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News

Tesla discrimination probe killed as Trump axes watchdog agency

The Office of Federal Contract Compliance Programs investigated companies for unfair practices — including Elon Musk's automaker.

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By [Jonah Owen Lamb](#)

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A federal investigation of potential workplace discrimination at Elon Musk's Tesla Inc. has been halted after President Trump signed a Jan. 21 executive order that all but shut down the agency in charge of it, The Standard has learned.

The Department of Labor's [Office of Federal Contract Compliance Programs](#) enforced equal employment laws for federal contractors. The office's employees now have little to do besides notifying companies that they will no longer be audited for potential discrimination — and, in some cases, that they won't have to pay outstanding fines.

The Equal Employment Opportunity Commission, which operates under a different department, [sued Tesla](#) in September 2023 for “widespread and ongoing racial harassment of its Black employees.” That case is ongoing even as Tesla's board promised to [end discrimination at company sites](#).

Tesla — and its Fremont factory in particular — was among a group of Bay Area companies that were to be audited [by the OFCCP in 2024](#). That investigation was still underway, and findings had not been made public, when the office was shut down.

Elon Musk's Tesla was among companies being audited by the Labor Department's Office of Federal Contract Compliance Programs. | Photo by Justin Sullivan/Getty Images

Since 2012, workers at the Fremont factory have complained of rampant, systemic racial abuse from management. Black workers were routinely referred to by slurs, they said, and threatening graffiti-covered restrooms and work and break areas.

The OFCCP sent Tesla a letter last week stating that its review had stopped. “We had to mail the companies we audit to tell them they no longer have to comply with our rules or regulations,” said Aliyah Levin, president of the American Federation of Government

Employees Local 2391, which represents 1,200 federal workers in San Francisco and eight Western states.

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Tesla's letter was one among dozens in California alone, according to Levin. OFCCP investigators were set to review the practices of more than 2,000 U.S. companies this year, including 211 in California, [according to federal data that is no longer online](#). Investigations have been canceled at the San Francisco offices of Google, Meta, Blackrock, Sony, and PG&E, among others.

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Despite its lack of name recognition, OFCCP for years served as an effective civil rights watchdog for Silicon Valley- and San Francisco-based tech companies.

In 2022, [LinkedIn was fined \\$1.8 million](#) for paying hundreds of female engineering and marketing employees in San Francisco and Sunnyvale less than men who held the same jobs.

In 2021, [Google was fined \\$2.6 million](#) for the same offense, which affected thousands of women, including nearly 300 staffers in San Francisco.

In 2020, [Cisco was fined \\$2 million](#) for underpaying women, as well as Black and Latino employees, compared with their white male counterparts.

In agreements the companies signed with the agency, all three agreed to conduct annual pay equity analyses and face continued federal security for five years.

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The OFCCP was created by executive order in 1965 under President Lyndon Johnson to ensure that federal contractors do not discriminate against employees on the basis of race, color, religion, sex, or national origin. The office oversees approximately one-fifth of the U.S. labor force, according to its fast-shrinking website, by regulating the practices of private companies that contract with the federal government.

President Trump deemed the agency an “illegal” diversity, equity, and inclusion program, revoking Johnson’s executive order with his own.

The Heritage Foundation’s Project 2025, a blueprint for a right-wing takeover of government that is often touted as a roadmap for Trump’s second term in office, advocated for the elimination of the agency.

Acting Labor Secretary Vincent N. Micone, whose department oversees the office, ordered staff to stop all work in a Jan. 24 email that was obtained by The Standard.

“Cease and desist all investigative and enforcement activity under the rescinded Executive Order 11246 and the regulations promulgated under it,” Micone wrote. “This includes all pending cases, conciliation agreements, investigations, complaints, and any other enforcement-related or investigative activity.”

In another email, Micone alleged that the office’s work, among that of other programs, “resulted in shameful discrimination.” He encouraged employees to report anyone secretly trying to continue enforcement actions by contacting the Office of Personnel Management at DEIAtruth@OPM.gov.

The OFCCP's website says it is being updated, and many links no longer work.

Levin said OFCCP employees, including roughly 80 in the Bay Area, do not know if they will have jobs or if the office will exist in any capacity. When asked about the office's future, a spokesperson said the Department of Labor could not provide any information.

Rob Sax, vice president of AFGE's National Council of Field Labor Locals, said the Jan. 21 executive order conflates union members' anti-discrimination work with diversity, equity, and inclusion programs.

"It is not about taking one group and saying you will hire them," Sax said.

Like other federal workers, the office's employees have been offered incentives to resign by the Trump administration. Sax said he told his members not to accept.

"This administration thinks it can do whatever it wants," he said, adding that Congress must step in and stop what he described as overreach by the Trump administration. "I believe at some point Congress is going to realize they're becoming superfluous. I don't think it's a crackpot belief."

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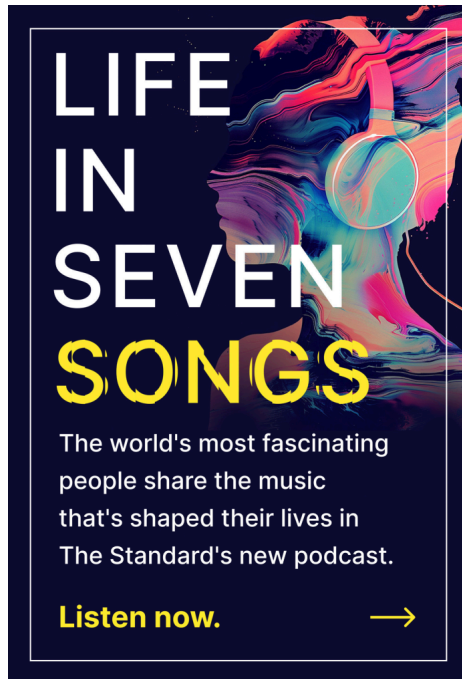
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