

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (“Agreement”), the material terms of which are set forth in Part II below, is made and entered into by and between Corp IV Holdings Inc. doing business as Masterson Staffing Solutions (“Respondent” or “Masterson Staffing”), and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section (“IER”) (together, “the Parties”).

### I. BACKGROUND

WHEREAS, on June 10, 2021, IER notified Respondent that it had initiated an investigation under 8 U.S.C. § 1324b(d)(1), identified as DJ #197-39-152 (the “Investigation”), to determine whether Respondent engaged in any unfair employment practices prohibited under the anti-discrimination provision of the Immigration and Nationality Act, 8 U.S.C. § 1324b.

WHEREAS, on the basis of the Investigation, IER concluded that there is reasonable cause to believe that Masterson Staffing had a pattern or practice, and committed individual instances, of discrimination relating to employment eligibility verification, in violation of 8 U.S.C. §§ 1324b(a)(1) and (a)(6). Specifically, IER determined that Masterson Staffing routinely: 1) required non-U.S. citizens to provide more, different, or specific Form I-9 documents, because of their citizenship or immigration status, and 2) requested more documents than necessary from certain lawful permanent residents, by unnecessarily reverifying their permission to work. IER also determined that some of these unfair documentary practices were due, in part, to the company’s reliance on an electronic program it used to track Form I-9 documentation;

WHEREAS, Respondent denies any engagement in a pattern and practice of unfair documentary practices in violation of 8 U.S.C. § 1324b, and by entering into this Agreement, does not admit and expressly denies that it violated § 1324b or any other federal, state, or local statute, regulation or law;

WHEREAS, the Parties wish to resolve the 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 IER 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 two years following the Effective Date.
2. Respondent shall pay a civil fine to the United States Treasury in the amount of \$250,000, which shall be paid in four equal installments.

3. No later than five days after the Effective Date, Respondent shall provide IER with the name, title, email address, and telephone number of the individual responsible for effectuating payment of the civil penalty. Respondent shall pay the first civil penalty installment of \$62,500 via the FedWire electronic fund transfer system within 10 days of receipt of fund transfer instructions from IER. Respondent shall pay the second installment on or before June 1, 2023, the third installment on or before January 1, 2024, and the fourth installment on or before June 1, 2024. On the day of each payment, Respondent shall send confirmation of the payment to Allena.Martin@usdoj.gov. The email confirming payment shall have Respondent's name and DJ # 197-39-152 in the subject line.
4. Except as set forth in Paragraph 2, IER shall not seek from Respondent any additional civil fine or penalty for the discrimination in violation of 8 U.S.C. § 1324b that was the subject of the Investigation, through the Effective Date.
5. 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 participating in the Investigation or exercising any right or privilege secured by 8 U.S.C. § 1324b.
6. Respondent shall post an English and Spanish version of the IER "If You Have The Right to Work" poster ("IER Poster"), in color and measuring no smaller than 8.5" x 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 at its headquarters and all field offices. Respondent shall post the IER Posters no later than 14 days after the Effective Date, and the posters will remain posted for the term of this Agreement. Respondent shall also include a link to IER's Poster on its electronic application materials. This Paragraph does not otherwise impact or modify any other legal obligation Respondent may have to post the IER Poster.
7. Respondent shall make available a total of \$100,000 ("Back Pay Fund") to compensate individuals who can demonstrate to IER's satisfaction, that the individual(s) suffered lost wages or other compensable economic damages (together, "economic harm") because of the alleged discrimination in Respondent's EEV process.

A. Possible Claimants are those who were non-U.S. citizens at the time of initial onboarding and who satisfy either of the following criteria:

- i. Completed Section 1 of the Form I-9 for onboarding with Respondent at any point since June 10, 2019, but did not complete Section 2; or
- ii. Had any Department of Homeland Security ("DHS") document associated with their file (e.g., an I-94, Permanent Resident Card, Employment Authorization Document, or Machine Readable Immigrant Visa) that expired at any point between June 10, 2019 and

the Effective Date, where Respondent did not complete Section 3 before the expiration of the DHS document.

- B. Within 45 days of the Effective Date, Respondent will, using its employment records, generate a Tentative List of Possible Claimants based on the criteria set forth in Paragraph 7(A) and send the list to IER. The Tentative List of Possible Claimants shall, for each individual, contain their name, last known home address, last known telephone number(s), last known cell number(s), Section 1 date(s), Section 2 date(s)(if any), Section 3 date(s) (if any), termination date(s) (if any), A/USCIS number (if applicable), date of birth, Social Security number, DHS document expiration date (if any), and email address (if any). If Respondent's records indicate that a Possible Claimant specifically sought a position for which Respondent determined, at the time of the position assignment or application, that the Possible Claimant was unqualified, Respondent shall provide IER with documentation regarding the Possible Claimant's lack of qualifications but include the Possible Claimant in the Tentative List of Possible Claimants. If IER agrees that any Possible Claimants were unqualified for the specific position(s) sought, IER shall exclude such individuals from the Final List of Possible Claimants.
- C. Within 70 days of the Effective Date, IER shall send Respondent a Final List of Possible Claimants.
- D. Within 90 days of the Effective Date, Respondent shall send all individuals on the Final List of Possible Claimants: Attachment A: 1) by regular mail, and 2) in the text of an email; and Attachment B ("Back Pay Claim Form"): 1) in the same letter as Respondent sends Attachment A, and 2) as an attachment to an email where Attachment A is included in the text of the email.
- E. Within 200 days from the Effective Date, Possible Claimants must return completed Back Pay Claim Forms to IER (either via mail or email), except as provided for in Paragraph 7(M).
- F. IER shall have until 260 days after the Effective Date to make back pay determinations. During this time, Respondent shall produce any information IER requests to determine back pay eligibility, within 10 days of IER's request.
- G. Each individual who, in IER's sole discretion, satisfies the eligibility criteria under this Paragraph, will be deemed a Back Pay Recipient and is entitled to receive the single payment amount of \$5,144.73 subject to paragraph 7(J).
- H. Notwithstanding any other provision in this Paragraph, any individual who, in IER's discretion, demonstrates that they suffered economic harm as a result of the alleged discrimination in Respondent's EEV process, shall be entitled to the amount of compensation set forth in Paragraph 7(G), provided that they contact IER within 250 days of the Effective Date, even if they were not on the Tentative

List of Possible Claimants or the Final List of Possible Claimants, unless Respondent's records reflect, and IER agrees, that at the time of the position assignment or application, the Possible Claimant/Back Pay Recipient was not qualified for all positions they applied for or were assigned to.

- I. IER will send Respondent a list of Back Pay Recipients, if any, to include the name and mailing address of each Back Pay Recipient within 260 days of the Effective Date, provided that Respondent timely complies with its obligations under Paragraph 7. In the event that Respondent fails to timely comply with its obligations under Paragraph 7, the time for IER to complete the list of Back Pay Recipients, and all other subsequent deadlines under this Paragraph shall be extended by the same amount of time of Respondent's non-compliance.
- J. If the Back Pay Fund is insufficient to cover the claims of the Back Pay Recipients at the single payment amount identified in Paragraph 7(G), Respondent shall compensate each Back Pay Recipient a *pro rata* share of the Back Pay Fund. IER shall inform Respondent of the exact *pro rata* share.
- K. Within 20 days of IER providing the list of Back Pay Recipients, Respondent shall issue checks in the amount payable to the individual(s), identified on the list of Back Pay Recipients, and Respondent will mail the checks to the addresses on the list of Back Pay Recipients or any updated address that IER sends to Respondent, or will directly deposit the money in the Back Pay Recipients' bank accounts. Respondent or its agent shall follow the applicable instructions contained in IRS Publication 957. <https://www.irs.gov/pub/irs-pdf/p957.pdf>
- L. Within 10 days of mailing checks or directly depositing the amounts, Respondent shall provide IER with an email confirming that the checks were mailed to all relevant Back Pay Recipients and/or Respondent directly deposited the money into the Back Pay Recipients' bank accounts. Upon IER's request, Respondent shall also provide IER with a record of payment.
- M. Upon good cause shown, IER may determine that Possible Claimants who failed to contact IER in a timely manner are entitled to back pay if those Possible Claimants contact IER within 250 days of the Effective Date. Within 10 days of receipt of any such contact, IER shall notify Respondent and Respondent shall have 10 days to provide records regarding the Possible Claimant's lack of qualifications for assignments sought or offered (if any). If IER agrees that said claimants were unqualified for the specific position(s) sought, IER shall exclude and remove such individuals from the final list of Back Pay Recipients, otherwise said claimants shall be included by IER in the list of Back Pay Recipients per Paragraph 7(I) with a notation that the individual was added pursuant to this Paragraph (7(M)).
- N. Other than the Attachments outlined in this Paragraph, if Respondent wishes to send written communication or documentation to any Possible Claimants or Back

Pay Recipients regarding this Agreement, Respondent or its external counsel will send the proposed written communication and/or documentation to IER at least 10 days in advance to allow IER to review, provide revisions, and approve such written communication and/or documentation. Respondent shall not send any such communications and/or documents to Possible Claimants without IER's advance review and approval.

- O. If any individual contacts Respondent about Back Pay or relief under this Agreement, Respondent will note the individual's name and phone number, and will direct the person to the phone number and email address to be designated by IER. Also, within five days of the contact, Respondent will notify IER of the individual's name and phone number.
8. Respondent will ensure that all individuals who are responsible for formulating, providing training on, or implementing Respondent's hiring, firing, equal employment, or EEV policies, and employees with any role in the EEV process, such as completing Sections 2 or 3 of the Form I-9 or using the E-Verify program (collectively, "On-Boarding Staff"), receive training regarding their obligations to comply with 8 U.S.C. § 1324b, as follows:
- A. Within 30 days of the Effective Date, IER shall provide Respondent with a sample training.
  - B. Within 60 days of the Effective Date, Respondent shall provide IER with its proposed training for IER's review and approval. The training IER approves shall be provided in a webinar format (referred to herein as "IER-approved webinar") as referenced below.
  - C. All On-Boarding Staff will attend a live IER-approved webinar, at a time upon which the Parties mutually agree but within 90 days of the Effective Date, which Respondent will record and make available to its employees;
  - D. Any On-Boarding Staff who are excused for good cause from participating in the live IER-approved webinar will watch a recording of the training within 30 days of their first availability;
  - E. All On-Boarding Staff will review prior to the live IER-approved webinar or the recording the following materials:
    - i. The most current version of the USCIS Handbook for Employers (M-274), available at <https://www.uscis.gov/i-9-central/form-i-9-resources/handbook-for-employers-m-274>;
    - ii. The most current version of the USCIS E-Verify Manual (M-775), available at <https://www.e-verify.gov/e-verify-user-manual>; and
    - iii. IER's resource for employers entitled, How Employers Can Avoid Discrimination in the Form I-9 and E-Verify Processes, available at <https://www.justice.gov/crt/page/file/1132606/download>.

- F. All On-Boarding Staff will take a training assessment tool within 30 days of attending or watching the recording of the IER-approved webinar.
- i. If any individual answers an assessment question incorrectly, Respondent shall, within three days, provide the individual who answered incorrectly an opportunity to review the materials and/or consult with Respondent's external legal counsel. Respondent will then retest the individual until he or she answers the question(s) correctly. Within 10 days after completion of the assessment described in this paragraph, Respondent's external counsel will send certification of completion and an attestation that Respondent complied with all provisions in Paragraph 8 via email to [Allena.Martin@usdoj.gov](mailto:Allena.Martin@usdoj.gov) (or any other individual IER designates).
- G. Respondent will pay its employees their normal rate of pay during the training, and the training will occur during the employee's normally scheduled workdays and work hours. Respondent shall bear all of employee costs, if any, associated with these training sessions.
- H. For the term of the Agreement, Respondent's external counsel shall compile training attendance records listing the individuals who receive the trainings described in this paragraph, including their full name, job title, and the date(s) of the training sessions, and send the records to [Allena.Martin@usdoj.gov](mailto:Allena.Martin@usdoj.gov) (or any other individual IER designates) within 10 days of each training session.
- I. For the term of the Agreement, all new On-Boarding Staff who assume their duties after the initial trainings described in this paragraph shall comply with this Paragraph's requirements within 60 days of assuming such duties.
9. No later than 90 days after the Effective Date, Respondent will review any existing employment policies, training materials, and guidance that relate to employment eligibility verification and/or nondiscrimination based on legally protected traits or characteristics. Respondent will, as needed, revise or create policies to ensure that they:
- A. Comply with all applicable Form I-9 and E-Verify rules;
  - B. 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, onboarding, and EEV processes;
  - C. 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 includes in printed or electronic materials available to the public or employees;
  - D. Refer applicants and employees who complain, formally or informally, of discrimination in the hiring, firing, or the EEV process to IER by including the following statement "The Immigrant and Employee Rights Section (IER) can help

you with concerns about citizenship status or national origin discrimination in hiring, firing, or recruitment. IER can also help with possible discrimination relating to the Form I-9 or E-Verify process. You can find more information about IER by going to its website at [www.justice.gov/ier](http://www.justice.gov/ier). You can also speak to someone anonymously by calling IER's toll-free worker hotline number at 800-255-7688. If you think you have been the victim of employment discrimination or retaliation relating to citizenship status or national origin (including with the Form I-9 or E-Verify process), you must file a charge with IER within 180 days of the discriminatory act.”;

- E. 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 alleging violation(s) of 8 U.S.C. § 1324b, or participating in any lawful manner in any IER investigation or matter; and
  - F. During the term of this Agreement, Respondent's external counsel shall provide any such policies, training materials, and guidance to IER for review and approval at least 30 days prior to their proposed effective date.
10. No later than 60 days from the Effective Date, Respondent's external counsel shall review all job application and onboarding materials it provides to applicants and employees to ensure that they comply with 8 U.S.C. § 1324b, and submit them to IER for review and approval before implementing them.
11. During the term of this Agreement, Respondent shall ensure that all On-Boarding Staff can readily access the following documents, current and future revisions of which are available online at [www.uscis.gov](http://www.uscis.gov):
- 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. for On-Boarding Staff whose job duties relate in any way to E-Verify, 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).
12. Every three months during the term of the Agreement, Respondent shall provide IER with: (1) an E-Verify “User Audit Report” with all available fields in Excel format exported from E-Verify, and (2) all Forms I-9 with Section 3 completed within the prior three months.
13. During the term of this Agreement, IER reserves the right to engage with Respondent's external counsel to determine Respondent's compliance with this Agreement, which may include requesting information about the data provided pursuant to Paragraph 12. Respondent's external counsel shall provide any requested information within 30 days unless IER grants Respondent additional time.
14. If IER has reason to believe that Respondent has violated 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 have violated this Agreement.

15. 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 outside of the scope of the Investigation.
16. This Agreement resolves any and all differences under 8 U.S.C. § 1324b between the Parties relating to the Investigation through the Effective Date.

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

17. This Agreement is governed by the laws of the United States. This Agreement shall be deemed to have been drafted by both 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 (entitled "Terms of Settlement") are material terms.
18. The United States District Court District of Minnesota 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 of this Agreement is 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 a part of this Agreement. The parties shall not, individually or in combination with another, seek to have any court declare or determine any provision of this agreement invalid.
20. The Parties agree that, as of the Effective Date, litigation concerning the 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 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.



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.

**Masterson Staffing Solutions**

By:

  
Bryan Hoerr

Executive Vice President of Operations

Dated: 1-16-23

**Immigrant and Employee Rights Section**

By:

  
Alberto Ruisanchez

Deputy Special Counsel

Dated: 1-19-2023

Julia Heming Segal  
Special Litigation Counsel

Allena Martin  
Trial Attorney

Liza Zamd  
Trial Attorney