

August 19, 2004

COMPANY NAME

Dear Federal Contractor:

The U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) is informing you that one or more of your establishments have been selected for potential scheduling of a compliance review under the Federal Contractor Selection System (FCSS), formerly referred to as the Equal Employment Data System (EEDS). This letter provides a listing of the selected establishments which you can forward to the identified establishments and to the pertinent management officials of any business entities affiliated with the establishments listed in this letter. As each establishment is scheduled for a review we will provide the establishment with notice under established OFCCP scheduling procedures; this is not a scheduling letter.

As of July 2004, the OFCCP designed and implemented a new FCSS. The new system for this cycle selected 3,560 establishments for possible compliance reviews. At this time, OFCCP anticipates that reviews will be scheduled for all selected establishments within the next 12 months; however, based on the findings from these reviews and available resources, some of these reviews may not occur until later or will be dropped from the scheduling list for this cycle. When we have completed this cycle, we will inform you of any new selections in a similar manner and any additional changes in the selection process. Questions about the compliance review process should be directed to your regional OFCCP office. Contact information and compliance assistance information can be found at the OFCCP Compliance Assistance Calendar Web Page— <http://www.dol.gov/esa/ofccp/Calendars/caevents.htm> and the OFCCP Compliance Assistance Web Page Link -- <http://www.dol.gov/esa/regs/compliance/ofccp/ofccpcomp.htm>

The new FCSS replaces the prior EEDS methodology in an effort to improve the accuracy of the selection process and to reduce the burden to larger multi-establishment contractors. The new system is considered by the OFCCP to be a trial system that is subject to change in future cycles of the FCSS based on new and existing research studies. The system is based on external research conducted by Westat, a firm recognized for their expertise in data collection and analysis. Unlike prior OFCCP systems that were developed internally by OFCCP without the benefit of a systematic study, the new system draws upon Westat's thorough analysis of data from ten years of OFCCP compliance reviews. Westat used such data to formally identify and characterize relationships between reported EEO-1 workforce profiles and historical OFCCP findings of discrimination. Specifically, the new model compares the workforce profile of contractor establishments to others in the same industry and to the profile of the local labor market supply as obtained from 2000 Census data. We have applied the Westat mathematical model that defines these relationships to basically rank contractor establishments on their likelihood of discrimination. In comparison to the prior EEDS methodology, our initial analysis and that from Westat indicates that the new model should be substantially better in targeting establishments with discrimination. To validate the model, we plan to conduct compliance reviews under the new FCSS starting with a pilot sample of approximately 700 top ranked establishments, assess the system, and proceed accordingly.

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The new system also addresses problems with simultaneous, multiple compliance reviews arising out of the recent and significant increase in the number of compliance reviews scheduled by OFCCP. Under the new system, we have limited the number of establishments per contractor to be scheduled per year to no more than 25. For this cycle, and to the extent possible, we will attempt to limit reviews among corporate affiliated establishments to 25 including any reviews that were open as of March 2004. We have staggered the scheduling process so that several reviews are not conducted at the same point in time for any corporations with multiple establishments. Lastly, OFCCP will give serious consideration to any remedial action voluntarily undertaken by that particular establishment prior to the conduct of an OFCCP review for both small and large contractors where compliance deficiencies have been identified through self-audits conducted by any of your establishments. Such remedial action may mitigate any relief sought by OFCCP, to the extent the remedial action completely corrects the problem(s) at issue.

Sincerely,

A handwritten signature in cursive script that reads "Charles E. James, Sr.".

Charles E. James Sr.
Deputy Assistant Secretary
for Federal Contract Compliance

Listing of Establishments Selected from the 2004 FCSS.

Establishment Name	Location	Contact Phone number E-mail Address
	Address, City, State and ZIP	