

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement"), the terms of which are set forth in Parts II and III below, is made and entered into by and between HCSG East LLC and its parent company, Healthcare Services Group, Inc. (collectively the "Respondent"), and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section ("IER"), (together, "the parties").

### I. BACKGROUND

WHEREAS, on September 27, 2022, IER accepted as complete a charge filed pursuant to 8 U.S.C. § 1324b(b)(1) by [REDACTED] ("Charging Party") against Respondent, DJ# 197-54M-93 ("IER Charge"), alleging unfair documentary practices in violation of the unfair immigration-related employment practices provisions of 8 U.S.C. § 1324b, and notified Respondent that it had initiated an investigation of the IER charge ("Act");

WHEREAS, on December 6, 2022, IER also initiated an independent investigation of Respondent under 8 U.S.C. § 1324b(d)(1), DJ# 197-62-168 (together with DJ #197-54M-93, the "Investigations"), to determine whether Respondent engaged in citizenship status discrimination in hiring or unfair documentary practices, including any pattern or practice of discrimination, in violation of 8 U.S.C. § 1324b;

WHEREAS, IER concluded based upon the Investigations that there is reasonable cause to believe that: (a) Respondent engaged in unfair documentary practices in violation of 8 U.S.C. § 1324b(a)(6) by failing to honor the valid employment authorization document that Charging Party presented for the Form I-9 because of her citizenship status; and (b) Respondent engaged in a pattern or practice of hiring discrimination on the basis of citizenship status against non-U.S. citizens, including individuals granted refugee or asylum status, in violation of 8 U.S.C. § 1324b(a)(1), at its Siler City, North Carolina location from at least February 2022 to at least December 2022;

WHEREAS, the parties wish to resolve the Investigations 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 Investigations 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 two years following the Effective Date.
2. Respondent shall pay a civil penalty to the United States Treasury in the amount of \$6,914.00.

3. The monies discussed in paragraph 2 shall be paid via the FedWire electronic fund transfer system within 15 business days of Respondent's receipt of a fully signed copy of this Agreement and fund transfer instructions. IER will provide Respondent instructions for the FedWire electronic transfer. Respondent shall send a confirmation of the payment to [IER@usdoj.gov](mailto:IER@usdoj.gov) on the day the funds are transferred. The email confirming payment shall have Respondent's name and the investigation numbers, DJ# 197-62-168 and 197-54M-93, in the subject line.
4. Respondent shall pay the Charging Party \$10,500 in lost wages and benefits (which includes lost overtime pay, bonuses, fringe benefits, paid holidays, vacation time, and interest through the Effective Date), less any withholdings required by law. Respondent shall deduct any taxes and other required withholdings from the amount due to the Charging Party. Within 30 calendar days of the later of the Effective Date or the Respondent's receipt of a Form W-4 properly completed by the Charging Party, Respondent shall make the payment to the Charging Party by check. On the day of payment, Respondent shall confirm via email to [IER@usdoj.gov](mailto:IER@usdoj.gov) that payment was made and attach an image of the check. The email confirming payment shall have Respondent's name and the investigation numbers, DJ# 197-62-168 and 197-54M-93, in the subject line.
5. Within 45 calendar days after remitting the Charging Party's W-2 form for calendar year 2024 to the Social Security Administration under IRS regulations, and pursuant to the provisions of IRS Publication 957, Respondent shall file a special report to the Social Security Administration allocating the payment made to the Charging Party in paragraph 4 to the appropriate periods prior to 2024. Within seven days after Respondent submits the documentation, Respondent shall confirm via email to [IER@usdoj.gov](mailto:IER@usdoj.gov) that such documentation was submitted and provide a copy of such documentation. The email confirmation shall have Respondent's name and the investigation numbers, DJ# 197-62-168 and 197-54M-93, in the subject line.
6. In compliance with 8 U.S.C. § 1324b, Respondent 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; accordingly, Respondent 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.
7. Respondent 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>, at Respondent's Siler City, NC location in all places where notices to employees and job applicants are normally posted. The IER Poster will be posted within 21 calendar days from the Effective Date and will remain posted for the term of the Agreement or until Respondent no longer services the Siler City location, whichever occurs first. This provision does not alter or supersede any separate legal obligation that Respondent has to post the IER Poster for a longer period.
8. Respondent shall review, and if necessary, create or revise any existing employment policies, training materials, and guidance that relate to hiring, onboarding, or the employment eligibility verification ("EEV") process, to comply with the requirements in Paragraph 8(a)-(f). Within 90 calendar days of the Effective Date of this Agreement, Respondent shall submit such new or revised materials to IER for review and approval; IER's review is limited to ensuring that such materials comply with 8 U.S.C. § 1324b and this Agreement. Respondent will implement, and distribute as appropriate, the policies, training materials, and guidance within 30 calendar days of IER's approval. During the term of this Agreement, Respondent shall provide any revisions to such policies, training materials, and guidance to IER for approval at least 30 calendar days prior to the proposed effective date of such revisions. Respondent's EEV policies, training materials, and guidance shall meet the following requirements:
  - a. Mandate compliance with all applicable Form I-9 and E-Verify rules;
  - b. Prohibit requesting more or different documents than required by law to establish permission to work in the United States, requesting specific EEV documents, or rejecting valid EEV documents, because of an individual's citizenship, immigration status, or national origin, regardless of whether such actions occur in the hiring, onboarding, or EEV processes;
  - c. Include citizenship status and immigration status as prohibited bases of discrimination—unless required to comply with a law, regulation, executive order, government contract, or Attorney General directive pursuant to 8 U.S.C. § 1324b(a)—as well as national origin. Such prohibitions shall also be included in any Equal Employment Opportunity statements Respondent provides in printed or electronic materials available to the public or employees;
  - d. Include copies of or links to the most current version of the Form I-9, [www.uscis.gov/I-9](http://www.uscis.gov/I-9), the USCIS Employment Eligibility Verification Handbook for Employers (M-274) ("Handbook"), available at <https://www.uscis.gov/i-9-central/form-i-9-resources/handbook-for->

employers-m-274, and the most current USCIS E-Verify Manual (M-775) (“Manual”), available at <https://www.e-verify.gov/e-verify-user-manual>; and

- e. Provide that Respondent shall not intimidate or take any retaliatory action against any individual for opposing any employment practice made unlawful by 8 U.S.C. § 1324b or which the individual reasonably believes to be unlawful under 8 U.S.C. § 1324b, for filing a charge, or for participating in any investigation or action under 8 U.S.C. § 1324b.
9. Within 60 calendar days of receipt of the SCORM file provided by IER, Respondent shall incorporate IER’s employer webinar as a training module/element of its manager-in-training program. Within 150 days following incorporation, Respondent shall ensure that all current employees who have any responsibility for employment eligibility verification, including the Form I-9 and E-Verify processes (“Covered Employees”), complete the training module/element. Additionally:
- a. Respondent shall not modify IER’s video content or share the IER employer webinar file with third parties, and if IER provides an updated webinar 30 minutes or less in length within the term of the Agreement, Respondent shall replace the outdated version within 45 days of receipt of the updated version’s SCORM file. In the event that IER provides an updated webinar, Respondent’s employees who viewed the original webinar are not required to view the updated webinar.
  - b. All employees will be paid their normal rate of pay during the training, and the training will occur during their normally scheduled workdays and work hours. Respondent shall be responsible for all payroll costs and employee wages associated with these training sessions;
  - c. During the term of the Agreement, all Covered Employees who assume or resume their EEV duties after the initial training period described in this paragraph has been conducted, shall view the training module/element described in this paragraph prior to assuming or resuming their EEV duties; and
  - d. Respondent shall provide proof that the IER webinar has been added to Respondent’s manager-in-training program.
10. Within 120 calendar days of the Effective Date, Respondent shall remove any English-language requirement from job ads for positions that do not require it, or, for positions that require a level of English less than fluency, specify the skill level required, assessed on a case-by-case basis.
11. During the term of this Agreement, Respondent shall undertake reasonable outreach efforts to broadly recruit workers, including U.S. citizens and non-U.S. citizens who are authorized to work in the United States, by, for example, posting job vacancies with, or providing information about job vacancies to organizations that provide services to such

groups, such as refugee services agencies. Every six months during the term of this Agreement, at the request of IER the parties shall meet to discuss Respondent's efforts and how such efforts may be improved.

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 Respondent's compliance with this Agreement, including but not limited to, requiring written reports from Respondent concerning its compliance; interviewing Respondent's employees, officials or other persons; and requesting copies of Respondent's documents.
13. If IER has reason to believe that Respondent has violated or is violating any provision of this Agreement, IER may exercise its discretion to notify Respondent in writing of the purported violation rather than initiate a new investigation or seek immediate judicial enforcement of the Agreement. Respondent will then be given 30 calendar days from the date IER notifies it in which to cure the violation(s) to IER's satisfaction before IER deems Respondent to be in violation of this Agreement and proceeds to take enforcement actions.
14. Nothing in this Agreement limits IER's right to inspect Respondent's Forms I-9 and attachments within three business days pursuant to 8 C.F.R. § 274a.2(b)(2)(ii) and 28 C.F.R. § 44.302(b).
15. This Agreement does not affect the right of any individual to file an IER charge alleging an unfair immigration-related employment practice against Respondent, IER's authority to investigate such charge 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 the scope of the IER Investigations.
16. This Agreement resolves any and all differences under 8 U.S.C. § 1324b between IER and Respondent encompassed by the IER Investigations, which included Respondent's locations nationwide, through the Effective Date. The provisions of paragraphs 2 and 4 notwithstanding, IER shall not seek from Respondent any additional civil penalty or payments for or relating to the alleged violations of 8 U.S.C. § 1324b, or any other conduct or allegations encompassed by the IER Investigations through the Effective Date.

### **III. OTHER TERMS**

17. 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 waiver of either party's right to argue that other terms in the Agreement are material.
18. The United States District Court for the Eastern District of Pennsylvania shall be the

preferred venue for enforcement of any claims over which that court has subject matter jurisdiction. 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 or counterclaims asserted against it.

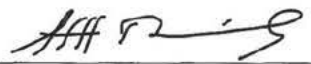
19. The parties agree that, as of the Effective Date of this Agreement, litigation concerning the violations of 8 U.S.C. § 1324b, that IER has reasonable cause to believe that Respondent committed, is not reasonably foreseeable. To the extent that either party previously implemented a litigation hold 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.
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 electronic signatures.

**HCSG East LLC and Healthcare Services Group, Inc.**

By:   
Deputy General Counsel

Dated: 12/2/2024

**Immigrant and Employee Rights Section**

By:   
Alberto Ruisanchez  
Deputy Special Counsel

Dated: 12-6-2024

Jodi Danis  
Special Litigation Counsel

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