



BRIEFLY...

OFCCP DID NOT SHOW IT ADEQUATELY ENFORCED EEO REQUIREMENTS ON FEDERAL CONSTRUCTION CONTRACTS

MARCH 27, 2020

WHY OIG CONDUCTED THE AUDIT

In 2016, the Government Accountability Office (GAO) concluded the Office of Federal Contract Compliance Programs (OFCCP) used methods to select contractors for compliance evaluations in the supply and service industries that may not have focused on contractors posing the greatest risks. We were concerned the same risks could exist in the construction industry, the only other industry classification reviewed by OFCCP. We determined there were 9,474 federal construction contractors and the federal government obligated \$145 billion for construction contracts between Fiscal Year (FY) 2014 and 2018.

This report presents the results of our audit of OFCCP's effectiveness in enforcing Equal Employment Opportunity (EEO) laws that prohibit discrimination against applicants and employees on federal construction contracts.

WHAT OIG DID

We conducted a performance audit to answer:

Did OFCCP adequately enforce EEO requirements on federal construction contracts?

To determine this, we reviewed processes and data from October 1, 2013, to March 31, 2019.

READ THE FULL REPORT

<http://www.oig.dol.gov/public/reports/oa/2020/04-20-001-14-001.pdf>

WHAT OIG FOUND

OFCCP did not adequately enforce EEO requirements on federal construction contracts. We based this conclusion on the results below:

OFCCP did not use a risk-based approach to select construction contractors for EEO compliance evaluations. Federal guidance and OFCCP's strategy for selecting contractors requires the agency to focus resources on those who posed the greatest risk of noncompliance. Instead, OFCCP chose contractors without using a risk assessment. OFCCP said its outdated computer system prevented it from selecting contractors using a risk-based approach. However, we identified data in OFCCP's computer system and processes that could have been used to measure contractor risk.

OFCCP's stated enforcement focus was to find and resolve systemic discrimination. However, we determined OFCCP's selection process identified systemic discrimination in 1 percent of the contractors evaluated. By applying a risk-based approach focused on contractors with the greatest risk of non-compliance, OFCCP might have identified more systemic discrimination.

Minority and female participation goals were based on 1970 Census data. Federal regulations requires OFCCP to update affirmative action goals using relevant workforce data. However, contractor compliance was based on 50 year-old U.S. Census Bureau data. These goals did not reflect the 31.5 and 3.5 percentage point increase of minorities and women, respectively, in the construction workforce from 1970 to 2018. OFCCP stated it chose not to update these goals to avoid a potentially costly, lengthy rulemaking process. However, using outdated goals may have hindered OFCCP's enforcement of EEO laws.

WHAT OIG RECOMMENDED

We made 2 recommendations to OFCCP to improve its selection process and update participation goals and timetables with a process to keep them current.

OFCCP agreed with our recommendations and has already started taking some action.