

President Trump Dumps Affirmative Action Obligations Based on Gender, Race, and Sexual Preferences. What Does This Mean for Federal Contractors?

Labor & Employment Law Update

By Heather Bailey on January 24, 2025

On the heels of ordering federal diversity, equity, and inclusion (DEI) employees to be placed on paid leave, on January 21, 2025, President Trump revoked Executive Orders ("EO") 11246 and 13672.

EO 11246 was established in 1965 to require certain government contractors to protect women and minorities with affirmative action efforts and programs. EO 13672, established in 2014, prohibited contractors from discriminating against workers based upon sexual orientation and gender identity.

Trump's new Order, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, does away with DEI initiatives—and not only in private sectors. It also demands the Office of Federal Contract Compliance Programs (OFCCP) cease:

- "Promoting diversity,"
- Requiring contractors and subcontractors to be responsible for taking "affirmative action," and
- Allowing or encouraging contractors or subcontractors to engage in "workforce balancing."

On January 23, 2025, the OFCCP announced its compliance with the new Order.

Federal Contractors Have 90 Days to Comply

Contractors receiving federal funds have 90 days to comply with this revocation and must certify that they are indeed not participating in DEI and affirmative action initiatives. Federal contractors, this means, after the 90 days expires, you

must cease your existing affirmative action efforts and programs as they become illegal on day 91 (April 22, 2025). Further, with this new requirement that requires federal contractors to acknowledge, in order to receive payment from the federal government, that they comply with all federal anti-discrimination laws and certify that they do not operate programs promoting DEI that violate such laws, it raises the stakes for federal contractors who make such assertions under the federal False Claims Act. Violation of the False Claims Act can result substantial damages, penalties and potential suspension or debarment from government contracts.

[Statutory Requirements Remain in Effect](#)

It is important to note that this rescission does **NOT** affect an applicable government contractor's obligations to protect certain veterans (under the Vietnam Era Veterans Readjustment Assistance Act) and individuals with disabilities (under section 503 of the Rehabilitation Act). Your obligations and compliance efforts here remain intact.

If you are a contractor receiving federal funds, it is imperative to reach out to your counsel to ensure you are in compliance with this new Order. We will continue to inform you here as we receive updated information.

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