

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into by and between Luis Esparza Services, Inc. ("Respondent" or "LES"), and the United States Department of Justice, Civil Rights Division, Office of Special Counsel for Immigration-Related Unfair Employment Practices ("Office of Special Counsel" or "OSC").

WHEREAS, on July 18, 2013, the Office of Special Counsel opened an independent investigation of Respondent, DJ# 197-11E-342 ("OSC Investigation"), to determine whether the Respondent engaged in a pattern or practice of citizenship status discrimination in violation of the immigration-related unfair employment practices provisions of 8 U.S.C. § 1324b ("Act").

WHEREAS, the Office of Special Counsel concluded based upon the OSC Investigation that there is reasonable cause to believe that LES engaged in a pattern or practice of unfair documentary practices during the employment eligibility verification process when it required Lawful Permanent Resident employees to present specific documents because of their citizenship status.

WHEREAS, the Office of Special Counsel and Respondent wish to resolve the OSC Investigation without further delay or expense and hereby acknowledge that they are voluntarily entering into this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained and to fully and finally resolve the OSC Investigation as of the date of this Agreement, it is agreed as follows:

1. Respondent shall pay a civil penalty to the United States Treasury in the amount of three hundred and twenty thousand dollars (\$320,000).
2. The monies discussed in paragraph 1 shall be paid in thirty six (36) installments and one (1) final payment. The first twelve (12) monthly installments shall be in the amount of eight thousand dollars (\$8,000) each, followed by twenty four (24) additional monthly installments of eight thousand three hundred dollars (\$8,300) each, and a final payment of twenty four thousand eight hundred dollars (\$24,800) via the FedWire electronic fund transfer system. The first installment payment shall be made on August 1, 2015, and subsequent payments shall be made on the 1<sup>st</sup> of each month thereafter until August 1, 2018, with the final balloon payment made on September 1, 2018, until the total amount has been paid in full. OSC will provide Respondent instructions on the process of fund transfers through the FedWire system and a fully signed copy of this Agreement, no later than 10 days from the date of the execution of this agreement. Notice of each installment payment shall be emailed to Adriana Vieco at [Adriana.Vieco@usdoj.gov](mailto:Adriana.Vieco@usdoj.gov) with a copy emailed to Lorren Love at [Lorren.love@usdoj.gov](mailto:Lorren.love@usdoj.gov), on the day the funds are transferred.
3. Respondent shall pay Injured Party (to be identified within five (5) days of the full execution of this agreement), full back pay and accumulated interest reflective of the eleven (11) days the Injured Party was denied employment despite Respondent E-Verifying the Injured Party's work authorization. Respondent may withhold applicable

taxes based on the tax rates of the current calendar year. Respondent shall follow the applicable instructions contained in IRS Publication 957.

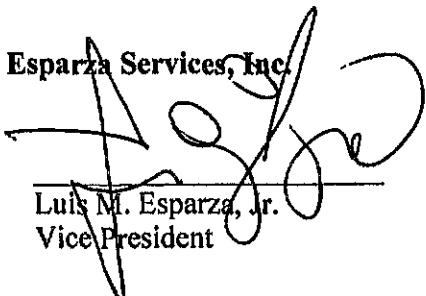
4. Respondent shall not discriminate on the basis of citizenship status or national origin in violation of 8 U.S.C. § 1324b and will treat all individuals equally, without regard to citizenship or immigration status, or national origin, during the hiring, firing, and employment eligibility verification processes.
5. Respondent shall not intimidate, threaten, coerce, or retaliate against any individual for his or her participation in the OSC Investigation or the exercise of any right or privilege secured by 8 U.S.C. § 1324b.
6. Unless it has already done so as a condition for its access to the Department of Homeland Security's E-Verify program, Respondent shall post an English and Spanish version of the Office of Special Counsel "If You Have The Right to Work" poster ("OSC Poster"), in color and measuring no smaller than 8.5" x 11", an image of which is available at <http://www.justice.gov/crt/about/osc/htm/worker.php#>, in all places where notices to employees and job applicants are normally posted at Respondent's Bakersfield office. The OSC Poster will be posted within fourteen (14) business days from the effective date of this Agreement and will remain posted for two (2) years thereafter.
7. Beginning not more than fourteen (14) business days from the date that Respondent receives a fully signed copy of this Agreement, Respondent will provide a letter-size copy of the OSC Poster in English and/or Spanish with all paper employment applications, and an electronic link to the English and Spanish versions of the OSC Poster with all electronic applications, and Respondent will continue to do so for one (1) year thereafter.
8. Within thirty (30) calendar days of receipt of a fully signed copy of this Agreement, Respondent will review its employment policies and revise such policies to prohibit discrimination on the basis of citizenship status or national origin in the recruiting, hiring, re-verifying employment eligibility, and firing processes.
9. During the three (3) years following the effective date of this Agreement (the "Reporting Period"), Respondent shall provide to the Office of Special Counsel for review and approval any changes in employment policies as they relate to nondiscrimination on the basis of citizenship status and national origin at least thirty (30) calendar days prior to the effective date of such revised policies.
10. Within sixty (60) days of the effective date of this Agreement, Respondent's Human Resources personnel, and any other staff member who performs human resources functions, shall join the Office of Special Counsel's email distribution list, and the Office of Special Counsel shall provide these individuals with training on their responsibilities to comply with 8 U.S.C. § 1324b, the appropriate use of E-Verify, and the employment eligibility verification and re-verification process as it relates to discrimination on the basis of citizenship status or national origin.

- (a) The training will consist of viewing a remote webinar or attending a live in-person presentation.
  - (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.
  - (c) Respondent shall bear all employee-related costs associated with these trainings.
11. For one (1) year from the effective date of this Agreement, Respondent shall ensure that all individuals who are responsible for formulating, carrying out, and/or conducting training on Respondent's hiring, firing, equal employment, and employment eligibility verification policies, including all managers and employees who have any role making employment eligibility decisions, such as completing the Form I-9 and/or using the E-Verify system ("Human Resources Personnel"), are in possession of 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-9Central](http://www.uscis.gov/I-9Central), 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.com.pdf](http://www.uscis.gov/USCIS/Verification/E-Verify/E-Verify Native Documents/manual-employer.com.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](http://www.uscis.gov).
12. Every three (3) months during the Reporting Period, Respondent shall, if requested, provide the Office of Special Counsel with a list of all individuals LES hired during the previous three (3) month period. The list of individuals will be provided in an excel spreadsheet and will be accompanied by a:
- (a) copy of the Form I-9 used to hire the individual,
  - (b) copy of any attachments to the Form I-9 identified in (a), and
  - (c) copy of the corresponding E-Verify report.
13. Within seven (7) business days of receipt of a written request, Respondent will provide the Office of Special Counsel with copies of the documents described in paragraph 12.
14. The Office of Special Counsel reserves the right to make other reasonable inquiries to Respondent necessary to determine Respondent's compliance with this Agreement, such as inspecting Respondent's premises or examining witnesses.
15. If the Office of Special Counsel has reason to believe that Respondent is in violation of any provision of this Agreement, the Office of Special Counsel will notify Respondent of the purported violation. Respondent will then be given thirty (30) calendar days from the date it is notified by the Office of Special Counsel in which to cure the violation before Respondent is deemed by the Office of Special Counsel to be in violation of this Agreement.

16. This Agreement does not affect the right of any individual to file a charge alleging an unfair immigration-related employment practice against Respondent with the Office of Special Counsel, the authority of the Office of Special Counsel to investigate a charge or file a complaint on behalf of any such individual, or the authority of the Office of Special Counsel to conduct an independent investigation of Respondent's employment practices.
17. This Agreement resolves any and all differences between the parties relating to the OSC Investigation through the date this Agreement is signed by the parties.
18. The provisions of paragraph 1 notwithstanding, the Office of Special Counsel shall not seek from Respondent any additional civil penalty for the pattern or practice of unfair documentary discrimination in violation of 8 U.S.C. § 1324b that was the subject of the OSC Investigation through the date this Agreement is signed by all parties.
19. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the legality or validity of the remaining provisions shall not be affected thereby and said illegal or invalid provision shall be deemed not to be a provision of this Agreement. Respondent and the Office of Special Counsel agree that they shall not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is illegal or invalid.
20. The Office of Special Counsel and Respondent agree to bear their own costs, attorneys' fees, and other expenses incurred in the OSC Investigation.
21. 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.
22. This Agreement may be enforced in the U.S. District Court for the Eastern District of California or any other court of competent jurisdiction.
23. The effective date of this Agreement shall be the date that the second party signing this Agreement transmits a copy of the signature page to the first party who signed the Agreement.

Luis Esparza Services, Inc.

By:

  
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Luis M. Esparza, Jr.  
Vice President

Dated: May 21st 2015

**Office of Special Counsel for Immigration-Related Unfair Employment Practices**

By:



Alberto Ruisanchez  
Deputy Special Counsel

Dated: 5-27-15

C. Sebastian Aloit  
Special Litigation Counsel

Adriana Vieco  
Trial Attorney