

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement"), the terms of which are set forth in part II below, is made and entered into by and between Covenant Transport, Inc. and Transport Management Services, LLC ("Respondents"), and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section ("IER") (together, "the parties").

I. BACKGROUND

WHEREAS, IER notified Respondents by letter dated July 21, 2021 to its parent company that it had initiated an investigation under 8 U.S.C. § 1324b(d)(1), identified as DJ #197-70-49 ("the Investigation"), to determine whether there had been any unfair employment practices prohibited under the anti-discrimination provision of the Immigration and Nationality Act, 8 U.S.C. § 1324b ("Act");

WHEREAS, IER concluded based upon its investigation that there is reasonable cause to believe that Respondents engaged in a pattern or practice of unfair documentary practices in violation of 8 U.S.C. § 1324b(a)(6) from January 2020 through at least August 2022. Specifically, the investigation found that Respondents routinely required Lawful Permanent Residents and Aliens Authorized to Work, but not similarly-situated U.S. citizens, to produce List A documents during the employment eligibility verification process because of their immigration status;

WHEREAS, Respondents dispute IER's allegations, deny they discriminated against any individual, and maintain that they complied with 8 U.S.C. § 1324b at all times;

WHEREAS, the parties wish to resolve the 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 the instant Investigation as of the date of the latest signature below, the parties agree as follows:

II. TERMS OF SETTLEMENT

1. This Agreement becomes effective as of the date of the latest signature on the dually-signed Agreement, which date is referenced herein as the "Effective Date." The "term of this Agreement" shall be three years following the Effective Date.
2. Respondents shall pay a civil penalty to the United States Treasury in the amount of \$700,000.
3. Except for the payment mentioned in paragraph 2, IER shall not seek from Respondents any additional civil penalty for the alleged violation of 8 U.S.C. § 1324b(a)(6) that is the subject of the Investigation, through the Effective Date.
4. The monies discussed in paragraph 2 shall be paid via the FedWire electronic fund transfer system within 10 business days of Respondents' receipt of a fully signed copy of this

Agreement and fund transfer instructions. Within two business days of the signing of this Agreement, Respondents will give to IER the name, business address, email address, and phone number of the individual responsible or effectuating payment. IER will provide instructions to that individual for the FedWire electronic transfer. Respondents shall send a confirmation of the payment to michael.cowles@usdoj.gov on the day the funds are transferred. The email confirming payment shall have Respondents' name and the investigation number, DJ# 197-70-49, in the subject line.

5. In compliance with 8 U.S.C. § 1324b, Respondents shall not:
 - a. discriminate on the basis of citizenship, immigration status or national origin in violation of 8 U.S.C. § 1324b.
 - b. discriminate in the employment eligibility verification and reverification process (together, the "EEV" process); Respondents shall (i) honor documentation that on its face reasonably appears to be genuine, relates to the person, and satisfies the requirements of 8 U.S.C. § 1324a(b); (ii) not request more or different documents than are required by law; and (iii) permit all employees to present any document or combination of documents acceptable by law both at initial hire and during any lawful reverification of continued employment authorization.
 - c. intimidate, threaten, coerce, or retaliate against any person for his or her participation in this matter or the exercise of any right or privilege secured by 8 U.S.C. § 1324b.
6. Respondents shall post an English and Spanish version of IER's "If You Have The Right to Work" poster ("IER Poster"), in color and measuring no smaller than 8.5" by 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. The IER Poster will be posted within 14 days from the Effective Date and will remain posted for 3 years thereafter.
7. Throughout the term of this Agreement, Respondents shall prominently post a copy of the Form I-9 Lists of Acceptable Documents ("Lists") for employees to see, and provide individual copies to workers at the same time as Respondents provide them with the Form I-9 to complete, and shall inform those individuals of their right to choose to present any document(s) that are on the Lists or are otherwise acceptable for purposes of employment eligibility verification.
8. During the term of this Agreement, Respondents shall ensure that all individuals who are responsible for formulating, providing training on, or implementing Respondents' hiring, firing, equal employment, and employment eligibility verification policies, including all managers and employees who have any role in the employment eligibility verification process, such as completing the Form I-9 and/or using the E-Verify program ("Human Resources Personnel"), shall be provided and have available the most current version of

the Form I-9, USCIS Employment Eligibility Verification Handbook for Employers (M-274) ("Handbook"), available at www.uscis.gov/I-9, and the most current USCIS E-Verify Manual (M-775) ("Manual"), available at [www.uscis.gov/USCIS/Verification/E-Verify/E-Verify Native Documents/manual-employer comp.pdf](http://www.uscis.gov/USCIS/Verification/E-Verify/E-Verify%20Native%20Documents/manual-employer_comp.pdf). Copies of these documents and future revisions of the Form I-9, Handbook, and Manual can be obtained from the United States Citizenship and Immigration Services at www.uscis.gov.

9. Within 60 days of the Effective Date of this Agreement, Respondents will review any existing employment policies and revise such policies, or develop and propose new policies, that relate to nondiscrimination in hiring, employment eligibility verification and reverification, including completion of the Form I-9, and provide them to IER. IER shall review and approve such policies to ensure they comply with 8 U.S.C. § 1324b and this Agreement, and Respondents shall implement the approved policies within 15 days after IER's approval. These revised or new employment policies shall:

- (a) prohibit discrimination on the basis of citizenship or immigration status (subject to any lawful exceptions), and national origin (1) in the hiring and firing process; (2) during the Form I-9 employment eligibility verification and re-verification process; and (3) in the E-Verify process;
- (b) include citizenship/immigration status and national origin as prohibited bases of discrimination; any similar Equal Employment Opportunity (EEO) statements Respondents include in printed or electronic materials available to the public or employees shall also include these prohibited bases of discrimination;
- (c) prohibit requesting more or different documents than necessary for initial employment eligibility verification or reverification;
- (d) refer applicants and employees who complain, formally or informally, of discrimination in the hiring, firing, or Form I-9 employment eligibility verification and re-verification process immediately 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; and
- (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 participating in any lawful manner in any investigation or action under 8 U.S.C. § 1324b.

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

10. Within 90 days of the Effective Date, Respondents shall train all Human Resources Personnel and any other individuals whose job duties involve E-Verify and/or Form I-9 processing, on 8 U.S.C. § 1324b, the appropriate use of E-Verify, and the employment eligibility verification and reverification process as it relates to discrimination on the basis of citizenship, immigration status, and national origin.
- (a) The training will consist of viewing a live, free “IER Employer/HR Representative” webinar presentation, with registration available at <https://www.justice.gov/crt/webinars>, or for Recruiting Personnel;
 - (b) All employees will be paid their normal rate of pay for the time spent attending the training, and the training will occur during their normally scheduled workdays and work hours. Respondents shall bear all of their costs associated with these training sessions, not including IER’s webinar platform or other related expenses.
 - (c) During the term of the Agreement, all new Human Resources Personnel and personnel involved in the Form I-9 and E-Verify processes who are hired after the training described in this paragraph has been conducted shall attend an IER Employer/HR webinar training within 60 days of hire or promotion.
 - (d) Respondents shall compile attendance records listing the individuals who attend the training described in this paragraph, including the individual(s)’ full name, job title, signature, and the date of the training, and send the record via email to michael.cowles@usdoj.gov within 10 days of each training session. The emails transmitting attendance records shall have Respondents’ names and the investigation number, DJ # 197-70-49, in the subject line.
11. Within 60 days of the Effective Date, all Human Resources Personnel shall register for e-mail updates from USCIS and E-Verify on the following topics by visiting the following websites:
- a. <https://public.govdelivery.com/accounts/USDHSCIS/subscriber/new>:
 - i. Federal Register Announcements;
 - ii. Temporary Protected Status; and
 - iii. Deferred Action for Childhood Arrivals (DACA);
 - b. <https://public.govdelivery.com/accounts/USDHSCISEVERIFY/subscriber/new>
 - i. E-Verify updates; and
 - ii. I-9 Central
12. 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 Respondents’ compliance with this Agreement, including but not limited to, requiring written reports from Respondents concerning their compliance; inspecting Respondents’ premises;

interviewing Respondents' employees, officials or other persons; and requesting copies of Respondents' documents.

13. Starting sixty days after the Effective Date of this Agreement and every four (4) months thereafter during the term of this Agreement Respondents shall provide IER with: all Forms I-9 where Respondents completed Section 2 or Section 3 within the previous four (4) month period or an Excel spreadsheet with all available Form I-9 and E-Verify fields for all individuals hired or reverified within the previous four (4) month period. Respondents shall also provide additional Forms I-9 as requested by IER.
14. Nothing in this Agreement limits IER's right to inspect Respondents' Forms I-9 within three business days pursuant to 8 C.F.R. § 274a.2(b)(2)ii. Respondents shall, at IER's discretion, provide the documents in Excel spreadsheet format unless requested otherwise.
15. If IER has reason to believe that Respondents are in violation of any provision of this Agreement, IER may, in its sole discretion, notify Respondents 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 Respondents of the purported violation, Respondents shall have thirty (30) days from the date it is notified by IER of the purported violation(s) to cure the violation(s) to IER's satisfaction.
16. This Agreement does not affect the right of any individual to file a charge alleging an unfair immigration-related employment practice against Respondents with IER, IER's authority to investigate Respondents or file a complaint on behalf of any such individual, or IER's authority to conduct an independent investigation of Respondents' employment practices occurring after the Effective Date or outside the scope of the Investigation.
17. This Agreement resolves any and all differences between the parties relating to independent investigation, DJ # 197-70-49 through the Effective Date of this Agreement.

III. OTHER TERMS

18. This Agreement may be enforced in the United States District Court for the Eastern District of Tennessee. This paragraph, or the initiation of a lawsuit to enforce the Agreement under this paragraph, including any counterclaims asserted, does not constitute and should not be construed as a waiver of sovereign immunity or any other defense the United States might have against a claim for enforcement.
19. The parties agree that, as of the Effective Date of this Agreement, litigation concerning the violations of 8 U.S.C. § 1324b that IER has reasonable cause to believe that Respondents committed is not reasonably foreseeable. To the extent that either 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. 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 shall not be affected and the term or provision 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.
21. The parties agree to bear their own costs, attorneys' fees and other expenses incurred in this action.
22. 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. 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.
23. 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.

Covenant Transport, Inc. and Transport Management Services, Inc.

By:


M. Paul Bunn (Nov 15, 2023 13:46 EST)
M. Paul Bunn, President

Dated: Nov 15, 2023

Immigrant and Employee Rights Section

By:


Alberto Ruisanchez
Deputy Special Counsel

Dated: 11-20-2023

Julia Heming Segal
Special Litigation Counsel

Michael O'Keefe Cowles
Trial Attorney