

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”), the terms of which are set forth in part II below, is made and entered into by and between Bel USA, LLC d/b/a DiscountMugs.com (“Respondent”), and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section (“IER”) (together, “the parties”).

### I. BACKGROUND

WHEREAS, IER notified Respondent by letter dated June 14, 2019, that it had initiated an investigation of Respondent under 8 U.S.C. § 1324b(d)(1), identified as DJ # 197-18-423, to determine whether Respondent engaged in any unfair employment practices in violation of the anti-discrimination provision of the Immigration and Nationality Act, 8 U.S.C. § 1324b (“Act”);

WHEREAS, IER concluded based upon its investigation that there is reasonable cause to believe that Respondent engaged in a pattern or practice of unfair documentary practices in violation of 8 U.S.C. § 1324b(a)(6). Specifically, the investigation found that there is reasonable cause to believe Respondent required lawful permanent residents, asylees, and refugees but not similarly-situated U.S. citizens, to provide a DHS-issued employment eligibility document during the employment eligibility verification process because of their citizenship or immigration status;

WHEREAS, Respondent disputes the findings of the investigation, denies any wrongdoing or liability, and enters into this Agreement solely to avoid the expense and uncertainty of litigation;

WHEREAS, the parties wish to resolve this investigation 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 investigation 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 three years following the Effective Date.
2. Respondent shall pay a civil penalty to the United States Treasury in the amount of one-hundred thousand dollars (\$100,000).
3. Respondent shall pay the amount in paragraph 2 in four equal installments via the FedWire electronic fund transfer system. Respondent shall make the first installment of \$25,000 within ten (10) business days of Respondent’s receipt of a fully signed copy of this Agreement and fund transfer instructions, which will be sent to Respondent’s legal

counsel, Glenn Rissman, [grissman@stearnsweaver.com](mailto:grissman@stearnsweaver.com). Thereafter, Respondent shall make individual installment payments in six-month intervals. After each payment, Respondent shall send a confirmation of the payment to [Pablo.Godoy@usdoj.gov](mailto:Pablo.Godoy@usdoj.gov) and [Craig.Fansler@usdoj.gov](mailto:Craig.Fansler@usdoj.gov) on the day the funds are transferred. The email confirming payment shall have Respondent's name and the investigation number, DJ # 197-18-423, in the subject line.

4. In compliance with 8 U.S.C. § 1324b, Respondent shall not:
  - (a) discriminate on the basis of citizenship, immigration status or national origin.
  - (b) discriminate in the employment eligibility verification and reverification process; 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 for employment eligibility verification; 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.
5. 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>, in all places where notices to employees and job applicants are normally posted. The IER Poster will be posted within fourteen (14) days from the Effective Date and will remain posted for three (3) years thereafter.
6. Throughout the term of this Agreement, Respondent shall prominently post a copy of the Form I-9 Lists of Acceptable Documents ("Lists") for employees to read, and provide individual copies to new hires at the same time as Respondent asks them to complete Section 1 of the Form I-9, and shall inform them of their right to choose to present any document(s) that are on the Lists or are otherwise acceptable for purposes of employment eligibility verification.
7. During the term of this Agreement, Respondent shall ensure that all individuals who are responsible for formulating, providing training on, or implementing Respondent's hiring, firing, equal employment, and employment eligibility verification policies, including all managers and employees who have any role in the employment eligibility verification process, such as completing the Form I-9 and/or using the E-Verify program ("Human Resources Personnel"), shall be provided and have available 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-9](http://www.uscis.gov/I-9), 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\\_comp.pdf](http://www.uscis.gov/USCIS/Verification/E-Verify/E-Verify_Native_Documents/manual-employer_comp.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).

8. Within sixty (60) days of the Effective Date of this Agreement, Respondent will review any existing employment policies that relate to nondiscrimination in hiring, employment eligibility verification and reverification, including completion of the Form I-9, and shall revise, or if necessary create, such policies to ensure that they:
  - (a) prohibit discrimination on the basis of citizenship, immigration status, and national origin (1) in the hiring and firing process; (2) during the Form I-9 employment eligibility verification and re-verification process; and (3) in the E-Verify process;
  - (b) include citizenship, immigration status, and national origin as prohibited bases of discrimination; Respondent shall include such bases in any Equal Employment Opportunity (EEO) statements Respondent makes available to the public or employees;
  - (c) refer applicants and employees who complain, formally or informally, of discrimination in the hiring, firing, or Form I-9 employment eligibility verification and re-verification process immediately to the Immigrant and Employee Rights Section by directing the affected individual to the IER Poster and IER’s worker hotline and website, 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 an employee for having opposed any employment practice made unlawful by 8 U.S.C. § 1324b, or for filing any charge, or participating in any lawful manner in any investigation or action under 8 U.S.C. § 1324b.

Respondent shall submit such policies to IER for review and approval within sixty-five (65) days of the Effective Date, and shall implement such policies within 15 days of IER’s approval.

9. Within sixty (60) days of the Effective Date, Respondent shall review all procedures its E-Verify designated agent uses to create E-Verify cases on Respondent’s behalf, and all written documentation that its E-Verify Employer Agent disseminates to Respondent’s employees regarding the E-Verify process, to ensure compliance with 8 U.S.C. § 1324b(a)(6), the provisions of this Agreement, and E-Verify rules.
10. Within ninety (90) days of the Effective Date, Respondent shall ensure that employees, including recruiters and human resources staff with responsibility for recruiting,

advertising, hiring, onboarding, running E-Verify cases, and terminating employees, are trained on their obligation to comply with 8 U.S.C. § 1324b.


- (a) The training will consist of viewing a free online Employee/HR webinar presentation.
  - (b) All employees will be paid their normal rate of pay, and the training will occur during their normally scheduled workdays and work hours. Respondent shall bear all costs associated with these training sessions, not including IER's webinar platform or other related expenses.
  - (c) During the term of the Agreement, all new Human Resources Personnel and personnel involved in the Form I-9 and E-Verify processes who are hired after the training described in this paragraph has been conducted shall attend an IER Employer/HR webinar training within sixty (60) days of hire or promotion.
  - (d) Respondent shall compile attendance records (in the form of Attachment A) listing the individuals who attend the training described in this paragraph, including each individual's full name, job title, signature, and the date of the training, and send the record via email to Pablo A. Godoy at [Pablo.Godoy@usdoj.gov](mailto:Pablo.Godoy@usdoj.gov) and Craig Fansler at [Craig.Fansler@usdoj.gov](mailto:Craig.Fansler@usdoj.gov) within ten (10) days of each training session. The emails transmitting attendance records shall have include "Bel USA" and file number "DJ # 197-18-423" in the subject line.
11. Within ninety (90) days of the Effective Date, all Human Resources Personnel and any authorized individuals who transmit Form I-9 information to E-Verify shall register for email updates from USCIS on the following topics by visiting <https://public.govdelivery.com/accounts/USDHSCIS/subscriber/new>:
  - (a) Federal Register Announcements;
  - (b) Temporary Protected Status; and
  - (c) I-9 Central.
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; inspecting Respondent's premises; interviewing Respondent's employees, officials or other persons; and requesting copies of Respondent's documents.
13. Every four (4) months during the term of this Agreement, starting on October 30, 2020, Respondent shall provide IER with an Excel spreadsheet containing information regarding all available Form I-9 and E-Verify fields for each individual hired or

reverified within the previous four (4) month period. Respondent shall also provide Forms I-9, including all attachments as requested by IER.

14. Nothing in this Agreement limits IER's right to inspect Respondent's Forms I-9 within three business days pursuant to 8 C.F.R. § 274a.2(b)(2)ii.
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 rather than initiate a new investigation or seek to judicially enforce the Agreement. If IER has exercised its discretion to notify Respondent of the purported violation, Respondent shall have forty-five (45) days from the date it is notified by IER of the purported violation(s) to cure the violation(s) to IER's satisfaction.
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 IER, IER's authority to investigate Respondent 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 this investigation.
17. This Agreement resolves any and all differences between the parties relating to independent investigation, DJ # 197-18-423 through the Effective Date of this Agreement. The provisions of paragraph 2 notwithstanding, IER shall not seek from Respondent any additional civil penalty for the pattern or practice of unfair documentary practices in violation of 8 U.S.C. § 1324b(a)(6) that is the subject of the independent investigation, designated as DJ # 197-18-423 through the Effective Date of this Agreement.
18. This Agreement may be enforced in the United States District Court for the Southern District of Florida. 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.
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 facsimile signatures.

**Bel USA, LLC d/b/a DiscountMugs.com**

By:   
Sai Koppaka  
President and Chief Executive Officer

Dated: 06/24/2020

**Immigrant and Employee Rights Section**

By:   
Alberto Ruisanchez  
Deputy Special Counsel

Dated: 7/6/20

C. Sebastian Aloit  
Special Litigation Counsel

Pablo A. Godoy  
Craig Fansler  
Trial Attorneys