UNITED STATES DEPARTMENT OF JUSTICE
EXECUTIVE OFFICE FOR IMMIGRATION REVIEW
OFFICE OF THE CHIEF ADMINISTRATIVE HEARING OFFICER

April 3, 2025

UNITED STATES OF AMERICA, Complainant,	)	
v.	)	8 U.S.C. § 1324a Proceeding OCAHO Case No. 2022A00055
MAJESTIC PETROLEUM SERVICES, LLC, Respondent.	)	

Appearances: Hazel L. Gauthier, Esq., for Complainant
Kristin A. Jones, Esq., for Respondent

FINAL DECISION AND ORDER

I. PROCEDURAL HISTORY

This case arises under the employer sanctions provisions of the Immigration and Nationality Act, as amended, 8 U.S.C. § 1324a. Complainant, the U.S. Department of Homeland Security, Immigration and Customs Enforcement, filed a complaint with the Office of the Chief Administrative Hearing Officer (OCAHO) on August 31, 2022. On October 18, 2022, Respondent, Majestic Petroleum Services, LLC, filed its answer.

The parties filed cross-Motions for Summary Decision—Complainant on May 14, 2023, and Respondent on May 18, 2023—as well as responses to the other's motion—Respondent on June 15, 2023, and Complainant on June 16, 2023.

On June 21, 2023, at the parties' request, the Court referred the matter to OCAHO's Settlement Officer Program for an initial period of sixty days. The Court later granted a thirty-day extension of the referral period after the parties indicated they were close to reaching a settlement agreement. A request for a status update and a status conference still did not result in submission of a settlement agreement. Consequently, on January 23, 2025, the Court issued an Order on Cross-Motions for Summary Decision through which it found Respondent liable for 160 of the 162 violations alleged in the Complaint. *United States v. Majestic Petroleum Servs. LLC*, 21 OCAHO no. 1641 (2025).[1]

[1] Citations to OCAHO precedents in bound volumes one through eight include the volume and case number of the particular decision followed by the specific page in the bound volume where the decision begins; the pinpoint citations which follow are to the pages, seriatim, of the specific

On February 12, 2025, Respondent submitted a letter to the Court explaining that "[t]he parties reached a Settlement Agreement on this case on December 18, 2023," which agreement was finalized and signed by Respondent on June 8, 2024. Resp't Status Report 1–2. Respondent was served with a copy of DHS's final order on October 11, 2024, and received its first invoice from the government a week later, on October 18, 2024. *Id.* at 2. According to Respondent, this first invoice, however, did not reflect the terms of the settlement agreement, as Respondent claims "[t]he amount due was . . . close to $150 above what [it] agreed to on a per month basis. Nevertheless, Respondent made her first payment." *Id.* At the time of the letter, Respondent claims to have made three payments but "has been reluctant to sign a Joint Notice of Dismissal if there was an avenue where [Respondent] would be able to make fixed monthly payments in accordance with the settlement negotiations that were conducted and approved by the parties." *Id.*

On February 13, 2025, DHS filed its status report. The government withdrew charges as to the two violations not subject to summary decision and confirmed that the parties executed a settlement agreement on October 18, 2024. Gov't Status Report 2. Following the agreement's execution, the government twice attempted to get Respondent to sign a Joint Notice of Settlement and Request for Dismissal, to no avail. *Id.* Consequently, the government requested a conference with the Court "to discuss the posture of the case." *Id.*

On March 20, 2025, the Court held a status conference with both parties. There, both parties affirmed their belief that the settlement agreement is valid and should be enforced; however, they disagree as to the meaning of one of the agreement's provisions, specifically paragraph 9(a), which concerns the payment of interest. *See* Settle. Agrmt. 3. Respondent requested that the Court issue an order instructing DHS's finance center to process the payment of its fine in accordance with Respondent's interpretation of paragraph 9(a). Complainant, meanwhile, is satisfied with how the agreement is currently being executed, and requests the Court dismiss the matter pursuant to the parties' valid settlement.[2]

II. POSITIONS OF THE PARTIES

For context, paragraphs 4 and 9(a–b) of the settlement agreement read as follows:

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entire volume. Pinpoint citations to OCAHO precedents after volume eight, where the decision has not yet been reprinted in a bound volume, are to pages within the original issuances; the beginning page number of an unbound case will always be 1 and is accordingly omitted from the citation. Published decisions may be accessed through the Westlaw database "FIM OCAHO," the LexisNexis database "OCAHO," and on the United States Department of Justice's website: https://www.justice.gov/eoir/office-of-the-chief-administrative-hearing-officer-decisions.

[2] The parties stipulated to waiving the confidentiality of communications made in the settlement proceeding as it related to the payment issue. *See* OCAHO PM, Chap. 4.7(d)(1)("No evidence regarding statements or conduct in the settlement proceedings under this settlement officer program shall be admissible in the underlying proceeding or any subsequent administrative proceeding before OCAHO, except by stipulation of all parties.")

> 4. Because it is financially unable to pay the amount due in one lump sum payment, Respondent will pay its ninety-five thousand dollars ($95,000) debt in 108-monthly installments and also agrees to pay interest on the outstanding balance. Each monthly billing, set by the Financial Service Center Burlington (FSCB) will be for an amount which represents an amount of principal plus the interest. . . .
>
> 9. Respondent will be billed as follows:
>
> a. Interest will be assessed on the unpaid balance each month based on the applicable U.S. Bureau of the Fiscal Service Current Value of Funds Rate [https://www.fiscal.treasury.gov/reports-statements/cvfr/] (link subject to change), fixed as of date of first invoice.
>
> b. The interest due will be amortized over the 108-month payment period and will be added to the principal amount due each month. The initial invoice will be billed to Respondent by the FSCB upon establishment of an account receivable at FSCB, and invoices will issue monthly thereafter until the debt is liquidated. . . .

Settle. Agrmt. 3.

a. Respondent's Position

At the status conference, Respondent argued that the agreement's terms, "fixed," and "amortized over the 108-month payment period," with respect to the rate and payment of interest mean that it should have a fixed monthly payment, including principal and interest, and that the payment should be as close to $1,000 per month as possible, not the $1,196.30 billed for the first payment.

According to Respondent's status report, its counsel spoke with a representative at the DHS Financial Service Center in November 2024, after making the first payment. Resp't Status Report 2. The representative informed Respondent that the Center "structures the fine payments in an amortized, decreasing payment fashion," and that "[i]t was not possible to structure the payment schedule with a fixed payment." *Id.* DHS counsel then spoke with the Center, at Respondent's request, but the same explanation was given. *Id.*

Nevertheless, Respondent maintains that the Settlement Officer assigned to their case "was instrumental in working out an agreement with the fixed monthly payment" and that "[e]veryone who was party to the settlement conferences . . . was satisfied with the agreement made and thought the agreement was fair, in light of Respondent's ability to pay." *Id.* While Respondent "intends to make the payments going forward," it "is not satisfied with the increased monthly payment to which it did not agree." *Id.*

b. Complainant's Position

At the status conference, Complainant reiterated its position that the Finance Center's payment schedule was in accordance with the terms of the settlement agreement, as it used a fixed interest rate of four percent, the applicable rate on the date the first invoice was created, and was amortized. While Complainant acknowledged this method did not result in a fixed monthly payment, it maintained that the text of the agreement did not require one.

III. LEGAL STANDARDS

This Court has held that a "party who knowingly and voluntarily agrees to the terms of [] an agreement is bound thereby, and that an Administrative Law Judge has the authority to compel or bind a party to adhere to the terms to which it previously agreed." *S. v. Neiman Marcus Grp.,* 13 OCAHO no. 1323, 4 (2019) (citing *Sharma v. Discover Fin. Servs., LLC,* 12 OCAHO no. 1292, 8 (2016); *Aityahia v. Sabena Airline Training Ctr., Inc.*, 9 OCAHO no. 1122, 4–5 (2006); *United States v. Cal. Mantel, Inc.*, 10 OCAHO no. 1168, 7 (2013).[3] Here, the parties do not dispute that a binding agreement exists; rather, Respondent believes the agreement is not being executed in accordance with the meaning of its terms. As a result, Respondent has asked the Court to adopt its interpretation of the agreement and order its enforcement.

While OCAHO ALJs have enforced the existence of settlement agreements, there is not a great deal of OCAHO precedent regarding the Court's role in interpreting terms in a settlement agreement. 28 C.F.R. § 68.14 explicitly permits an ALJ to review the terms of a settlement agreement in determining whether to dismiss the case. The regulation provides that an ALJ may dismiss a case based on a settlement either through consent findings, in which the ALJ enters the terms of the settlement, or based on notification of a settlement agreement and joint motion to dismiss the case. 28 C.F.R. §§ 68.14(a)(1–2). This authority arises from the Court's general authority to conduct fair and impartial hearings in the cases brought before it. *See* 28 C.F.R. § 68.28. In *Neiman Marcus Group*, the Court considered whether a prior release was valid and interpreted the language as it related to a subsequent action involving the same party. *Neiman Marcus Grp.*, 13 OCAHO no. 1323, at 4; *see also Discover Fin. Servs., LLC,* 12 OCAHO no. 1292. Given the ALJs' involvement in determining whether there was a settlement and their role in scrutinizing the settlement agreements, this ALJ finds it logical to play a role in interpreting the terms of the agreement where the case has not yet been dismissed.

"[T]he Fifth Circuit has long held that the enforceability or validity of settlement agreements are [sic] determined by federal law 'where the substantive rights and liabilities of the parties derive

[3] However, "once a final decision and order is entered disposing of a case, this forum has no authority to provide continuing oversight or monitoring of a settlement agreement." *United States v. Cal. Mantel, Inc.*, 10 OCAHO no. 1168, 12 (2013); *see also Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 378 (1994) (holding that after a federal court dismisses a case based on a settlement agreement, the court lacks jurisdiction to hear enforcement claims unless the court retained jurisdiction in the dismissal order).

from federal law.'"[4] *Turner Marine Fleeting, Inc. v. Quality Fab & Mech., Inc.*, 2002 WL 31819199, at *4 (E.D. La. Dec. 13, 2002) (quoting *Mid-South Towing Co. v. Har-Win, Inc.*, 733 F.2d 386, 389 (5th Cir. 1984)). As a result, courts have applied "the federal common law of contract interpretation in deciding whether to enforce a settlement agreement" in actions brought under federal statutes like Title VII. *Marchese v. Sec'y, U.S. Dep't of Interior*, 409 F. Supp. 2d 763, 771 (E.D. La. 2006) (internal quotations omitted). Additionally, "contracts with the federal government are governed by federal common law, which incorporates the core principles of the common law of contract[s] that are in force in most states." *EEOC v. Fed. Express Corp.*, 268 F. Supp. 2d 192, 204 (E.D. N.Y. 2003) (citing *United States v. Nat'l Steel Corp.*, 75 F.3d 1146, 1150 (7th Cir. 1996); *Est. of Ray v. Comm'r of Internal Revenue*, 112 F.3d 194, 196 (5th Cir. 1997)) (internal citations and quotes omitted). Therefore, because this case arises under 8 U.S.C. § 1324a—a federal statute—and involves a settlement agreement between a private party and the federal government, the Court will interpret the agreement using principles of federal common law of contracts.

Contract terms will only be ambiguous if they are "susceptible to multiple interpretations." *Reliant Energy Servs., Inc. v. Enron Canada Corp.*, 349 F.3d 816, 822 (5th Cir. 2003). The parties' disagreement as to the meaning of a particular provision is by itself insufficient to constitute ambiguity. *Id.* Unambiguous terms "will be given their plain meaning and will be enforced as written." *Id.* "When interpreting a contract, the question is what was the parties' intent, [because] courts are compelled to give effect to the parties' intentions." *Pennzoil Co. v. FERC*, 645 F.2d 360, 388 (5th Cir. 1981). Intent is informed by "the plain language of the contract, its commercial context, and its purposes." *Reliant Energy Servs., Inc.*, 349 F.3d at 822 (citing *Transnat'l Learning Cmty. at Galveston, Inc. v. U.S. Off. of Pers. Mgmt.*, 220 F.3d 427, 431 (5th Cir. 2000) ("[A] contract should be interpreted as to give meaning to all of its terms—presuming that every provision was intended to accomplish some purpose and that none are deemed superfluous.")).

IV. DISCUSSION

A. The Text of the Agreement

Paragraph 4 of the settlement agreement states that "Respondent will pay its ninety-five thousand dollars ($95,000.00) debt in 108-monthly installments and also agrees to pay interest on the outstanding balance." Settle. Agrmt. 2. The phrase "monthly installments" is only used in reference to the payment of principal, separate from the distinct agreement to pay interest on the

[4] In *S. v. Neiman Marcus Grp.,* this Court applied state law in interpreting a settlement agreement that arose in the jurisdiction of the United States Court of Appeals for the Fifth Circuit. *Neiman Marcus Grp.*, 13 OCAHO no. 1323, at 4. State law is only applied to resolve settlement agreement disputes in the Fifth Circuit when the federal court has jurisdiction by virtue of diversity of citizenship, however. *See E. Energy, Inc. v. Unico Oil & Gas, Inc.*, 861 F.2d 1379, 1380 (5th Cir. 1988). *But see Sharma v. Discover Fin. Servs., LLC,* 12 OCAHO no. 1292, 8 (2016)(applying state law to determine the validity of a release within the jurisdiction of the United States Court of Appeals for the Seventh Circuit).

outstanding balance. Thus, it would appear that the amount owed on principal would be the same each month—in this case, $879.63—with interest calculated separately each month on the outstanding balance of the debt. Were this provision to state that both the debt and interest on it would be paid in monthly installments, such language would support Respondent's interpretation that both the principal and interest payment would be one fixed monthly payment; however, such is not the case here.

Further, paragraph 9(a) states that "[i]nterest will be assessed on the unpaid balance *each month* based on the applicable U.S. Bureau of the Fiscal Service Current Value of Funds Rate . . . , fixed as of date of first invoice." Settle. Agrmt. 3 (emphasis added). Thus, the amount owed in interest will differ from month to month under the agreement, and is dependent on "the unpaid balance," not a predetermined average amount as Respondent maintains. Respondent admits that the parties reached an agreement incorporating "the new CVFR of 4%," Resp't Status Report 2, and so, for the first invoice, Respondent would owe the fixed principal amount ($879.63) plus interest on the amount then-outstanding ($95,000.00). So, when applying the 4% annual interest rate, which equates to .0333333333% monthly, Respondent would owe $316.67 in interest, which, when added to the principal payment, totals $1,196.30—which is the amount reflected on Respondent's first invoice. *Id.*

Paragraph 9(b) states that "[t]he interest due will be amortized over the 108-month period and will be added to the principal amount due each month." Importantly, discussion of amortization is limited exclusively to "[t]he interest due," and is separate from any mention of the payment of principal. This construction of the provision supports the idea that while the amount owed in interest would vary (due to its amortization), the principal payment would remain the same month to month. Thus, the Court finds that the plain language of the settlement agreement dictates the calculation method used by Complainant.

Respondent is correct that use of the word "amortized" here results in some confusion, as the most common form of amortization results in a fixed monthly payment, with the payment's allocation towards interest and principal varying each month over the life of the debt. For example, in its definition of "amortization" the Legal Information Institute notes that "[a]mortization is used for mortgages, car loans, and other personal loans where individuals normally have a basic monthly payment for a certain amount of years. Specifically, most of the payments will count towards interest instead of paying off the debt at an early stage." Legal Information Institute, Wex, "amortization," https://www.law.cornell.edu/wex/amortization (last updated Feb. 2025). This type of amortization is consistent with that advocated by Respondent, in that it calls for a fixed monthly payment that includes both principal and interest, with the allocation for each varying by month.

But while this method of amortization is widely used, the clear meaning of the term "amortize" is much more general and encompasses the government's method here. Merriam-Webster defines "amortize" as "to pay off (an obligation, such as a mortgage) gradually usually by periodic payments of principal and interest or by payments to a sinking fund."[5] Similarly, the Cambridge Dictionary defines "amortization" as "the process of reducing a cost or total in regular small

[5] Found at: https://www.merriam-webster.com/dictionary/amortizing.

amounts."[6] No mention is made that fixed monthly payments are required or customary. And even the definition that does mention fixed monthly payments, that of the above-mentioned Legal Information Institute, clarifies that amortized loans "normally" have these fixed payments—or in other words, not always. Here, the government's method for collecting on Respondent's fine involves the gradual repayment of an obligation through periodic payments of principal and interest, and thus is consistent with the definition of the term. When read together with the other settlement agreement provisions, its inclusion does not render the whole agreement ambiguous.

B. The January 23, 2025, Order on Liability

This Court's Order on Cross-Motions for Summary Decision found Respondent liable for 160 of the 162 violations alleged in the Complaint. *United States v. Majestic Petroleum Servs. LLC*, 21 OCAHO no. 1641 (2025). In the settlement agreement, the Respondent admitted liability to all counts in the Complainant. Settle. Agrmt. 3. As the Order on Liability is an interlocutory order, the ALJ retains authority to reconsider that decision and alter any of its findings. *See U.S. v. Koy Chinese & Sushi Rest.*, 16 OCAHO no. 1416e, 13 (2023) (CAHO Order). In the *Koy Chinese* case, the ALJ was presented with a similar situation—the ALJ had issued a default order on liability, only to learn that the parties had entered into a prior settlement agreement. *Id.* at 1–2. In determining whether the ALJ should have accepted the consent findings, the CAHO found that the ALJ could alter the findings of fact if necessary, but because the settlement agreement and the ALJ's liability findings were consistent, there was no need to do so. *Id.* at 13. In this case, there is an inconsistency, notwithstanding Complainant's February 13, 2025, status report withdrawing its charges as to the two violations not subject to summary decision. Gov't Status Report 2. The Respondent had, at that point, already signed the settlement agreement admitting to all the violations. Accordingly, as the Respondent admitted to liability as to all counts in the Complaint, the Court VACATES its January 23, 2025, Order.

C. Dismissal

"[A] valid settlement agreement bars the settling parties from continuing to litigate the underlying claim." *United States v. Yi*, 8 OCAHO no. 1011, 218, 220 (1998). Here, the Court finds the parties chose to enter into a valid settlement agreement. Although Respondent is not satisfied with how the government has executed the agreement, the government's interpretation is consistent with the stated terms, and Respondent, who was represented by counsel, signed the settlement agreement. Consequently, the parties cannot continue to litigate the claim underlying the settlement agreement, and so the matter is DISMISSED WITH PREJUDICE.

SO ORDERED.

Dated and entered on April 3, 2025.

Honorable Jean C. King
Chief Administrative Law Judge

[6] Found at: https://dictionary.cambridge.org/us/dictionary/english/amortization.

Appeal Information

This order shall become the final agency order unless modified, vacated, or remanded by the Chief Administrative Hearing Officer (CAHO) or the Attorney General.

Provisions governing administrative reviews by the CAHO are set forth at 8 U.S.C. § 1324a(e)(7) and 28 C.F.R. pt. 68. Note in particular that a request for administrative review must be filed with the CAHO within ten (10) days of the date of this order, pursuant to 28 C.F.R. § 68.54(a)(1).

Provisions governing the Attorney General's review of this order, or any CAHO order modifying or vacating this order, are set forth at 8 U.S.C. § 1324a(e)(7) and 28 C.F.R. pt. 68. Within thirty (30) days of the entry of a final order by the CAHO, or within sixty (60) days of the entry of an Administrative Law Judge's final order if the CAHO does not modify or vacate such order, the Attorney General may direct the CAHO to refer any final order to the Attorney General for review, pursuant to 28 C.F.R. § 68.55.

A petition to review the final agency order may be filed in the United States Court of Appeals for the appropriate circuit within forty-five (45) days after the date of the final agency order pursuant to 8 U.S.C. § 1324a(e)(8) and 28 C.F.R. § 68.56.