

Conciliation Agreement
Between the U.S. Department of Labor
Office of Federal Contract Compliance Programs
And
HiRel Connectors, Inc.
760 W. Wharton Drive
Claremont, CA 91711

PART I: General Provisions

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter "OFCCP") and HiRel Connectors, Inc. located at 760 W. Wharton Drive, Claremont, California.
2. The violation identified in this Agreement was found during a compliance review of HiRel Connectors, Inc. which began on October 21, 2009 and was specified in a Notice of Violation issued May 9, 2011. OFCCP alleges that HiRel Connectors, Inc. has violated Executive Order 11246, as amended, and implementing regulations at 41 CFR Chapter 60 due to the specific violation cited in Part II below.
3. This Agreement does not constitute an admission by HiRel Connectors, Inc. of any violation of Executive Order 11246, as amended and implementing regulations.
4. The provisions of this Agreement will become part of HiRel Connectors, Inc.'s Affirmative Action Program (hereinafter "AAP"). Subject to the performance by HiRel Connectors, Inc. of all promises and representations contained herein, and in its AAP, the named violation in regard to the compliance of HiRel Connectors, Inc. with all OFCCP programs will be deemed resolved. However, HiRel Connectors, Inc. 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. HiRel Connectors, Inc. 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 HiRel Connectors, Inc.'s compliance. HiRel Connectors, Inc. shall permit access to its premises during normal business hours for these purposes.

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6. Nothing herein is intended to relieve HiRel Connectors, Inc. from the obligation to comply with the requirements of 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), and implementing regulations, or any other equal employment statute or executive order or its implementing regulations.
7. HiRel Connectors, Inc. 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 deem to have been accepted by the Government on the date of signature by the District Director, unless the Regional Director for OFCCP indicates otherwise within 45 days of the District Director's signature of this Agreement.
9. If at any time in the future, OFCCP believes that HiRel Connectors, Inc. has violated any portion of this Agreement during the term, HiRel Connectors, Inc. will be promptly notified 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 HiRel Connectors, Inc. 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 HiRel Connectors, Inc. 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 HiRel Connectors, Inc. to sanctions set forth in Section 209 of the Executive Order, and/or other appropriate relief.

PART II: Specific Provisions

1. **VIOLATION:** HiRel Connectors, Inc. failed to ensure that its employees were compensated without regard to their race, as required by 41 CFR 60-1.4(a) and 41 CFR 60-250.5. Specifically, our review of compensation practices for the (b) (7)(C) position revealed that one Hispanic was compensated at a lesser rate than his similarly-situated Asian counterparts.

Specifically, our analysis of compensation practices which take into account all factors HiRel Connectors, Inc. identified as influencing pay revealed that one Hispanic, earned less in annual wages than his Asian counterparts. The available records, job descriptions, pay information provided by HiRel Connectors, Inc. and the results of interviews with managers and employees conducted during the investigation support the finding that one Hispanic in the (b) (7)(C) position received a lower wage rate than his similarly-situated Asian counterparts.

REMEDY: HiRel Connectors, Inc. agrees to revise its compensation practices and take steps to ensure that its compensation system provides an equal opportunity to all of its employees, irrespective 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 order to resolve this violation, HiRel Connectors, Inc. agrees to the following:

- a. Within 45 days from the effective date of this Agreement, provide back pay in the amount of \$10,941 and interest in the amount of \$1,051.57 to the (b) (7)(C) (b) (7)(C). Additionally, effective October 1, 2009, HiRel Connectors, Inc. agrees to increase his pay to amount of (b) (4) an hour;
- b. Conduct an audit and analysis of its compensation practices as they impact all employees;
- c. Develop and implement compensation policies and procedures that will not differentiate compensation on the basis of gender and race of employees, and
- d. Provide training to those managers who participate in the application of any component of the compensation system at HiRel Connectors, Inc.'s cost of approximately \$1,000.00. The purpose of the training is to familiarize those managers with principles underlying the uniform application of criteria, which are used to establish compensation. OFCCP will review training materials 30 days before the actual employee/manager training program is given, and also review the personnel selected to perform the given training program. Any new employees or managers hired after the training program is given will be offered the same training program within 30 days of their hire date to ensure compliance with this provision.

PART III: Reporting

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

<u>REPORTING PERIOD</u>	<u>Due Date</u>
Effective Date of Agreement through August 31, 2011	September 1, 2011

The progress report shall contain the following:

1. Evidence of back pay and pay adjustments provided to (b) (7)(C) and;
2. Evidence of training provided to the managers who participate in the application of any components of the compensation process including the actual costs incurred.

Termination Date:

This Agreement shall remain in effect until October 31, 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 HiRel Connectors, Inc., 760 W. Wharton Drive, Claremont, California.

DATE: 6/21/2011

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

FREDERICK BAUMANN
Chief Executive Officer
HiRel Connectors, Inc.

DATE: 6/22/11

b(7)(C)

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

DATE: 6/22/2011

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

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

DATE: 6/23/11

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

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