

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”) is made and entered into by and between Pete Pappas and Sons, Inc., (“Respondent”), and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section (“IER”) (collectively, “the Parties”).

### I. BACKGROUND

WHEREAS, on July 18, 2017, IER received a charge filed by [REDACTED] (“Charging Party”) against Respondent, DJ No. 197-35-459 (the “IER Charge”), alleging that: (1) Respondent rejected his valid employment eligibility documents and requested unnecessary documents based on his citizenship or immigration status, and (2) that Respondent delayed his hiring based on his citizenship or immigration status, in violation of 8 U.S.C. §§ 1324b(a)(6) and (a)(1), respectively, of the Immigration and Nationality Act (“Act”);

WHEREAS, on July 28, 2017, IER notified Respondent that it had initiated an investigation of the IER Charge (the “Investigation”) to determine whether Respondent had violated 8 U.S.C. § 1324b;

WHEREAS, IER concluded, based upon its Investigation, that there is reasonable cause to believe that, between at least April 21, 2017 and at least November 1, 2017, Respondent: (1) engaged in a pattern or practice of unfair documentary practices against non-U.S. citizen employees, including the Charging Party, by rejecting valid employment verification documents and/or requesting more, different or specific employment eligibility documents based on the employee’s status as a non-U.S. citizen, in violation of 8 U.S.C. § 1324b(a)(6); and (2) discriminated against the Charging Party in hiring based on his citizenship status when Respondent delayed his start date due to its demand for unnecessary documents, in violation of 8 U.S.C. § 1324b(a)(1);

WHEREAS, Respondent denies liability for the alleged violations of 8 U.S.C. § 1324b;

WHEREAS, the Parties wish to resolve the Investigation without further delay or expense, and to avoid the uncertainty and costs of litigation and hereby acknowledge that each party is voluntarily entering into this Agreement;

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

### II. TERMS OF SETTLEMENT

1. This Agreement becomes effective as of the date the latest signature below, which date is referenced hereafter as the “Effective Date.” The term of the Agreement shall be three years following the Effective Date.
2. Respondent shall pay a civil penalty to the United States Treasury in the amount of \$13,700. No later than five days after the Effective Date, Respondent shall give IER the name and contact information for the person who will make the payment on its behalf.

After IER receives this information, it will send the person the FedWire payment instructions. Respondent shall pay the monies discussed in this paragraph via the FedWire electronic fund transfer system, within ten days of receiving IER's FedWire instructions. On the day of payment, Respondent shall confirm via email to Jenna Grambort at [Jenna.Grambort@usdoj.gov](mailto:Jenna.Grambort@usdoj.gov) that the payment was made.

3. Within fifteen days from the Effective Date, Respondent shall pay the amount of \$1,464.74, which constitutes back pay plus accumulated interest, compounded daily, calculated at the IRS underpayment rate, through the Effective Date, to the Charging Party, less any deductions and withholdings required by law. Respondent shall send evidence of such payment to Jenna Grambort at [Jenna.Grambort@usdoj.gov](mailto:Jenna.Grambort@usdoj.gov) on the same date.
4. Respondent shall follow the applicable instructions contained in IRS Publication 957 and credit the Charging Party's back pay award referenced in Paragraph 3 of this Agreement to the calendar quarter of the years when the back wages would have been earned. Respondent is separately responsible for paying any employer-side taxes or contributions due to the government and shall provide the Charging Party with any applicable income tax reporting forms.
5. The provisions of Paragraphs 2, 3, and 4 notwithstanding, IER shall not seek from Respondent any additional civil penalty, or any additional back pay, for the alleged pattern or practice of unfair documentary practices in violation of 8 U.S.C. § 1324b(a)(6), or the Charging Party's alleged hiring discrimination in violation of 8 U.S.C. § 1324b(a)(1), that are the subject of the Investigation, through the Effective Date.
6. Pursuant to 8 U.S.C. § 1324b, Respondent shall not discriminate against individuals based on citizenship, immigration status, or national origin, during the recruitment, hiring, firing, and employment eligibility verification and reverification processes (together, the "EEV" process), or intimidate, threaten, coerce, or retaliate against any person for participation in the Investigation or exercise of any right or privilege secured by 8 U.S.C. § 1324b.
7. Respondent shall avoid discrimination in the EEV process by: (a) following Form I-9 instructions and not soliciting Form I-9 documentation from any individual until after that individual accepts Respondent's offer of employment; (b) not requesting more or different Form I-9 documents than are required by law; (c) permitting all employees to present any employment authorization verification documentation acceptable by law; and (d) not rejecting valid Form I-9 documentation.
8. Respondent shall not: (a) make any reference to the IER Charge, Investigation, or this Agreement in the Charging Party's personnel file and/or his other current or future employment records; or (b) disclose to any individual, employer, contractor, or other non-governmental entity information or documentation concerning the IER Charge, the Investigation, or this Agreement, unless required by law.
9. Within 14 days of the Effective Date, Respondent shall post, if it has not already done so, IER's "If You Have The Right to Work" poster ("IER Poster") (available at <https://www.justice.gov/crt/worker-information#poster>):

- (a) in color;
- (b) measuring no smaller than 8.5” x 11”;
- (c) in all places where notices to employees and job applicants are normally posted; and
- (d) in English, Spanish, and any other available language that is the preferred language of Respondent’s employees, if that language is known.

The IER Poster shall remain posted for at least the term of the Agreement.

10. Within 60 days of the Effective Date, Respondent will review any existing employment policies that relate to nondiscrimination based on protected traits or characteristics. Respondent will revise or create policies to ensure that they:
  - (a) Prohibit requesting more or different documents, specifying documents, or rejecting valid documents, because of an individual’s citizenship, immigration status or national origin in the hiring and firing process, and during the Form I-9/E-Verify employment eligibility verification and reverification processes;
  - (b) Include citizenship, immigration status, and national origin as prohibited bases of discrimination, and ensure inclusion of these bases in any similar Equal Employment Opportunity statements that Respondent provides in printed or electronic materials available to the public or employees;
  - (c) Refer individuals who complain, formally or informally, of discrimination in the hiring, firing or Form I-9/E-Verify employment eligibility verification or reverification processes immediately to IER by directing the affected individual to the IER Poster and IER’s worker hotline (800-255-7688) and website, <https://www.justice.gov/ier>, 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 any individual for having opposed any employment practice made unlawful by 8 U.S.C. § 1324b, for filing any charge, or participating in any lawful manner in any IER investigation or action with IER.
  
11. During the term of this Agreement, Respondent shall ensure that all individuals involved in Respondent’s EEV processes, as well as any individuals who have any role in supervising such employees (collectively, “Human Resources Personnel”), can readily access:
  - (a) the most current version of the USCIS Handbook for Employers (M-274) (“Handbook”), available at [www.uscis.gov/I-9Central](http://www.uscis.gov/I-9Central), and
  - (b) the most current version of the USCIS E-Verify Manual (M-775) (“Manual”), available at [www.uscis.gov/e-verify/publications/manuals-and-guides/e-verify-user-manual](http://www.uscis.gov/e-verify/publications/manuals-and-guides/e-verify-user-manual).

Copies of these documents and future revisions of the Handbook, Manual and guidance can be obtained from the United States Citizenship and Immigration Services at [www.uscis.gov](http://www.uscis.gov).

12. Within 90 days of the Effective Date, IER will train all Human Resources Personnel regarding their obligations to comply with 8 U.S.C. § 1324b.
  - (a) The training shall consist of participating in a free IER presentation conducted on the date(s) and time(s) as agreed upon by the Parties;
  - (b) Respondent will pay its employees their normal rate of pay during the training, and the training will occur during the employees' normally scheduled workdays and work hours insofar as possible. Respondent shall bear all employee costs, if any, associated with these training sessions;
  - (c) Respondent shall compile attendance records listing the individuals who attend the training described in this paragraph, including their full name, title, signature, and the date of the training, and send them via email to [Jenna.Grambort@usdoj.gov](mailto:Jenna.Grambort@usdoj.gov) (or any other individual IER designates) within 10 days of each training session; and
  - (d) For the term of the Agreement, all new Human Resources Personnel who assumed their duties after the initial training described in this paragraph shall attend an IER Employer/HR webinar within 60 days of hire or promotion. Respondents shall compile and send attendance records for these individuals pursuant to Paragraph 12(c).
  
13. Within 120 days of the Effective Date, Respondent shall provide all Human Resources Personnel with additional training that assesses their understanding of the Form I-9 and E-Verify processes and rules as follows:
  - (a) Respondent shall require these individuals to answer 20 multiple choice measurement and assessment questions that IER provides Respondent. The individuals answering the measurement and assessment questions may refer to written government resources, including but not limited to, the Form I-9 and its instructions, the Handbook, the Manual, and/or USCIS's I-9 Central website, when answering the questions. Respondent shall review and score each individual's responses to the questions.
  - (b) If any individual answers a question incorrectly, Respondent shall, within three days, require the individual who answered incorrectly to read one or more of the government resources identified in Paragraph 13(a) and answer the question(s) again until the individual answers the question(s) correctly. Within 10 days after completion of the measurement and assessment described in this paragraph, Respondent will provide via email to [Jenna.Grambort@usdoj.gov](mailto:Jenna.Grambort@usdoj.gov) (or any other individual IER designates):

- i. A list of the questions any individual answered incorrectly, and the incorrect answer(s) each individual selected; and
  - ii. A confirmation/certification that the assessment was given to all Human Resources Personnel, and that Respondent complied with all provisions in Paragraph 13 of the Agreement.
14. IER reserves the right to make reasonable inquiries to Respondent to determine Respondent's compliance with this Agreement. As a part of such review, IER may require written reports concerning compliance, inspect Respondent's premises, examine witnesses, and examine and copy Respondent's documents. Respondent shall comply with IER's requests within 30 days unless IER grants Respondent additional time to comply.
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 without opening an investigation. Respondent will have 30 days from the date of IER's notification to cure the violation to IER's satisfaction before IER deems Respondent to be in violation of this Agreement.
16. This Agreement does not affect the right of any individual to file a charge with IER alleging an unfair immigration-related employment practice, IER's authority to investigate or file a complaint on behalf of any such individual, or IER's authority to conduct an independent investigation of Respondent's employment practices.

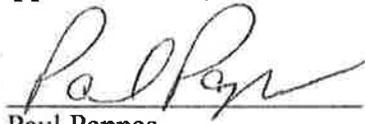
### **III. ADDITIONAL TERMS OF SETTLEMENT**

17. 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 Investigation. This Agreement is governed by the laws of the United States. This Agreement shall be deemed to have been drafted by the 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 and attachments (entitled "Terms of Settlement") are material terms, without waiver of any Party's right to argue that other terms in the Agreement are material.
18. The United States District Court for the District of Maryland 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 this 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.
19. Should any court declare or determine that any provision(s) of this Agreement is/are illegal or invalid, the validity of the remaining parts, terms or provisions shall not be affected and said illegal or invalid part(s), term(s), or provision(s) shall be deemed not to be part of this Agreement. The Parties shall not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is invalid.

20. The Parties agree that, as of the Effective Date, litigation concerning the alleged violations of 8 U.S.C. § 1324b that are the subject of the Investigation 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.
21. The Parties shall each bear their own costs, attorneys' fees and other expenses incurred in this action.
22. 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 shall be bound by facsimile signatures.

**Pete Pappas and Sons, Inc.**

By:



Paul Pappas  
Vice President of Operations

Dated: 7/29/19

**Immigrant and Employee Rights Section**

By:



Alberto Ruisanchez  
Deputy Special Counsel

Dated: 7-31-19

Liza Zamd  
Senior Trial Attorney

Jenna Grambort  
Trial Attorney