

**Conciliation Agreement**  
**Between the U.S. Department of Labor**  
**Office of Federal Contract Compliance Programs**  
**and**  
**Halliburton Energy Services, Inc.**  
**34722 7<sup>th</sup> Standard Road**  
**Bakersfield, CA 93312**

**PART I: General Provisions**

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Halliburton Energy Services, Inc. located at 34722 7<sup>th</sup> Standard Road, Bakersfield, California (hereinafter Halliburton Energy Services).
2. The violations identified in this Agreement were found during a compliance review of Halliburton Energy Services which began on November 19, 2009, resulting in a Notice to Show Cause issued on January 22, 2010, and subsequently an Amended Notice to Show Cause issued on January 3, 2011. OFCCP alleges that Halliburton Energy Services has violated Executive Order 11246, as amended, and implementing regulations at 41 CFR Chapter 60 due to specific violations cited in Part II below.
3. This Agreement does not constitute an admission by Halliburton Energy Services of any violation of 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) and implementing regulations.
4. The provisions of this Agreement will become part of Halliburton Energy Services' Affirmative Action Programs (AAP). Subject to the performance by Halliburton Energy Services of all promises and representations contained herein and in its AAP, all named violations in regard to the compliance of Halliburton Energy Services with all OFCCP programs will be deemed resolved. However, Halliburton Energy Services 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. Halliburton Energy Services 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 Halliburton Energy Services' compliance. Halliburton Energy Services shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Halliburton Energy Services from the obligation to comply with the requirements of 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), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.

7. Halliburton Energy Services 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, and/or Section 503 of the Rehabilitation Act of 1973, as amended, and/or the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212).
8. This Agreement will be deemed to have been accepted by the Government on the date of signature by the District Director for OFCCP, unless the Regional Director for OFCCP indicates otherwise within 45 days of the District Director's signature on this Agreement.
9. If at any time in the future, OFCCP believes that Halliburton Energy Services has violated any portion of this Agreement during the term of this Agreement, Halliburton Energy Services 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 Halliburton Energy Services 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 Halliburton Energy Services has violated this Conciliation Agreement, OFCCP may seek enforcement of this Agreement itself and shall not be required to present proof of the underlying violations resolved by this Agreement.

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

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**PART II: Specific Provisions**

1. **VIOLATION:** Halliburton Energy Services failed to submit, within 30 days of receipt of the scheduling letter dated November 16, 2009, a copy of its Affirmative Action Programs and supporting documentation prepared in accordance with the regulations as required by 41 C.F.R. 60-1.26, 60-741.65, and 60-300.65.

**REMEDY:** On February 23, 2010, Halliburton Energy Services submitted a copy of its Affirmative Action Programs and supporting documentation prepared in accordance with the regulations as required by 41 C.F.R. 60-1.26, 60-741.65, and 60-300.65.

2. **VIOLATION:** Halliburton Energy Services failed to ensure that its employees are compensated without regard to their race, as required by 41 C.F.R. 60-1.4(a). A review of compensation practices for the (b) (7)(C) and (b) (7)(C) positions as of August 1, 2009, revealed that minority incumbents were compensated at a lesser rate than their similarly-situated non-minority counterparts.

Specifically, a review of the available records, job descriptions and pay information provided by Halliburton Energy Services and the results of interviews with managers and employees conducted during the investigation support the finding that minorities in the (b) (7)(C) and (b) (7)(C) positions received a lower wage rate than their similarly-situated non-minority counterparts.

**REMEDY:** Halliburton Energy Services agrees to follow its compensation practices in the Bakersfield location and take steps to ensure that its compensation system provides equal opportunity to all of its employees, regardless of race. This applies to all aspects of compensation, including, but not limited to, initial wage at time of hire and progression into higher paying categories in the Bakersfield location. In order to resolve this violation, Halliburton Energy Services agrees to the following:

- a. Within 45 days from the effective date of this Agreement, provide back pay in the amount of \$6,115.00 and interest in the amount of \$123.35 to (b) (7)(C) and provide back pay in the amount of \$11,956.00 and interest in the amount of \$241.20 to (b) (7)(C). Additionally, effective July 1, 2010, Halliburton Energy Services agrees to increase (b) (7)(C) pay to (b) (4) and (b) (7)(C) pay to (b) (4).
- b. Conduct an audit and analysis of its compensation practices as they impact all employees in the Bakersfield location.
- c. Follow compensation policies and procedures that will not differentiate compensation on the basis of race of employees in the Bakersfield location.
- d. Provide training to those managers who participate in the application of any component of the compensation system in the Bakersfield location. The purpose of the training is to refresh/familiarize those managers with principles underlying the uniform application of criteria which are used to establish compensation.

**PART III: Reporting**

In order for the OFCCP to monitor compliance with this Conciliation Agreement, Halliburton Energy Services agrees to furnish the U.S. Department of Labor, Office of Federal Contract Compliance Programs, Los Angeles District Office, 11000 Wilshire Boulevard, Suite 8103, Los Angeles, California 90024, with the following report:

<u>Report Due Date</u>	<u>Period Covered</u>
Report 1: April 30, 2011	Effective date of Agreement through March 31, 2011

The progress report shall contain the following:

1. Evidence of back pay and pay increases given to the minorities listed in Attachment A.
2. Evidence of training provided to the managers who participate in the application of any component of the compensation process in the Bakersfield location, including the date and location of the training, names and positions of the trainers, names and positions of the managers who attended, and copies of the sign-in sheet and training materials.

**Termination Date:**

This Agreement shall remain in effect until April 30, 2011 or until OFCCP's written acceptance of the progress report, whichever date is later.

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**PART IV: Signatures**

This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Halliburton Energy Services, 34722 7<sup>th</sup> Standard Road, Bakersfield, California 93312.

2/2/11  
Date  
b(7)(C), b(6)

LARRY WILGER  
District Manager  
Halliburton Energy Services, Inc.  
34722 7<sup>th</sup> Standard Road  
Bakersfield, CA 93312

2/8/2011  
b(7)(C)

Compliance Officer  
Office of Federal Contract  
Compliance Programs  
Los Angeles District Office

2/8/11  
b(7)(C), b(6)

ROBERT DOLES  
Assistant District Director  
Office of Federal Contract  
Compliance Programs  
Los Angeles District Office

2/8/11  
Date  
b(7)(C), b(6)

JANE SMHR  
District Director  
Office of Federal Contract  
Compliance Programs  
Los Angeles District Office

**Attachment A**

<b>Employee</b>	<b>Job Title</b>	<b>Previous Annual Salary (as of August 1, 2009)</b>	<b>Revised Annual Salary</b>	<b>Annual Salary Adjustment</b>	<b>Back Pay (07/01/2009-06/30/2010)</b>	<b>Interest</b>
(b) (7)(C)		(b) (4), (b) (7)(C)		\$6,115	\$6,115	\$123.35
				\$11,956	\$11,956	\$241.20
<b>Total</b>				<b>\$18,071</b>	<b>\$18,071</b>	<b>\$364.55</b>