any equity adjustments indicated by such reviews.

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FUTURE CONDUCT: DSE will not repeat the above violations.

PART III: Reporting

DSE shall submit **three reports**, as stated below, to Miguel A. Rivera, Jr., District Director—Orlando, United States Department of Labor, Office of Federal Contract Compliance Programs, 1001 Executive Center Drive, Suite 100, Orlando, Florida 32803; Attention: (7)(C), (7)(E), Compliance Officer.

The **first report** shall be due 60 days after the date this Agreement is signed by the District Director, OFCCP. The first report shall consist of the following:

1. Lists of: (a) Class Members no longer employed by DSE; (b) terminated Class Members located by DSE; and (c) terminated Class Members not located by DSE, if any; and
2. For all terminated Class Members not located by DSE, documentation of attempts made, including copies of the addressed envelopes containing Attachments B and C returned as undeliverable.

The **second report** shall be due 180 days after the date this Agreement is signed by the Regional Director, OFCCP. The second report shall consist of the following:

1. Copies of personnel forms confirming salary adjustments made no later than 90 days from the execution of this Agreement to all currently employed Class Members in the amounts designated on Attachment A to this Agreement;
2. Evidence of back pay monies disbursed to all located persons named on Attachment A to this Agreement who signed and returned the "Release of Claims under the Executive Order," including copies of the cancelled checks and pay slips showing the gross amount and legal deductions; and
3. Results of DSE's review of its compensation system, including findings, additional equity adjustments and back pay, if any.

The **third report** shall be due twelve months after the date this Agreement is signed by the Regional Director, OFCCP. The third report shall consist of the following:

1. Detailed results of DSE's annual review of its compensation system, including findings, additional equity adjustments and back pay, if any; and
2. Evidence that DSE provided training on its equal employment opportunity programs and equitable compensation for all persons involved in DSE's compensation processes, including date(s) of training, names and job titles of DSE employees attending and invoices or other records of cost.

TERMINATION DATE: This Agreement will expire 90 days after OFCCP receives the third and final report required in Part III above or on the date that the District Director gives notice to DSE that DSE has satisfied its reporting requirements, whichever occurs earlier, unless OFCCP notifies DSE in writing prior to the end of the 90-day period that DSE has not satisfied its reporting requirements pursuant to this Agreement.

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PART IV: Signatures

The person signing this Conciliation Agreement on behalf of DSE, Inc. personally warrants that he is fully authorized to do so, that DSE, Inc. 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 DSE, Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and DSE, Inc.

DATE: 10/5/10

(6), (7)(C)

Dae Y. Shin
President
DSE, Inc.
5201 S. Westshore Boulevard,
Tampa, Florida 33611

DATE: 10/12/10

(6), (7)(C), (7)(E)

Compliance Officer—Orlando
Office of Federal Contract
Compliance Programs

DATE: 10/13/10

(6), (7)(C)

Jacqueline Ortiz-Baerga
Assistant District Director—Orlando
Office of Federal Contract
Compliance Programs

DATE: 10/13/10

(6), (7)(C)

Miguel A. Rivera, Jr.
District Director—Orlando
Office of Federal Contract
Compliance Programs

DATE: _____

Evelyn Teague
Regional Director—Southeast
Office of Federal Contract
Compliance Programs

NOTICE TO CLASS MEMBER

*[DSE, Inc. Will Enter Here the Name of the Specific Class Member]
[Date]*

DSE, Inc. (hereinafter "DSE") and the United States Department of Labor's Office of Federal Contract Compliance Programs have entered into a Conciliation Agreement to resolve alleged disparities in compensation at DSE's establishment at 5201 S. Westshore Boulevard, Tampa, Florida. You were identified as an employee for whom a remedy was indicated.

As part of this Agreement, you may be entitled to a monetary payment. This monetary payment will be no less than *\$/DSE will here enter the specific total amount, comprising back pay, interest and back benefits, that the individual Class Member will receive, as shown on Attachment A]*, subject to lawful payroll deductions, such as income tax withholding and Social Security contributions. It may take up to five months from the date you receive this letter before you receive your distribution.

To be able to participate in this settlement, you must sign and return the *Release of Claims under the Executive Order* enclosed with this Notice to DSE at the following address no later than 25 days after this letter's postmark.

**Pam Peyton, Human Resources Manager
DSE, Inc.
5201 S. Westshore Boulevard
Tampa, Florida 33611**

By entering into this Agreement, DSE has not admitted nor has there been any adjudicated finding that DSE violated any laws with regard to compensation paid you during your employment by DSE.

If you have any questions, you may call me at (813) 831-0750, Extension 101. If you do not reach me immediately, your call will be returned as soon as possible.

Sincerely,

Pam Peyton
Human Resources Manager

Enclosure: *Release of Claims Form under the Executive Order*

RELEASE OF CLAIMS UNDER THE EXECUTIVE ORDER

In consideration of the payment to me of \$[DSE will enter here the specific total amount, comprising back pay, interest and back benefits, that the individual Class Member will receive, as shown on Attachment A] (minus deductions required by law) by DSE, Inc. (hereinafter DSE) to me, which I agree is acceptable, and also in consideration of the Conciliation Agreement between DSE and the Office of Federal Contract Compliance Programs (hereinafter OFCCP), I _____ agree to the following:

I.

I understand that actual payment of the amount set forth above is the gross amount of my portion of the monetary settlement between OFCCP and DSE, and that the actual payment to me will be reduced, in part, to account for legally required payroll deductions such as income tax withholding and Social Security contributions. I understand that this payment will be reflected on an Internal Revenue Service Form W-2 and a Form 1099 at the end of the calendar year in which the payment is made. Monies reported on the Form 1099 will not be reduced for taxes or other payroll deductions and I understand that I may owe income taxes on the amounts reported to me on the Form 1099.

II.

I hereby waive, release and forever discharge DSE, its predecessors, related entities, subsidiaries, and organizations, and its and their directors, officers, employees, agents, successors, and assigns, of and from any and all actions, courses of action, damages, liabilities, and claims arising out of Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to employment compensation at any time prior to the effective date of the Release.

III.

I understand that DSE denies that it treated me unlawfully or unfairly in any way and that DSE entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and cooperation, and to bring closure to the Compliance Evaluation initiated by OFCCP on September 25, 2009. I further agree that the payment to me of the aforesaid sum by DSE is not to be construed as an admission of any liability by DSE.

IV.

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. I further declare that I have decided of my own free will to sign this Release.

V.

I understand that if I do not sign this Release and return it to DSE at the address shown below by mail or other delivery method within 25 days from the date of the postmark on my Notice to Class Members, I will not be entitled to receive the payment provided in the Conciliation Agreement.

**DSE Inc.
5201 S. Westshore Blvd.
Tampa, Florida 33611
Attention: Pam Peyton, Human Resource Manager**

IN WITNESS WHEREOF, I have set my hand to this _____ day of _____, _____.
Day Month Year

Signature