

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Agreement”), the material terms of which are set forth in part II below, is made and entered into by and between Jonal Laboratories, Inc. (“Respondent” or “Jonal Labs”), and the United States Department of Justice, Civil Rights Division, Immigrant and Employee Rights Section (“IER”) (together, “the Parties”).

I. BACKGROUND

WHEREAS, on May 2, 2022, IER notified Respondent that IER had opened an independent investigation of Respondent pursuant to its authority under 8 U.S.C. § 1324b(d)(1), designated as DJ # 197-14-112 (“the IER 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 (“the Act”);

WHEREAS, IER concluded based upon the IER Investigation that there is reasonable cause to believe that Respondent engaged in a pattern or practice of citizenship status discrimination in violation of 8 U.S.C. § 1324b(a)(1). Specifically, the investigation found that (1) from August 1, 2020, to August 30, 2022, Respondent had a policy of limiting hiring to U.S. citizens and lawful permanent residents for all positions at the company, thereby excluding refugees, individuals granted asylum status, and non-citizen U.S. nationals, without any legal justification, based in part on an incorrect belief that the International Traffic in Arms Regulations (ITAR) requires limiting hiring to U.S. citizens and lawful permanent residents, and (2) Respondent did not communicate this hiring limitation to the public and did not have an opportunity to apply it to any applicants;

WHEREAS, it is expressly understood and agreed that this Agreement is entered into and represents the compromise of disputed claims, and that the acceptance of this Agreement and settlement of the claims shall not be construed as an admission of liability on the part of Jonal Labs which specifically denies liability or participation in any pattern or practice of discrimination based on citizenship or any other protected group. It is Jonal Labs’ position that it has complied with and will continue to comply with all applicable U.S. government regulations including, but not limited to, ITAR. Jonal Labs further specifically denies and disputes IER’s reasonable cause finding;

WHEREAS, the Parties now wish to resolve IER’s reasonable cause finding 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 IER’s reasonable cause finding 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 (2) years following the Effective Date.
2. In accordance with 8 U.S.C. § 1324b, Respondent shall not:
 - a. discriminate on the basis of citizenship, immigration status, or national origin in violation of 8 U.S.C. § 1324b.
 - 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 specific documents or more or different documents than are required by law; 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.
3. Respondent shall post an English and Spanish version of IER’s “If You Have The Right to Work” poster (“IER Posters”), 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 Posters will be posted no later than 14 calendar days after the Effective Date, and the posters will remain posted for the term of this Agreement.
4. Within 60 calendar days of the Effective Date, Respondent shall review, and, if necessary, create or revise any existing employment policies, training materials, and guidance that relate to hiring, the employment eligibility verification (“EEV”) process, and compliance with the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), to ensure they comply with the requirements of paragraph 4(a)-(h), and submit them to IER for review and approval, after which Respondent shall implement such policies, training materials, and guidance. IER’s review and approval will focus on whether such documents comply with 8 U.S.C. § 1324b and this Agreement. Respondent will, as needed, revise or create such documents to ensure they:
 - a. Include citizenship status and immigration status as prohibited bases of discrimination—unless required to comply with a law, regulation, executive order, government contract, or Attorney General directive pursuant to 8 U.S.C. § 1324b(a)—as well as national origin. Such prohibitions shall also be included in any Equal Employment Opportunity statements Jonal Labs provides in printed or electronic materials available to the public or employees;

- b. Comply with all applicable Form I-9 and E-Verify rules;
- c. Prohibit requesting more or different documents than required by law to establish work authorization in the United States, requesting specific EEV documents, or rejecting valid EEV documents, because of an individual's citizenship, immigration status, or national origin, regardless of whether such actions occur in the hiring, onboarding, or EEV processes;
- d. Explain the reverification process, including the types of documents subject to reverification, and the documents an employee can present for reverification (a document from either List A or List C), and prohibit unnecessary reverification of employees for the Form I-9, including of individuals who attested on the Form I-9 to being a lawful permanent resident and presented a Permanent Resident Card at initial hire, and individuals who attested on the Form I-9 to being a non-citizen authorized to work, did not include an expiration date in section 1 of the Form I-9, and presented documents that do not require reverification;
- e. Refer applicants and employees who make a complaint of discrimination based on national origin, citizenship, or immigration status in connection with hiring, firing, recruiting or referring for a fee, or Form I-9 employment eligibility verification and/or reverification promptly to IER by directing the affected individual to the IER Posters, IER's worker hotline (800-255-7688), and IER's website (www.justice.gov/ier), and advise the affected individual of the right to file a charge of discrimination with IER;
- f. Make clear that the ITAR and EAR do not authorize or require employers to hire only U.S. citizens or lawful permanent residents and that the ITAR and EAR do not impose requirements on U.S. companies concerning the recruitment, selection, employment, promotion, or retention of any worker, including workers who may need authorization to access information governed by the ITAR or EAR; instead, the ITAR and EAR require that employers seek and obtain authorization as required from the State Department or Commerce Department, respectively, before allowing certain workers to access information governed by the ITAR or EAR if the worker is not a U.S. citizen, non-citizen national, lawful permanent resident, individual granted asylum status, or refugee;
- g. Clarify that the process for ensuring compliance with the ITAR and EAR is separate from EEV, including by:
 - i. Requiring that, to the extent it is necessary to obtain documentation of a worker's citizenship status or country of citizenship for purposes of ensuring compliance with ITAR and EAR, Respondent collect such documentation in a process that is clearly separate and distinct from the EEV process;

- ii. Requiring separate storage of EEV documentation and any ITAR and EAR compliance documentation, even if the same documentation is used for both processes;
 - iii. Explaining in any documents that reference ITAR, EAR, ITAR compliance, or EAR compliance, including any forms that ask employees to identify their citizenship or immigration status for purposes of ITAR or EAR compliance, the legal basis for such verification;
 - iv. Including in training for personnel who conduct onboarding of new hires that EEV and the ITAR and EAR compliance processes are separate and have different procedures and requirements; and
 - v. Prohibiting using the Form I-9 to note or communicate any information about ITAR and EAR compliance, and prohibiting storing ITAR and EAR compliance information with Form I-9 documentation.
 - h. Provide that Jonal Labs shall not intimidate or take any retaliatory action against any individual for opposing any employment practice made unlawful by 8 U.S.C. § 1324b or which the individual reasonably believes to be unlawful under 8 U.S.C. § 1324b, for filing a charge, or for participating in any investigation or action under 8 U.S.C. § 1324b.
5. Within 90 calendar days of the Effective Date, Jonal Labs shall ensure that its Human Resources team (hereinafter “Covered Personnel”), receive training on their obligations under 8 U.S.C. § 1324b, as follows:
- a. The training will consist of participating in an IER-provided free webinar presentation, which will be provided on one or more mutually agreed upon dates, or attending IER’s on-demand webinar available at <https://www.justice.gov/crt/video/employer-training-avoiding-unlawful-immigration-related-employment-discrimination>;
 - b. All employees will be paid their normal rate of pay, and the training will occur during their normally scheduled workdays and work hours. Jonal Labs shall be responsible for all payroll costs and employee wages associated with these training sessions;
 - c. During the term of the Agreement, all Covered Personnel who assume or resume their duties after the initial training period described in this paragraph has been conducted, shall participate in an online IER Employer/HR webinar, or view the on-demand webinar, within 60 calendar days of assuming or resuming their duties; and

- d. Jonal Labs shall compile attendance records listing the individuals who attend the training(s) described in this paragraph, including their full name, job title, signature, and the date(s) of the training, and shall send the records via email to Ramya.Sekaran2@usdoj.gov (or any other individual IER designates in writing) within 14 calendar days of each training session. The emails transmitting attendance records shall have Jonal Labs and the reference number DJ # 197-14-112 in the subject line.
- 6. During the term of this Agreement, Respondent shall ensure that all Covered Personnel review and have readily 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, 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. 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.
- 7. During the term of this Agreement, Respondent shall give a copy of the most current version of the Form I-9 Lists of Acceptable Documents (“Lists”) to individuals being hired at the same time and in the same manner as Respondent gives them the Form I-9 to complete, and shall inform those individuals of their right to choose to present any documentation that is on the Lists or is otherwise acceptable for purposes of employment eligibility verification or reverification.
- 8. Every twelve months during the term of this Agreement, Respondent shall provide to IER a list that contains the names of all new hires within the past twelve months and their citizenship status. The list shall be emailed to Ramya Sekaran at Ramya.Sekaran2@usdoj.gov or any other individual designated by IER.
- 9. During the term of this Agreement, IER reserves the right to make reasonable inquiries of Jonal Labs to determine compliance with this Agreement. As part of such review, IER may require written reports concerning compliance, inspect Respondent’s premises, examine witnesses, and examine and copy Jonal Labs’s documents that IER determines are relevant to compliance.
- 10. Nothing in this Agreement limits IER’s right to inspect Jonal Labs’s Forms I-9 and attachments within three business days pursuant to 8 C.F.R. § 274a.2(b)(2)(ii) and 28 C.F.R. § 44.302(b).
- 11. This Agreement does not affect the right of any individual to file an IER charge alleging an unfair immigration-related employment practice against Jonal Labs, IER’s authority to investigate such charge or file a complaint on behalf of any such individual, or IER’s authority to conduct an independent investigation of Jonal Labs’s employment practices occurring after the Effective Date or outside the scope of the IER Investigation.

12. If IER has reason to believe that Jonal Labs has violated or is violating any provision of this Agreement, IER may exercise its discretion to notify Jonal Labs in writing of the purported violation rather than initiate a new investigation or seek immediate judicial enforcement of the Agreement. Jonal Labs will then be given 30 calendar days from the date IER notifies it in which to cure the violation(s) to IER's satisfaction before IER deems Jonal Labs to be in violation of this Agreement and proceeds to take enforcement action.
13. This Agreement resolves any and all differences under 8 U.S.C. § 1324b between IER and Jonal Labs encompassed by the IER Investigation through the Effective Date. IER shall not seek from Jonal Labs any civil penalty or payments for or relating to the alleged violations of 8 U.S.C. § 1324b, or any other allegations encompassed by the IER Investigation, designated as DJ # 197-14-112, through the Effective Date.

III. ADDITIONAL TERMS

14. This Agreement sets forth the entire agreement between Jonal Labs and IER and fully supersedes any and all prior agreements or understandings between the Parties pertaining to the subject matter herein.
15. This Agreement is governed by the laws of the United States. This Agreement shall be deemed to have been drafted by both Jonal Labs and IER and shall not be construed against either of those Parties 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 are material terms of the Agreement, without waiver of either Party's right to argue that other terms in the Agreement are material.
16. If any deadline for an obligation to be performed under this Agreement falls on a weekend or a federal holiday, the deadline shall be extended to the next business day.
17. The Parties agree that, as of the Effective Date of this Agreement, litigation concerning the alleged violations of 8 U.S.C. § 1324b that are the subject of the IER Investigation is not reasonably foreseeable. To the extent that any party previously implemented a litigation hold to preserve documents or electronically stored information, 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.
18. Should any court declare or determine that any provision(s) of this Agreement is/are illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected, and said illegal or invalid part, term, or provision 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 that any provision of this Agreement is invalid.
19. The Parties shall each bear their own costs, attorneys' fees, and other expenses

incurred in this action.

20. The United States District Court for the District of Connecticut 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 the 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.
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 or electronic signatures.

Jonal Laboratories, Inc.

By:



Jonal Laboratories, Inc.

Dated:

9/30/2025

Immigrant and Employee Rights Section

By:



Varda Hussain

Acting Deputy Special Counsel

Dated:

11/24/2025

Sam Shirazi

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