

# New OFCCP Directive Revives Disability and Veteran Enforcement – 5 Steps Federal Contractors Should Consider Now

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The Department of Labor just gave the green light for federal contractor audits and investigations involving disability and veteran bias to resume immediately. While affirmative action obligations based on race, sex, and other EO 11246 categories remain nullified under a January executive order from President Trump, the agency's July 2 announcement means it is back in business for enforcing Section 503 (**disability**) and VEVRAA (**protected veterans**). Here's what your business needs to know – and do.

## What Just Happened?

On July 2, Secretary of Labor Lori Chavez-DeRemer issued a new directive (<u>Secretary's Order 08-2025</u>) that lifts the pause on OFCCP's enforcement of Section 503 and VEVRAA obligations. This action reverses the temporary hold put in place in January by the Acting Secretary of Labor, Vincent Micone, on January 24 in <u>Order 03-2025</u>.

Key actions from Order 08-2025:

- OFCCP may now resume complaint investigations involving veterans and individuals with disabilities.
- Any complaints filed or held during the abeyance will now be processed.
- OFCCP is administratively closing all open compliance reviews due to their entanglement with now-invalid EO 11246 requirements.
- OFCCP will take no further action from the November 2024 audit scheduling list
- The AAP certification portal remains closed for now.
- The enforcement moratorium for Veterans Affairs Health Benefits Program (VAHBP) providers is extended through May 7, 2027.

#### What's Still Off the Table?

Despite this revived activity under Section 503 and VEVRAA, enforcement of EO 11246-related obligations – such as those tied to race, color, sex, religion, sexual orientation, gender identity, or

national origin – is still prohibited. In fact, OFCCP is pursuing rulemaking to formally rescind EO 11246 regulations and scrub cross-references to that framework from other rules.

## What Employers Should Do Now: 5-Step Plan

Whether you were already slated for a compliance review or just trying to keep your obligations straight under this changing landscape, here are five immediate steps to consider:

## 1. Revisit Your Disability and Veteran AAPs

- Ensure you've maintained proper affirmative action plans for both Section 503 and VEVRAA.
- Continue following the requirements around availability analyses, goals, and self-ID data collection.

## 2. Stay Alert for Complaint Notifications

• If your company had any complaints filed or pending under Section 503 or VEVRAA during the pause, be prepared for OFCCP outreach and next steps.

## 3. Update Compliance Protocols

- Review internal audit procedures, outreach efforts, and reasonable accommodation processes.
- Re-train compliance staff on the distinction between what is currently enforceable (Section 503/VEVRAA) and what is not (EO 11246 categories).

## 4. Watch for AAP Portal Updates

• Although the certification process remains paused, monitor OFCCP's website and alerts for when the portal may reopen, and be prepared to certify promptly.

#### 5. Evaluate Risk and Consider a Self-Audit

- If your business was on the November 2024 scheduling list, you now know you will not receive an audit letter based on that list.
- If your business had an open audit, you'll receive a formal notice of administrative closure.

In either circumstance, you may consider conducting a self-audit anyway to ensure continued compliance under the applicable laws.

#### What's Next?

OFCCP is moving quickly to strip EO 11246 regulations and references from its rules, and the White House has proposed eliminating OFCCP entirely and shifting enforcement elsewhere. Read more <u>here</u>. But remember, even as the agency's structure is in flux, the OFCCP may pursue individual investigations under its remaining authority. Make sure you remain in compliance with existing standards.

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## Conclusion

If you have questions, reach out to your Fisher Phillips attorney or any member of our <u>Affirmative</u> <u>Action and Federal Contract Compliance Practice Group</u>. We will continue to monitor developments related to all aspects of workplace law. Make sure you are subscribed to <u>Fisher Phillips' Insight</u> <u>System</u> to get the most up-to-date information.

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