



RECENT FEDERAL INVESTIGATIONS YIELD RECORD FINES AND SETTLEMENTS FOR ALLEGED IMMIGRATION VIOLATIONS

Four recent cases have highlighted the significant penalties being imposed by U.S. immigration authorities on employers for immigration violations related to knowing employment of unauthorized workers, harboring, fraud, conspiracy, and discrimination. The largest fine with criminal forfeiture of over \$1.3 million and restitution of \$2.6 million was imposed where the employer not only violated immigration law but allegedly stole from the unauthorized workers' wages. FosterQuan takes this opportunity to highlight these issues and make our clients aware of a new wave of ongoing prosecutions, specifically highlighting the types of hiring, immigration and employment practices that are currently under heavy scrutiny by several related U.S. federal government agencies.

We also summarize and link to these recently published government plea agreements to point out that in addition to the fines, forfeitures, potential debarment from federal programs and potential jail time for individually-convicted conspirators, the company can also be harmed by the impact to reputation caused by the press releases that have become a standard part of the U.S. Immigration and Customs Enforcement's educational and deterrence tool kit.

[Hotel and Resort Chain – Non-Prosecution Agreement Yields \\$1.95 Million Forfeiture](#)

In an agreement reached with U.S. Immigration and Customs Enforcement (ICE) and Homeland Security Investigations (HSI) to avoid criminal prosecution, a large hotel and resort chain will *forfeit \$1.95 million* for the hiring of unauthorized workers. According to information contained in the settlement agreement, several operational managers knowingly rehired unauthorized workers after having received a warning from ICE. While the company avoided criminal prosecution by fully cooperating with HSI's investigation, the government intends to criminally prosecute the responsible managers directly.

ICE-HSI originally issued a Notice of Suspect Documents identifying 133 employees they believed were not authorized to work in the U.S. Once the Notice was received, the affected employees were not able to produce any evidence documenting their authorization to work and the company terminated the employees. According to the Statement of Facts in the Settlement Agreement, several hotel operational managers then created multiple temporary employment agencies to re-hire many of the workers and most returned to work using different names and utilizing fraudulent documents.

Along with the forfeiture penalty of \$1.95 million the hotel chain is required to take substantial remedial measures, costing *upwards of \$500,000*. These additional measures include: the adoption of new corporate policies to comply with immigration laws and regulations; the incorporation of immigration compliance clauses into all third party labor service contracts; the re-training of human resources employees on form I-9 compliance procedures and requirements; and agreeing to continue to use E-Verify when hiring new employees.

Major Airline - Unfair Documentary Practices Settlement Yields \$200k

The United States Office of Special Counsel for Immigration-Related Unfair Employment Practices' (OSC) investigation found reasonable cause to believe that an airline committed unfair documentary practices by unnecessarily subjecting lawful permanent residents to Form I-9 reverification based on their country of citizenship. The OSC contended that the company did not make the same requests to U.S. citizen employees, which is a violation of anti-discrimination regulations that prohibit the differential treatment of employees based on their country of citizenship or national origin.

The company has agreed to make a *settlement payment of \$215,000* to resolve the investigation and has also agreed to *create a fund of \$55,000* to compensate individuals who suffered economic damages, including suspension, termination, or other periods of lost work, or loss of seniority as a result of the airline's employment eligibility reverification practices alleged to be improper by the OSC.

Convenience Store Chain- ICE's Largest Criminal Immigration Forfeiture in History

Owners of fourteen well known convenience store franchises recently pleaded guilty to concealing and harboring undocumented workers. The guilty pleas stem from extensive investigations by ICE and HSI. According to court filings, the defendants hired dozens of illegal aliens, equipped them with identities stolen from United States citizens, housed them at residences owned by the defendants, and stole substantial portions of their wages.

The defendants have agreed to forfeit the franchise rights and property worth *over \$1.3 million*. In addition, the defendants agreed to pay *over \$2.6 million in restitution for stolen back wages*. This case constitutes ICE's largest criminal immigration forfeiture in the agency's history and are the first convictions in the government's ongoing and largest criminal alien employment investigations ever conducted by the Department of Homeland Security and the Department of Justice.

Texas Based Manufacturer and Management Indicted for Allegedly Employing Unauthorized Workers

In Round Rock, Texas, federal authorities recently arrested the company president and the human resource manager, as well as another company employee, on counts of harboring undocumented aliens and the unlawful employment of undocumented aliens. The indictment alleges that the defendants concealed the identities of unauthorized workers from the DHS and knowingly continued to employ the individuals after representing to the DHS that they had been fired.

The defendants face up to ten years in federal prison if convicted of the harboring charge and up to six months in federal prison if convicted of the unlawful employment charge. The company faces fines of up to \$250,000 on the harboring charge and up to \$3,000 for each undocumented alien employed.

Employers are encouraged to audit their Forms I-9 and review their compliance policies. FosterQuan can conduct the audit and assist with immigration compliance questions as needed. As always, we will continue to monitor significant changes and updates in immigration enforcement trends and will provide additional information via future Immigration Updates[®] and on our firm's [website](#).