

# The Office of the Comptroller of the Currency



## Office of Minority and Women Inclusion Section 342 2011 Annual Report to Congress March 2012

The Office of the Comptroller of the Currency's (OCC's) primary mission is to charter, regulate, and supervise all national banks and federal savings associations to ensure they operate in a safe and sound manner and in compliance with laws requiring fair treatment of their customers and fair access to credit and financial products.

On January 21, 2011, the OCC's Office of Minority and Women Inclusion (OMWI) was established pursuant to the authority of section 342 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (P.L. 111-203) (Dodd-Frank). Dodd-Frank section 342(e) requires the OCC to submit an annual report to Congress regarding the actions the agency has taken in each of the areas listed below. The OCC's 2011 Annual Report covers fiscal year 2011 (October 1, 2010 through September 30, 2011) as well as the first quarter of fiscal year 2012 (October 1 through December 31, 2011).

### **1. Statement of the total amounts the OCC paid to contractors during the reporting period.**

- For fiscal year 2011, the OCC<sup>1</sup> awarded a total of 1,910 procurement actions representing a total spend of \$173,598,657.
- For the first quarter of fiscal year 2012, the OCC awarded a total of 430 procurement actions representing a total spend of \$19,260,492.

### **2. Percentage of the OCC's total spend paid to minority- and women-owned businesses; and the OCC's development and implementation of standards and procedures to ensure contractors' fair inclusion and utilization of minorities, women, and minority- and women-owned businesses.**

- For fiscal year 2011, the OCC awarded 483 procurement actions to minority- and women-owned businesses, representing \$66,732,118 or 38.44 percent of the OCC's total spend.

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<sup>1</sup> All fiscal year 2011 procurement data for the OCC and the Office of Thrift Supervision have been combined to reflect the integration of the two agencies on July 21, 2011.

- For the first quarter of fiscal year 2012, the OCC awarded 130 procurement actions to minority- and women-owned businesses, representing \$6,539,791 or 33.95 percent of the OCC's spend.
- For fiscal year 2011, the OCC's percentage of its total dollar spend with Asian Pacific American-owned businesses was 29.90 percent; black-owned businesses was 4.01 percent; American Indian/Native American owned businesses was 1.42 percent; and Hispanic-owned businesses was 1.82 percent. The OCC's percentage of total dollar spend with women-owned businesses was 5.13 percent.<sup>2</sup>

In collaboration with the U.S. Department of the Treasury and the Small Business Administration, the OCC establishes annual small business contracting goals, including goals for Small Disadvantaged Businesses (SDBs) and Women-Owned Small Businesses (WOSBs). For fiscal year 2011, the goals for SDBs and WOSBs were each 5 percent of the OCC's total small business eligible dollars. For fiscal year 2011, the OCC met all of its small business goals, including achieving 21.61% for SDBs and 6.11% for WOSBs. As a result of the OCC's outstanding achievement for SDBs in fiscal year 2011, the OCC's small business goals have been increased for SDBs to 25% and for WOSB to 5% in fiscal year 2012.

In addition to the foregoing achievements, the Comptroller signed "Standards and Procedures for OCC Contractor's Good Faith Efforts to Include Minorities and Women in the Contractor's Workforce." Beginning March 1, 2012, the OCC inserted a written statement into all new contracts over \$150,000 whereby contractors affirm their commitment, as well as the commitment of their subcontractors, to make good faith efforts to include minorities and women in their workforces. The OCC OMWI will review contractors' good-faith efforts, make a determination whether any contractors have failed to make good-faith efforts, and then take appropriate action as authorized by section 342.

### **3. Successes achieved and challenges faced in the OCC's outreach to, and contracting with, minority- and women-owned businesses.**

In order to assist with outreach activities, the OCC OMWI designed and distributes an outreach brochure entitled "Expanding Diversity in OCC Business Activities," which provides an overview of the OMWI program as well as information on doing business with the OCC and other federal agencies. This brochure includes website links for Treasury's "How to Do Business with Treasury," the Small Business Administration, and the Treasury bureaus' annual "Forecast of Contract Opportunities." The OCC also created a link on the OCC Internet webpage with information about OMWI and doing business with the OCC. The OCC's "FY 2012 Forecast of Contract Opportunities" is available on the OCC's Internet website as well as Treasury's website.

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<sup>2</sup> Some contracts were awarded to businesses that were both minority- and women-owned.

The OCC's OMWI Executive Director conducted the following outreach sessions:

- Met with the Black Economic Council, the Latino Business Chamber of Los Angeles, and the National Asian American Coalition (March 14, 2011);
- Served as a panelist at the Florida Community Economic Development Summit – Let's Do Business Florida (June 17, 2011);
- Served as a panelist at the Black Economic Council Urban Conference (June 23, 2011);
- Served as a panelist at the Congressional Black Caucus Foundation Annual Legislative Conference (September 23, 2011);
- Met with the Florida Minority & Women Lawyers (October 18, 2011);
- Participated in the National Minority Supplier Development Council National Conference (November 1 – 2, 2011); and
- Met with Congressional Hispanic Caucus members (December 14, 2011).

Moreover, OCC Acquisitions Management (AQM) staff members participated in six vendor outreach sessions sponsored by the U.S. Department of the Treasury's Office of Small & Disadvantaged Business Utilization during fiscal year 2011. At these vendor outreach sessions, minority- and women-owned small businesses met one-on-one with OCC's AQM staff members, discussed their capacity to provide goods and services to the OCC, and received technical assistance on doing business with both the OCC and the federal government.

The OCC publishes eligible contracting opportunities on the [fedbizopps.gov](http://fedbizopps.gov) website. The OCC complies with the Competition in Contracting Act and follows the Federal Acquisition Regulations (FAR) (48 CFR), which govern requests for proposals and the vendor selection process.

The FAR permits federal agencies to set-aside opportunities for eligible small businesses, small businesses owned by women, service-disabled veteran-owned small businesses, and small businesses located in historically underutilized business zones. The OCC encourages large businesses to pair with small businesses for some procurements and obtain subcontracting plans from the large businesses where applicable. The OCC posts on its website a list of current contracts with names of prime contractors in order to facilitate potential partnership opportunities between large and small businesses.

The OCC OMWI's 2012 strategy includes efforts to refine the agency's procurement data and gather information about industry participants and demographics in the various North American Industry Classification System (NAICS) codes. This strategy will create a wider distribution of information to minority- and women-owned businesses about the OCC's contracting opportunities and is intended to increase the demographics of minority- and women-owned business penetration within the NAICS codes.

#### **4. Successes achieved and challenges faced in the OCC's recruitment and hiring of minority and women employees.**

The OCC's workforce increased due to the July 2011 integration of OTS employees. As of December 31, OCC's permanent workforce was comprised of 3,492 employees, of which 30 percent were minorities and 46 percent were females. All major EEO groups were at or near parity with the national civilian labor force (N-CLF), with the exception of Hispanics. Over the last five years, OCC has made progress in increasing our workforce population of minorities and hiring females generally at a rate equivalent to their N-CLF.

The OCC faces two primary challenges as a result of its low participation of (a) Hispanics in our overall workforce, specifically in non-mission critical occupations, and (b) females in our national bank examiner (NBE) occupation. The mission-critical occupations for the OCC are NBEs, attorneys, and economists, which account for 75% of our total workforce. While Hispanics are below the N-CLF in our overall workforce, they are participating at or near the occupational CLF (O-CLF) rate in these mission-critical occupations. The lower participation rate for Hispanics at the OCC occurs within other occupations such as Information Technology Specialists, Human Resources Specialists, Analysts, Secretaries/Clerks, etc. As the 2011 hiring rates for Hispanics were below their national and occupational CLFs, this will remain an area of focused attention for the OCC. Retention of Hispanics remains a challenge due to high separation rates and increasing retirement eligibility, necessitating the OCC's concerted efforts to achieve progress in this area.

Despite some progress, the OCC continues to have low participation of females in our NBE occupation. Although hiring and separation rates for female examiners improved in 2011, their overall participation in the workforce declined and remains below the O-CLF. Resignation rates for female examiners increased in 2011. (The OCC has experienced higher separation rates for all bank examiners due to increased retirement-eligibility rates.) This area continues to be a challenge for our supervision lines of business, and specifically in achieving full female participation in our NBE occupation.

The OCC is committed to increasing the recruitment, hiring, and retention of our diverse workforce, with concerted efforts on maximizing the participation of Hispanics in our non-mission critical occupations, and females in our bank examiner occupation. To address these areas of challenge, we will continue to monitor and evaluate our recruiting programs, especially our College Recruitment Coordinator (CRC) Program for entry-level NBEs, which has served as our primary recruitment/hiring pipeline. We continue to assess our recruiting programs to determine specific ways to expand our applicant pool sources, and establish more targeted relationships with professional organizations. We will continue to enhance our retention activities for employees, exploring more effective use of mentoring through our employee network groups.

In an effort to build and maximize diversity capacity among recruiters, the OCC will continue to provide ongoing recruitment training to ensure diverse segments of the population are reached, and a broad range and diverse pool of applicants are considered for employment. The OCC's recruitment efforts and results are shared through periodic briefings with executive and senior management, as well as all participants of the recruitment and hiring processes. These briefings include workforce trends, targeted recruitment, retention strategies, succession planning, and areas of special attention. The OCC's recruitment and hiring activities for fiscal year 2011 and the first quarter of 2012 included:

- Maintaining ongoing relationships with minority professional organizations and colleges and universities with large populations of minority and female students. In addition, the OCC recruited through summer internship programs with organizations such as Hispanic Association of Colleges and Universities (HACU), Washington Internships for Native Students (WINS), and INROADS, a non-profit organization that trains and develops talented minority students for professional careers in business and industry. The OCC partnered with Beta Alpha Psi, an honorary accounting organization that provides access to examiner candidates. The OCC sponsored the National Academy of Finance to achieve summer employment opportunities to students from urban public school districts. OCC participated in a variety of conferences and career fairs, and utilized national and targeted publications to reach minorities and women.
- Partnering with OCC-sponsored employee network groups (including the Hispanic Organization for Leadership and Advancement and The Women's Network) to support recruitment and retention efforts. These groups have implemented ongoing programs such as mentoring circles and Boomerang (an initiative to encourage the return of former OCC employees) to assist in the career development and retention of our workforce.
- Analyzing the diversity data of its recruitment (including applicant pool data for mission-critical occupations), hiring, and separation activities as required by the Equal Employment Opportunity Commission Management Directive 715.

The OCC recognizes that the continued success of its mission depends on the employment of talented staff with high levels of expertise and will continue its commitment to achieving full participation of a diverse workforce.

##### **5. Other information, findings, conclusions, and recommendations.**

The OCC regulates and supervises 1,985 institutions, including 1,375 national banks and 610 federal savings associations. Their total assets are \$9.6 trillion, representing 76 percent of total U.S. commercial banking assets.

The OCC's OMWI participates with an interagency group, focused on developing standards for assessing the diversity policies and practices of the entities regulated by each agency, as required by Section 342(b)(2)(C) of Dodd-Frank. Dodd-Frank specifically limits the scope of this provision and states that it does not mandate any requirement on or otherwise affect the lending policies and practices of any regulated entity or require any specific action based on the findings of the assessment. The goal of the interagency working group is to develop consistent and appropriate standards for diversity assessments. Consistent with the statute, we do not plan to impose reporting requirements or conduct examinations related to assessing diversity policies and procedures.

The regulated entities covered by section 342 vary greatly by asset size, complexity and market. Thus, the interagency group has planned a series of roundtable meetings with a variety of regulated entities' trade associations to solicit industry input and gather preliminary reactions and suggestions on possible approaches for implementing section 342. As of February 2012, one such roundtable meeting was held with industry representatives. Following these consultations, we may engage in further information gathering in order to develop appropriate principles for diversity standards that ultimately could be used to conduct assessments, including self-assessments by regulated entities, of diversity policies and practices. One concern that has been raised by representatives of financial institutions is about the dissemination of any diversity policies and procedures or assessments that they may provide a regulatory agency in connection with our outreach.