

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

UNITED STATES OF AMERICA,	)	
	)	
Complainant,	)	
	)	8 U.S.C. § 1324a Proceeding
v.	)	
	)	OCAHO Case No. 2023A00058
PJ'S OF TEXAS, INC.,	)	
	)	
Respondent.	)	
_____	)	

Appearances: Oscar J. Montemayor, Esq., for Complainant  
Kevin R. Lashus, Esq., for Respondent

FINAL ORDER OF DISMISSAL

I. PROCEDURAL HISTORY

On May 9, 2023, Complainant, the United States Department of Homeland Security (DHS), Immigration and Customs Enforcement, filed a complaint with the Office of the Chief Administrative Hearing Officer (OCAHO) against Respondent, PJ's of Texas, Inc. The complaint alleges that Respondent violated the employer sanctions provisions of the Immigration and Nationality Act, as amended by the Immigration Reform and Control Act of 1986, 8 U.S.C. § 1324a. On June 21, 2023, Respondent filed a Special Appearance, Special Exceptions, and Answer.

On January 31, 2024, the Court issued an Order on Service, Complainant's Notice of Appearance and Motion for Substitution, Electronic Filing, Prehearing Statements, and Scheduling Initial Prehearing Conference. *See United States v. PJ's of Tex., Inc.*, 18 OCAHO no. 1524 (2024).<sup>1</sup> Through that Order, the Court granted

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<sup>1</sup> Citations to OCAHO precedents reprinted in bound Volumes 1 through 8 reflect the volume number and the case number of the particular decision, followed by the specific page in that volume where the decision begins; the pinpoint citations which follow are thus to the pages, seriatim, of the specific entire volume. Pinpoint citations to OCAHO precedents after Volume 8, where the decision has not yet been reprinted in a bound volume, are to pages within the original issuances; the beginning page

Complainant’s Motion for Substitution of counsel and extended electronic filing privileges to the new counsel of record. *Id.* at 13–14. Further, the Court ordered the parties to make their initial disclosures and file their prehearing statements within twenty-one days of the date of issuance of the Order. *Id.* at 14. The Court also authorized the parties to begin their discovery at any time and advised them that, “Any motion to extend discovery must demonstrate good cause for the extension, state the other party’s position on the motion and be filed with the Court before the discovery closing date.” *Id.* at 8–9. Lastly, the Court scheduled an initial prehearing conference with the parties for February 28, 2024. *Id.* at 14.

On February 26, 2024, the Court issued an Order Rescheduling Initial Prehearing Conference and set an initial telephonic prehearing conference in this matter for March 18, 2024.

On March 18, 2024, pursuant to 28 C.F.R. § 68.13,<sup>2</sup> the Court held the initial prehearing conference with the parties, and, on March 25, 2024, the Court issued an Order Memorializing Initial Prehearing Conference.

On April 23, 2024, the Court issued an Order Granting Joint Motion for and Consent to Referral to the Settlement Officer Program, Referring Case to the OCAHO Settlement Officer Program, and Designating Settlement Officer. *See United States v. PJ’s of Tex., Inc.*, 18 OCAHO no. 1524a (2024). On June 20, 2024, the Court issued an Order Extending Referral to the OCAHO Settlement Officer Program. *See United States v. PJ’s of Tex., Inc.*, 18 OCAHO no. 1524b (2024).

On January 16, 2025, the Court issued an Order for Joint Status Report. Through that Order, the Court explained that the Settlement Officer had advised the Court that the parties had participated in the OCAHO Settlement Officer Program and were continuing fruitful settlement negotiations. Order Joint Status Rep. 3. The Court ordered the parties to file a joint status report or an agreed motion to dismiss by January 27, 2025. *Id.* at 4. On January 28, 2025, Respondent filed Respondent’s

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number of an unbound case will always be 1 and is accordingly omitted from the citation. Published decisions may be accessed in the Westlaw database “FIM-OCAHO,” the LexisNexis database “OCAHO,” or on the United States Department of Justice’s website at <https://www.justice.gov/eoir/office-of-the-chief-administrative-hearing-officer-decisions>.

<sup>2</sup> OCAHO’s Rules of Practice and Procedure for Administrative Hearings, being the provisions contained in 28 C.F.R. part 68 (2025), generally govern these proceedings and are available on the United States Department of Justice’s website at <https://www.justice.gov/eoir/office-of-the-chief-administrative-hearing-officer-regulations>.

Status Report. On January 30, 2025, Complainant filed The United States Department of Homeland Security's Status Report.

The Court then scheduled a prehearing conference with the parties to discuss their anticipated discovery needs and to “develop a case schedule, including dates for the completion of discovery, the filing of motions, and a hearing in this matter.” May 2, 2025 Order for Preh'g Statements & Scheduling Preh'g Conf. 5–6. In preparation for the conference, the Court ordered the parties to supplement their initial disclosures and file prehearing statements within twenty-one days of the date of issuance of the Order. *Id.* at 5.

On May 23, 2025, DHS Deputy Chief Counsel Oscar J. Montemayor filed a Notice of Appearance and Motion for Substitution, along with a completed and signed Attorney and Registration Form and Certification for OCAHO's Electronic Filing Pilot Program. Notice Appearance & Mot. Substitution Ex. A. That same day, DHS filed Complainant's Supplemental Initial Disclosures and Prehearing Statement. On May 27, 2025, Respondent filed Respondent's Updated Prehearing Statement and Initial Disclosures. On June 2, 2025, the Court issued an Order on Complainant's Notice of Appearance, Motion for Substitution, and Electronic Filing. *See United States v. PJ's of Tex., Inc.*, 18 OCAHO no. 1524c (2024).

On June 3, 2025, the Court held a prehearing conference with the parties. On June 10, 2025, the Court issued an Order Memorializing Second Prehearing Conference and Setting Case Schedule. The Court ordered the parties to complete fact discovery by September 2, 2025. June 10, 2025 Order Memorializing Second Preh'g Conf. 3. The Court further ordered the parties to file any dispositive motions by October 2, 2025, and to file any responses to dispositive motions by November 3, 2025, or no later than thirty days from the filing date of the opposing party's dispositive motion. *Id.* The Court then tentatively scheduled a hearing in this case for January 27, 2026, in San Antonio, Texas. *Id.*

On July 1, 2025, Complainant filed The United States Department of Homeland Security's Motion for Leave to Amend Complaint along with an amended complaint. On July 29, 2025, Respondent filed Respondent's Unopposed Motion to Extend the Interrogatory Response Deadline. Through its motion, Respondent represented that “Complainant served interrogatories on Respondent on June 30, 2025,” and moved the Court to “grant it seven more days to respond, to August 7, 2025.” Mot. Extend Interrog. Resp. Deadline 1.

On July 31, 2025, the Court granted Respondent's Unopposed Motion to Extend the Interrogatory Response Deadline and permitted Respondent through August 7, 2025, to respond to Complainant's interrogatories. On August 11, 2025, the Court issued an Order Memorializing the Grant of Respondent's Unopposed

Motion to Extend the Interrogatory Response Deadline. *See United States v. PJ's of Tex., Inc.*, 18 OCAHO no. 1524d (2025).

On September 12, 2025, Complainant filed The United States Department of Homeland Security's Unopposed Motion to Extend Discovery and Dispositive Motion Deadlines. On November 13, 2025, Complainant filed The United States Department of Homeland Security's Second Unopposed Motion to Extend Discovery and Dispositive Motion Deadlines.

On November 20, 2025, the Court issued an Order Granting Complainant's Unopposed Motions to Extend and Setting Revised Case Schedule. *See United States v. PJ's of Tex., Inc.*, 18 OCAHO no. 1524e (2025). Through the Order, the Court gave the parties through December 10, 2025, to complete discovery. *Id.* at 5. The Court permitted the parties through January 26, 2026, to file any dispositive motions and ordered them to file any responses to dispositive motions by February 25, 2026, or no later than thirty days from the filing date of the opposing party's dispositive motion. *Id.* Lastly, the Court struck the January 27, 2026, hearing date in these proceedings. *Id.* at 6.

On December 4, 2025, the parties filed a Joint Motion to Stay Proceedings Pending Final Settlement Execution. On January 13, 2026, the Court issued an Order Granting the Parties' Joint Motion to Stay Proceedings Pending Final Settlement Execution. *See United States v. PJ's of Tex., Inc.*, 18 OCAHO no. 1524f (2026). The Court stayed these proceedings through January 27, 2026, and ordered the parties to file a joint status report on January 28, 2026, if they had not made filings to resolve the matter in accordance with 28 C.F.R. § 68.14. *Id.* at 5. The Court also set a revised case schedule to go into effect upon the expiration of the stay. *Id.* at 6. Specifically, the Court ordered the parties to complete discovery by February 5, 2026, file any dispositive motions by February 25, 2026, and file any responses to dispositive motions by March 17, 2026, or no later than twenty days from the filing date of the opposing party's dispositive motion. *Id.*

On January 30, 2026, the parties submitted the following filings: (a) Joint Motion for Leave to File and Approve Sett[e]ment, Consent Findings and Dismissal, (b) Settlement Agreement,<sup>3</sup> (c) Consent Findings, and (d) Joint Motion to Approve Consent Findings. On February 9, 2026, the Court issued an Order Accepting Parties' Joint Filings and Scheduling Prehearing Conference. *See United States v. PJ's of Tex., Inc.*, 18 OCAHO no. 1524g (2026). Through that Order, the Court granted, in part, the Joint Motion for Leave to File and Approve Sett[e]ment, Consent Findings and Dismissal and accepted the parties' filings as filings in the case. *Id.* at 5. The Court, however, explained that the parties' settlement materials were insufficient to

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<sup>3</sup> The Settlement Agreement was unexecuted in that it contained a blank signature line for the Acting Special Agent in Charge of Homeland Security Investigations, United States Immigration and Customs Enforcement, DHS.

meet the requirements for dismissal based on consent findings as provided in 28 C.F.R. § 68.14. *Id.* at 5–6. The Court scheduled a third prehearing conference with the parties on February 17, 2026. *Id.* at 5. On February 12, 2026, the Court issued an Order Rescheduling the Prehearing Conference to February 18, 2026. Feb. 12, 2026 Order Rescheduling Preh’g Conf.

On February 18, 2026, the Court held the prehearing conference and, on March 5, 2026, issued an Order Memorializing Third Prehearing Conference. During the prehearing conference, the Court discussed the parties’ January 30, 2026, filings. Mar. 5, 2026 Order Memorializing Third Preh’g Conf. 2–4. During the conference, the parties advised the Court that they had executed a final settlement agreement, and Complainant provided the signed settlement agreement to the Court during the conference. *Id.* at 3; Settlement Agreement. The Court directed Complainant to file a copy of the parties’ agreement with a signed certificate of service. Mar. 5, 2026 Order Memorializing Third Preh’g Conf. 3. The parties then jointly moved the Court to dismiss this case without prejudice, and the Court said that it would issue a final order in the case. *Id.* Following the prehearing conference, on February 18, 2026, Complainant filed the parties’ fully executed settlement agreement with a signed certificate of service.

On March 4, 2026, the Court issued an Order Granting the United States Department of Homeland Security’s Motion for Leave to Amend Complaint. Through that Order, the Court permitted Complainant’s filing of the First Amended Complaint Regarding Unlawful Employment. Order Granting Am. Compl. 4.

## II. LEGAL STANDARDS AND ANALYSIS

Under OCAHO’s Rules of Practice and Procedure for Administrative Hearings, there are two avenues for leaving the forum when the parties have entered into a settlement agreement. *See* 28 C.F.R. § 68.14. The parties may either submit an agreement containing consent findings or file a notice of settlement and seek dismissal. *Id.* § 68.14(a). 28 C.F.R. § 68.14(a)(2) requires the parties to notify the Administrative Law Judge (ALJ) that they “have reached a full settlement and have agreed to dismissal of the action.” The presiding ALJ may require the parties to file their settlement agreement and must approve dismissal of the action. *Id.* § 68.14(a)(2).

Although the parties in this case initially submitted filings seeking consent findings, the parties chose to proceed pursuant to 28 C.F.R. § 68.14(a)(2) during the February 18, 2026, prehearing conference by jointly informing the Court that they had reached a full settlement and then moving for dismissal without prejudice. *See* Mar. 5, 2026 Order Memorializing Third Preh’g Conf. 3. At that time, the Court agreed to accept their oral motion to dismiss this case. *Id.* While the parties did not

file a written motion, OCAHO’s Rules explain that an ALJ may “in the course of an oral hearing consent[] to accept such motion orally.” 28 C.F.R. § 68.11. Under 28 C.F.R. § 68.14(a)(2), which is the relevant Rule for dismissal after parties reach a settlement agreement and agree to dismissal, the filing of a written motion also is not required. *Id.* § 68.14(a)(2) (explaining that the parties must “[n]otify” the ALJ that they “have reached a full settlement and have agreed to dismissal of the action”). The Court now finds that the parties’ notification of settlement and their joint oral motion to dismiss pursuant to 28 C.F.R. § 68.14(a)(2) satisfy OCAHO’s Rules.

On February 18, 2026, the parties filed their signed, executed settlement agreement, and the Court has exercised its discretion pursuant to 28 C.F.R. § 68.14(a)(2) and considered it.<sup>4</sup> The settlement agreement bears the signatures of both parties and their counsel. Settlement Agreement 6. It reflects a clear resolution of the violations of 8 U.S.C. § 1324a alleged in the amended complaint. Respondent has admitted “to failing to comply with the employment eligibility verification requirements in violation of ... 8 U.S.C. §§ 1324a(a)(1)(A), 1324a(a)(1)(B), and 1324a(a)(2),” as set forth in the six counts of the amended complaint. *Id.* at ¶ 6. Respondent also has agreed to pay a specific civil money penalty for the admitted violations. *Id.* at ¶¶ 7, 9, 10. Further, Respondent has agreed to withdraw its written request for a hearing and to waive its right to request a hearing before an ALJ. *Id.* at ¶ 5.

The Court is satisfied with the form and substance of the parties’ settlement agreement and accepts it, with two caveats. First, Paragraph 10 of the settlement agreement states that “[t]he Final Order will order Respondent to ... cease and desist from violations of [8 U.S.C. § 1324a].” Settlement Agreement ¶ 10. However, 8 U.S.C. § 1324a only provides a cease and desist order for hiring violations and not for paperwork violations. *See* 8 U.S.C. § 1324a(e)(4)(a); *see also United States v. Vasquez*, 15 OCAHO no. 1403, 2–3 (2021) (incorporating cease and desist remedy into final order only for hiring violations); *United States v. Torres Mexican Food, Inc.*, 4 OCAHO no. 596, 88, 89 (1994) (explaining that a cease and desist order is not available for paperwork violations). Here, the amended complaint alleges both types of violations. *See* Am. Compl. 2–23. Count I of the amended complaint alleges that Respondent knowingly hired individuals who were not authorized for employment in the United States, in violation of 8 U.S.C. § 1324a(a)(1)(A), and Count II alleges that Respondent knowingly continued to employ individuals who were not authorized for employment in the United States, in violation of 8 U.S.C. § 1324a(a)(2). *Id.* at 2–12. The remaining counts (Counts III–VI) refer to paperwork violations related to the presentation or preparation of the Employment Eligibility Verification Form (Form I-9) under 8 U.S.C. § 1324a(a)(1)(B). *Id.* at 12–23. As such, the Court incorporates the cease and desist remedy into this Final Order of Dismissal only with respect to

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<sup>4</sup> The Court also reviewed the settlement agreement with the parties during the February 18, 2026, prehearing conference. *See* Mar. 5, 2026 Order Memorializing Third Preh’g Conf. 2–4.

the hiring violations alleged in Counts I and II of the amended complaint. *See* 8 U.S.C. § 1324a(e)(4)(a); *see also Torres Mexican Food, Inc.*, 4 OCAHO no. 596, at 89; *Vasquez*, 15 OCAHO no. 1403, at 2–3.

Second, paragraphs 7 and 10 of the settlement agreement state that the Final Order is “a final and unappealable order pursuant to [8 U.S.C. § 1324a(e)(3)(B)].” Settlement Agreement ¶¶ 7, 10. However, 8 U.S.C. § 1324a(e)(3)(B) allows for “a final and unappealable order” only “[i]f no hearing is ... requested.” 8 U.S.C. § 1324a(e)(3)(B). Because Respondent requested a hearing before OCAHO, “administrative review by the Chief Administrative Hearing Officer and the Attorney General are available.” *United States v. Bread Alone, Inc.*, 20 OCAHO no. 1604, 3 (2024).

The parties also request that the dismissal of this matter be without prejudice, despite their entry into a settlement agreement. “A dismissal without prejudice allows a complainant to refile a complaint as if it had never been filed.” *United States v. A-1 Roofing & Construction, Co.*, 21 OCAHO no. 1657b, 4 (2025) (citations omitted). On the other hand, dismissal with prejudice “would bar another prosecution based on identical facts.” *Id.* at 5 (citation omitted). Although a dismissal without prejudice could result in Respondent facing another lawsuit, Respondent is represented by counsel, and the Court verified Respondent’s agreement to a dismissal without prejudice during the prehearing conference. Mar. 5, 2026 Order Memorializing Third Preh’g Conf. 3. The parties’ understanding is clear. *See A-1 Roofing & Construction, Co.*, 21 OCAHO no. 1657b, at 5 (granting dismissal without prejudice when “the parties’ intent and agreement are clear”). Given the parties’ clear intent and agreement as to dismissal, the Court approves a dismissal without prejudice. *See id.* at 4; *see also United States v. R&V Steel Erectors Sys., Inc.*, 18 OCAHO no. 1501b, 1–2 (2024) (granting joint request for dismissal without prejudice brought pursuant to 28 C.F.R. § 68.14(a)(2) after the parties’ entry into a settlement agreement). As the parties have agreed to dismissal under 28 C.F.R. § 68.14(a)(2), the Court denies as moot the parties’ Joint Motion to Approve Consent Findings. *See* 28 C.F.R. § 68.14. The Court also denies as moot the unadjudicated parts of the parties’ Joint Motion for Leave to File and Approve Sett[le]ment, Consent Findings, and Dismissal—specifically, the request that the “Court order the approval of the attached settlement agreement, consent findings, and dismiss these proceedings.”<sup>5</sup> This case is now dismissed without prejudice.

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<sup>5</sup> The “attached settlement agreement” referenced refers to a prior version of the settlement agreement.

III. ORDERS

IT IS SO ORDERED that the parties' joint oral motion for dismissal without prejudice made pursuant to 28 C.F.R. § 68.14(a)(2) during the third prehearing conference on February 18, 2026, is GRANTED;

IT IS FURTHER ORDERED that the parties' Joint Motion to Approve Consent Findings is DENIED AS MOOT;

IT IS FURTHER ORDERED that the parties' request for approval of the settlement agreement, consent findings, and dismissal of proceedings in the Joint Motion for Leave to File and Approve Sett[le]ment, Consent Findings, and Dismissal is DENIED AS MOOT; and

IT IS FURTHER ORDERED that, pursuant to 28 C.F.R. § 68.14(a)(2), this case, namely OCAHO Case No. 2023A00058, is DISMISSED without prejudice.

SO ORDERED.

Dated March 6, 2026.

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Honorable Carol A. Bell  
Acting Chief Administrative Law Judge

### 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.