

OFCCP Releases New Enterprise-wide Voluntary Compliance Program

Thursday, February 14, 2019

On the eve of St. Valentine's Day, OFCCP is wanting contractors to feel the love. In its fourth directive of fiscal year 2019, [OFCCP has unveiled](#) a Voluntary Enterprise-wide Review Program, otherwise referred to as VERP. [Directive 2019-04](#) states VERP

enables OFCCP to blend its compliance evaluation and compliance assistance activities to work with high-performing contractors toward a mutual goal of sustained, enterprise-wide (corporate-wide) compliance, outside of OFCCP's neutral establishment-based scheduling process.

The directive highlights that the new program is intended to compliment the goals of the Agency's [Early Resolutions Procedures Directive](#) released in December of last year.

While the directive does not formally set out the requirements of the program, it provides the "framework" by which OFCCP will develop and implement the program.

First, the program will recognize two tiers of contractors, with the top-tier having a more stringent set of requirements. The framework contemplates that Contractors qualifying for the top tier can remain in the program for a period of five years and will then be re-evaluated to stay in the program. The subsequent tier provides for a three-year participation timeframe with compliance assistance to progress to the top-tier.

According to the framework set out in the directive, if successful, the program will officially recognize the outstanding efforts of its top-performing contractor participants and participants will be removed from the pool of contractors scheduled for compliance evaluations. However, participation is not without cost. Entities interested in participating in the process will need to apply (beginning in FY 2020) and allow OFCCP to audit their headquarter location as well as a sample or subset of their establishments. The framework did not specify how many additional audits would be scheduled.

The Directive goes on to state that in order to remain in VERP, OFCCP will

expect contractors to maintain a workforce free of discrimination or other material violations, and provide periodic reports and information to OFCCP through which OFCCP can confirm these efforts.

If a contractor applies for VERP recognition but is not successful, OFCCP will return to the pool of contractors that OFCCP may schedule for compliance evaluations through OFCCP's neutral selection process, though the Agency is careful to note the contractor would not be immediately scheduled for review.

Ultimately, OFCCP believes this new program will provide "meaningful cost-saving compliance incentives to federal contractor participants, and recognizes that some contractors excel in their corporate-wide compliance with OFCCP's requirements."

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