

Secretary Of Labor Issues Order Detailing Next Steps for OFCCP Enforcement

Government Contractor Compliance & Regulatory Update on July 3, 2025

On July 7, 2025, Secretary of Labor Lori Chavez-DeRemer issued Order 08-2025 (the “Order”) impacting OFCCP’s enforcement of Section 503 of the Rehabilitation Act (“Section 503”) and the Vietnam Era Veterans’ Readjustment Assistance Act (“VEVRAA”). Here is what you need to know about this development, based on the OFCCP’s [bulletin](#) detailing the Order (the “Bulletin”).

Key Aspects of the Order

- OFCCP is now authorized “to resume activity under the Section 503 and VEVRAA program areas,” which had been paused since January 24, 2025. This includes “immediately resum[ing]” processing of “[a]ny Section 503 and VEVRAA complaints held during the abeyance.”
- OFCCP will “administratively close all pending compliance reviews.”
- OFCCP will “take no further action related to the scheduling list released in November 2024.”
- The Affirmative Action Program (“AAP”) certification portal for Section 503 and VEVRAA remains closed for now, but contractors are “reminded ... that Section 503 and VEVRAA, along with their implementing regulations, remain in effect and contractors should continue to otherwise comply with their obligations under the Section 503 and VEVRAA regulatory schemes.”
- The enforcement moratorium for Veterans Affairs Health Benefits Program (“VAHBP”) providers is extended through May 7, 2027.

Key Takeaways

Contractors with open audits or who were on the last [Corporate Scheduling Announcement List](#) can breathe a little easier, knowing that their audits will not resume or commence. Further, it appears that OFCCP is working to “disentangle” now-rescinded Executive Order 11246 requirements from its Section 503 and VEVRAA enforcement processes, and will resume non-individual complaint-based enforcement efforts once that process is concluded. When that will be, and what it will look like given [headcount reductions](#) and the [proposed restructuring](#) of OFCCP’s responsibilities, are difficult to predict at this time. But the Bulletin, and the [recent letter](#) OFCCP Director Eschbach sent to contractors, makes clear OFCCP is continuing to function and contractors need to stay tuned for developments.

Additional Detail

On January 21, 2025, President Trump’s Executive Order (“E.O.”) 14173 [rescinded](#) E.O. 11246, which had required federal contractors to take affirmative action on basis of race and sex. In response, then-Acting Secretary Vincent Micone issued [Secretary’s Order 03-2025](#), which directed OFCCP to cease all E.O. 11246 enforcement activity and pause all activity related to Section 503 and VEVRAA.

With the new Order, the pause on Section 503 and VEVRAA enforcement has been lifted. OFCCP will now resume processing all Section 503 and VEVRAA complaints, including those that had been held in abeyance. However, because “OFCCP’s compliance review format significantly entangled E.O. 11246 reviews with reviews of Section 503 and/or VEVRAA compliance,” OFCCP “will be exercising its discretion to administratively close” all open reviews. Contractors under review will receive formal notification of this closure.

The Bulletin also shares that OFCCP “continues to work to revise its processes and systems to reflect changes to OFCCP’s scope of mission and authority with the revocation of E.O. 11246.” As a result, the “OFCCP ... AAP certification period [*sic*, portal] for Section 503 and VEVRAA will remain closed.” Even so, the Bulletin reminds contractors that “Section 503 and VEVRAA, along with their implementing regulations, remain in effect and contractors should continue to otherwise comply with their obligations under the Section 503 and VEVRAA regulatory schemes.”

Additionally, the VAHBP enforcement moratorium has been renewed through May 7, 2027. This means VAHBP providers are exempt “from enforcement of their affirmative obligations under Section 503 and VEVRAA or being neutrally scheduled for Section 503 and VEVRAA compliance evaluations” until that date, but they remain subject to “nondiscrimination obligations” and “discrimination complaint investigations under the laws enforced by OFCCP.”

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