ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 31-11

TO: ONE-STOP CAREER CENTERS
STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS
STATE AND LOCAL EQUAL OPPORTUNITY OFFICERS
STATE LABOR COMMISSIONERS
WORKFORCE INVESTMENT ACT SECTION 166 INDIAN AND NATIVE
AMERICAN GRANTEES
WORKFORCE INVESTMENT ACT SECTION 167 MIGRANT AND
NATIONAL FARMWORKER JOBS PROGRAM GRANTEES
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM GRANTEES
EMPLOYMENT AND TRAINING ADMINISTRATION REGIONAL
ADMINISTRATORS
JOB CORPS CONTRACTORS
SUB-RECIPIENTS OF DEPARTMENT OF LABOR FINANCIAL
ASSISTANCE

FROM: JANE OATES /s/
Assistant Secretary
Employment and Training Administration

NAOMI BARRY-PEREZ /s/
Acting Director
Civil Rights Center

SUBJECT: Update on Complying with Nondiscrimination Provisions: Criminal Record Restrictions and Disparate Impact Based on Race and National Origin

1. **Purpose.** The purpose of this Training and Employment Guidance Letter (TEGL) is to provide information about exclusions based on criminal records, and how they are relevant to the existing nondiscrimination obligations for the public workforce system and other entities (including the “covered entities” listed above) that receive federal financial assistance to operate Job Banks, to provide assistance to job seekers in locating and obtaining employment, and to assist employers by screening and referring qualified applicants. As explained in this TEGL, restrictions based on criminal history records may have a disparate impact on members of a particular race or national origin, in violation of federal antidiscrimination laws.
This guidance is being issued by the Employment and Training Administration (ETA), in conjunction with the Civil Rights Center (CRC).

2. References.


- Title VI of the Civil Rights Act of 1964: 42 U.S.C. 2000d (nondiscrimination by recipients of federal financial assistance)
  - 29 C.F.R. 31.3(b)(2) (disparate impact), 31.3(c)(1) (nondiscrimination in employment practices), 31.3(d)(1) (selection and referral for employment or training)

- Workforce Investment Act (WIA): 29 U.S.C. 2938 (nondiscrimination by recipients of federal financial assistance under WIA)
  - 29 C.F.R. 37.2(a)(2) (programs operated by One-Stop partners as part of the One-Stop system must comply with nondiscrimination regulations), 37.6(d)(1) (administration of programs cannot have discriminatory purpose or effect)

- Wagner-Peyser Act: 20 C.F.R. 652.8(j)(1) (nondiscrimination by recipients of federal financial assistance under Wagner-Peyser), 652.8(j)(2) (States must assure that discriminatory job orders will not be accepted except where there is a bona fide occupational qualification (BFOQ))

3. Background. In recent decades, the number of Americans who have had contact with the criminal justice system has increased exponentially. It is estimated that about one in three adults now has a criminal history record – which often consists of an arrest that did not lead to conviction, a conviction for which the person was not sentenced to a term of incarceration, or a conviction for a non-violent crime. On any given day, about 2.3 million people are incarcerated. And each year 700,000 people are released from prison and almost 13 million are admitted to – and released from – local jails.

Racial and ethnic disparities are reflected in incarceration rates: According to the Pew Center on the States, one in 106 white men, one in 36 Hispanic men, and one in 15 African American men are incarcerated. Additionally, on average one in 31 adults are under correctional control (i.e., probation, parole, or incarceration), including one in 45 white adults, one in 27 Hispanic adults and one in 11 African American adults. Racial and ethnic disparities may also be reflected in other criminal history records. For example, although African Americans constitute approximately 13 percent of the overall population, they
account for 28 percent of those arrested\(^9\) and almost 40 percent of the incarcerated population.\(^{10}\)

Because of these racial and ethnic disparities, employers and agencies within the public workforce system should be mindful of federal antidiscrimination laws if they choose to rely on job applicants’ criminal history records as a tool to help assess potential risk to employees, customers, and business assets. Hiring policies and practices that exclude workers with criminal records may run afoul of such laws, which prohibit both intentional discrimination on the basis of race, national origin, or other protected bases, and policies or practices that have a disparate impact on these protected groups and cannot be justified as job related and consistent with business necessity. Policies that exclude people from employment or other services based on the mere existence of a criminal history record and that do not take into account the age and nature of an offense, for example, are likely to unjustifiably restrict the employment opportunities of individuals with conviction histories and, due to racial and ethnic disparities in the criminal justice system, are likely to violate federal antidiscrimination law. Accordingly, employers and agencies should carefully consider their legal obligations before adopting such policies.

As recognized by the federally-assisted workforce system, which is already engaged in promoting job opportunities for people with criminal records through various reentry grants and programs, obtaining employment is critical in reducing recidivism and easing the reintegration of persons returning from incarceration. Secretary of Labor Hilda Solis recently observed that the public workforce system’s mix of strategies, interventions and service partnerships must be designed and executed with the goal of helping people with criminal records obtain employment that can support them and their families. These efforts are consistent with the Federal Interagency Reentry Council’s mission to make communities safer by reducing recidivism, assist those returning from prison and jail in becoming productive citizens, and save taxpayer dollars by lowering the direct and collateral costs of incarceration.\(^{11}\) As Secretary Solis stated recently: “When someone serves time in our penal system, they shouldn’t face a lifetime sentence of unemployment when they are released. Those who want to make amends must be given the opportunity to make an honest living.”\(^{12}\)

This TEGL is intended to help covered entities (and their employer customers) comply with their nondiscrimination obligations when serving the population of individuals with criminal records, and to ensure that exclusionary policies are not at cross-purposes with the public workforce system’s efforts to promote employment opportunities for such workers. This TEGL applies to all jobs available through a covered entity’s job bank without regard to whether the job is in government or the private sector, including federal contractors and subcontractors.

4. **Applicable Statutes, Regulations, and Guidance.**

   a. The nondiscrimination provisions that apply to the federally-assisted workforce system prohibit both “disparate treatment” – intentionally treating members of protected groups differently based on their protected status – and “disparate impact” – the use of policies or practices that are neutral on their face, but have a disproportionate impact on members of protected groups, and are not job related and consistent with business necessity. Although
individuals with criminal history records are not a protected group under the applicable federal laws, antidiscrimination laws may be implicated when criminal records are being considered. For example, studies have shown that employers may treat whites with a criminal record more favorably than similarly-situated African Americans with the same or similar criminal record, which would be a form of disparate treatment. Likewise, if a One-Stop Career Center were to refer a white job seeker with a criminal record for a job, but not an equally-qualified Hispanic job seeker with the same or similar criminal record, this could constitute disparate treatment. Additionally, One-Stop Career Centers may be posting job announcements that categorically exclude people who have any kind of conviction or arrest, or screening out job seekers with criminal records by not referring them to employers who have stated that they will only accept applicants with “clean” criminal records. Because of racial and ethnic disparities reflected in the criminal justice system, these policies or practices will likely have a disparate impact on certain protected groups, in violation of federal law.

b. Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e et seq., applies to employers with 15 or more employees, and prohibits employment discrimination (both disparate treatment and disparate impact) based on race, color, religion, sex, or national origin. Title VII also contains provisions that specifically address employment agency activities. Entities within the public workforce system like the nation’s State Workforce Agencies and One-Stop Career Centers may be regarded as “employment agencies” under the law. Therefore, they are not permitted to “print or publish or cause to be printed” any job announcement that discriminates based on race, color, religion, sex, or national origin unless there is a bona fide occupational qualification for a preference based on religion, sex, or national origin. In addition, employment agencies are prohibited from refusing to refer an individual for employment or otherwise to discriminate against any individual based on race, color, religion, sex, or national origin. The Equal Employment Opportunity Commission (EEOC), the federal agency that administers and enforces Title VII, has issued guidance on the use of arrest and conviction records in employment decisions (see attached summary and best practices; for full guidance see: http://www.eeoc.gov/laws/guidance/upload/arrest_conviction.pdf).

c. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, applies to all programs or activities receiving federal financial assistance, such as the covered entities referred to in this TEGL that receive assistance under the Workforce Investment Act and/or the Wagner-Peyser Act. Title VI and its implementing regulations prohibit any program or activity from excluding from participation in or denying the benefits of the program, or otherwise subjecting anyone to discrimination, on the ground of race, color, or national origin. As a condition of initiating or continuing federal financial assistance, recipients must provide assurances that “the program will be conducted or the facility operated in compliance with all requirements imposed by” the nondiscrimination provision in Title VI.

Under the Department’s Title VI regulations, recipients may not use any “criteria or methods of administration which have the effect of subjecting individuals to discrimination because of race, color or national origin.” Further, the “selection, and referral of individuals for job openings or training opportunities and all other activities performed by or through employment service offices” must be done without regard to
race, color, or national origin. Disparate impact claims under Title VI are analyzed using principles derived from Title VII disparate impact law.

d. The Workforce Investment Act (WIA) is the key source of federal assistance for state and local workforce development activities. The relevant WIA nondiscrimination provision states that no “individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in the administration of or in connection with, any such program or activity” on the basis of race, color, religion, sex, national origin, age, disability, or political affiliation or belief. The regulations implementing this provision, administered and enforced by CRC, apply to all programs and activities that are operated by One-Stop partners as part of the One-Stop delivery system. Similarly, under the Wagner-Peyser Act regulations, states are required to assure nondiscrimination regarding any services or activities authorized under that Act.

The WIA nondiscrimination regulations prohibit recipients from using “standards, procedures, criteria, or administrative methods” that have the purpose or effect of subjecting individuals to discrimination on a prohibited ground due to the recipient’s administration of programs providing aid, benefits, services, training or facilities “in any manner.” In addition, the Wagner-Peyser Act regulations specifically require states to “[a]ssure that discriminatory job orders will not be accepted, except where the stated requirement is a bona fide occupational qualification (BFOQ).”

5. **Covered Entities Should Conduct Their Activities Using Safeguards to Prevent Discrimination and Promote Employment Opportunities for Formerly-Incarcerated Individuals and Other Individuals with Criminal Records.**

In light of the legal obligations discussed above and the Department’s interest, which it shares with the nation’s public workforce system, in promoting employment opportunities for people with criminal records, the following guidance regarding specific activities engaged in by covered entities is being provided to enhance covered entities’ compliance with nondiscrimination requirements. The Department cannot ensure that covered entities will ultimately avoid liability under the above-described laws by following this guidance, but the guidance represents practical steps to aid compliance with the law.

a. **Posting job announcements in Job Banks.**

When soliciting or obtaining, for posting on-site or on a covered entity’s website or Job Bank, vacancy announcements from employers, Business Services Representatives, or other sources, policies and procedures should be in place to ensure that, for job postings that take criminal records into account, the steps described below are taken.

  - When an employer registers with the One-Stop (or other covered entity) to use the Job Bank, it should receive the notice that appears as notice #1 attached to this TEGL. The notice explains that the covered entity must comply with federal civil rights laws which, due to the likely disparate impact of criminal record exclusions on protected groups, generally prohibit categorical exclusions of individuals based solely on an arrest or conviction history (see attached information from EEOC guidance). The notice also provides information to employers about their obligations under the Fair Credit Reporting Act, which requires employers to obtain
applicants’ permission before asking a background screening company for a criminal history report and to provide applicants with a copy of the report and a summary of their rights before taking adverse action. Additionally, the notice describes the Work Opportunity Tax Credit and the Federal Bonding Program, two incentives that support employers’ hiring of individuals with conviction histories.

- Covered entities should use a system (automated or otherwise) for identifying vacancy announcements that include hiring restrictions based on arrest and/or conviction records. This system may be the same system that entities already use to identify other discriminatory language in job postings.

- When job postings that exclude individuals based on arrest and/or conviction history have been identified, covered entities should provide employers that have posted these vacancy announcements the notice that appears as notice #2 attached to this TEGL, which states that in order to ensure that the employer and covered entity are in compliance with federal civil rights laws, the employer will be given the opportunity to remove or edit the vacancy announcement. The notice and opportunity to remove or edit should be provided to the employer whether the vacancy announcement has been posted directly with the covered entity or has instead been made available in the Job Bank through other means of aggregating job postings.

- Any vacancy announcements containing language excluding candidates based on criminal history should only remain posted when accompanied by the notice to job seekers that appears as notice #3 attached to this TEGL. This notice explains that the exclusions in the posting may have an adverse impact on protected groups, as set forth in the EEOC guidance. The notice further informs job seekers that individuals with criminal history records are not prohibited from applying for the posted position.

- Covered entities may wish to retain records of the notices sent to address vacancy announcements containing hiring restrictions based on arrest and/or conviction records.

- The Department recognizes that covered entities have a variety of systems in place to comply with nondiscrimination obligations, and that entities engage with employer customers in varying ways. Entities may elect to take other steps that are at least equally effective in achieving compliance with their nondiscrimination obligations.

b. Screening and referral based on criminal record restrictions.

When screening or referring individuals for vacancy announcements, job orders, training, or other employment-related services:

- Covered entity staff should refrain from screening and refusing to make referrals because an applicant has a criminal history record. Job seekers who are referred for positions where the job posting takes criminal history into account should receive a copy of the attached notice #3 for job seekers along with the job announcement.

- In the event that covered entity staff take into account arrest or conviction history for purposes of excluding an individual from the entity’s training programs or other employment-related services, staff should follow the EEOC’s arrest and conviction guidance. However, nothing in this TEGL prevents covered entity staff from taking
into account an individual’s arrest or conviction history for purposes of receiving employment-related services or programs designed to aid individuals with arrest or conviction histories.

6. **Action Requested.** Program operators are directed to review their existing policies and procedures and make any changes necessary to implement the guidance discussed in this TEGL.

7. **Contact Information.** Inquiries about incentive programs and other efforts to promote employment opportunities for people with criminal records should be addressed to the appropriate ETA regional or national office. Inquiries about civil rights issues should be addressed to CRC, by phone at 202-693-6500 (voice) or 202-693-6516 (TTY); by relay at 800-877-8339 (TTY/TDD), or (877) 709-5797 or myfedvrs.tv (video); or by e-mail at CivilRightsCenter@dol.gov. Complaints alleging discrimination by entities in the public workforce system may be filed with CRC by postal mail, e-mail, or fax, addressed to Director, Civil Rights Center, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-4123, Washington, DC 20210, CRCExternalComplaints@dol.gov, 202-693-6505 (fax).


Attachments:

- Notice #1 for Employers Regarding Job Bank Nondiscrimination and Criminal Record Exclusions
- Notice #2 for Employers Regarding Job Posting Containing Criminal Record Exclusions
- Notice #3 for Job Seekers to be Attached to Job Postings with Criminal Record Exclusions
- EEOC Reentry Myth Buster
- Federal Trade Commission Reentry Myth Buster

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Barriers to Employment of People with Criminal Records (Feb. 6, 2012), available at nelp.3cdn.net/abddb6b65a14826f92_n5m6bz5bp.pdf.


Examples of such job announcements recently found posted in One-Stop Career Center Job Banks were announcements with the following criminal record exclusions: “No criminal background”; “Have no criminal history”; “CLEAN criminal background (NO felonies or misdemeanors).”


See 42 U.S.C. 2000e(c) (defining “employment agency” as “any person regularly undertaking with or without compensation to procure employees for an employer or to procure for employees opportunities to work for an employer”); EEOC Decision No. N-917.002, 1991 WL 11665181, at *1-2 & n.1 (Sept. 20, 1991) (EEOC policy guidance on “[w]hat constitutes an employment agency under Title VII,” explaining that a government entity that “regularly refers potential employees to employers or provides employers with the names of potential employees” is subject to Title VII as long as at least one of the employers is covered under Title VII).

42 U.S.C. 2000e-3(b). Under the Communications Decency Act of 1996 (CDA), 47 U.S.C. 230, providers of an “interactive computer service,” which could include Internet-based Job Banks, are shielded from civil liability for posting content created by third parties. In addition, such services are not liable for taking steps to restrict the availability of third-party material that the provider considers to be objectionable. See 47 U.S.C. 230(c). Under this statutory safe harbor, providers such as Craigslist have not been held liable for third-party housing postings that were alleged to be discriminatory under a posting provision in the Fair Housing Act, 42 U.S.C. 3604(a), that is similar to the Title VII posting provision. See Chicago Lawyers’ Comm. for Civil Rights Under Law, Inc. v. Craigslist, Inc., 519 F.3d 666 (7th Cir. 2008). The CDA’s liability shield is only available where the service provider does not create the content; where the service provider is “responsible, in whole or in part, for the creation or development” of the content, it can no longer avail itself of the safe-harbor provision. See 47 U.S.C. 230(c)(1) and (f)(3); FTC v. Accusearch, Inc., 570 F.3d 1187, 1197 (10th Cir. 2009). Irrespective whether covered entities may ultimately be able to invoke the CDA’s safe-harbor provision in litigation,
the Department advises that they follow the guidance in this TEGL to ensure compliance with the applicable nondiscrimination provisions.


20 The Department’s Office of Federal Contract Compliance Programs (OFCCP) administers Executive Order 11246, which, similar to Title VII, prohibits covered federal contractors, federally-assisted construction contractors, and covered subcontractors from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. See Executive Order 11246, as amended. OFCCP enforces the nondiscrimination requirements of Executive Order 11246 in accordance with Title VII. OFCCP also administers and enforces the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (VEVRAA), which requires covered federal government contractors to post certain categories of job announcements in the state workforce agency job bank or with the local employment service delivery system (One-Stop). See 38 U.S.C. 4212(a)(2).


22 29 C.F.R. 31.6(a) and (b).

23 29 C.F.R. 31.3(b)(2).

24 29 C.F.R. 31.3(d)(1)(i).


27 29 C.F.R. 37.2(a)(2).

28 20 C.F.R. 652.8(j)(1).

29 29 C.F.R. 37.6(d).

30 20 C.F.R. 652.8(j)(2).