



May 2022

**EQUAL  
EMPLOYMENT  
OPPORTUNITY  
Better Assistance and  
Data Use Could  
Improve Oversight of  
Veterans' Federal  
Contractor  
Employment**

Accessible Version

# GAO Highlight

Highlights of [GAO-22-104599](#), a report to congressional requesters

## Why GAO Did This Study

To help address challenges veterans may face when seeking employment, VEVRAA requires that certain federal contractors take affirmative action to employ and promote veterans protected under the law. OFCCP is charged with ensuring that the approximately 123,000 federal contractor establishments comply with VEVRAA. GAO was asked to review the implementation and enforcement of VEVRAA. This report examines OFCCP's (1) assistance to help federal contractors comply with VEVRAA requirements, and (2) its enforcement efforts to help ensure federal contractors take steps to recruit and employ protected veterans.

To address these objectives, GAO interviewed agency officials and representatives from 10 stakeholder groups, reviewed guidance documents and enforcement procedures, and analyzed enforcement data and a non-generalizable sample of 46 contractors' affirmative action programs, selected for variation in employer size, industry, and geography.

## What GAO Recommends

GAO is making seven recommendations, including that OFCCP incorporate key practices on employing veterans into its VEVRAA information, clarify hiring benchmarks, and use available data to better approximate the protected veteran population and assess discrimination. The agency had no comments on these recommendations.

View [GAO-22-104599](#). For more information, contact Thomas Costa at (202) 512-4769 or [costat@gao.gov](mailto:costat@gao.gov).

May 2022

## EQUAL EMPLOYMENT OPPORTUNITY

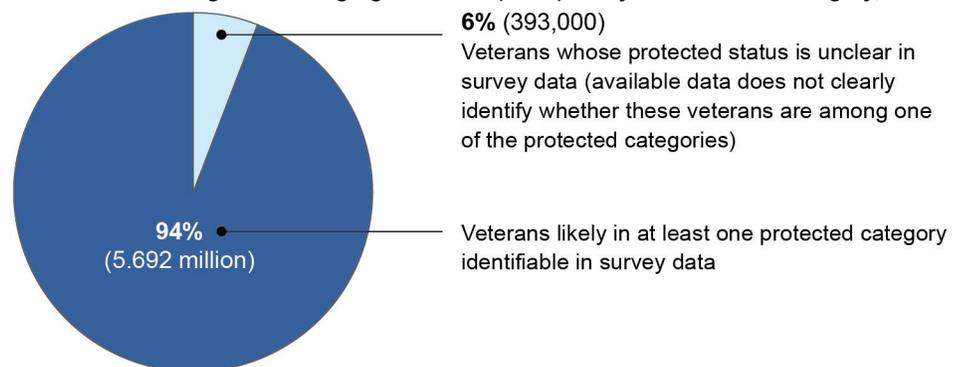
### Better Assistance and Data Use Could Improve Oversight of Veterans' Federal Contractor Employment

## What GAO Found

The Office of Federal Contract Compliance Programs (OFCCP) helps contractors comply with affirmative action provisions for veterans protected under the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA). OFCCP provides web-based resources and coordinates with contractors and stakeholders, among other activities. For example, OFCCP provides some information on veteran recruitment, but does not include key practices, such as how to write veteran-friendly job descriptions. VEVRAA regulations require contractors to establish an annual veteran hiring benchmark—generally based on the percentage of veterans in the civilian workforce—to help contractors assess the success of their veteran recruitment efforts. However, information OFCCP provides does not clearly specify how contractors should use this benchmark. Among the sample of 46 contractors GAO reviewed, one-half did not compare their benchmark to new hires. Without key information on best recruiting practices and how to use these hiring benchmarks, contractors may be missing opportunities to expand and improve their veteran outreach efforts.

OFCCP lacks data on the protected veteran population, which may limit its ability to protect veterans' rights under VEVRAA. Officials said they cannot approximate the overall size or characteristics of the protected veteran population. However, survey data used to develop the national VEVRAA hiring benchmark provides some information about veterans likely in protected categories (see figure). Without estimating the size of the protected veteran population, OFCCP cannot effectively assess progress because it cannot determine the availability of protected veterans in the labor force. OFCCP enforces VEVRAA regulations, which prohibit discrimination against protected veterans, through compliance evaluations and complaint investigations. While OFCCP can access contractor data on protected veterans by job category, compliance officers are not required to analyze these data during evaluations. If OFCCP analyzed existing data, it may be better able to identify potential discrimination against these veterans.

Estimated Percentage of Working Age Veterans (25-54) Likely in a Protected Category, 2020



Source: GAO analysis of CPS Veterans Supplement data in Bureau of Labor Statistics' *Employment Situation of Veterans—2020* report. | [GAO-22-104599](#)

---

# Contents

---

GAO Highlight		2
	<b>Why GAO Did This Study</b>	2
	<b>What GAO Recommends</b>	2
	<b>What GAO Found</b>	2
Letter		1
	Background	4
	OFCCP Provides Information and Assistance to Help Contractors Comply with VEVRAA, but Offers Limited Resources to Help with Veteran Recruitment	11
	Limited Use of Data and Gaps in Enforcement Hinder OFCCP's Ability to Monitor Federal Contractors' Recruitment and Hiring of Protected Veterans	24
	Conclusions	40
	Recommendations for Executive Action	41
	Agency Comments	42
	Appendix I: Office of Federal Contract Compliance Programs' Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) Information	44
	Appendix II: GAO Contact and Staff Acknowledgments	46
Tables		
	Table 1: Types of Violations Identified by OFCCP in Compliance Evaluations by Authority, Fiscal Years 2017-2021	33
	Table 2: Comparison of Selected Office of Federal Contract Compliance Programs' Requirements and Procedures for Compliance Evaluations, by Authority	33
	Table 3: Description of Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) Information	44
Figures		
	Figure 1: Office of Federal Contract Compliance Programs (OFCCP) Compliance Evaluation Process	9
	Figure 2: Office of Federal Contract Compliance Programs' Protected Veteran Infographic	12
	Figure 3: Veteran Hiring Benchmark Information on OFCCP Website	15

---

Figure 4: Excerpts from OFCCP's Sample Affirmative Action Programs	17
Figure 5: Comparison of Veterans' Employment and Training Service and Office of Federal Contract Compliance Programs Best Practices for Hiring Veterans	19
Figure 6: Sample Self-Identification Form for Protected Veterans	23
Figure 7: Estimated Percentage of Veteran Population Likely in a Protected Category in the Current Population Survey (CPS) Veterans Supplement, 2020	27
Figure 8: Number of Office of Federal Contract Compliance Programs Compliance Evaluations Concluded from Fiscal Years 2017 through 2021	32

---

#### Abbreviations

AAP	affirmative action program
ACS	American Community Survey
BLS	Bureau of Labor Statistics
CPS	Current Population Survey
DOL	Department of Labor
MOU	memorandum of understanding
OFCCP	Office of Federal Contract Compliance Programs
VA	Department of Veterans Affairs
VETS	Veterans' Employment and Training Service
VEVRAA	Vietnam Era Veterans' Readjustment Assistance Act of 1974
USVETS	U.S. Veterans Eligibility Trends and Statistics

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.



May 26, 2022

The Honorable John W. Hickenlooper  
Chairman  
Subcommittee on Employment and Workplace Safety  
Committee on Health, Education, Labor, and Pensions  
United States Senate

The Honorable Tammy Baldwin  
United States Senate  
The Honorable Tammy Duckworth  
United States Senate

Veterans may face challenges when seeking employment in the federal contract workforce, including bias, discrimination, and the inability of employers to translate military skills. To assist certain groups of veterans, known as protected veterans, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) requires certain federal contractors and subcontractors to take affirmative action to employ and promote protected veterans.<sup>1</sup> In 2013, the Department of Labor's (DOL) Office of Federal Contract Compliance Programs (OFCCP) amended its VEVRAA regulations to provide contractors with tools to evaluate their own compliance and proactively identify and correct any deficiencies in their employment practices towards veterans. To help ensure that approximately 24,000 federal contractors and their 123,000 establishments are complying with VEVRAA and the other regulations OFCCP enforces, the agency conducts compliance evaluations for a relatively small sample of contractor establishments each year.

You asked us to review how OFCCP ensures federal contractors' compliance with VEVRAA requirements. In this report we examine (1) the assistance OFCCP provides to help federal contractors comply with VEVRAA requirements, and (2) how OFCCP's enforcement efforts help

---

<sup>1</sup>Protections under VEVRAA generally apply to qualified veterans who fall into covered categories: (1) veterans with disabilities, (2) veterans who recently separated from active duty, (3) veterans who served on active duty during a war or an expedition for which a campaign badge was authorized, or (4) veterans who participated in an operation for which an Armed Forces Service medal was awarded. These categories are described in more detail later in the report.

ensure federal contractors take steps to recruit and employ protected veterans.

To address both objectives, we reviewed resources available on OFCCP's website and OFCCP enforcement procedures and assessed them against standards for internal controls in the federal government.<sup>2</sup> In addition to reviewing documents, we interviewed OFCCP officials from the national and all six regional offices to understand how they assist contractors and enforce compliance with VEVRAA.

For the first objective, we reviewed data on the number of compliance assistance events for contractors conducted from fiscal years 2014 to 2020. To understand how OFCCP coordinates with agencies that have expertise on veterans' employment issues, we interviewed officials from DOL's Veterans' Employment and Training Service (VETS). We also interviewed a non-generalizable group of external stakeholder organizations to gain their perspectives on the assistance OFCCP provides regarding VEVRAA to contractors and veterans. We selected 10 organizations that represent one or more of the following groups directly affected by VEVRAA: (1) employer associations, (2) veterans, including those with disabilities, and (3) those who provide VEVRAA compliance assistance to contractors (e.g., third parties that prepare affirmative action programs). We selected these 10 organizations based on prior GAO work, references in DOL resources on VEVRAA, and recommendations from DOL and other stakeholder groups knowledgeable about these topics.

To assess how federal contractors are using veteran hiring benchmarks, we reviewed a sample of 46 contractors' affirmative action programs (AAP).<sup>3</sup> We randomly selected a non-generalizable sample that represented variation across the following criteria: (1) employer size, (2) industry, and (3) geography.<sup>4</sup> For each AAP, we reviewed (1) if the contractor reported a benchmark; (2) the type of benchmark the

---

<sup>2</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

<sup>3</sup>An AAP outlines a contractors' compliance plan—or policies, procedures, and supporting data related to their affirmative action obligations.

<sup>4</sup>We initially selected a sample of 51 contractor AAPs from a list of compliance evaluations closed in fiscal year 2020. Three of the AAPs selected were compiled prior to when amended VEVRAA regulations went into effect in 2014, and two were cases initiated under the legacy case management system and comprehensive electronic case files were not available. We did not include these five cases in our analysis.

contractor used (the OFCCP national hiring benchmark or an individualized benchmark); and (3) how the contractor used the hiring benchmark in its AAP.

To address the second objective, we reviewed OFCCP's Federal Contract Compliance Manual and interviewed OFCCP officials to describe enforcement procedures for VEVRAA. We also examined the results of compliance evaluations and complaint investigations by analyzing fiscal year 2017 through 2021 data from OFCCP's case management system.<sup>5</sup> We assessed the reliability of OFCCP's case management data by (1) performing electronic testing of data fields; (2) reviewing methodological documentation of the system that produced them, such as data dictionaries; and (3) interviewing agency officials knowledgeable about the data. We determined that these data, in general, were reliable for the purposes of our audit objectives and identified some caveats and limitations. To provide context on the employment status of veterans, we summarized labor force participation data published by DOL's Bureau of Labor Statistics (BLS) on veteran unemployment rates, including by level of disability rating.<sup>6</sup> We also analyzed how many veterans were likely in categories that aligned with protected categories under VEVRAA using 2020 data, the most recent year available.<sup>7</sup> We assessed the reliability of BLS data on veteran employment by reviewing methodological documentation about the data and determined these data were sufficiently reliable for describing

---

<sup>5</sup>OFCCP officials said the agency moved to a new case management system in 2018 for tracking enforcement data. This new system is administered by a new contractor, and workflow information is entered and processed differently. Additionally, the new system maintains electronic case file documentation, while in the legacy system, a significant amount of case file documentation is in hard copies. The data we collected span a period covered by both the old (legacy) and new case management systems; as a result, some enforcement data may not be fully comparable across years.

<sup>6</sup>Veterans with a service-connected disability are assigned a disability rating by the Department of Veterans Affairs or the Department of Defense. Ratings are in increments of 10 percentage points up to 100 percent, depending on the severity of the condition.

<sup>7</sup>BLS publishes an annual report on the employment situation of veterans based on data collected in the Current Population Survey (CPS). CPS is a monthly sample survey of about 60,000 eligible households that provides data on employment, unemployment, and persons not in the labor force in the United States. Data about veterans are collected monthly in the CPS. Each August, a supplement to the CPS collects additional information about veterans on topics such as service-connected disability and veterans' current or past Reserve or National Guard membership. The most recent report at the time of our analysis contained 2020 CPS Veterans Supplement data; see Bureau of Labor Statistics, *Employment Situation of Veterans—2020*, USDL-21-0438 (Washington, D.C.: Mar. 18, 2021).

---

veterans' employment characteristics and estimating the proportion who are likely in protected categories under VEVRAA.

We conducted this performance audit from October 2020 to May 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

---

## Background

---

### VEVRAA Provisions

VEVRAA requires that certain federal contractors take affirmative action to employ and promote qualified veterans who are covered under defined categories (referred to as protected veterans).<sup>8</sup> VEVRAA requirements apply to any federal contract or subcontract of \$150,000 or more.<sup>9</sup> Contractor establishments with a single contract of \$150,000 or more and with 50 or more employees must meet additional requirements under VEVRAA, such as developing a written AAP. The categories of protected veterans are the following:<sup>10</sup>

- **Veterans with disabilities.** (1) Veterans of the U.S. military, ground, naval or air service who are entitled to compensation (or would be entitled to compensation but instead receive military retired pay) under laws administered by the Secretary of Veterans Affairs, or (2) persons who were discharged or released from active duty because of a service connected disability.

---

<sup>8</sup>38 U.S.C. § 4212(a). The law requires contractors to take affirmative action to “employ and advance in employment” protected veterans, which we describe as “employ and promote” for the purposes of this report.

<sup>9</sup>VEVRAA does not apply to federally assisted construction contracts. Our scope is limited to supply and service contracts, which make up a majority of OFCCPs oversight efforts.

<sup>10</sup>See 41 C.F.R. § 60-300.2.

- **Recently separated veterans.** Any veterans who have left active duty in the U.S. military, ground, naval or air service in the last 3 years.<sup>11</sup>
- **Active-duty wartime or campaign badge veterans.** Veterans who served on active duty in the U.S. military, ground, naval or air service during a war or in a campaign or expedition for which a campaign badge has been authorized.<sup>12</sup>
- **Armed Forces service medal veterans.** Veterans who, while serving on active duty in the U.S. military, ground, naval or air service, participated in a U.S. military operation for which an Armed Forces Service Medal was awarded.<sup>13</sup>

When hiring, contractors subject to VEVRAA are required to invite applicants to self-identify as a protected veteran at two points: (1) during the application process, and (2) after an offer of employment but before the applicant begins his or her job. Contractors subject to the additional requirements under VEVRAA must also maintain and annually update the following, among other things:

- **An assessment of external outreach and recruitment efforts.** On an annual basis, contractors are required to review the outreach and recruitment efforts they have taken over the previous 12 months to evaluate their effectiveness in identifying and recruiting qualified protected veterans. Contractors shall document each evaluation, including at a minimum, the criteria they used to evaluate the

---

<sup>11</sup>Veterans who are dishonorably discharged do not fall under protected categories under VEVRAA. According to Department of Defense personnel data, less than 1 percent of active-duty servicemember separations in fiscal year 2020 were dishonorable.

<sup>12</sup>When OFCCP amended VEVRAA regulations in 2013, the rule did not address specific time periods of war defined in federal law for active-duty veterans. According to OFCCP officials, the agency issued guidance on this topic the year after VEVRAA regulations were amended and described the following periods of war at the time of our review: Korean Conflict, June 27, 1950 to January 31, 1955; Vietnam Era, February 28, 1961 to May 7, 1975 for veterans serving in the Republic of Vietnam, or August 5, 1964 to May 7, 1975 for veterans serving in other locations; and Persian Gulf War, August 2, 1990 to present. In January 2021 federal law amended the dates of the Vietnam Era to begin November 1, 1955 for veterans who served in the Republic of Vietnam. Our work began prior to the January 2021 change, and thus, our review reflects the time periods defined prior to January 2021.

<sup>13</sup>Receipt of a campaign badge or Armed Forces Service Medal is listed on a veteran's DD-214 Form, which is a military service record.

effectiveness of each effort and the contractor's conclusion as to whether each effort was effective.<sup>14</sup>

- **Data collection analysis.** On an annual basis, contractors must maintain data on the number of applicants who self-identified as protected veterans or are otherwise known as protected veterans; the total number of job openings and total number of jobs filled; the total number of applicants for all jobs; the number of protected veteran applicants hired; and the total number of applicants hired. Contractors must maintain these data for a period of 3 years.<sup>15</sup>
- **The established veteran hiring benchmark.** Contractors must establish a veteran hiring benchmark. The benchmark establishes a quantifiable method by which the contractor can measure progress toward achieving equal employment opportunity for protected veterans.<sup>16</sup> Contractors must use one of two methods to establish their benchmarks. Contractors may choose to use the national benchmark developed by OFCCP, which is equal to the national percentage of veterans in the civilian labor force and is published and updated annually on OFCCP's website. Alternatively, contractors may establish an individualized benchmark that reflects the contractor's own data and unique hiring circumstances, such as geographic location.<sup>17</sup> The hiring benchmark is not a quota that must be met, nor

---

<sup>14</sup>41 C.F.R. § 60-300.44(f)(3).

<sup>15</sup>41 C.F.R. § 60-300.44(k).

<sup>16</sup>OFCCP requires contractors to establish a hiring benchmark for VEVRAA, which it describes as "a yardstick against which contractors can measure the success of their efforts to recruit and employ qualified protected veterans." In contrast, OFCCP requires "goals" for women and minority workers, as well as individuals with disabilities, in addition to affirmative action obligations associated with these goals. According to OFCCP, a goal provides an equal opportunity objective and is based on the availability of members of the protected group in the labor force.

<sup>17</sup>If the contractor chooses to establish its own hiring benchmark, there are five factors the contractor must take into account: (1) the average percentage of veterans in the civilian labor force in the state(s) where the contractor is located for the previous 3 years, (2) the number of veterans who participated in the state employment service delivery system where the contractor is located over the past year, (3) the applicant ratio and hiring ratio for the contractor for the previous year, (4) recent assessments of the effectiveness of their outreach and recruitment efforts contained in the contractor's AAP, and (5) any other factors that might affect the availability of qualified protected veterans.

---

is it considered to be a ceiling or floor for employment of a particular group.<sup>18</sup>

---

## Office of Federal Contract Compliance Programs (OFCCP) Oversight

OFCCP, within DOL, is charged with ensuring that the approximately 24,000 contractors and their 123,000 establishments (or individual facilities under a parent company) comply with various equal employment and affirmative action requirements, including VEVRAA requirements.<sup>19</sup> Staff in OFCCP headquarters and field staff in six regional and 54 district and area offices direct nationwide enforcement of equal employment opportunities and carry out agency activities. In fiscal year 2021, the agency's appropriation was around \$106 million and it had about 472 full-time staff.

OFCCP uses two approaches to help ensure compliance with federal equal employment and affirmative action requirements—compliance assistance and enforcement. OFCCP uses compliance assistance, such as guidance on its website, as a means to communicate with contractors and establish a culture of self-compliance among federal contractors. OFCCP assists contractors in complying with requirements by issuing directives and answering frequently asked questions on the major areas under its jurisdiction on its website, in addition to other web-based resources.

To enforce provisions of the laws and regulations it administers, OFCCP aims to schedule as many compliance evaluations as possible and complete them in a timely manner. OFCCP develops, on a regular basis, a scheduling list of contractor establishments for evaluations. OFCCP's

---

<sup>18</sup>41 C.F.R. § 60-300.45.

<sup>19</sup>The number of contractors under OFCCP's jurisdiction is based on 2018 data. In addition to VEVRAA, OFCCP administers and enforces Executive Order 11246, which protects individuals based on race, color, religion, sex, sexual orientation, gender identity, and national origin and provides worker protections based on certain disclosures and discussion of pay; and Section 503 of the Rehabilitation Act of 1973, which covers individuals with disabilities. With respect to certain goals and analyses conducted related to Executive Order 11246, OFCCP uses the term "women and minorities" to reference protected groups, which we also use for the purposes of this report. Minorities include individuals who are Black, Hispanic, Asian or Pacific Islander, American Indian or Alaskan Native.

scheduling list for fiscal year 2021 was based on the list of contractors that were eligible for an evaluation in fiscal year 2020 but were not scheduled for one.<sup>20</sup> The size of the list was set at 750 contractors and only includes full compliance reviews.<sup>21</sup> In prior years, OFCCP has also selected contractors for compliance checks and focused reviews that are more limited in scope than a full compliance review. For example, during a VEVRAA focused review, OFCCP would only evaluate a contractor's compliance with VEVRAA requirements and not the other laws it enforces. OFCCP distributes evaluations across district offices based on their staffing levels.

OFCCP uses a number of criteria in developing the scheduling list, such as employee count, number of evaluations under a parent company, and type of review or contractor. OFCCP identifies contractor establishments by using federal and commercial business databases.<sup>22</sup> When a contractor establishment is selected for evaluation, OFCCP provides the contractor with a courtesy advance notice through a Corporate Scheduling Announcement List posted on OFCCP's website informing the establishment that they have been selected to undergo a compliance evaluation during the upcoming selection cycle. OFCCP also sends contractors a scheduling letter and itemized listing to request the AAP—which outlines the contractor's compliance plan—and supporting data. Then, a compliance officer conducts a comprehensive desk audit, which is an off-site review of the submitted materials. If necessary, the compliance officer conducts an on-site review and further off-site analysis

---

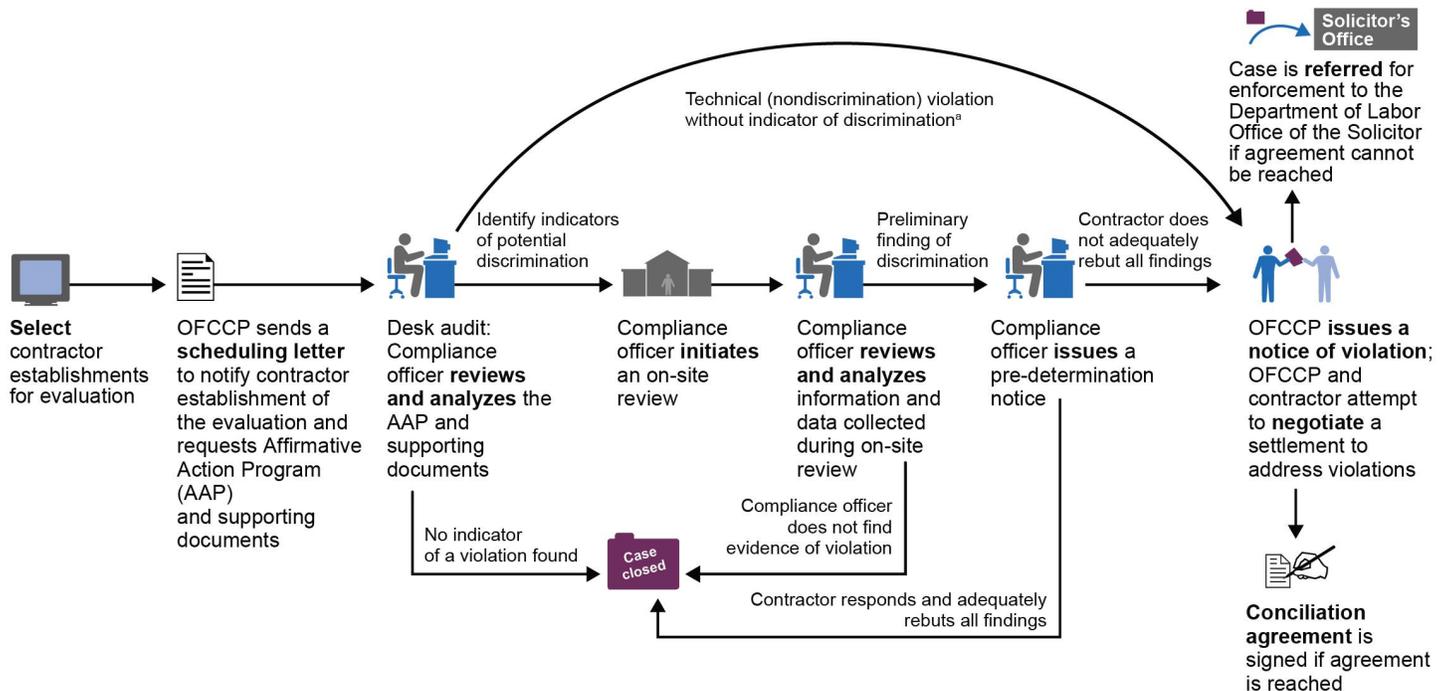
<sup>20</sup>OFCCP does not purge unscheduled reviews from prior lists before releasing a new scheduling list.

<sup>21</sup>During full compliance reviews, which is a type of compliance evaluation, compliance officers evaluate contractors' compliance with VEVRAA (which covers protected veterans); Executive Order 11246 (which covers groups including women and minorities); and Section 503 of the Rehabilitation Act of 1973 (which covers individuals with disabilities).

<sup>22</sup>OFCCP's process for identifying establishments under its jurisdiction requires pulling information from multiple information sources, such as federal acquisition and procurement databases, EEO-1 Reports, and Duns and Bradstreet data. There is no single database or other information source that OFCCP can use to establish its compliance evaluation scheduling list. For example, the Federal Procurement Data System-Next Generation is used to identify companies that have been awarded government contracts, while the EEO-1 Report identifies federal contract establishments' employee counts. Duns and Bradstreet data are used to remove independent subsidiaries of corporations that do not have contract coverage from the establishment list. Evaluating the comprehensiveness of the data sources OFCCP uses to develop its scheduling list was outside the scope of our work.

to make a final determination as to whether the contractor has committed any violations (see fig. 1).

**Figure 1: Office of Federal Contract Compliance Programs (OFCCP) Compliance Evaluation Process**



Source: GAO analysis of Office of Federal Contract Compliance Programs (OFCCP) documents. | GAO-22-104599

<sup>a</sup>When there are technical violations with no indicators of potential discrimination, OFCCP can choose, on a case-by-case basis to issue a closure letter that lists violations and their remedies, or issue a notice of violation to be remedied by a conciliation agreement, depending on the type and severity of the violation.

OFCCP’s Federal Contract Compliance Manual provides guidance to compliance officers in conducting compliance evaluations and complaint investigations, and providing compliance assistance. The manual is updated periodically to reflect changes in OFCCP regulations and practices. The last major update to the manual that reflected revisions to the VEVRAA regulations was in December 2019.<sup>23</sup> These revisions included several changes related to VEVRAA. For example, the chapters on desk audits, on-site investigations, and compliant investigations include updated language on VEVRAA nondiscrimination and affirmative action requirements.

<sup>23</sup>Office of Federal Contract Compliance Programs, *Federal Contract Compliance Manual* (Washington, D.C.: 2019). See <https://www.dol.gov/agencies/ofccp/manual/fccm>.

In 2016, GAO reported weaknesses in OFCCP's overall compliance evaluation process and made several recommendations to help improve enforcement procedures and guidance. For example, we recommended that OFCCP make changes to their procedures for scheduling compliance evaluations to prioritize contractors with the greatest risk of noncompliance. As of March 2022, OFCCP has made some changes to the scheduling methodology in response to this recommendation but has not fully implemented this recommendation. In response to another recommendation from that report, OFCCP recently developed a mechanism for contractors to regularly attest to maintaining affirmative action programs, including for VEVRAA.<sup>24</sup>

---

## Veterans' Employment and Training Service (VETS) Role in VEVRAA

DOL's VETS provides employment resources and expertise to veterans, transitioning servicemembers, and military spouses to prepare them for meaningful careers.<sup>25</sup> VETS' primary role related to VEVRAA is administering the collection of contractors' VETS-4212 reports, which include data on the number of employees and new hires who are protected veterans under VEVRAA, by job category.<sup>26</sup> Contractors and subcontractors who have a contract exceeding the \$150,000 threshold are required to submit a VETS-4212 report. OFCCP can use data collected through the VETS-4212 report during compliance evaluations.

---

<sup>24</sup>OFCCP implemented five of six recommendations in the report, including those on staff training and improving information on nondiscrimination and affirmative action requirements for protected workers. See GAO, *Equal Employment Opportunity: Strengthening Oversight Could Improve Federal Contractor Nondiscrimination Compliance*, [GAO-16-750](#) (Washington, D.C.: Sept. 22, 2016).

<sup>25</sup>The Uniformed Services Employment and Reemployment Rights Act of 1994, which is administered by DOL VETS, prohibits employers from discriminating against individuals who have served in the uniformed services.

<sup>26</sup>Separate from its role in VEVRAA, VETS administers a 1-day employment preparation workshop that is generally mandatory for all transitioning servicemembers and two optional 2-day workshops for career exploration and technical and general employment preparation. This is part of the Transition Assistance Program, which provides information, tools, and training to ensure servicemembers and their spouses are prepared for civilian life. The program is a cooperative effort among the Department of Labor; and the Departments of Defense, Education, Homeland Security and Veterans Affairs; the Small Business Administration; and the Office of Personnel Management.

---

## OFCCP Provides Information and Assistance to Help Contractors Comply with VEVRAA, but Offers Limited Resources to Help with Veteran Recruitment

---

### OFCCP Promotes VEVRAA Compliance by Providing General Program Information and Coordinating with Contractors and Stakeholder Groups

OFCCP helps contractors comply with VEVRAA requirements by providing general program information on its website, hosting contractor outreach events, and coordinating with government agencies and industry stakeholder groups through information sharing agreements.

#### Web-based Information

OFCCP has several webpages that provide resources for contractors and workers, and include, among others, links to best practices, compliance posters, and external educational resources. Across the OFCCP website, we found 12 documents, answers to FAQs, and Directives that cover VEVRAA-specific information for contractors and veterans (for a description of these documents, see appendix I). Examples include:

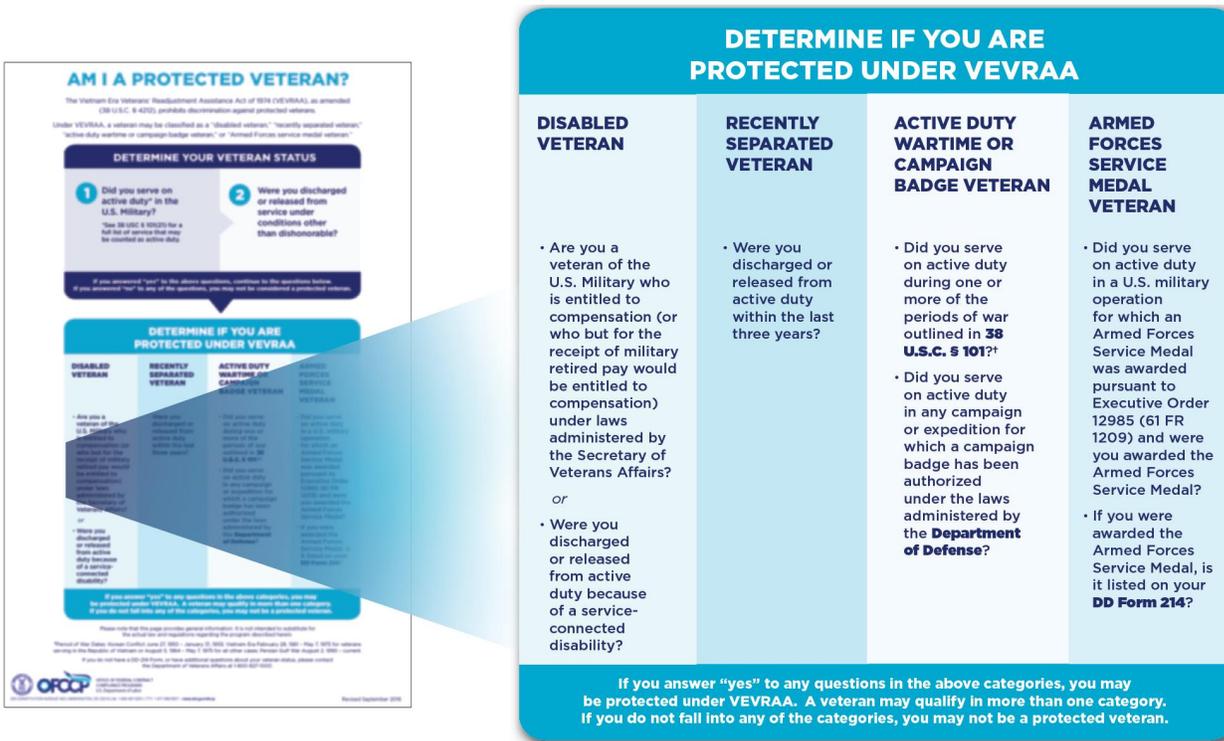
- webpages with answers to FAQs on topics including general VEVRAA provisions, contractor data collection requirements, and VEVRAA's application to military spouses;<sup>27</sup>
- webpages explaining the two methods for establishing a veteran hiring benchmark;
- a link to a list of VEVRAA best practices for contractors; and
- links to information on protected veteran categories, such as an infographic that contains a flowchart to help veterans determine if they

---

<sup>27</sup>According to *DIR-2020-01: Spouses of Protected Veterans*, OFCCP regulations implementing VEVRAA make it unlawful for a federal contractor to discriminate in employment against a qualified individual because that individual is known to have a family, business, social, or other relationship or association with a protected veteran, which extends to spouses of protected veterans.

fall under a protected category, and a sample form that contractors can use to invite protected veterans to self-identify (see fig. 2).

Figure 2: Office of Federal Contract Compliance Programs' Protected Veteran Infographic



Source: Reproduction of Office of Federal Contract Compliance Programs protected veteran infographic. See <https://www.dol.gov/agencies/ofccp/veterans/resources>. | GAO-22-104599

On its website, OFCCP also makes general guidance available on affirmative action obligations and enforcement procedures that can also assist contractors with VEVRAA compliance. For example, OFCCP offers technical assistance guides by industry and contractor type. These guides are self-assessment tools to help contractors evaluate their practices and prepare for compliance evaluations.

---

## Outreach Events and Coordination Efforts

OFCCP hosts national and regional compliance assistance events, which include events focused specifically on VEVRAA.<sup>28</sup> For example, national or regional offices host webinars on what to expect during a compliance evaluation and job fairs that connect contractors with potential veteran applicants.<sup>29</sup> Officials in all six regional offices said that they shifted from in-person to virtual events because of the COVID-19 pandemic, and for the most part this helped the agency reach a broader audience. In addition to events, OFCCP provides one-on-one compliance assistance to contractors upon request, including those who are scheduled for a compliance evaluation.

From fiscal years 2014 to 2017, the number of total compliance assistance events that OFCCP hosted decreased from 581 to 280. However, from fiscal years 2017 to 2020, the number of events increased from 280 to 683.<sup>30</sup> OFCCP conducted 106 VEVRAA-specific events in fiscal year 2019 and 209 such events in fiscal year 2020.

Since 2014, OFCCP has entered into nine memoranda of understanding (MOU) with other government agencies and industry stakeholder groups to foster information sharing and coordinate activities.<sup>31</sup> Of these MOUs, one with the DirectEmployers Association and the National Association of State Workforce Agencies covers activities specific to VEVRAA and notes that OFCCP will solicit feedback from knowledgeable stakeholder

---

<sup>28</sup>Prior to the 2013 changes to the VEVRAA regulations being finalized, OFCCP held six listening sessions from 2010-2011. Groups who participated in these sessions included federal contractors, employer organizations, unions, and veterans' employment representatives from local job centers.

<sup>29</sup>In addition, according to OFCCP officials, OFCCP and DOL VETS had a joint town hall meeting in August 2019 to gather contractor input and identify opportunities to enhance compliance assistance for VEVRAA and other topics.

<sup>30</sup>OFCCP tracks general compliance assistance events, but it could not disaggregate data for events specific to VEVRAA until fiscal year 2019. According to OFCCP officials, from fiscal years 2014 to 2020, OFCCP staff levels decreased by about 34 percent due to attrition and an inability to replace those positions based on budgetary constraints.

<sup>31</sup>Organizations that OFCCP has agreements with include the Equal Employment Opportunity Commission; Department of Justice; U.S. Census Bureau; American Association for Access, Equity, and Diversity; Council of State Administrators of Vocational Rehabilitation; The Institute for Workplace Equality; DirectEmployers Association; National Industry Liaison Group; Employment, Education, and Outreach Alliance; and Council for Tribal Employment Rights.

organizations on training materials as it relates to mandatory job-listing requirements under VEVRAA.<sup>32</sup> According to OFCCP officials, there have been no recent activities under this MOU though it is still in effect as of December 2021. Other agreements include broader information-sharing activities. For example, in an agreement with the Council of State Administrators of Vocational Rehabilitation, OFCCP committed to including the Council as a disability recruitment resource, including for veterans with disabilities.

---

### OFCCP Information on the Veteran Hiring Benchmark Lacks Consistency and Recruitment Resources for Contractors Are Limited

OFCCP provides some guidance on complying with VEVRAA requirements, but it does not provide clear information to contractors regarding how they should use VEVRAA hiring benchmarks, and OFCCP's resources on employing and recruiting veterans are limited. Among the seven stakeholder groups who commented on the sufficiency of agency guidance, representatives from four groups said current guidance could be improved. Some examples of concerns cited include the need for additional guidance on VEVRAA hiring benchmarks and the lack of resources to help connect contractor and veteran communities.

#### Resources on the VEVRAA Hiring Benchmark

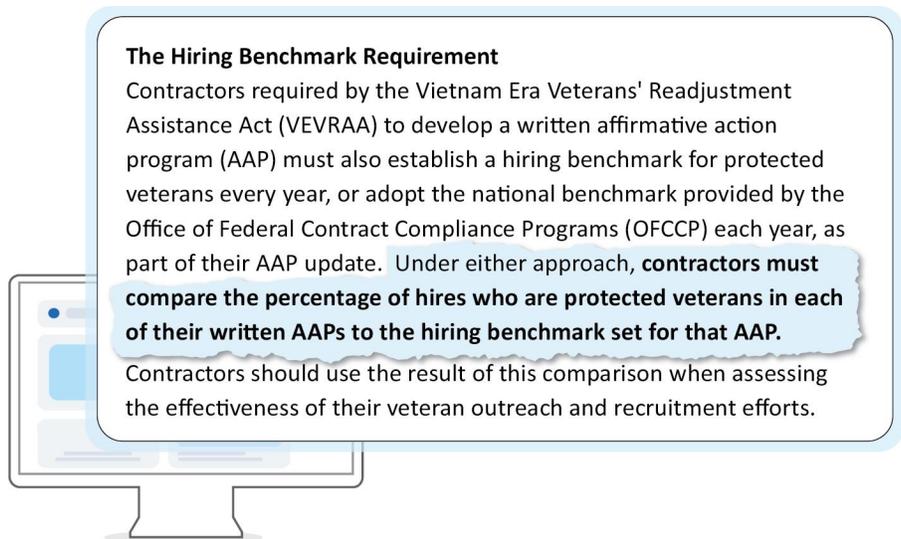
The information resources OFCCP provides on hiring benchmarks do not align with VEVRAA regulations regarding how contractors are to use the benchmark. For example, OFCCP's VEVRAA hiring benchmark website states that contractors must compare the percentage of hires who are protected veterans in their written AAPs to the benchmark they set for that AAP (see fig. 3). However, VEVRAA regulations do not include such a requirement. These regulations state that the purpose of establishing a benchmark is to "create a quantifiable method by which the contractor can measure its progress toward achieving equal employment opportunity for protected veterans," but do not specify that the contractor must use the benchmark to measure progress. OFCCP officials confirmed that the

---

<sup>32</sup>According to the Federal Contract Compliance Manual, when a company becomes a federal contractor subject to VEVRAA, it must advise the Employment Service Delivery System—generally referred to as American Job Centers (one-stop centers)—in each state where the company has establishments that the company is a federal contractor and that it desires priority referrals of protected veterans for job openings within the state. See 41 C.F.R. § 60-300.5.

regulations do not require contractors to use the benchmark in any capacity aside from establishing one. Moreover, OFCCP enforcement procedures state that, when determining the acceptability of an AAP, a compliance officer should look at the documentation for establishing the benchmark and assess whether the contractor met its benchmark using the hiring data submitted. According to OFCCP officials from five regions, compliance officers will look to confirm whether and how a contractor established a VEVRAA hiring benchmark in its AAP, but regions varied in whether compliance officers assessed the extent to which the contractor compared their benchmark to protected veteran hires.

**Figure 3: Veteran Hiring Benchmark Information on OFCCP Website**



Source: <https://www.dol.gov/agencies/ofccp/vevraa/hiring-benchmark>. | GAO-22-104599

We reviewed a non-generalizable sample of AAPs from 46 contractors, and we found that one-half did not compare their hiring benchmark to the number of veteran hires. Specifically, 23 contractors compared their hiring benchmark to the number of veteran hires, and 23 did not.

OFCCP provides contractors with example AAPs for informational purposes, though the example for VEVRAA is specific to contractors implementing a benchmark for the first time. The sample VEVRAA AAP includes some language describing how the hiring benchmark could be used, but it does not provide an illustrative example of how contractors can use the hiring benchmark to assess effectiveness of outreach or as a comparison to hiring data on protected veterans. In contrast, the sample AAP for workers with disabilities describes a generic contractor's plans to

---

conduct a utilization analysis for these workers and provides an additional table illustrating how the analysis would be operationalized in the contractors' AAP (see fig. 4).<sup>33</sup>

---

<sup>33</sup>Section 503 of the Rehabilitation Act of 1973 covers individuals with disabilities.

Figure 4: Excerpts from OFCCP’s Sample Affirmative Action Programs

**Sample Section 503 of the Rehabilitation Act of 1973 (Section 503) AAP**

**b. Utilization of Individuals with Disabilities<sup>6</sup>**

Job Group	Total Number of Employees per Job Group	# of Employees who are individuals with disabilities per Job Group	Utilization rate of individuals with disabilities per Job Group	Underutilized? (Y/N)
1	9	0	0.0%	Y
2	22	2	9.1%	N
4	10	1	10.0%	N
5	30	3	10.0%	N
6	43	3	7.0%	N
7	10	0	0.0%	Y
8	16	1	6.3%	Y

Utilization goals (41 CFR 60-741.45)		Pending implementation	FCI will conduct its first full annual utilization analysis on December 1, 2015.
	FCI annually evaluates the representation of individuals with disabilities in each job group established for utilization analysis under EO 11246 with the 7% utilization goal.		
	FCI takes steps to determine if there are impediments to equal employment opportunity when the percentage of individuals with disabilities in the job group is less than the 7% utilization goal.		
	FCI develops & executes action-oriented programs designed to correct any identified impediments or problem areas.		

**Sample Vietnam Era Veterans’ Readjustment Assistance Act of 1974 (VEVRAA) AAP**

**XV. Hiring Benchmarks [41 CFR 60-300.45]**

**a. Establishment of Hiring Benchmark**

FCI has adopted the national percentage of veterans in the civilian labor force provided by OFCCP, currently 7.2%, as its hiring benchmark for the 2015 AAP year. In its AAP update on January 1, 2016, FCI will analyze its success in hiring protected veterans during the course of this AAP year based on this benchmark and use that analysis as one of the criteria in its assessment of the effectiveness of its outreach and recruitment efforts.

Source: Office of Federal Contract Compliance Programs (OFCCP) Sample Contractor Affirmative Action Programs (AAP) for VEVRAA and Section 503. | GAO-22-104599

Note: FCI is a generic company name used in the sample AAPs.

Clearer information on how to use the benchmark once established, such as to identify problem areas or develop action-oriented programs, could provide contractors with the clarity needed to more readily use the hiring benchmark to measure progress. According to federal standards for

internal controls, agencies should clearly communicate necessary quality information to external parties to achieve its objectives.<sup>34</sup> Without clarity on the requirements surrounding the VEVRAA hiring benchmark and examples of its use as a tool to measure progress, contractors may not be well-equipped to fully demonstrate progress in hiring protected veterans against their established benchmark and to evaluate the effectiveness of their outreach efforts.

### Resources on Employing Veterans

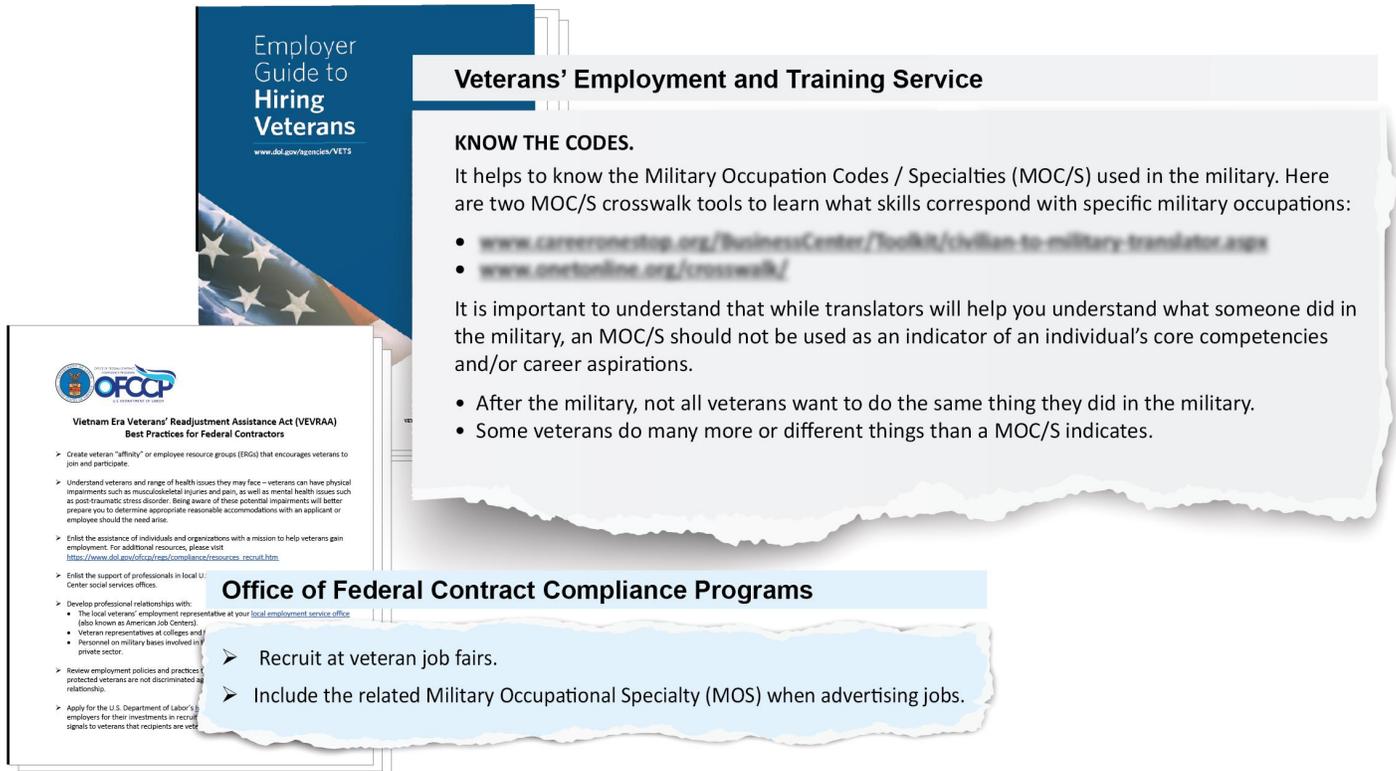
Six of the 10 stakeholder groups we spoke with said it would be helpful if OFCCP provided more guidance for contractors on translating military skills to civilian work or identified challenges with matching military experience with job requirements.<sup>35</sup> OFCCP offers a *VEVRAA Best Practices* document for contractors, which covers a range of topics such as creating veteran employee resource groups and establishing relationships with veteran employment representatives at local employment offices. However, OFCCP's *VEVRAA Best Practices* document does not incorporate some key practices identified by other agencies within DOL. For example, the document does not cover drafting job descriptions, and while it mentions military occupational specialties, it does not provide any links to translation tools or any explanation about what they are or how to use them. In contrast, DOL VETS has an *Employer Guide to Hiring Veterans* that lists six best practices for hiring veterans. The practices in the DOL VETS guide include drafting veteran-friendly job descriptions and a link to a tool that translates military occupational codes to civilian occupation skills, along with tips on how to use the tool (see fig. 5).

---

<sup>34</sup>[GAO-14-704G](#).

<sup>35</sup>We recently reported on challenges in transferring military skills to the civilian workforce. For more information, see GAO, *Military and Veteran Support: DOD Has Taken Steps to Help Servicemembers Transfer Skills to Civilian Employment but Has Limited Evidence to Determine Program Effectiveness*, [GAO-22-105261](#) (Washington, D.C.: Feb. 17, 2022).

**Figure 5: Comparison of Veterans' Employment and Training Service and Office of Federal Contract Compliance Programs Best Practices for Hiring Veterans**



Source: Veterans' Employment and Training Service, *Employer Guide to Hiring Veterans*; Office of Federal Contract Compliance Programs, *Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) Best Practices for Federal Contractors*. | GAO-22-104599

According to OFCCP officials in five regions, regional offices coordinate with other agencies as needed, including DOL VETS, on compliance assistance events and multiagency task groups. At a national level, OFCCP officials said they coordinate with DOL VETS for outreach events and to refer complaints that fall under DOL VETS' jurisdiction.<sup>36</sup> DOL VETS officials briefed industry stakeholders on the *Employer Guide to Hiring Veterans*, but they did not similarly share this information with OFCCP. According to federal standards for internal controls, agencies should communicate the necessary quality information externally to achieve its objectives, and OFCCP's strategic plan includes supporting

<sup>36</sup>For example, a complainant may allege that he or she has a re-employment claim that falls under the Uniformed Services Employment and Reemployment Rights Act of 1994, which is administered by DOL VETS.

---

contractor compliance through tools and resources.<sup>37</sup> Without more information from OFCCP on strategies for employing veterans, such as on writing veteran-friendly job descriptions or additional details for how to translate military skills, contractors may be missing opportunities to expand or improve recruitment for protected veterans.

### Resources on Protected Veteran Identification

Stakeholders and regional office officials said contractors had difficulty identifying and recruiting protected veterans, and OFCCP offers limited resources in these areas.<sup>38</sup> Specifically, six of the 10 stakeholder groups we spoke with said employers had difficulty identifying protected veterans, and this made it difficult to recruit and hire them. Our analysis of a sample of contractor AAPs indicate that contractors may face challenges in meeting their hiring benchmarks. For the sample of 46 AAPs we reviewed, among the 23 contractors who compared their benchmark to the number of protected veteran hires, 18 had hiring levels below their established benchmark. Additionally, based on data from required VETS-4212 report filings, the percentage of employees and new hires who were protected veterans across all federal contractors who submitted the report remained below the national benchmark, at 4 percent each year from 2015 to 2020.<sup>39</sup>

Officials in all six regional OFCCP offices identified lack of self-identification as a challenge to veteran recruitment or barrier to fully capturing contractor data on protected veteran employees. Since fiscal

---

<sup>37</sup>[GAO-14-704G](#).

<sup>38</sup>The VEVRAA compliance assistance webpage lists two OFCCP veteran hiring resources in addition to links to external sources; however, one of the hiring resources was not fully functional for identifying recruiting resources specific to protected veterans at the time of our review. Specifically, OFCCP developed a searchable directory of organizations designed to help contractors find qualified applicants called the Employment Resource Referral Directory. Regional offices provide information on recruitment resources to include in the directory, and organizations can also request to be included. For example, the directory may include veterans' service organizations who work directly with veterans, such as by offering employment services or helping employers identify veteran applicants, including specific subsets of veterans like those with disabilities. When we reviewed the search functions in the directory in February 2022, we found some applicant-type filters did not work as expected. During the course of our review and after we notified OFCCP of our findings, OFCCP corrected this issue.

<sup>39</sup>OFCCP publishes the national annual veteran hiring benchmark—which represents the percentage of veterans in the civilian labor force—around March. As of April 2015, the benchmark was 7 percent and as of March 2020, the benchmark was 5.7 percent.

year 2016, OFCCP has received 269 Help Desk inquiries categorized under the “Am I a Protected Veteran” category and 117 inquiries related to “VEVRAA Self-Identification.” Regional officials and stakeholder officials said that veterans may not self-identify because they are unaware of protections under VEVRAA or for fear of stigma.

- **Unaware of VEVRAA protections.** DOL VETS is one of multiple agencies that provide transition services for servicemembers who are separating from the military, which includes employment workshops. The current Transition Assistance Program curriculum does not cover veterans’ protections under VEVRAA. However, as part of a general update to the program curriculum, DOL VETS has developed information on protections afforded to certain veterans under VEVRAA to include as a pilot in three of its career workshops.<sup>40</sup> According to DOL VETS officials, the agency collaborated with OFCCP to develop this information on VEVRAA.
- **Fear of stigma.** Veterans’ disability status may affect their willingness to self-identify. One veteran group cited a report by the ADA (Americans with Disabilities Act) National Network that indicates 57 percent of veterans with disabilities fear discrimination in hiring and only 36 percent intended to disclose their disability to their employer.<sup>41</sup>

OFCCP has resources for workers and contractors on promoting self-identification among individuals with disabilities, which could include veterans with disabilities. However, resources targeted to the broader protected veteran population are less comprehensive than those for individuals with disabilities, another group protected by OFCCP. For example, OFCCP has a resource page called *Building an Inclusive Environment that Encourages Self-Identification/Disclosure*. This page has links to four education resources for contractors, but all are specific to disclosure for workers with disabilities rather than information on protected veterans. OFCCP also has a video on its website called “Disability Inclusion Starts with You” which is available to workers and also available for contractors to download and post on their company

---

<sup>40</sup>These employment workshops include one designed to address the needs of wounded, ill, or injured transitioning servicemembers; an Off-Base Transition Training that assists veterans and their spouses prepare for a job search; and a mandatory Employment Fundamentals of Career Training.

<sup>41</sup>ADA National Network, *Employment Data for Veterans with Disabilities* (Ithaca, N.Y.: 2017).

website.<sup>42</sup> The content in this video helps workers with disabilities—irrespective of veteran status—understand the purpose and benefits of self-identification.

OFCCP has two resources focused on self-identification for protected veterans more broadly, in addition to references to this topic in general VEVRAA FAQs and best practices: (1) an infographic that explains protected veteran categories, and (2) a sample invitation to self-identify.<sup>43</sup> However, the infographic does not identify benefits of self-identifying or indicate protections associated with disclosing veteran status. The sample invitation that contractors can provide to job applicants does include some language about the purpose of self-identification and indicates that this information will not be used against the applicant. However, this information focuses on the benefits of VEVRAA and self-identification from the contractor's perspective rather than the veteran's perspective, such as helping to increase representation in the workplace and the potential for appropriate relief in cases of discrimination, including restoration of back pay and employment status and benefits (see fig. 6).

---

<sup>42</sup>This video is available at <https://www.dol.gov/agencies/ofccp/compliance-assistance/self-id-forms-video>. As of February 15, 2022, the video had over 92,000 views.

<sup>43</sup>Self-identification is also covered in the VEVRAA FAQ and a list of VEVRAA best practices for contractors. According to OFCCP, it included a requirement for contractors to invite applicants to self-identify as a protected veteran in its VEVRAA regulations so that contractors can track and use these data to assess the effectiveness of their outreach and recruitment efforts.

Figure 6: Sample Self-Identification Form for Protected Veterans

U.S. DEPARTMENT OF LABOR

Office of Federal Contract Compliance Programs **MENU**

OFCCP > VEVRAA > Sample VEVRAA Self-Identification Form

## Sample VEVRAA Self-Identification Form

### Voluntary Self-Identification of “Protected” Veteran Status

#### Why Are You Being Asked to Complete This Form?

This employer is a Government contractor subject to the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended by the Jobs for Veterans Act of 2002, 38 U.S.C. 4212 (VEVRAA). VEVRAA requires Government contractors to take affirmative action to employ and advance in employment protected veterans. To help us measure the effectiveness of our outreach and recruitment efforts of veterans, we are asking you to tell us if you are a veteran covered by VEVRAA. Completing this form is completely voluntary, but we hope you fill it out. Any answer you give will be kept private and will not be used against you in any way.

For more information about this form or the equal employment obligations of Federal contractors, visit the U.S. Department of Labor’s Office of Federal Contract Compliance Programs (OFCCP) website at [www.dol.gov/ofccp](http://www.dol.gov/ofccp).

#### How Do You Know if You Are a Veteran Protected by VEVRAA?

Contrary to the name, VEVRAA does not just cover Vietnam Era veterans. It covers several categories of veterans from World War II, the Korean conflict, the Vietnam era, and the Persian Gulf War which is defined as occurring from August 2, 1990 to the present.

If you believe you belong to any of the categories of protected veterans please indicate by checking the appropriate box below. The categories are defined on the next page and explained further in an [“Am I a Protected Veteran?”](#) infographic provided by OFCCP.

I IDENTIFY AS ONE OR MORE OF THE CLASSIFICATIONS OF PROTECTED VETERAN LISTED BELOW

I AM NOT A PROTECTED VETERAN

I DO NOT WISH TO ANSWER

\_\_\_\_\_  
Your Name

\_\_\_\_\_  
Today’s Date

#### What Categories of Veterans Are “Protected” by VEVRAA?

“Protected” veterans include the following categories: (1) disabled veterans; (2) recently separated veterans; (3) active duty wartime or campaign badge veterans; and (4) Armed Forces service medal veterans. These categories are defined below.

Information on purpose of self-identification

Source: GAO analysis of Office of Federal Contract Compliance Programs Sample VEVRAA Self-Identification Form. See <https://www.dol.gov/agencies/ofccp/vevraa/self-id-form>. | GAO-22-104599

---

In addition, OFCCP has a fact sheet to explain protected veterans' rights under VEVRAA, but this document does not mention the importance of voluntarily self-identifying.

If OFCCP provided more specific information on the benefits of self-identification among protected veterans, similar to those regarding workers with disabilities, this could encourage more veterans to self-identify or further help contractors dispel fears of stigma. According to standards for internal controls in the federal government, agencies should use quality information to achieve their objectives.<sup>44</sup> With additional information from OFCCP, more protected veterans may self-identify, which in turn could help contractors assess hiring and recruitment of this population.

---

## Limited Use of Data and Gaps in Enforcement Hinder OFCCP's Ability to Monitor Federal Contractors' Recruitment and Hiring of Protected Veterans

---

### OFCCP Uses Some Available Data to Construct a VEVRAA Hiring Benchmark, but Not to Estimate the Size and Characteristics of the Protected Veteran Population

According to officials, OFCCP currently uses national survey data collected by the federal government to construct the national VEVRAA veteran hiring benchmark each year.<sup>45</sup> However, OFCCP officials stated that these data cannot be used to estimate the population size or labor market characteristics of the protected veteran population.<sup>46</sup> OFCCP uses survey data from the Current Population Survey (CPS) Veterans Supplement to estimate the proportion of all veterans in the civilian labor force, and then sets their annual national VEVRAA hiring benchmark equal to this estimate. However, OFCCP officials said that the agency is

---

<sup>44</sup>[GAO-14-704G](#).

<sup>45</sup>According to OFCCP officials, the agency does not collect information from the general population and instead relies on existing data sources in its efforts.

<sup>46</sup>OFCCP requires contractors to establish a hiring benchmark for VEVRAA, which it describes as "a yardstick against which contractors can measure the success of their efforts to recruit and employ qualified protected veterans."

unable to use nationally representative survey data to isolate the size and characteristics of the protected veteran population because protected veterans are a subset of the overall veteran population, and national survey data do not distinguish between protected and non-protected veterans. According to OFCCP, as a result, the inability to estimate precisely the protected veteran population inhibits the agency from identifying an employment goal for protected workers that could be used as an equal employment opportunity objective for contractors.<sup>47</sup>

Furthermore, according to the preamble to the new VEVRAA regulations, OFCCP noted it did not require certain affirmative action obligations under these regulations due to data limitations.<sup>48</sup>

#### Who Are Protected Veterans?

The categories of veterans who are protected under the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) are:

- Veterans with disabilities: (1) Veterans of the U.S. military, ground, naval or air service who are entitled to compensation (or would be entitled to compensation but instead receive military retired pay) under laws administered by the Secretary of Veterans Affairs, or (2) persons who were discharged or released from active duty because of a service connected disability.
- Recently separated veterans: Any veterans who have left active duty in the U.S. military, ground, naval or air service in the last 3 years.
- Active-duty wartime or campaign badge veterans: Veterans who served on active duty in the U.S. military, ground, naval or air service during a war or in a campaign or expedition for which a campaign badge has been authorized.
- Armed Forces service medal veterans: Veterans who, while serving on active duty in the U.S. military, ground, naval or air service, participated in an operation for which an Armed Forces Service Medal was awarded.

Receipt of a campaign badge or Armed Forces Service Medal is listed on a veteran's DD-214 Form, which is a military service record.

Veterans who were dishonorably discharged are not included in these protected categories. Dishonorable discharges are given for what the military considers the most dishonorable of conduct and are only rendered by conviction at a general court martial. According to Department of Defense personnel data, less than 1 percent of active duty servicemember separations in fiscal year 2020 were dishonorable.

Source: GAO analysis of VEVRAA regulations, Department of Labor documents, and Department of Defense data. | GAO-22-104599

However, GAO's analysis of data from the CPS Veterans Supplement, as reported in BLS's *annual Employment Situation of Veterans report*, shows that while the survey data do not specifically isolate protected veterans, they do track categories that can be used to identify protected veterans. The CPS Veterans Supplement identifies veterans who fall under several protected categories in VEVRAA: those who served in designated periods of war; those who are recently separated from service (within the past 3

---

<sup>47</sup>OFCCP requires "goals" for other protected groups that are, according to OFCCP, based on the availability of members of the protected group in the labor force.

<sup>48</sup>78 Fed. Reg. 58,614, 58,638 (Sept. 24, 2013).

years); and those who have service-connected disabilities.<sup>49</sup> Some of these categories can partially or even completely overlap with each other; for example, all veterans who were identified as “recently separated” in the CPS Veterans Supplement would also fall under the category of having served in the Persian Gulf War, which under federal law began in 1990 and continues through the present. Similarly, many veterans who served during the Gulf War also have a service-connected disability. Using the 2020 CPS Veterans Supplement, we estimated 80 percent of all veterans can likely be identified as protected on the basis of active-duty service during a designated period of war, or having a service-connected disability (see fig. 7). Among veterans age 25 to 54—generally considered prime working-age—about 94 percent can likely be identified as protected on the basis of active duty during a period of war.<sup>50</sup>

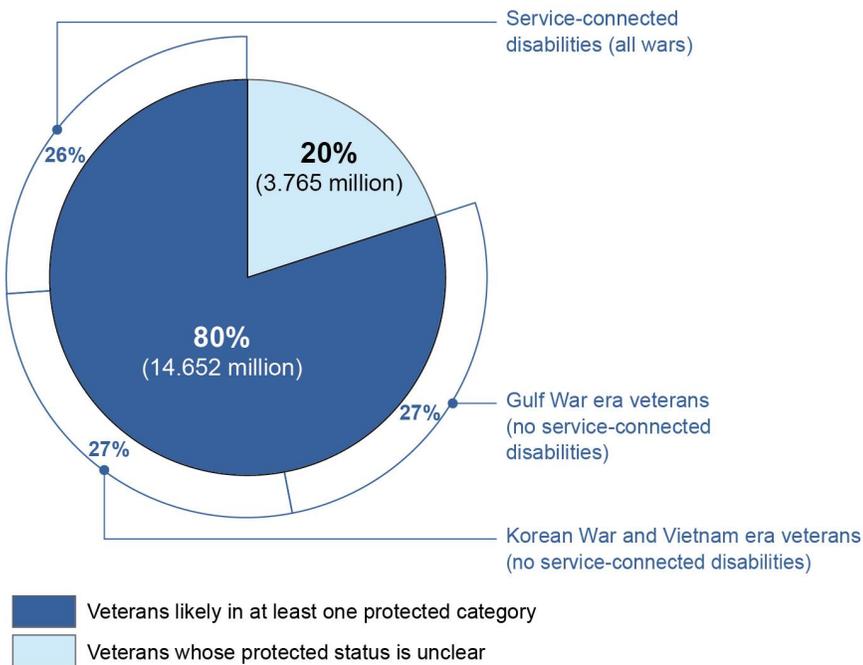
---

<sup>49</sup>The periods of war that qualify a veteran for protected status under VEVRAA are very similar but not identical to the periods of service that are identified in the CPS Veterans Supplement. Periods of war that qualify a veteran for protected status under VEVRAA were defined in federal law at the start of our review as: Korean Conflict, June 27, 1950 to January 31, 1955; Vietnam Era, February 28, 1961 to May 7, 1975 for veterans serving in the Republic of Vietnam or August 5, 1964 to May 7, 1975 for veterans serving in other locations; Persian Gulf War August 2, 1990 to present. The CPS Veterans Supplement identifies the following periods of service: Korean War, July 1950 to January 1955; Vietnam era, August 1964 to April 1975; Gulf War era I, August 1990 to August 2001; Gulf War era II, September 2001 to present. Periods of service in the CPS Veterans Supplement identify when a veteran served in the Armed Forces, but not the location. Location of service is only necessary for identifying protected status for veterans who served in Vietnam prior to 1964; therefore, the omission of location of service from the CPS Veterans Supplement does not limit the identification of protected status for many veterans. At the time of the 2020 CPS Veterans Supplement interview, veterans who served in Vietnam between 1961 and 1964 would have been age 74 or older; therefore, it is likely that few of these veterans would have still been in the workforce.

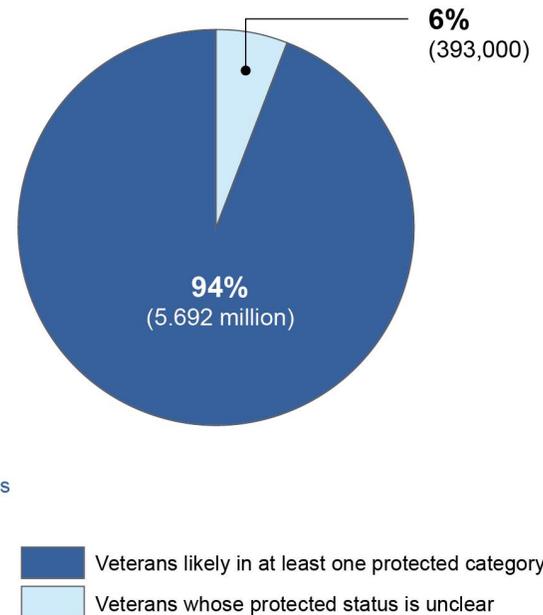
<sup>50</sup>Economists generally refer to the 25-54 age range as prime working-age.

**Figure 7: Estimated Percentage of Veteran Population Likely in a Protected Category in the Current Population Survey (CPS) Veterans Supplement, 2020**

**All Veterans<sup>a</sup>**



**Veterans age 25-54<sup>b</sup>**



Source: GAO analysis of CPS Veterans Supplement data in Bureau of Labor Statistics' *Employment Situation of Veterans—2020* report. | GAO-22-104599

Notes: GAO analyzed published tables containing CPS Veterans Supplement data from the Bureau of Labor Statistics' annual *Employment Situation of Veterans* report. Protections under the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) apply to qualified veterans who fall under various covered categories: 1) veterans with disabilities, 2) veterans who recently separated from active duty, 3) veterans who served active duty during a designated period of war or an expedition for which a campaign badge was authorized, or 4) veterans who participated in a military operation for which an Armed Forces Service medal was awarded. The CPS Veterans Supplement can identify veterans that fall under the following protected categories in VEVRAA: those who served in designated periods of war, those who are recently separated from service (within the past 3 years), and those who have service-connected disabilities. The periods of war that qualify a veteran for protected status under VEVRAA are very similar but not identical to the periods of service that are identified in the CPS Veterans Supplement. These estimates may not include protected veterans who received campaign badges or Armed Forces Service Medals outside of the designated periods of war. Individuals identified as veterans in the CPS Veterans Supplement—even when limited to the major protected categories—may include a small number of veterans that are not considered protected under VEVRAA, such as those dishonorably discharged. Dishonorable discharges are given for what the military considers the most dishonorable of conduct and are only rendered by conviction at a general court martial. According to Department of Defense personnel data, less than 1 percent of active duty servicemember separations in fiscal year 2020 were dishonorable.

<sup>a</sup>In the pie chart titled "All Veterans," to identify veterans that are likely in protected categories, we first identified those with service-connected disabilities across any period; and then among veterans without service-connected disabilities, we identified those who served in one of the following designated periods of service defined in CPS: Korean War July 1950–January 1955; Vietnam era August 1964–April 1975; Gulf War era I August 1990–August 2001; Gulf War era II September 2001–present.

---

<sup>b</sup>In the pie chart titled “Veterans age 25-54,” to identify veterans that are likely in protected categories, we identified those who served in a designated period of service and includes veterans with or without service-connected disabilities. Data reported in the *Employment Situation of Veterans* report do not provide information on the combination of disability status and period of service for each by age group. As a result, some of the veterans in the category “veterans whose protected status is unclear” may be protected based on their disability status.

The estimated percentage of veterans who fall into protected categories based on CPS data are likely underestimates of the actual percentage of the protected veterans in the overall veteran population because these estimates may not include protected veterans who received campaign badges or Armed Forces Service Medals outside of the designated periods of war.<sup>51</sup> Additionally, because BLS’s annual *Employment Situation of Veterans* report does not provide information on the combination of disability status and period of war for each age group, our analysis of working-age veterans identifies protected veterans based only on whether they served in a designated period of war.<sup>52</sup> Yet a portion of the working-age veterans who did not serve during a designated period of war may be protected because they have a service-connected disability.<sup>53</sup> OFCCP officials acknowledged that there is likely a very high overlap between protected veterans and the full veteran population. One reason for the high degree of overlap is that, under federal law, the Persian Gulf War period is ongoing, so any veteran who served in active duty since August 2, 1990, would be considered a protected veteran. Gulf War veterans are a category of protected veterans who are readily identifiable in national survey data sets, including the CPS Veterans Supplement and the American Community Survey (ACS).<sup>54</sup>

There may be additional sources that OFCCP could use to further refine an estimate of the protected veteran population. For example, Department of Defense personnel data may be useful in estimating the

---

<sup>51</sup>Additionally, a recent amendment to federal law expanded the time period of the Vietnam Era to begin November 1, 1955 for veterans who served in the Republic of Vietnam, potentially increasing the number of veterans protected under VEVRAA. However, individuals identified as veterans in the CPS Veterans Supplement—even when limited to the major protected categories—may include a small number of veterans that are not considered protected under VEVRAA, such as those dishonorably discharged.

<sup>52</sup>This information is available in the underlying data on which the *Employment Situation of Veterans* report is based, but it is not included in published tables.

<sup>53</sup>The CPS Veterans Supplement also does not include veterans living in U.S. territories, such as Puerto Rico, Guam, and the Northern Mariana Islands, due to the sample frame of the CPS.

<sup>54</sup>The ACS is an annual survey that provides information on employment, education, veterans, and other topics. The ACS is administered by the U.S. Census Bureau.

percentage of veterans who received campaign badges or Armed Forces Service Medals (and who did not also serve during major periods of war).<sup>55</sup> Another data source that could be useful for constructing more precise estimates of the protected veteran population is the Department of Veterans Affairs (VA) Veteran Population Projection Model. This model blends information from ACS survey data with data from the U.S. Veterans Eligibility Trends and Statistics (USVETS) database, an integrated database that contains information about benefits and services administered by the VA with military separations data from the Department of Defense. The administrative records from USVETS provide precise information about much of the veteran population, and have the advantage of not relying on self-reported veteran status, which surveys (such as the ACS and CPS) must. However, the administrative records are not complete for some veterans who served prior to 1970, and there are some limitations with identifying geographic location using the administrative records. To recognize differences between survey and administrative data, the VA uses ACS estimates to provide a benchmark for overall veteran population estimates.

The ACS may offer additional advantages over the CPS Veterans Supplement for estimating the availability of protected veterans in the workforce. Like the CPS Veterans Supplement, the ACS contains information about the periods of war in which veterans served, and whether veterans have a service-connected disability. However, the ACS is particularly useful for conducting labor force analyses because it permits population estimates for much smaller geographic regions than the CPS. For example, the ACS is the basis for the Equal Employment Opportunity Tabulation that the Census Bureau constructs for women and minority workers to provide information about their availability in the local workforce. OFCCP officials said that they have not pursued any other sources to help approximate the protected veteran population because these sources do not identify protected veterans with as much precision as data on minority and women workers that are used as the basis for a utilization analysis under Executive Order 11246, which covers several protected classes of individuals, such as women and minorities.

OFCCP, however, has accounted for data limitations when estimating the size and characteristics of other workers protected under laws it administers. Specifically, OFCCP also lacks precise data on the

---

<sup>55</sup>Receipt of a campaign badge or Armed Forces Service Medal is listed on a veteran's DD-214 Form, which is a military service record.

population size and characteristics of protected workers with disabilities, but uses national data from the ACS to estimate the proportion of workers with disabilities protected under law. According to an OFCCP FAQ, OFCCP uses ACS data to obtain an initial estimate of the proportion of the civilian labor force with a disability, as defined by the ACS.<sup>56</sup> However, the FAQ states that the ACS definition of disability does not include all individuals with disabilities as defined under the broader definition used in Section 503 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990. In addition, the initial estimate of the proportion of the civilian labor force with a disability also does not take into account the impact of discouraged workers or the effects of historical discrimination against individuals with disabilities that have suppressed the representation of such individuals in the workforce.<sup>57</sup> Therefore, OFCCP adjusted its initial estimate of workers with disabilities protected under the law after accounting for the size of the discouraged-worker effect. The result is a utilization goal for individuals with disabilities that accounts for both the narrower definition of disability in the ACS, and for the discouraged-worker effect. OFCCP has generally viewed the regulations providing protections for veterans and individuals with disabilities together. For example, OFCCP stated that the vast majority of the revisions announced in the 2013 changes to the VEVRAA regulation are also present in the Section 503 rule.

OFCCP is unable to assess labor force availability of protected veterans similar to analyses it conducts for other protected groups because it does not estimate the population of veterans protected under VEVRAA. OFCCP officials stated that the absence of labor force availability data for protected veterans is the reason why they require federal contractors to establish a hiring benchmark, or a “yardstick” against which to measure the percentage of new hires that are protected veterans each year, rather than the metrics that federal contractors must set and be accountable to for minorities and women, and workers with disabilities. With an estimate of the protected-veteran population, OFCCP could further assess progress toward equal employment for this group, consistent with its mission to promote diversity through equal employment opportunity.

---

<sup>56</sup>See OFCCP, “Section 503 Regulations Frequently Asked Questions” (Washington, D.C.: Feb. 14, 2014), accessed March 15, 2022, <https://www.dol.gov/agencies/ofccp/faqs/section-503>.

<sup>57</sup>Discouraged workers are those who want a job but have given up looking for work.

---

---

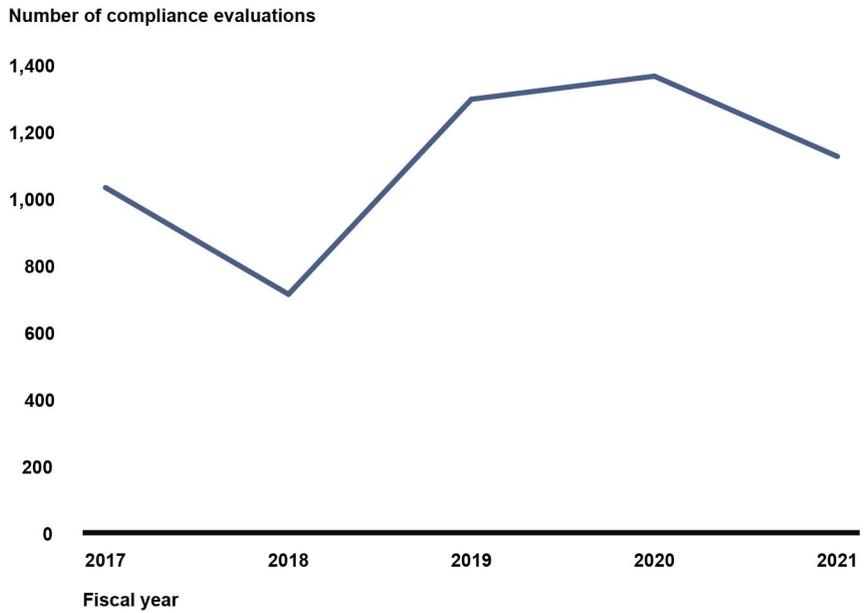
## VEVRAA Enforcement Procedures Lack Data Analysis Steps That Would Help OFCCP Assess Discrimination against or Equal Employment for Protected Veterans

OFCCP found no VEVRAA discrimination violations in the last 5 fiscal years, potentially because the agency's compliance evaluation procedures lack data collection and analysis needed to help assess discrimination against protected veterans. VEVRAA regulations prohibit discrimination against protected veterans and require that federal contractors take affirmative action to employ protected veterans. To help ensure that approximately 24,000 federal contractors and their 123,000 establishments (as of 2018) are complying with the regulations it enforces, OFCCP conducts compliance evaluations for a relatively small sample of contractor establishments each year—in fiscal year 2021, it aimed to initiate cases for about 1.5 percent of establishments. In fiscal year 2021, OFCCP concluded approximately 1,100 compliance evaluations (see fig. 8).<sup>58</sup>

---

<sup>58</sup>During compliance reviews, compliance officers evaluate contractors' compliance with VEVRAA (which covers protected veterans); Executive Order 11246 (which covers several protected groups including women and minorities); and Section 503 of the Rehabilitation Act of 1973 (which covers individuals with disabilities).

**Figure 8: Number of Office of Federal Contract Compliance Programs Compliance Evaluations Concluded from Fiscal Years 2017 through 2021**



Source: GAO analysis of Office of Federal Contract Compliance Programs Case Management System data. | GAO-22-104599

**Accessible Data Table for Figure 8**

Fiscal year	Number of compliance evaluations
2017	1032
2018	713
2019	1296
2020	1365
2021	1125

Discrimination Findings

Our analysis of OFCCP compliance evaluation and violations data shows that there were no discrimination findings under VEVRAA from fiscal years 2017 through 2021 (see table 1). Rather, VEVRAA violations found in compliance evaluations were exclusively limited to technical—or nondiscrimination—violations such as failing to maintain records. In contrast, OFCCP found discrimination violations related to other groups of workers protected under laws and regulations enforced by OFCCP, including approximately 400 discrimination violations related to women or minorities (Executive Order 11246) and two discrimination violations related to individuals with disabilities (Section 503).

**Table 1: Types of Violations Identified by OFCCP in Compliance Evaluations by Authority, Fiscal Years 2017-2021**

	Executive Order 11246	Section 503 of the Rehabilitation Act of 1973	Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA)	Total
<b>Total violations</b>	<b>2,308</b>	<b>774</b>	<b>809</b>	<b>3,891</b>
Discrimination violations (percentage of total violations)	401 (17%)	2 (< 1%)	0 (0%)	<b>403 (10%)</b>

Source: GAO analysis of Office of Federal Contract Compliance Programs (OFCCP) case management system data. | GAO-22-104599

Notes: Data in this table consist of all violations identified through OFCCP compliance evaluations in fiscal years 2017 through 2021. OFCCP transitioned to a new case management system in fiscal year 2018. In the earlier case management system, the violation categories included one category for "systemic discrimination." In the current case management system, the violation categories include several different types of discrimination (such as hiring discrimination and pay discrimination), but do not explicitly identify "systemic discrimination." The data in this table are counts of violations, not of contractors; many contractors have multiple violations resulting from a single compliance evaluation. The violations in this table resulted from 1,096 compliance evaluations that OFCCP concluded between fiscal years 2017 through 2021.

The lack of precise data may result in less robust analyses to assess potential discrimination for protected veterans compared to other protected groups during compliance evaluations. Compliance evaluation procedures regarding VEVRAA primarily focus on reviewing a contractor's affirmative action efforts as outlined in its AAP. For example, compliance officers will ensure that the contractor has provided a listing of job openings with their local American Job Center (one-stop center). In contrast, and as discussed further below, compliance evaluation procedures for Executive Order 11246 also include compensation and hiring analyses by job group (see table 2).

**Table 2: Comparison of Selected Office of Federal Contract Compliance Programs' Requirements and Procedures for Compliance Evaluations, by Authority**

Authority (Protected Group)	Executive Order 11246 (Minorities and Women)	Section 503 of the Rehabilitation Act of 1973 (Individuals with Disabilities)	Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) (Protected Veterans)
<b>Contractor data collection required</b>			
Number and/or percentage of workers who are members of the protected group, by job group or category	Yes	Yes	Yes
Compensation data for each employee, including wage and salary information, employee demographic characteristics, and job group	Yes	No	No

**Letter**

Availability of qualified potential workers in the protected group obtained from external data (Census) and internal data, by job group <sup>a</sup>	Yes	No	No
<b>Contractor data analysis required</b>			
For each job group, compare the percentage of protected workers in the job group against an available metric	Yes	Yes	No
Established goals or benchmarks	For each job group in which underutilization of minorities or women is found, contractors establish a placement goal at least equal to the availability of the group in the reasonable recruitment area. Placements include both new hires and promotions into the job group.	Contractors have an across the board utilization goal of 7%. Utilization refers to the percentage of workers with disabilities within each job group. For each job group in which underutilization of workers with disabilities is found, contractors must determine whether and where impediments to equal employment opportunity exist. <sup>b</sup>	Each contractor must establish a VEVRAA hiring benchmark, which represents a yardstick against which contractors can measure the success of their efforts to recruit and employ qualified protected veterans; most use the national benchmark released annually by OFCCP. OFCCP's national benchmark is equal to the overall percentage of veterans in the civilian labor force.
<b>OFCCP compliance officer analysis required</b>			
Examine data summary statistics and other material for evidence of potential employment or wage discrimination	Yes	No	No
If potential discrimination is found, use regression analysis or other statistical methods to test for the presence of employment (hiring and placement) discrimination or wage discrimination against the protected class	Yes	No	No

Source: GAO analysis of OFCCP documents, including the Federal Contract Compliance Manual, and data. | GAO-22-104599

<sup>a</sup>Information about the availability of women and minorities in the local workforce (reasonable recruitment area) is provided by the Census Bureau's Equal Employment Opportunity Tabulation. The tabulation was created by the U.S. Census Bureau, in conjunction with OFCCP and other agencies to provide a single resource for data necessary to perform equal opportunity analysis. The tabulation provides statistical data on race, ethnicity, sex and other demographic data that allows for an examination of the labor force by geographic selection. It does not include information about veterans' status.

<sup>b</sup>Contractors with 100 or fewer employees have the option to assess their entire workforce against the utilization goal, rather than by job group.

In our review of OFCCP's enforcement procedures, we identified challenges related to OFCCP's limited use of analyses for identifying VEVRAA discrimination violations and in developing the national veteran hiring benchmark.

As shown in table 2, which compares data collection and analysis requirements across various legal authorities, contractors must conduct more robust analyses to assess potential hiring and compensation

disparities for women and minorities than is required for protected veterans. For example, to assess equal employment goals and progress for minorities and women, the contractor must obtain data on the availability of qualified potential workers in the protected category for each job group. This availability analysis includes both external data on available workers in the local labor market (“reasonable recruitment area”) and internal data on workers available for promotion or transfer. Contractors must use this information to assess whether women and minorities are represented at rates that are less than would be reasonably expected across job groups in their establishment. Contractors must also provide employee-level compensation data, including information about employees’ gender, race/ethnicity, job title, and job group.

Contractor-provided data allow compliance officers to generate summary statistics about employee compensation by gender, race/ethnicity, and job title and assess whether there is potential discrimination. If compliance officers find indicators or evidence of potential discrimination, they have sufficient information to conduct the statistical analysis necessary to test for systemic employment or compensation discrimination. Compliance officers can also support discrimination findings for minorities and women from analyzing other factors besides availability and compensation, such as applicant hiring, promotion, and termination data.

As previously mentioned, to assess equal employment progress for workers with disabilities, contractors must analyze the representation of individuals with disabilities within each job group in their company. If this analysis reveals a utilization rate of less than 7 percent in any job group, contractors must determine whether and where impediments to equal employment opportunities exist.<sup>59</sup> If impediments are found, contractors must develop and implement action-oriented programs to correct them, such as modifying personnel processes or taking a different approach to outreach and recruitment. In contrast, the OFCCP compliance manual

---

<sup>59</sup>Contractors with 100 or fewer employees have the option to assess their entire workforce against the utilization rate, rather than by job group.

---

states that “under VEVRAA, there is not a requirement to identify problem areas or develop action-oriented programs.”<sup>60</sup>

National and regional OFCCP officials said that compliance officers attempt to assess discrimination violations under VEVRAA through reviews of employment practices, such as the provision of reasonable accommodations, and on-site interviews with employees. Officials from three regional offices said that it was easier to assess VEVRAA discrimination violations through complaint investigations rather than compliance evaluations. Our analysis of OFCCP complaint data from fiscal years 2017 through 2021 shows that, out of about 6,400 complaints, about 700 were filed under VEVRAA. Of the VEVRAA complaints, OFCCP accepted 113 as cases. OFCCP found discrimination in a single VEVRAA complaint case which affected three veterans and no instances of discrimination found via compliance evaluations.

National and regional OFCCP officials identified data limitations that preclude them from assessing whether systemic discrimination exists for protected veterans. For example, officials from three regions noted that a lack of labor market data about protected veterans and potentially limited employer data due to a lack of veteran self-identification prevented them from conducting the statistical analysis of hiring and pay that is required for them to identify any systemic discrimination. Veterans are not required to self-identify, which OFCCP officials noted creates data limitations because the employer may not know whether all protected veterans chose to disclose their protected status. Veterans may be reluctant to self-identify because of fear of stigma, or they may be unaware they fall into a protected category.<sup>61</sup> According to OFCCP officials, in 2019, the agency sought approval to collect hiring, promotion, termination, and compensation data for protected veterans as part of the VEVRAA focused review scheduling letter, but to reduce regulatory burden, the Office of

---

<sup>60</sup>Under VEVRAA regulations, contractors must annually review their outreach and recruitment efforts over the previous 12 months to evaluate their effectiveness in identifying and recruiting qualified protected veterans. If the contractor concludes the totality of its efforts were not effective in identifying and recruiting qualified protected veterans, it must identify and implement alternative efforts. 41 C.F.R. § 60-300.44(f)(3). However, there is no requirement that contractors identify problem areas based on a utilization analysis or develop action-oriented programs.

<sup>61</sup>According to OFCCP officials, the relatively small size of the protected veteran population may also present limitations to data analyses that can inform systemic discrimination findings. As noted previously, OFCCP has some resources regarding veteran self-identification, but they are less comprehensive than those for individuals with disabilities, another group protected by OFCCP.

Management and Budget declined to approve the data collection. However, if OFCCP were to use existing data on the veteran population as a proxy for the protected veteran population, such as the CPS Veterans Supplement or the ACS as previously discussed, contractors could potentially obtain the data needed to determine the availability of veterans in the reasonable recruitment area for the purposes of assessing hiring disparities.

Officials from five regional offices identified additional efforts that could help with assessing discrimination, including making use of job category information for protected veterans. DOL currently collects data from all contractors on newly hired protected veterans and incumbent protected veterans by job category through the VETS-4212 report. However, officials from three of six regions said compliance officers did not use these data except to confirm the VETS-4212 report was filed, and officials in one of these regions were unaware that job category information for protected veterans is collected from contractors. Furthermore, compliance evaluation procedures do not require compliance officers to review these data. OFCCP's mission includes ensuring nondiscrimination in the federal contract workforce and VEVRAA regulations prohibit contractors from discriminating against protected veterans. However, without exploring additional data or the use of existing data on protected veterans, OFCCP is limited in its ability to evaluate potential discrimination.

#### VEVRAA Hiring Benchmark Methodology and Data Limitations

OFCCP's national VEVRAA hiring benchmark reflects the overall percentage of veterans in the workforce; however, OFCCP's benchmark does not reflect the labor force challenges that certain protected veterans, such as those with significant service-connected disabilities, as measured by higher disability ratings, face. The national VEVRAA hiring benchmark developed by OFCCP has steadily declined from 2014 (7.2 percent) to 2020 (5.7 percent), reflecting the declining percentage of veterans in the national civilian labor force. However, OFCCP's current methodology for developing the national VEVRAA hiring benchmark does not account for the low labor force participation rate of veterans, including the number of veterans who may be discouraged workers (those who want a job but have given up looking for work), or groups of vulnerable veterans with higher unemployment rates, such as veterans with higher service-connected disability ratings.

According to CPS data, veterans have much lower labor force participation (an estimated 48 percent in August 2020) compared to non-

veterans (an estimated 64 percent). Furthermore, among those in the labor force, veterans with higher service-connected disability ratings generally have higher unemployment rates than those with lower service-connected disability ratings. For another protected class, workers with disabilities, officials said OFCCP made an upward adjustment to its national utilization goal to account for historical discrimination against workers with disabilities that has suppressed labor force participation and discouraged workers in this group, as well as to account for imprecise definitions of workers with disabilities in the survey data.

OFCCP officials said the agency does not include other factors in the VEVRAA national hiring benchmark methodology because contractors have flexibility to develop an individualized benchmark that considers other factors. For example, a contractor could use geographic or industry-specific considerations to develop an individualized benchmark. However, we found that contractors overwhelmingly use OFCCP's national benchmark. In our analysis of OFCCP case management system data, about 3 percent of contractors had developed an individualized hiring benchmark.<sup>62</sup> Of the 46 contractor AAPs we reviewed, none of them developed an individualized hiring benchmark that would reflect various factors. Furthermore, officials from all six regional offices stated that few or no contractors develop individualized hiring benchmarks.

VEVRAA regulations help address potential employment disparities and underutilization of the qualified veteran workforce by requiring contractors to take affirmative action to recruit and hire protected veterans, and hiring benchmarks are intended to be a tool to measure progress toward achieving equal employment opportunity for protected veterans. Without incorporating additional information into its methodology, such as accounting for discouraged workers or those with relatively high unemployment rates in the veteran population, OFCCP's national benchmark methodology does not reflect labor force challenges that protected veterans face, including those with significant service-connected disabilities. As a result, OFCCP's benchmark methodology is inconsistent with internal control standards to use quality information to achieve agency objectives.<sup>63</sup>

---

<sup>62</sup>Data on the benchmark used by contractors are available for just under one-half of the compliance evaluation cases in the case management systems.

<sup>63</sup>[GAO-14-704G](#).

OFCCP performs limited data quality checks in its case management system and does not have enforcement procedures to help ensure that contractors are correctly using the national hiring benchmark. OFCCP tracks some information on contractors' established hiring benchmarks and the percentage of protected veterans hired in its case management system for the relatively small number of contractors selected for compliance evaluations.<sup>64</sup> However, data indicate that OFCCP may not always ensure contractors are using benchmarks consistent with national guidance. Among the closed cases that are available in OFCCP's case management system from fiscal years 2017 through 2021, 101 (about 4 percent) had benchmarks that were out of range of any value established as the national benchmark during any period, including 24 that listed a benchmark of "0".<sup>65</sup> OFCCP officials provided a variety of reasons for the out-of-range values and "0s", including incorrect data entry by compliance officers and cases where compliance officers were not required to review a contractor's VEVRAA AAP.<sup>66</sup> OFCCP stated that they could not readily provide information about why an out of range benchmark was listed for cases in the legacy system because they are unable to effectively review data in that system. OFCCP officials said they ensure percent values for

---

<sup>64</sup>Data on the benchmark used by contractors are available for just under one-half of the compliance evaluation cases in the case management systems. According to OFCCP, these missing data occur for two reasons. First, benchmark data were not populated for any compliance evaluations where the AAP was developed prior to the requirement to establish one, which went into effect in March 2014. Second, compliance officers are not required to analyze VEVRAA benchmark compliance for compliance checks or for Section 503 focused reviews, so the benchmark data were not populated in these cases either.

<sup>65</sup>Among the 2,340 contractors that reported using OFCCP's national veteran hiring benchmark from fiscal years 2017 through 2021, we analyzed how many had a benchmark percentage listed outside of any value established for the national benchmark since the requirement to establish a benchmark has been in effect.

<sup>66</sup>According to OFCCP officials, cases for which compliance officers were not required to review the VEVRAA AAP included very old cases where the AAP was initiated prior to the effective date of the VEVRAA hiring benchmark requirement (prior to March 24, 2014); cases closed in association with an Early Resolution Conciliation Agreement in which the AAP for the establishment was not reviewed; cases where the contractor did not have a federal contract of \$150,000 or more and thus was not required to comply with VEVRAA; and cases that were a compliance check or Section 503 focused review (more limited forms of compliance evaluations in which compliance with VEVRAA AAP obligations was not at issue).

---

the VEVRAA benchmark fall between 0 to 100 percent, but there are no other validation checks for this field.<sup>67</sup>

In the sample of 46 contractor AAPs we reviewed from cases closed in fiscal year 2020, 12 did not specify a percentage (they simply noted that they used the national benchmark). OFCCP officials said that simply listing the use of the national benchmark without indicating a specific percentage is acceptable documentation, and compliance evaluation procedures do not include an assessment of whether the contractor is using an updated national benchmark.

OFCCP officials said they do not use case management system data to compare contractor hiring data against VEVRAA benchmarks across all compliance evaluations, although officials stated that this analysis may occur during individual compliance evaluations. OFCCP officials stated that such an analysis may be helpful for identifying potential areas where contractors may need additional assistance with outreach or recruitment for protected veterans. The case management system was designed to collect data, track, plan, and report on OFCCP's compliance evaluations and complaint investigations. Without ensuring the quality of the VEVRAA benchmark data collected and analyzing the extent to which contractors are meeting their benchmark, OFCCP cannot effectively monitor contractors' progress in veteran recruitment and hiring and identify areas where additional compliance assistance could be helpful, consistent with federal best practices for leveraging data that include validating data to ensure their accuracy and usefulness.<sup>68</sup>

---

## Conclusions

VEVRAA regulations protect and foster veteran employment in the workforce by prohibiting discrimination and requiring contractors to take affirmative action to recruit and hire protected veterans. Since OFCCP is only able to conduct compliance evaluations for a small fraction of federal contractors each year, it is all the more important that its efforts to help contractors comply with VEVRAA are effective. However, OFCCP faces challenges in sufficiently encouraging contractor compliance. OFCCP

---

<sup>67</sup>In general, 10 percent of cases closed each quarter are reviewed for quality audit purposes. In addition, according to OFCCP officials, managers must review and approve all analyses entered into the case management system by compliance officers.

<sup>68</sup>Executive Office of the President, Office of Management and Budget, *Federal Data Strategy-A Framework for Consistency*, M-19-18 (Washington, D.C.: June 4, 2019).

offers a range of compliance assistance to help contractors meet VEVRAA requirements, but this assistance lacks some information on using the VEVRAA hiring benchmark, employer key practices for veteran hiring, and self-identification. Without these resources, contractors may not be fully equipped to effectively recruit and employ protected veterans and comply with requirements.

OFCCP is responsible for ensuring that contractors are complying with VEVRAA nondiscrimination requirements designed to promote and protect veterans in the federal contracting workforce. However, there are key gaps in OFCCP's efforts. OFCCP has an opportunity to use available data to identify the size and characteristics of the veteran population it is charged with protecting. Without such a measure, OFCCP is limited in its ability to fully monitor contractors' progress in hiring and recruiting protected veterans. OFCCP's limited use of data also impedes compliance officers' ability to assess the extent of systemic discrimination against protected veterans. Additionally, OFCCP does not account for potentially discouraged veteran workers or challenges that certain protected veterans may face when it determines the national hiring benchmark. Moreover, OFCCP does not collect or analyze complete and accurate data on contractors' established hiring benchmarks as part of its compliance evaluation process. If OFCCP does not address deficiencies in its compliance assistance materials and enforcement procedures, contractors may miss opportunities to effectively recruit and hire protected veteran applicants, and OFCCP will not be able to fully monitor whether contractors are making meaningful progress towards equal employment for protected veterans. Taken together, these challenges impair OFCCP's ability to effectively ensure veterans are treated fairly and given equal employment opportunities.

---

## Recommendations for Executive Action

We are making the following seven recommendations to OFCCP:

The Director of OFCCP should clarify how contractors should use the VEVRAA hiring benchmark, including providing examples of how contractors can use it as a tool to measure progress in hiring protected veterans. (Recommendation 1)

The Director of OFCCP should incorporate key practices, such as those identified by other agencies, for employing veterans into its public information on VEVRAA. (Recommendation 2)

The Director of OFCCP should provide information to contractors and workers that encourages self-identification for protected veterans. For example, OFCCP could make a video explaining the benefits of self-identification for protected veterans similar to one it has for individuals with disabilities. (Recommendation 3)

The Director of OFCCP should use available data to better approximate the size and characteristics of the veteran population protected under VEVRAA. For example, OFCCP could consider how to adjust the data it uses from the CPS Veterans Supplement to approximate the subset of veterans who are protected. (Recommendation 4)

The Director of OFCCP should assess the feasibility of using existing data or collecting new data to incorporate into enforcement procedures that would allow OFCCP to assess systemic discrimination against protected veterans. (Recommendation 5)

The Director of OFCCP should assess the costs and benefits of adjusting the VEVRAA hiring benchmark to reflect protected veterans who may not be captured in the civilian workforce or who have relatively high unemployment rates, including protected veterans who have significant service-connected disabilities. (Recommendation 6)

The Director of OFCCP should ensure the reliability of the VEVRAA hiring benchmark data collected in its case management system and use these data to better monitor contractors' hiring benchmarks and equal employment efforts for protected veterans, as well as assess its own VEVRAA compliance assistance efforts. (Recommendation 7)

---

## Agency Comments

We provided a draft of this report to Department of Labor (DOL) for review and comment. The agency did not comment on our recommendations, but it provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of Labor, and other interested parties. In addition, the report will be available at no charge on the GAO website at <https://www.gao.gov>.

---

If you or your staff have any questions about this report, please contact me at (202) 512-4769 or [costat@gao.gov](mailto:costat@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix II.

A handwritten signature in black ink that reads "Thomas Costa". The signature is written in a cursive style with a large, sweeping initial 'T'.

Thomas Costa, Director  
Education, Workforce, and Income Security Issues

**Appendix I: Office of Federal Contract Compliance Programs' Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) Information**

Across the Office of Federal Contract Compliance Programs' (OFCCP) website, we found 12 documents, including answers to FAQs and directives on the website that cover information for contractors and

# Appendix I: Office of Federal Contract Compliance Programs' Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) Information

veterans specific to the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) (see table 3).<sup>1</sup>

**Table 3: Description of Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA) Information**

Document title	Description
<a href="#">VEVRAA Regulations FAQ</a>	Covers general VEVRAA provisions, protected veteran categories, data collection analysis, job listings, protected veteran self-identification, hiring benchmarks, vacancy announcements, and equal opportunity clauses
<a href="#">VEVRAA Hiring Benchmark</a>	Outlines two methods for establishing a benchmark and indicates that contractors should compare the percentage of hires who are protected veterans to the hiring benchmark and use this result when assessing effectiveness of outreach and recruitment
<a href="#">Examples of the Five Factor Method (for VEVRAA Hiring Benchmark)</a>	Provides two examples of using the five factor method to establish an individualized hiring benchmark
<a href="#">VEVRAA Best Practices for Federal Contractors</a>	Provides best practices for contractors in complying with VEVRAA, including establishing affinity groups, understanding range of health issues, working with organizations that help with veteran employment, developing a relationship with the local veterans' representative, and applying for HIRE Vets Medallion Award, among other things
<a href="#">Understanding OFCCP Recordkeeping Requirements-VEVRAA</a>	Outlines the recordkeeping requirements and length of record retention for different groups of contractors subject to VEVRAA
<a href="#">Sample Contractor Affirmative Action Program for VEVRAA</a>	Sample affirmative action program (AAP) that tracks with contractor reporting requirements in VEVRAA regulations

<sup>1</sup>On its website, OFCCP also makes general guidance available on affirmative action obligations and enforcement procedures that can also assist contractors with VEVRAA compliance.

**Appendix I: Office of Federal Contract  
Compliance Programs' Vietnam Era Veterans'  
Readjustment Assistance Act of 1974  
(VEVRAA) Information**

<b>Document title</b>	<b>Description</b>
<a href="#">DIR 2020-01 Spouses of Protected Veterans</a>	Clarifies that nondiscrimination protections extend to spouses of protected veterans and describes procedures for compliance officers to investigate discrimination for spouses of protected veterans during onsite investigations
<a href="#">Military Spouse FAQ</a>	Provides background on VEVRAA, definition of protected veterans, prohibition of employment discrimination on the basis of veteran status or someone who is known to be a spouse of a protected veteran, and links to various resources such as Department of Labor Veterans' Employment and Training Service online portal for military spouses, among other things
<a href="#">Sample VEVRAA Self-Identification Form</a>	Sample form which describes four categories of protected veterans
<a href="#">VEVRAA Focused Reviews Scheduling Letter</a>	Outlines submission requirements for contractors selected for a compliance evaluation, which include: VEVRAA AAP, evaluation of effectiveness of outreach and recruitment efforts for veterans, documentation of computations/comparisons outlined in VEVRAA regulations, and documentation of hiring benchmark established, among other items
<a href="#">VEVRAA Protected Veteran Infographic</a>	Flowchart that describes various protected veteran categories
<a href="#">Protected Veterans' Rights Fact Sheet</a>	Fact sheet in question and answer format regarding rights under VEVRAA, including examples of protected veteran categories, employment discrimination, reasonable accommodations, employment resources, and instructions for filing a complaint

Source: GAO review of Office of Federal Contract Compliance Programs (OFCCP) documents. Hyperlinks to documents embedded in document name. | GAO-22-104599

---

## Appendix II: GAO Contact and Staff Acknowledgments

---

### GAO Contact

Thomas Costa at (202) 512-4769 or [costat@gao.gov](mailto:costat@gao.gov)

---

### Staff Acknowledgments

In addition to the contact named above, Amber Yancey-Carroll (Assistant Director); Amrita Sen (Analyst-in-Charge); Rhiannon Patterson; and Rosemary Torres Lerma made key contributions to the report. Also contributing to this report were Blake Ainsworth, Mark Bird, Swati Deo, Alex Galuten, Allison Gunn, Carol Harris, Katherine Lenane, Kathleen McQueeney, Monica Savoy, Joy Solmonson, Stacy Spence, Almeta Spencer, Curtia Taylor, Betty Ward-Zukerman, Adam Wendel, and Danielle White-Alston.

---

---

## GAO's Mission

The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

---

## Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its [website](#) newly released reports, testimony, and correspondence. You can also [subscribe](#) to GAO's email updates to receive notification of newly posted products.

---

## Order by Phone

The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, <https://www.gao.gov/ordering.htm>.

Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.

Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.

---

## Connect with GAO

Connect with GAO on [Facebook](#), [Flickr](#), [Twitter](#), and [YouTube](#).

Subscribe to our [RSS Feeds](#) or [Email Updates](#). Listen to our [Podcasts](#).

Visit GAO on the web at <https://www.gao.gov>.

---

## To Report Fraud, Waste, and Abuse in Federal Programs

Contact FraudNet:

Website: <https://www.gao.gov/about/what-gao-does/fraudnet>

Automated answering system: (800) 424-5454 or (202) 512-7700

---

---

## Congressional Relations

A. Nicole Clowers, Managing Director, [ClowersA@gao.gov](mailto:ClowersA@gao.gov), (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548

---

## Public Affairs

Chuck Young, Managing Director, [youngc1@gao.gov](mailto:youngc1@gao.gov), (202) 512-4800  
U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, DC 20548

---

## Strategic Planning and External Liaison

Stephen J. Sanford, Managing Director, [spel@gao.gov](mailto:spel@gao.gov), (202) 512-4707  
U.S. Government Accountability Office, 441 G Street NW, Room 7814,  
Washington, DC 20548



**Please Print on Recycled Paper.**