

SETTLEMENT AGREEMENT

RECITALS

THIS SETTLEMENT AGREEMENT (“Agreement”) is made and entered into by BAE Systems Ship Repair, Inc. (“Respondent”) and the United States Department of Justice, Civil Rights Division, Office of Special Counsel for Immigration-Related Unfair Employment Practices (“Office of Special Counsel”) individually referred to as a “Party” and collectively the “Parties”.

WHEREAS, on July 13, 2011, the Office of Special Counsel initiated an independent investigation of Respondent (DJ# 197-3-10), pursuant to its authority under 8 U.S.C. § 1324b(d), to determine whether Respondent engaged in immigration-related unfair employment practices in violation of 8 U.S.C. § 1324b(a)(6).

WHEREAS, the Office of Special Counsel concluded, based upon its investigation, that reasonable cause exists to believe that Respondent’s subsidiary BAE Systems Southeast Shipyards Alabama LLC committed unfair documentary practices during the employment eligibility verification process in violation of 8 U.S.C. § 1324b(a)(6), and that Respondent failed to adequately control and supervise the employment eligibility verification practices at BAE Systems Southeast Shipyards Alabama LLC.

WHEREAS, Respondent and its subsidiaries, as defined in Attachment A, including but not limited to its subsidiary company, BAE Systems Southeast Shipyards Alabama LLC, deny that any of them engaged in any unlawful conduct and specifically deny that any of them committed immigration-related discrimination or engaged in unfair documentary practices in alleged violation of 8 U.S.C. § 1324b(a)(6) during the employment eligibility verification process.

WHEREAS, Respondent is voluntarily entering into this Agreement with the Office of Special Counsel and does so to avoid the costs associated with litigation.

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained, it is agreed as follows:

AGREEMENT

1. Respondent agrees to pay to the United States Treasury the amount of fifty-three thousand, and nine hundred dollars (\$53,900.00), as full and final monetary settlement relating to all alleged acts or omissions of Respondent and its subsidiaries in connection with employment eligibility verification practices that were investigated as part of independent investigation DJ# 197-3-10.
2. The monies discussed in Paragraph 1 shall be paid by check payable to the “United States Treasury, c/o Mac McConkey,” and mailed by express delivery service, along with a

copy of the fully signed Agreement, to the following person and address, within ten (10) business days of Respondent's receipt of a fully signed copy of this Agreement:

Joann Sazama
U.S. Department of Justice
Office of Special Counsel
1425 New York Ave, NW, Room 9000
Washington, DC 20005

The Parties agree that the payment of the foregoing sum does not constitute an admission of any unlawful acts or other wrongdoing by the Respondent or any of its subsidiaries, including but not limited to BAE Systems Southeast Shipyards Alabama LLC and Respondent, on its own behalf and that of all of its subsidiaries, including without limitation BAE Systems Southeast Shipyards Alabama LLC, expressly denies having committed any unlawful acts or engaged in any wrongdoing.

3. Respondent agrees that it shall not discriminate on the basis of citizenship status or national origin in violation of 8 U.S.C. § 1324b.
4. Respondent agrees that it will treat all individuals equally, without regard to citizenship status or national origin, during the hiring and firing process, except as otherwise required or permitted by statute, regulation or executive order. Respondent shall avoid discrimination in the employment eligibility verification and reverification process by (a) honoring 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); (b) not requesting specific, more, or different documents than are required by law; and (c) permitting all employees and applicants for employment to present any document or combination of documents acceptable by law.
5. Respondent agrees that it will not intimidate, threaten, coerce, or retaliate against any person for his or her participation in this matter or, in the future, the exercise of any right or privilege secured by 8 U.S.C. § 1324b.
6. Respondent agrees to 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 18" x 24", 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. The Notice will be posted within thirty (30) days from the date that Respondent receives a fully signed copy of this Agreement and will remain posted for not less than one (1) year thereafter.
7. Beginning not more than thirty (30) days from the date that Respondent receives a fully signed copy of this Agreement and for a minimum period of one (1) year thereafter, Respondent will provide all new employees with an equal employment opportunity statement in English and Spanish.

- (a) The equal employment opportunity statement shall provide information on the prohibition contained in 8 U.S.C. § 1324b against discrimination in the hiring and firing process on the basis of citizenship status, unfair documentary practices in the Form I-9 and E-Verify employment eligibility verification process, and retaliation, and further contain complete contact information for the Office of Special Counsel;
 - (b) The equal employment opportunity statement shall be drafted in consultation with the Office of Special Counsel and approved upon the reasonable review of the Office of Special Counsel.
- 8. For one (1) year from the date that Respondent receives a fully signed copy of this Agreement, Respondent agrees to ensure that all individuals employed at Respondent's facilities listed in Attachment A 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 make or directly supervise those who make 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 versions of the Form I-9, USCIS Employment Eligibility Verification Handbook for Employers (M-274) ("Handbook"), available at www.uscis.gov/I-9Central, and the USCIS E-Verify Manual (M-775) ("Manual"), available at www.uscis.gov/USCIS/Verification/E-Verify/E-Verify_Native_Documents/manual-employer_comp.pdf. 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.
- 9. Within thirty (30) days of receipt of a fully signed copy of this Agreement, Respondent will review its employment policies as they relate to nondiscrimination on the basis of citizenship status and national origin and shall, as necessary, revise such policies to:
 - (a) Prohibit (1) discrimination on the basis of citizenship status or national origin in the hiring and firing process; and (2) disparate treatment of individuals, on the basis of citizenship status or national origin, during the Form I-9 employment eligibility verification and reverification process;
 - (b) Where any employee or applicant for employment expresses disagreement with or challenges any documentary request made by Respondent during the employment eligibility verification or reverification process or Respondent's decision that the employee or applicant is not authorized for employment, Respondent shall direct the employee's or applicant's attention to, or otherwise make available a copy of, the OSC poster referenced in Paragraph 6 and the contact information for the Office of Special Counsel contained therein or the equivalent information. Notwithstanding the preceding provision in this Paragraph 9(b), Respondent may postpone any such action for up to seven (7) business

days to resolve the matter with the employee or applicant for employment and to determine if such a disagreement or challenge remains;

- (c) Provide that Respondent shall not take any action prohibited by 8 U.S.C. § 1324b(a)(5);
- (d) Require, during the Reporting Period defined immediately below, that such policies be followed by Respondent's facilities listed in Attachment A.

During the three (3) years following the date that Respondent receives a fully signed copy of this Agreement (the "Reporting Period"), Respondent shall provide any changes in employment policies as they relate to nondiscrimination on the basis of citizenship status to the Office of Special Counsel for review within thirty (30) days of the effective date of such revised policies.

10. Within ninety (90) days of receipt of a fully signed copy of this Agreement, the Office of Special Counsel shall provide all Human Resources Personnel with training by the Office of Special Counsel on their responsibilities to comply with 8 U.S.C. § 1324b concerning the elimination of discrimination based on citizenship status and national origin in the employment eligibility verification process.
 - (a) The training will consist of in-person training and/or a remote webinar presentation to be selected by the Office of Special Counsel. A recording of any in-person training shall be made at the expense of Respondent. A recording of any webinar shall be provided by the Office of Special Counsel;
 - (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 employee participation in these training sessions. Respondent shall not be responsible for any costs related to the Office of Special Counsel's participation in the training;
 - (c) For the duration of the Reporting Period, all new Human Resources Personnel hired by Respondent after the training described in this paragraph has been conducted shall review a recording of this training within fifteen (15) business days of hire;
 - (d) Respondent shall send, via email to joann.sazama@usdoj.gov, attendance sheets listing the individuals who comply with the training as described in this paragraph, including their full name, title, signature, and the date of the training, within ten (10) days of the training session.
11. During the Reporting Period, the Office of Special Counsel reserves the right to make reasonable inquiries to Respondent as necessary to determine Respondent's compliance

with this Agreement. As a part of such right, the Office of Special Counsel may, in addition to the reporting requirements set out in Paragraph 12 below, require written reports from Respondent concerning compliance, and with reasonable notice, examine Respondent's employees and inspect and copy BAE Systems Southeast Shipyards Alabama LLC documents at the expense of the Office of Special Counsel.

12. Every six (6) months during the Reporting Period, Respondent shall ensure BAE Systems Southeast Shipyards Alabama LLC provides the Office of Special Counsel with copies of the completed Forms I-9, including attachments, for all non-U.S. citizen employees hired at that facility in that six-month period. The documents shall be provided in electronic form unless requested otherwise by the Office of Special Counsel.
13. If the Office of Special Counsel has reason to believe, as a result of information gathered pursuant to Paragraphs 9(b), 11 and 12, that Respondent is in non-compliance with any provision of this Agreement, the Office of Special Counsel shall promptly notify Respondent in writing of each such purported act or omission constituting non-compliance. Respondent thereafter shall be provided a reasonable opportunity to investigate and respond to each notice of purported non-compliance. If, after Respondent provides its response to the purported non-compliance, the Office of Special Counsel continues to believe in good faith that Respondent remains in non-compliance, Respondent shall thereafter have thirty (30) days from the date Respondent is notified in writing of the factual basis and a summary statement of the legal basis for the Office of Special Counsel's belief that Respondent remains in non-compliance to file a report with the Office of Special Counsel documenting the results of Respondent's own investigation of the facts or events, the actions taken by Respondent to cure or otherwise reasonably resolve or address the purported non-compliance, and any other pertinent information before Respondent is deemed by the Office of Special Counsel to be in violation of this Agreement.
14. This Agreement resolves any and all differences between the Parties with respect to the independent investigation DJ# 197-3-10 of Respondent's and its subsidiaries' alleged violations of 8 U.S.C. § 1324b(a)(6) through to the date this Agreement is signed by all Parties.
15. Notwithstanding Paragraphs 13 and 14, 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 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, but shall preclude the Office of Special Counsel from initiating any litigation or enforcement action against Respondent or its subsidiaries with respect to alleged violations of 8 U.S.C. § 1324b(a)(6) and Respondent's alleged failure to control and supervise its employees and its subsidiaries' employees through to the date this Agreement is signed by all Parties.

16. The Office of Special Counsel agrees to close independent investigation DJ# 197-3-10 subject to compliance with Paragraphs 1 and 2 and to not reopen the investigation other than for purposes of ensuring compliance with this Agreement as set forth in Paragraph 13.
17. This Agreement is neither an admission by Respondent, or any of Respondent's subsidiaries including without limitation BAE Systems Southeast Shipyards Alabama LLC, of any act in violation of 8 U.S.C. § 1324b nor an admission by the United States of the merits of any of Respondent's defenses.
18. This Agreement may be enforced in any United States District Court with jurisdiction over the subject matter and the Parties.
19. The Office of Special Counsel and Respondent agree that, as of the date Respondent receives a fully signed copy of this Agreement, litigation concerning any alleged violations by Respondent or its subsidiaries including without limitation BAE Systems Southeast Shipyards Alabama LLC of 8 U.S.C. § 1324b(a)(6) is not reasonably foreseeable. To the extent that either the United States or Respondent and its subsidiaries or affiliates previously implemented a litigation hold to preserve documents, electronically stored information, or things related to this matter, such a litigation hold is no longer required. 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 thereby and said illegal or invalid part, term or provision shall be deemed not to be a part of this Agreement. Respondent and the Office of Special Counsel 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. Nothing in this paragraph shall limit Respondent's ability or the ability of Respondent's other subsidiaries including without limitation BAE Systems Southeast Shipyards Alabama LLC to seek declaratory relief or defend any action by the Office of Special Counsel to enforce compliance with this Agreement in any United States District Court with jurisdiction over the subject matter and the Parties.
21. The Office of Special Counsel and Respondent agree to 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 agree to be bound by facsimile signatures.

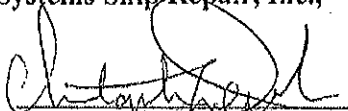
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Accepted and Agreed:

BAE Systems Ship Repair, Inc.,

By:


Christopher Devlin
Assistant Secretary

Dated: 12/28/2011

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

By:


Seema Nanda
Acting Deputy Special Counsel

Dated: 12/28/11

C. Sebastian Aloit
Acting Special Litigation Counsel

Ronald Lee
Trial Attorney

Joann Sazama
Equal Opportunity Specialist