

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is entered into by and between Watercrest Community Management, LLC ("Respondent") and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section ("IER") (together, "the parties").

I. BACKGROUND

WHEREAS, on January 9, 2024, IER accepted as complete a charge filed pursuant to 8 U.S.C. § 1324b(b)(1) by [REDACTED] ("Charging Party") against Respondent, DJ No. 197-67-91 (the "IER Charge"), alleging unfair documentary practices in violation of the unfair immigration-related employment practices provisions of 8 U.S.C. § 1324b (the "Act").

WHEREAS, on January 18, 2024, IER notified Respondent that it had initiated an investigation (the "IER Investigation") of the IER Charge.

WHEREAS, pursuant to 8 U.S.C. § 1324b(d), the IER Investigation determined that there is reasonable cause to believe that Respondent engaged in unfair documentary practices against the Charging Party in violation of 8 U.S.C. § 1324b(a)(6) when Respondent refused to honor the valid document that the Charging Party tendered for employment eligibility verification purposes, and when Respondent repeatedly requested that the Charging Party provide more and different documents than required by law to establish employment eligibility, based on the Charging Party's citizenship status.

WHEREAS, the parties wish to resolve the claims raised in the IER Charge and by the IER Investigation, without further delay or expense and hereby acknowledge that they are voluntarily entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained below and to fully and finally resolve this matter, the parties agree as follows:

II. TERMS OF SETTLEMENT

- I. This Agreement becomes effective as of the date of the latest signature on the dually signed Agreement, which date is considered to be and referenced herein as the "Effective Date." The "term of this Agreement" is defined as and shall be two years following the Effective Date. Unless otherwise specified in this Agreement, all timeframes referenced in this Agreement are intended to be calendar days and are to be calculated by beginning to count from the next calendar day and by counting every day, including intermediate Saturdays, Sundays, and legal holidays, and by including the last day of the period; however, if the last day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next day that is not a Saturday, Sunday, or legal holiday.

2. Respondent shall pay civil penalties to the United States Treasury in the amount of three thousand four hundred and fifty-six dollars (\$3,456).
3. Respondent shall provide IER with the name, title, email address, business address, and telephone number of the individual responsible for effectuating payment of the civil penalties by no later than the Effective Date. Respondent shall pay the monies discussed in paragraph 2 via the FedWire electronic fund transfer system within 10 business days of receiving fund transfer instructions from IER. On the day of payment, Respondent shall send confirmation of the payment to Stephen Dixon at stephen.dixon@usdoj.gov. The email confirming payment shall have Respondent's name and the IER investigation number, DJ No. 197-67-91, in the subject line.
4. In compliance with 8 U.S.C. § 1324b, Respondent shall not discriminate against applicants or employees based on citizenship, immigration status, or national origin, including during the recruitment, hiring, firing, and employment eligibility verification and reverification processes.
5. Respondent shall avoid discrimination in the initial verification and reverification stages of the employment eligibility verification process by:
 - (a) honoring documentation that, on its face, reasonably appears to be genuine and to relate to the person person presenting it, and which otherwise satisfies the requirements of 8 U.S.C. § 1324a(b);
 - (b) not requesting more or different documents than are required by law;
 - (c) not rejecting or refusing to honor valid documents due to an employee's citizenship, immigration status, or national origin;
 - (d) permitting all employees to present any document or combination of documents acceptable by law; and
 - (e) providing a copy of the Lists of Acceptable Documents to all employees whose work authorization Respondent seeks to verify or reverify.
6. Respondent shall not intimidate, threaten, coerce, or retaliate against any person based on his or her participation in the IER Investigation, or his or her exercise of any right or privilege secured by 8 U.S.C. § 1324b.
7. Respondent shall post an English and Spanish version of the IER "If You Have The Right to Work" poster ("IER Poster"), in color and measuring no smaller than 8.5" x 11", an image of which is available at <https://www.justice.gov/crt/worker-information#poster>, in all places where notices to employees and job applicants are normally posted at Respondent's Myrtle Beach, South Carolina location. Respondent shall post the IER Poster within 14 days from the Effective Date of this Agreement, and the poster shall remain posted during the term of this

Agreement. This provision does not affect or supersede other legal obligations Respondent may have to maintain such a posting beyond that period.

8. During the term of this Agreement, Respondent shall ensure that all individuals who are responsible for formulating, providing training on, or implementing Respondent's hiring, firing, equal employment, and employment eligibility verification policies, including managers and employees who have any role in the employment eligibility verification process such as completing the Form I-9 and/or using an E-Verify program for employees of Respondent's Myrtle Beach, South Carolina location, have readily available to them the most current version of the Form I-9; the United States Citizenship and Immigration Services ("USCIS") Employment Eligibility Verification Handbook for Employers (M-274) ("Handbook"), and the most current USCIS E-Verify Manual (M-775) ("Manual"). Copies of these documents and future revisions of the Form I-9, Handbook, and Manual can be obtained from USCIS's website at www.uscis.gov.
9. Within 90 days of the Effective Date, Respondent shall review any existing employment policies that relate to nondiscrimination in hiring and to the employment eligibility verification and/or reverification processes (including completion of the Form I-9), and shall revise such policies, or develop and propose new policies, and provide them to IER for review and approval. Respondent shall incorporate IER's input when preparing final revised policies and shall implement and comply with such policies. The revised or new employment policies shall:
 - (a) Prohibit unlawful discrimination on the basis of citizenship, immigration status, or national origin (1) in the hiring and firing process; (2) during the Form I-9, employment eligibility verification, and reverification process; and (3) in the E-Verify process.
 - (b) Include, as lawful and appropriate, citizenship, immigration status, and national origin as prohibited bases of discrimination. Any similar Equal Employment Opportunity statements Respondent includes in printed or electronic materials available to the public or employees shall also include these prohibited bases of discrimination.
 - (c) Refer applicants and employees who complain, formally or informally, of discrimination in the hiring, firing, or Form I-9 employment eligibility verification and reverification process to IER by directing the affected individual to the IER Poster and IER's worker hotline and website, and advise the affected individual of his or her right to file a charge of discrimination with IER.
 - (d) Prohibit any reprisal action against an employee for having opposed any employment practice made unlawful by 8 U.S.C. § 1324b, or for filing any

charge, or otherwise participating in a lawful manner in any investigation, proceeding, or hearing under 8 U.S.C. § 1324b.

During the term of this Agreement, Respondent shall provide any other revisions to employment policies or practices relating to nondiscrimination on the basis of citizenship, immigration status, or national origin to IER for review and approval at least 30 days prior to the proposed effective date of such new or revised policies.

10. Within 120 days of the Effective Date, Respondent shall ensure that each of its employees who plays any role in the employment eligibility verification process at Respondent's Myrtle Beach, South Carolina location—such as collecting, reviewing, or copying Form I-9 documents; completing Sections 2 or 3 of the Form I-9; reviewing completed Forms I-9; or using an E-Verify program—receives training regarding how to avoid the types of discrimination prohibited under 8 U.S.C. § 1324b.
 - (a) The training required under this paragraph shall consist of the following: (1) viewing IER's On-demand Employer Training video, which is publicly available at <https://www.justice.gov/crt/webinars>; (2) reviewing IER's Employer Fact Sheet titled "How to Avoid Discrimination in the Form I-9 and E-Verify Processes," which is publicly available at <https://www.justice.gov/crt/page/file/1132606/dl?inline>; and (3) reviewing IER's Employer Fact Sheet titled "How to Avoid Unlawful Discrimination and Other Form I-9 Violations When Using Commercial or Proprietary Programs to Electronically Complete the Form I-9 or Participate in E-Verify," which is publicly available at https://www.justice.gov/d9/2023-12/joint_form_i-9_software_guidance_12_19_23.pdf.
 - (b) All employees will be paid their normal rate of pay, and the training will occur during their normally scheduled workdays and work hours. Respondent shall bear all of its costs associated with the training.
 - (c) Respondent shall compile attendance records listing the individuals who completed the training described in this paragraph, including their full name, job title, signature, and the date(s) of the training, and shall send the records via email to stephen.dixon@usdoj.gov within 10 business days of each individual satisfying the requirements in this paragraph. The emails transmitting attendance records shall include Respondent's name and the IER investigation number, DJ No. 197-67-91, in the subject line.
 - (d) Any employees who are hired into these roles or assume the duties associated with these roles after the 90-day period shall complete the training set forth in this paragraph within 10 business days of starting in this capacity.

- (e) To the extent any employee is required to receive training pursuant to this paragraph of the Agreement, the requisite timeframe to complete training may be extended by the number of days comprising any period of consecutive absence for vacation or otherwise that extends beyond 2 weeks or 14 calendar days.
11. During the term of this Agreement, if Respondent is unable to timely complete an employee's electronic Form I-9 due to an issue relating to Respondent's use of its employment eligibility verification program or another third-party employment eligibility verification program or software, Respondent shall complete a paper/physical Form I-9 for that employee and enter the corresponding information directly into E-Verify if Respondent otherwise would access E-Verify through its default program or another electronic program or software. Respondent's compliance with the terms of this paragraph does not relieve Respondent of its obligations to comply with any other applicable law or regulation.
12. Starting 120 days following the Effective Date, and every 120 days thereafter for two years, Respondent shall provide IER with: (a) copies of any paper/physical Forms I-9 that Respondent completes for an employee because of Respondent's inability to timely complete an electronic Form I-9 using Respondent's default program or another third-party employment eligibility verification program or software; and (b) any communications sent or received by any employee or representative of Respondent relating to Respondent's inability to timely complete the electronic Form I-9 and Respondent's corresponding attempts to complete a paper/physical Form I-9. During that two-year period, to the extent Respondent cannot timely complete an electronic Form I-9 for an individual and does not complete a paper/physical Form I-9 for that individual, Respondent shall identify the individual (by name, email address, and phone number) and explain to IER why Respondent did not complete a paper/physical Form I-9 for the individual. Respondent shall provide the information and documents described in this paragraph via email to stephen.dixon@usdoj.gov. The emails transmitting the information and documents shall include Respondent's name and the IER investigation number, DJ No. 197-67-91, in the subject line.
13. During the term of this Agreement, IER reserves the right to make such reasonable inquiries as it, in its discretion, believes necessary or appropriate to assess Respondent's compliance with this Agreement, including but not limited to requiring written reports from Respondent concerning its compliance.
14. Nothing in this Agreement limits IER's right to inspect Respondent's Forms I-9 within three business days pursuant to 8 C.F.R. § 274a.2(b)(2)ii. Respondent shall, at IER's discretion, provide data fields from such documents in Excel spreadsheet format unless requested otherwise.

15. If IER has reason to believe that Respondent is in violation of any provision of this Agreement, IER may, in its sole discretion, notify Respondent of the purported violation rather than initiate a new discrimination investigation or seek to judicially enforce the Agreement. If IER has exercised its discretion to notify Respondent of the purported violation, Respondent shall have 30 days from the date IER notifies it of the purported violation to cure the violation to IER's satisfaction.
16. This Agreement does not affect the right of any individual to file a charge under the Act alleging an unfair immigration-related employment practice against Respondent, IER's authority to investigate Respondent or file a complaint on behalf of any such individual, or IER's authority to conduct an independent investigation of Respondent's employment practices occurring after the Effective Date or outside of the scope of the IER Investigation.
17. This Agreement resolves any and all differences under 8 U.S.C. § 1324b between the parties relating to the IER Investigation through the Effective Date. The provisions of paragraph 2 notwithstanding, IER shall not seek from Respondent any additional civil penalty or back pay on behalf of the Charging Party relating to the unfair documentary practices in violation of 8 U.S.C. § 1324b that are the subject of the IER Investigation.

III. ADDITIONAL TERMS

18. This Agreement is governed by the laws of the United States. This Agreement shall be deemed to have been drafted by both parties and shall not be construed against any one party in the event of a subsequent dispute concerning the terms of the Agreement. The parties agree that the paragraphs set forth in Part II of this Agreement (entitled "Terms of Settlement") are material terms (without prejudice to any party maintaining that other terms of the settlement are also material terms).
19. The parties agree that, as of the Effective Date, litigation concerning the violations of 8 U.S.C. § 1324b that IER has reasonable cause to believe Respondent committed is not reasonably foreseeable. To the extent that any party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to this matter, the party is no longer required to maintain such a litigation hold. Nothing in this paragraph relieves either party of any other obligations imposed by this Agreement.
20. The United States District Court for the District of South Carolina shall be the preferred venue for enforcement of any claims over which that court has subject matter jurisdiction. Otherwise, a party must bring any claim or counterclaim to enforce the agreement in a court of competent jurisdiction. This provision does not constitute a waiver of sovereign immunity or any other defense the United

States might have against a claim for enforcement or counterclaims asserted against it.

21. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions of this Agreement shall not be affected, and the provision at issue shall be deemed not to be a part of this Agreement. The parties agree that they will not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is invalid.
22. The parties agree to bear their own costs, attorneys' fees, and other expenses incurred in relation to the IER Investigation.
23. This Agreement sets forth the entire agreement between the parties and fully supersedes any and all prior agreements or understandings between the parties pertaining to the subject matter herein.
24. This Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. The parties agree to be bound by facsimile signatures.

Watercrest Community Management, LLC
a Florida limited liability company

By: Watercrest Management, LLC, its sole member

By:


Joan T. Williams
Manager

Dated: 11/27/2024

Immigrant and Employee Rights Section

By:


Alberto Ruisanchez
Deputy Special Counsel

Dated: 12-4-2024

Jodi B. Danis
Special Litigation Counsel

Stephen K. Dixon
Trial Attorney