

**Conciliation Agreement  
Between the U.S. Department of Labor  
Office of Federal Contract Compliance Programs**

**and**

**Rockwell Collins Electromechanical Systems  
400 Collins Rd NE  
Cedar Rapids, IA 52498**

**PART I: General Provisions**

1. This Agreement is between the Office of Federal Contract Compliance Programs (hereinafter OFCCP) and Rockwell Collins Electromechanical Systems (hereinafter Rockwell Collins), regarding its facility located at 17000 South Red Hill Ave., Irvine, California.
2. The violations identified in this Agreement were found during a compliance evaluation of Rockwell Collins which began on February 14, 2011, and they were specified in a Notice of Violation issued November 1, 2012. OFCCP alleges that Rockwell Collins has violated Executive Order 11246, as amended, and 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 Rockwell Collins of any violation of Executive Order 11246, as amended, and implementing regulations.
4. The provisions of this Agreement will become part of Rockwell Collins' Affirmative Action Program (hereinafter AAP). Subject to the performance by Rockwell Collins of all promises and representations contained herein and in its AAP, the named violations in regard to the compliance of Rockwell Collins at its Irvine facility with all OFCCP programs will be deemed resolved. However, Rockwell Collins 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. Rockwell Collins 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 Rockwell Collins' compliance. Rockwell Collins shall permit access to its premises during normal business hours for these purposes.
6. Nothing herein is intended to relieve Rockwell Collins 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. Rockwell Collins 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 Regional Director, unless the Director of 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 Rockwell Collins has violated any portion of this Agreement during the term of this Agreement, Rockwell Collins 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 Rockwell Collins 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 Rockwell Collins 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 Rockwell Collins to sanctions set forth in Section 209 of Executive Order 11246, and/or other appropriate relief.

## **PART II: Specific Provisions**

1. **VIOLATION:** OFCCP concluded that Rockwell Collins failed to ensure that its employees were compensated without regard to gender as required by 41 CFR 60-1.4(a) and 41 CFR 60-20.5(a). Data provided by Rockwell Collins on the salaries of employees in Hourly P&M positions as of December 31, 2010 indicate that females had lower annualized salaries. Time in position and time at the company did not explain the differences in salaries. A multiple regression analysis further revealed that gender had a statistically significant impact on salaries of employees in the similarly-situated employee group (SSEG) of Electro Mechanical Assembler 2 and 3 and the Mechanical Assembler 2 and 3 positions. The regression analysis resulted in a standard deviation of **EX 7E**. Additionally, OFCCP's analysis of compensation practices, which takes into account all factors Rockwell Collins identified as influencing pay, the personnel records, job descriptions, and pay information provided by Rockwell Collins, and the results of interviews with managers and employees conducted during the investigation support OFCCP's finding that those females in the Electro Mechanical Assembler 2 and 3 and the Mechanical Assembler 2 and 3 positions received lower annualized salaries, on average, than similarly-situated male employees.

**REMEDY:** Rockwell Collins agrees to ensure that its compensation system provides an equal opportunity to all its employees, regardless of gender. Rockwell Collins agrees to provide make-whole relief to all identified victims of discrimination, to include the following remedies:

- a) **Location and Notification of Class Members:** Within 30 days after the effective date of this Agreement, Rockwell Collins agrees to notify each CM of her rights under this Agreement by sending a first class letter<sup>1</sup>, via certified mail return receipt requested, notifying the CM of this Conciliation Agreement and providing the CM with a Verification Form<sup>2</sup> requesting current address, telephone number and social security number. Rockwell Collins will also include a Release of Claims<sup>3</sup>, with the notification letter. CMs must return the completed Verification Form and Release to Rockwell Collins within 30 days of receipt of the first class letter or forfeit any consideration for back pay.

After the above 30-day response period expires, Rockwell Collins will promptly notify OFCCP of any CMs who have not responded. OFCCP will have 30 days to locate the CMs and if OFCCP obtains an alternative address, Rockwell Collins will re-mail the notification letter, verification form and release form, via certified mail return receipt requested. Each newly located CM will have 30 days after receipt of the notification letter to respond.

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<sup>1</sup> Attachment B – Notification Letter

<sup>2</sup> Attachment C – Address and Social Security Verification Form

<sup>3</sup> Attachment D – Release of Claims

If Rockwell Collins does not receive a response within 30 days of the CM's receipt of the notification letter, then such lack of a response will be deemed to constitute a rejection of the financial settlement set forth in paragraph (b). In that event, any and all back pay due to CMs whose whereabouts could not be determined or who did not respond, will be equally distributed to the remaining located CMs who responded within the 30-day period provided. If a CM is not located and/or does not return both a completed verification form and release form within the relevant time periods provided, the CM shall be no longer entitled to any relief pursuant to this Agreement.

- b) Financial Settlement: Within 120 days after the effective date of this Agreement, Rockwell Collins will provide back pay in the amount of \$105,911.00 and interest in the amount of \$10,732.00 for a total settlement of \$116,643.00 distributed to the Hourly P&M class members ("CMs") according to the individual salary back pay calculations listed on Attachment A<sup>4</sup> and who respond properly within a timely fashion in accordance with the terms set forth in subparagraph (a) above. Rockwell Collins will submit to OFCCP documentation of payment of the financial settlements in accordance with the terms contained in "PART III: Reporting", of this Agreement. The payments will be made in a lump sum to each CM, less appropriate withholding deductions. Rockwell Collins will send each CM an appropriate W-2 form for back pay and 1099 for the amount that represents interest. Within 10 working days of Rockwell Collins' receipt of a check to a CM returned as undeliverable, Rockwell Collins will notify OFCCP of this fact via e-mail or facsimile. OFCCP will attempt to locate the CM and if OFCCP obtains an alternative address, Rockwell Collins will re-mail the check. Any check that remains not cashed 120 days after the initial date the check was mailed to the CMs will be void. Such payment will constitute a full settlement of all financial claims related to this violation.
- c) Self-Monitoring: The Rockwell Collins Irvine facility is closed and the CMs are no longer employed by Rockwell Collins, therefore, Rockwell Collins cannot perform an annual review of its compensation policies and practices for this facility. However, Rockwell Collins acknowledges its obligation to ensure its compensation system provides an equal opportunity to all its employees, regardless of gender.

Rockwell Collins commits that this violation will not be repeated.

2. **VIOLATION**: Rockwell Collins failed to ensure that its employees were compensated without regard to gender as required by 41 CFR 60-1.4(a) and 41 CFR 60-20.5(a). Specifically, our analysis of compensation practices which takes into account all factors Rockwell Collins identified as influencing pay revealed that a female employee in the exempt position of Senior Buyer received a smaller annualized salary as compared to a similarly-situated male as of December 31, 2010. Further, OFFCP found that the non-

<sup>4</sup> Attachment A – Class Member List

discriminatory reasons relied on by Rockwell Collins for the salary disparity are really a pretext for sex discrimination, because the reasons were contradicted by information in the employees' applications and performance evaluations that contained prior work history, educational attainment, company tenure, position tenure, and performance ratings.

**REMEDY:** Rockwell Collins agrees to ensure that its compensation system provides an equal opportunity to all its employees, regardless of gender. Rockwell Collins agrees to provide make-whole relief to the identified victim of discrimination, to include the following remedies:

- a) Location and Notification of Sr. Buyer: Within 30 days after the effective date of this Agreement, Rockwell Collins agrees to notify the Sr. Buyer of her rights under this Agreement by sending a first class letter<sup>5</sup>, via certified mail return receipt requested, notifying the Sr. Buyer of this Conciliation Agreement and providing the Sr. Buyer with a Verification Form<sup>6</sup> requesting current address, telephone number and social security number. Rockwell Collins will also include a Release of Claims<sup>7</sup>, with the notification letter. The Sr. Buyer must return the completed Verification Form and Release to Rockwell Collins within 30 days of receipt of the first class letter or forfeit any consideration for back pay.

After the above 30-day response period expires, Rockwell Collins will promptly notify OFCCP if the Sr. Buyer has not responded. OFCCP will have 30 days to locate the Sr. Buyer and if OFCCP obtains an alternative address, Rockwell Collins will re-mail the notification letter, verification form and release form, via certified mail return receipt requested. The Sr. Buyer will have 30 days after receipt of the notification letter to respond.

If Rockwell Collins does not receive a response within 30 days of the Sr. Buyer's receipt of the notification letter, then such lack of a response will be deemed to constitute a rejection of the financial settlement set forth in paragraph (b). In that event, any and all back pay due to the Sr. Buyer whose whereabouts could not be determined and/or who does not return both a completed verification form and release form within the relevant time periods provided, the Sr. Buyer shall be no longer entitled to any relief pursuant to this Agreement.

- b) Financial Settlement: Within 120 days after the effective date of this Agreement, Rockwell Collins will provide back pay in the amount of \$8,300.23 and interest in the amount of \$896.10 for a total settlement of \$9,196.33 to the Senior Buyer female employee ("Sr. Buyer") listed on Attachment A<sup>8</sup> who responds properly within a timely fashion in accordance with the terms set forth in subparagraph (a) above. Such payment will constitute a full settlement of all financial claims related to this violation. Rockwell

<sup>5</sup> Attachment B – Notification Letter

<sup>6</sup> Attachment C – Address and Social Security Verification Form

<sup>7</sup> Attachment D – Release of Claims

<sup>8</sup> Attachment A – Class Member List

Collins will submit to OFCCP documentation of payment of the financial settlements in accordance with the terms contained in "PART III: Reporting", of this Agreement. The payments will be made in a lump sum to the Sr. Buyer, less appropriate withholding deductions. Rockwell Collins will send the Sr. Buyer an appropriate W-2 form for backpay and a 1099 for the amount that represents interest. Within 10 working days of Rockwell Collins' receipt of a check to the Sr. Buyer returned as undeliverable, Rockwell Collins will notify OFCCP of this fact via e-mail or facsimile. OFCCP will attempt to locate the Sr. Buyer and if OFCCP obtains an alternative address, Rockwell Collins will re-mail the check. Any check that remains not cashed 120 days after the initial date the check was mailed to the Sr. Buyer will be void. Such payment will constitute a full settlement of all financial claims related to this violation.

- c) Self-Monitoring: The Rockwell Collins Irvine facility is closed; therefore, Rockwell Collins cannot perform an annual review of its compensation policies and practices for this facility. However, Rockwell Collins acknowledges its obligation to ensure its compensation system provides an equal opportunity to all its employees, regardless of gender.

Rockwell Collins commits that this violation will not be repeated.

**PART III: Reporting**

Rockwell Collins agrees to submit one progress report to the U.S. Department of Labor, Office of Federal Contract Compliance Programs, Orange Area Office, 770 The City Drive, Suite 5700, Orange, CA 92868-4955. The reporting period and due date the progress report is outlined below:

<b><u>REPORT</u></b>	<b><u>REPORTING PERIOD</u></b>	<b><u>DUE DATE</u></b>
First	October 1, 2013 to March 31, 2014	April 30, 2014

The progress report shall contain the following:

1. Copies of cancelled checks for the back pay and compound interest disbursed to the individuals identified in Attachment A.
2. Copies of the notification letters (Attachment B) Rockwell Collins sent to the CMs.
3. Copies of completed Address and Social Security Verification Forms (Attachment C) and Release of Claims (Attachment D) submitted by CMs to Rockwell Collins.

**Termination Date:**

This Agreement will remain in full force and effect until September 30, 2014 or until OFCCP's written acceptance of Rockwell Collins' final progress report, whichever date is later.

**PART IV: Signatures**

This Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Rockwell Collins, 400 Collins Rd NE, Cedar Rapids, IA 52498.

Date: August 20, 2013

EX 7C

[Redacted Signature]  
Rod Dooley  
Vice President  
Human Resources Delivery  
Rockwell Collins  
400 Collins Rd NE  
Cedar Rapids, IA 52498

Date: 9/27/13

EX 7C

[Redacted Signature]  
Compliance Officer  
Office of Federal Contract  
Compliance Programs  
Orange Area Office

Date: 09/27/13

EX 7C

[Redacted Signature]  
Hector M. Sanchez  
Area Director  
Office of Federal Contract  
Compliance Programs  
Orange Area Office

Date: 10/27/2013

EX 7C

[Redacted Signature]  
Jane Suhr  
District Director  
Office of Federal Contract  
Compliance Programs  
Los Angeles District Office

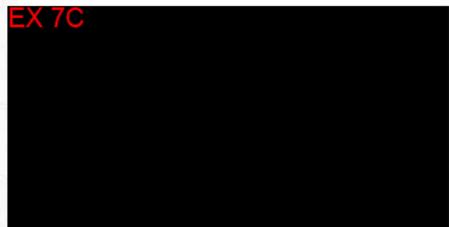
Date: 10/30/2013

EX 7C

[Redacted Signature]  
Melissa L. Speer  
Regional Director  
Office of Federal Contract  
Compliance Programs  
Pacific Region

Attachment A

Electromechanical Assembler 3

EX 7C  


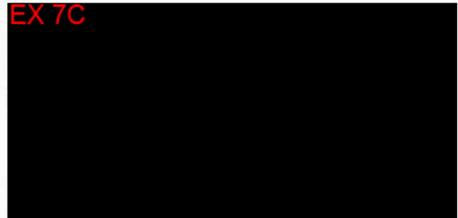
<u>Back Pay</u>	<u>Interest</u>	<u>Total</u>
\$7,469.80	\$756.92	\$8,226.71
\$7,855.94	\$796.04	\$8,651.98
\$6,878.52	\$697.00	\$7,575.52
\$7,481.27	\$758.08	\$8,239.35
\$7,448.71	\$754.78	\$8,203.49

Mechanical Assembler 3

EX 7C  


\$7,059.53	\$715.34	\$7,774.87
\$6,343.93	\$642.83	\$6,986.76
\$7,480.76	\$758.03	\$8,238.79

Electromechanical Assembler 2

EX 7C  


\$6,986.82	\$707.98	\$7,694.80
\$6,776.12	\$686.63	\$7,462.75
\$6,864.18	\$695.55	\$7,559.73
\$6,237.65	\$632.06	\$6,869.71
\$6,540.79	\$662.78	\$7,203.58

Mechanical Assembler 2

EX 7C  


\$6,972.99	\$706.58	\$7,679.57
\$7,513.99	\$761.40	\$8,275.39

Assembler Total	\$105,911.00	\$10,732.00	\$116,643.00
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Senior Buyer

EX 7C  


<u>\$8,300.23</u>	<u>\$896.10</u>	<u>\$9,196.33</u>
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Grand Total	\$114,211.23	\$11,628.10	\$125,839.33
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**Attachment B**

**NOTIFICATION LETTER**

Certified Mail  
Return Receipt Requested

Date Here

[Name]  
[Street]  
[City, State, Zip Code]

Dear Ms. [Name]:

Rockwell Collins Electromechanical Systems (hereinafter Rockwell Collins), located at 17000 South Red Hill Ave., Irvine, California and the Department of Labor's Office of Federal Contract Compliance Programs (hereinafter OFCCP) have entered into a Conciliation Agreement (CA) to resolve alleged violations of certain federal labor laws which were discovered during an OFCCP compliance evaluation.

As a result of this Conciliation Agreement, which involves claims that women in the same job family were paid less than similarly situated men, you are eligible to receive a payment of money representing back pay that may be due to you. Because this represents wages, it will also be subject to tax withholding. By entering into this Conciliation Agreement, Rockwell Collins has not admitted, nor has there been any adjudicated finding that Rockwell Collins violated any laws related to the OFCCP evaluation. Rockwell Collins has entered into this Conciliation Agreement for its convenience and to resolve this matter without further legal proceeding. In order to be initially eligible for this distribution, you must execute and return the following enclosed documents: (1) Address and Social Security Verification Form, and (2) Release of Claims Form, within thirty (30) calendar days of the postmark of this letter to:

**CONTRACTOR CONTACT TO BE DETERMINED**

**If you fail to return any of the required documentation within the specified timeframe, you will be ineligible for monetary relief provided by this CA.**

If you have any questions, you may call XXXXXX of Rockwell Collins at (XXX) XXX-XXXX. Your call will be returned as soon as possible.

Sincerely,

\_\_\_\_\_  
Human Resources

Enclosures: Address Verification Form;  
Release of Claims Form

**Attachment D**

RELEASE OF CLAIMS

In consideration of the monetary payment (less any deductions required by law) by Rockwell Collins Electromechanical Systems (hereinafter Rockwell Collins) to me, which I agree is acceptable, and also in consideration of the Conciliation Agreement between Rockwell Collins and the Office of Federal Contract Compliance Programs (hereinafter OFCCP), I agree to the following:

**I.**

I hereby waive, release and forever discharge Rockwell Collins, 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, causes of action, damages, liabilities, and claims arising out of or actionable under Executive Order 11246, as amended, 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) which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to my rate of pay as a Rockwell Collins employee at any time prior to the effective date of this Release.

**II.**

I understand that if I am concerned about how the process described in this Release applies to me, I may contact OFCCP Senior Compliance Officer (b) (7)(C) for assistance at U.S. Department of Labor/OFCCP, 770 The City Drive, Suite 5700, Orange, CA 92868, (714) 621 (b) (7)(C)

**III.**

I understand that Rockwell Collins denies that it treated me unlawfully or unfairly in any way and that Rockwell Collins entered into the above-referenced Conciliation Agreement with OFCCP in the spirit of conciliation and to bring closure to the Compliance Review initiated by OFCCP on February 14, 2011. I further agree that the payment of the aforesaid sum by Rockwell Collins to me is not to be construed as an admission of any liability by Rockwell Collins.

**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 Rockwell Collins's legal representative, XXXXXXXX, postmarked **within thirty (30) calendar days from the postmarked date on the envelope in which I received this Release**, I will not be entitled to receive the payment (less deductions required by law) from Rockwell Collins.

IN WITNESS WHEREOF, I am signing this document of my own free will.

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Signature of Class Member

\_\_\_\_\_  
Date