

News You Can Use



Because You're Different

WORKPLACE POLICIES

EEOC'S NEW DEI GUIDANCE EXPLAINED

THE EQUAL Employment Opportunity Commission, together with the Department of Justice, recently issued new guidance that significantly reshapes the legal landscape for workplace diversity, equity and inclusion programs.

This comes on the heels of a series of executive orders issued by President Trump that direct federal agencies to eliminate what the administration characterizes as “illegal DEI” practices.

On March 19, the EEOC and DOJ issued two technical assistance documents meant to clarify how Title VII of the Civil Rights Act applies to DEI programs. While the documents reflect long-standing principles of anti-discrimination law, they also take a narrower view of what DEI initiatives are legally permissible.

For employers — especially those with formal DEI programs — this development creates new legal exposure, murky compliance territory and growing uncertainty around what is now permissible.

While the guidance outlines several potentially unlawful DEI practices, this ambiguity puts employers in a difficult position because the line between compliant and noncompliant practices is often hard to draw.

Below is a practical breakdown of what's changed, what remains unclear and what senior leadership should consider doing now.

The guidance

The agency said DEI policies, programs or practices may be unlawful under Title VII if they involve “an employment action motivated — in whole or in part — by an employee’s race, sex, or another protected characteristic.”

The guidance also emphasizes that protections apply equally to majority and minority groups.

Main Changes

Based on various legal interpretations of the guidance, the following are some of the most significant changes:

No exceptions for diversity goals – The guidance states there is no “diversity interest” exception under Title VII.

Affinity and resource groups must be open to all – Employers cannot restrict participation in affinity groups based on race, sex or similar traits.

No segregated programs – Holding training or other programs that separate participants by race, gender or other protected categories is likely unlawful.

No quotas – The EEOC reiterated that hiring or promotion quotas, or any form of “balancing” the workforce based on demographic traits, is discriminatory.

There is no “reverse discrimination” – Title VII protects all employees, regardless of group status. It does not require a higher burden of proof for claims from majority-group employees.

See ‘Engage’ on page 2



CONTACT US

If you have any questions regarding your coverage or our products, please call us at one of our offices:

Walnut Creek
San Francisco
Petaluma
San Jose
San Mateo
Truckee
Bakersfield
Woodland Hills
London

Cypress
Los Angeles
Irvine
Phoenix
Portland
Seattle
St. Louis
Philadelphia

Phone: 800-234-6787
CA License No.: 0564249

TREASURY DEPARTMENT RULE

BENEFICIAL OWNERSHIP REPORTING SUSPENDED

THE U.S. Treasury Department has announced that it will not enforce a law requiring most businesses with fewer than 20 employees and less than \$5 million in annual revenue to report ownership and control information to the federal government every year.

The Corporate Transparency Act required firms to file this information by Jan. 1, 2025, under the threat of a maximum civil penalty of \$500 per day (up to \$10,000) and up to two years in prison.

The Treasury Department said it would not enforce any penalties or fines associated with the beneficial ownership information reporting rule on any companies that missed the Jan. 1 deadline. As well, it will not enforce penalties going forward for companies that fail to file their BOI report.

While the Trump administration cannot repeal the CTA, it is instead opting not to enforce it and plans to introduce new regulations that would essentially eliminate enforcement of the law for U.S. businesses.

The act explained

The CTA aimed to crack down on fraud, money laundering and terrorism funding that can run through anonymous business entities.

Under the act, businesses with 20 workers and less than \$5 million in revenue were required to file reports identifying their

“beneficial owners,” defined as individuals who own or control 25% or more of the equity interest of a company or who exercise “substantial control over its management or operations.”

There were some exemptions to the reporting requirement, including stock brokerages, banks and other financial institutions, insurance companies, accounting firms, public agencies and non-profits. It’s estimated that the law affected some 32 million small businesses.

What’s next

The Treasury Department will issue a proposed rulemaking that will narrow the scope of the rule to foreign reporting companies only. A “foreign reporting company” refers to any entity formed under the law of a foreign country and registered to do business in any state or tribal jurisdiction.

Legal experts recommend that affected companies which have not yet filed an initial, updated or corrected report may want to consider waiting to file a BOI report until new guidance is issued by the Treasury Department, as no penalties or fines will be enforced for failing to file reports for now.

The department’s action may face legal challenges, or the present or a subsequent administration could restore the reporting requirements as the law remains on the books. ❖



Continued from page 1

Engage Legal Counsel to Review Your DEI-Related Policies

Steps employers can take

Given the legal uncertainty, the law firm Fisher Phillips recommends that companies consider the following actions:

- Engage legal counsel to review DEI-related policies, training materials and communications. Focus on areas such as hiring, promotion, compensation, training, mentorship, internships and affinity group policies.
- Shift from targeted DEI initiatives based on protected characteristics to programs that promote skill-building, access and inclusion for all employees. Emphasize transparent, merit-based advancement and development opportunities.
- Ensure workplace programs emphasize workplace culture, professional development and merit-based access to

opportunities.

- Update your training to reflect the latest EEOC guidance. Make sure that decision makers understand that DEI efforts cannot involve preferences or separate treatment based on protected traits.

Bottom line

The new guidance is a major shift in how the EEOC will approach regulating workplace discrimination. For employers, this means a narrower path for legally compliant programs and greater exposure to discrimination claims from any employee group.

If you have a workplace DEI program, it’s imperative that you revisit it and adjust it accordingly. ❖

GROWING RISK

CARGO THEFT SURGES AS CRIMINALS ADAPT

CARGO THEFT in the U.S. is climbing at an alarming pace. After spiking nearly 50% in 2024, incidents are already up another 22% in early 2025, according to a new report from supply chain visibility firm Overhaul.

Criminals, both organized groups and opportunistic individuals, are not only stealing more — they're getting smarter and more aggressive in how they do it. For companies that move, store, buy or sell goods, the risks are mounting.

High-value items like electronics and everyday essentials such as food and beverages are being targeted at every stage of the supply chain, and no mode of transport is immune.

Here's a look at what's driving the rise, how theft methods are evolving and what companies can do now to reduce their exposure.

Most common schemes

Deceptive pickups: Thieves impersonate legitimate drivers, often using forged documents or stolen identities to trick warehouses into releasing cargo.

Facility theft: Criminals target unattended or poorly secured warehouses and distribution centers, often at night or on weekends.

Pilferage: Instead of stealing full truckloads, thieves now remove parts of shipments slowly and discreetly over time — often without detection.

Hijackings and coerced stops: Some thieves use false emergencies or warnings to get drivers to pull over, then rob the truck.

Commercial burglaries: Thieves target storage sites such as truck yards or facilities near rail lines.

Last-mile theft: Criminals steal shipments during final delivery, often from parcel couriers.

Driver collusion: In some cases, drivers are paid to stage a hijacking or hand over goods, making background checks and employee vetting essential.

Protecting your cargo

While no system is foolproof, companies can take steps to protect their supply chains and minimize losses. A layered security approach is key, combining physical infrastructure, technology and training. Consider:

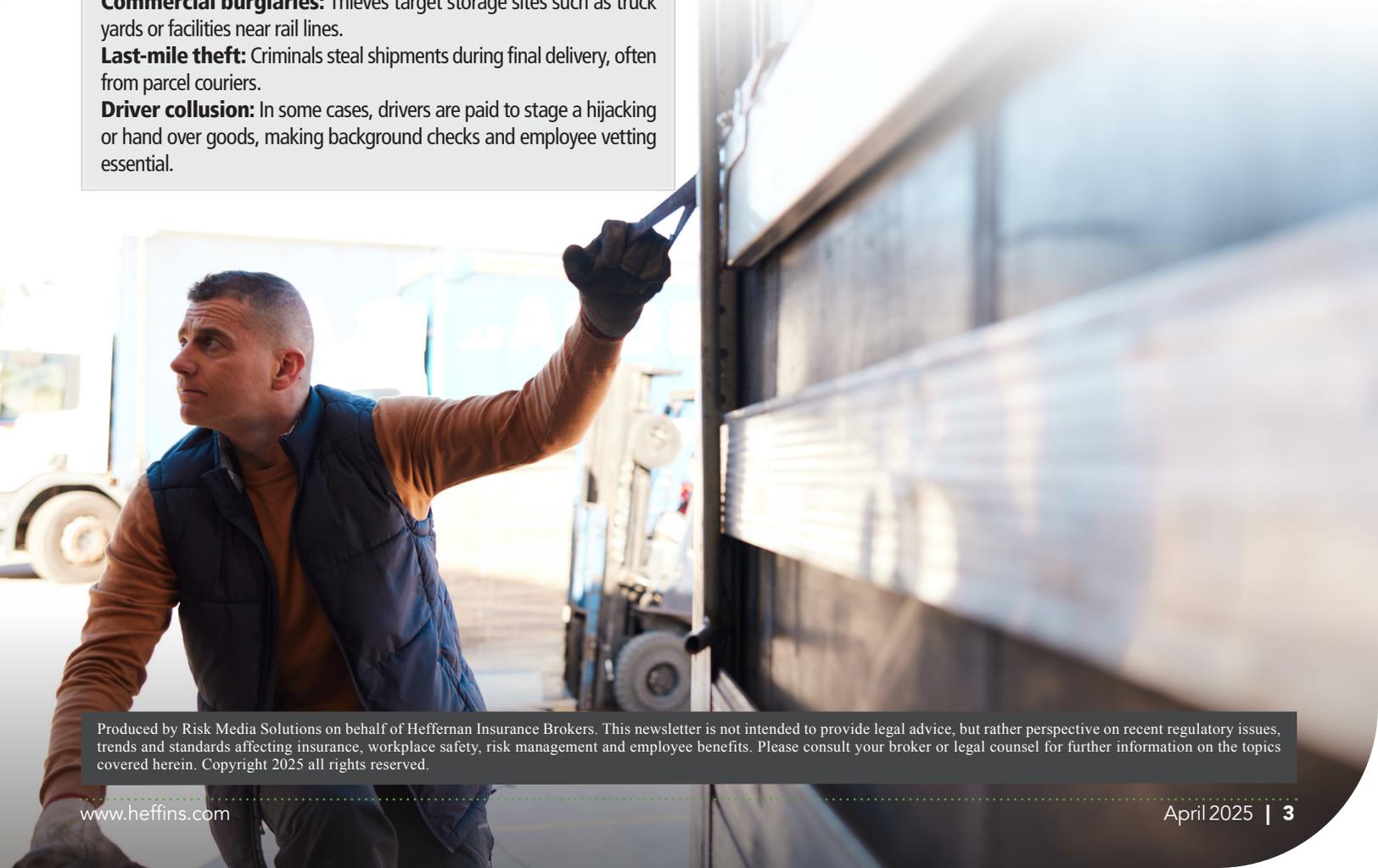
Fortifying warehouses and yards – Most thefts happen when cargo is unattended. Securing your facilities with fencing, lighting, surveillance cameras, access control and intrusion detection systems can prevent both opportunistic and planned attacks.

Auditing your vulnerabilities – Regular threat assessments help identify weak spots before criminals do. Use external security experts to test your defenses and ensure your protocols are up to date.

Vetting and training your team – Background checks and strict hiring practices can prevent inside jobs. Make sure your employees know how to verify drivers, recognize suspicious activity and respond appropriately.

Leveraging real-time technology – Telematics, GPS tracking and video monitoring can help you monitor cargo in transit and respond quickly to threats. Visibility platforms also help spot early warning signs of theft, like route deviations or unscheduled stops.

Using secure protocols at every handoff – With impersonation and fake pickups rising, it's critical to verify identities, use two-step authentication for pickups and document every transfer of goods thoroughly. ❖



OSHA RULEMAKING

CONSTRUCTION PPE ‘PROPER FIT’ RULE TAKES EFFECT

FED-OSHA has finalized a new regulation that requires personal protective equipment for construction workers to be properly fitting.

The lack of access to properly fitting PPE for smaller-framed construction workers — especially women — has been a perennial problem, as ill-fitting gear may not protect employees adequately in case of an incident. The new standard explicitly states that PPE must fit properly to protect workers from workplace hazards.

Often, the industry has just purchased smaller gear for female workers, but that hasn’t worked well because women’s bodies have more variations in size and shape.

What the new standard says

OSHA said “proper fit” means that “the PPE is the appropriate size to provide an employee with the necessary protection from hazards and does not create additional safety and health hazards arising from being either too small or too large.”

Under the new rule, construction employers will be required to provide PPE in various sizes and designs that accommodate a diverse workforce. It requires that they assess the fit of PPE for each worker individually. The fit must address different body shapes, proportions and size and applies to all types of PPE.

The rule applies to PPE that an employer provides to its workers, as well as PPE purchased directly by a worker for personal use.

Required training topics

- Guide workers on how to adjust the equipment,
- How to recognize when PPE is ill-fitting, and
- How to request replacement gear if PPE does not fit.

Examples of covered items

- | | |
|------------------------------|------------------------------|
| • Hard hats | • Harnesses |
| • Gloves | • Coveralls and vests |
| • Goggles and safety glasses | • Respirators |
| • Safety shoes | • Hearing protection devices |
| • Helmets | • Boots |

Recordkeeping requirements

Keep comprehensive records of:

- PPE assessments,
- Inspections,
- Training sessions, and
- Instances where PPE was replaced or adjusted for proper fit.

Dangers of ill-fitting PPE

- Sleeves of protective clothing that are too long or gloves that do not fit properly may make it difficult to use tools or control equipment, putting other workers at risk of exposure to hazards.
- The legs of a protective garment that are too long could cause tripping hazards and affect others working near the wearer.
- A loose harness when working at elevations may not properly suppress a person’s fall and may get caught up in scaffolding and equipment.
- Goggles worn by an employee with a small face may leave gaps at the temples, allowing flying debris from a machine to enter the eyes.
- Gloves that are too large have a number of issues: the fingers are too long and too wide, the palm area is too big and the cuffs allow sawdust to fill the fingers. Someone wearing such ill-fitting gloves risks getting their fingers caught in machinery or pinched when stacking or carrying lumber.

The takeaway

Manufacturers already make PPE in various sizes, but finding properly fitting PPE for workers may be difficult.

Fortunately, The Center for Construction Research and Training has created [a list of manufacturers](#) and suppliers of PPE for female, nonbinary and transgender workers. It includes links to firms that specialize in women’s wear and the products they offer. ❖

