

**U.S. Department of Labor**

Office of Administrative Law Judges  
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**Issue Date: 25 February 2009**

**CASE NO.: 2008-LCA-00037**

*In the Matter of:*

**ADMINISTRATOR, WAGE & HOUR DIVISION,  
UNITED STATES DEPARTMENT OF LABOR**  
*Prosecuting Party*

v.

**CAMBRIDGE RESOURCE GROUP, INC. and  
SRI REDDY**  
*Respondents*

**DECISION AND ORDER APPROVING CONSENT FINDINGS**

This case arises from a request for hearing filed by the Respondents in the above matter, which involves the Prosecuting Party's enforcement of H-1B Labor Condition Applications under Section 212(n) of the Immigration and Nationality Act, 8 U.S.C. § 1182(n) ("the Act"), as amended, and the implementing regulations set forth at 20 C.F.R. Part 655, Subpart I. On June 30, 2008, the Administrator, Wage and Hour Division ("Administrator") issued a determination that the Respondents violated 20 C.F.R. § 655.731 by failing to pay the required wage rate for productive work to nineteen H-1B nonimmigrant workers. The Administrator determined that the Respondents owed back wages totaling \$48,200.93 to the nineteen workers and assessed a civil monetary penalty in the amount of \$52,250<sup>1</sup>. Additionally, the Administrator found the following violations: (1) The Respondents failed to post a notice of the Labor Condition Application for 10 days in two conspicuous locations at each place of employment where H-1B nonimmigrant workers would be employed in violation of 20 C.F.R. § 655.734. The Respondents were ordered to comply with the statute in the future and no civil penalty was assessed for the violation; (2) The Respondents failed to make the required displacement inquiry of another employer at a worksite where an H-1B nonimmigrant worker was placed, as required under 20 C.F.R. § 655.738. The Administrator assessed a civil penalty in the amount of \$6,600 for the violation. Additionally, when the Administrator's determination is deemed final, the

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<sup>1</sup> There appears to be a discrepancy in the actual amount of the civil penalty. The administrator's letter sets forth the amount as \$58,850.00 and the Summary of Violations and Remedies attached to the letter sets forth an amount of \$52,250. Because the parties have reached a settlement of the matter, resolution of the discrepancy is not required by the Court.

Respondents will face debarment from the program. *See* 20 C.F.R. §655.855(d); and (3). The Respondents failed to establish working conditions by filing a Labor Condition Application for all work sites where H-1B workers were employed for periods that did not constitute short-term placement. *See* 20 C.F.R. § 655.735.

On July 15, 2008, the Respondents, pursuant to 20 C.F.R. 655.820, requested review of the Administrator's determinations. On July 24, 2008, I issued a Notice of Hearing, setting the matter for a formal hearing on August 26, 2008. Because discovery and settlement negotiations were ongoing, the hearing was continued on several occasions by request of the parties. Because the parties reached a settlement in principal, on January 22, 2009, I issued an order cancelling the hearing scheduled for February 3, 2009, and allowed the parties until February 17, 2009 to file a settlement agreement and consent findings with the Court. On February 13, 2009, the Prosecuting Party's counsel, Christine Collins, Esq., faxed a Settlement Agreement and Consent Findings ("Consent Findings") to the Court. According to the Consent Findings, the parties agree to the following:

- 1) This action arises under the Act as amended, and 20 C.F.R. Part 655, for a hearing involving alleged violations of the provisions of Section 1182(n) of the Act;
- 2) On June 30, 2008, the Administrator of the Wage and Hour Division, U.S. Department of Labor ("the Administrator"), issued a determination that a basis existed to make a finding that the Respondents had willfully failed to pay wages as required by the Act, had failed to provide notice of the filing of the Labor Condition Applications ("LCAs"), had failed to make the required displacement inquiry of a secondary employer as required by the Act, and had failed to comply with the regulations. As part of that determination a civil monetary penalty was assessed;
- 3) The Respondents made a timely request for a hearing with the Office of Administrative Law Judges ("OALJ") challenging the Administrator's determination;
- 4) The parties subsequently entered into negotiations designed to resolve the matter amicably without the need for further litigation. As a result of these negotiations, and without any admission of liability, the parties have agreed to settle this litigation in exchange for certain mutual agreements. These agreements are as follows:
  - a. The Respondents agree they are jointly and severally liable for a total payment of \$55,000.00, and they agree to pay this amount in full as described below. Respondents agree to pay \$8,904.06 allocated to civil money penalties, and \$46,095.94 allocated to back wages to the employees listed below:

Summary of Backwages:

<b>Last Name</b>	<b>First Name</b>	<b>Backwages Due</b>
Bajaj	Anukul	\$261.30
Bajjuri	Reenivasa	\$1,227.38
Batchu-Venkata	Rama Prasad	\$28,298.80
Brahmmadevara	Shaker	\$3,567.12
Challagonda	Ravinder	\$441.06
Durki	Naresh	\$629.36
Gaddam	Sekhar Reddy	\$420.31
Janaki	Kailasnath	\$707.04
Kha	Manik	\$715.24
Madisetty	Naveen	\$31.36
Narige	Chandra	\$563.02
Parmar	Kamalesh	\$111.58
Sivva	Srikanth	\$1,760.00
Talluri	Jagadesh	\$896.66
Taylor	Jateen	\$1,238.40
Thapa	Sonu	\$150.69
Veeramachaneni	Srinivasa	\$5,076.62
	<b>Total Due</b>	<b>\$46,095.94</b>

- b. The Respondents agree to pay \$8,904.06 allocated to civil money penalties, no later than thirty (30) days from the date of entry of these Consent Findings. The Respondents shall transmit the total amount of civil money penalties in the form of a certified or bank check or money order for the full amount, made payable to the Wage and House Division – Labor, to:

Northeast Regional Office  
Wage and Hour Division, ESA  
The Curtis Center, Suite 850 West  
170 South Independence Mall West  
Philadelphia, PA 19106-3317

- c. The Respondents agree to pay \$46,095.94 allocated to back wages to the employees listed above (and as set forth in Exhibit A the Consent Findings). The Respondents and the Administrator agree that the back wages shall be paid in installments over a period of six (6) months from the date of entry of these Consent Findings. The Respondents shall transmit the total amount of these back wages to the Administrator in a total of six (6) installments. The first through fifth installments shall be in the amount of \$7,682.65 plus interest on the unpaid balance as described below, and the sixth installment shall be in the amount of \$7,682.69 plus interest. The first installment shall be postmarked to the Administrator within thirty (30) days of the date of entry of these Consent Findings. The remaining installments shall be postmarked to

the Administrator on or before the 15<sup>th</sup> day of each of the next five (5) months. Interest shall accrue on the outstanding balance at the rate of 3% per annum from the date of entry of these Consent Findings through the date of final payment. The Respondents further agree that should they fail to mail any amount due on or before the date it is due, the entire balance shall immediately become due and payable. The failure of the Administrator, upon a late payment of any installment, to act in accordance with this paragraph shall not be construed as a waiver of these provisions for any future late payment. Nothing herein shall prevent the Respondents from paying the back wages owed sooner than provided in this paragraph;

- d. The Respondents will transmit each back wage check in the form of a certified or bank check or money order for the full installment amount, made payable to the Wage and Hour Division – Labor, to:

United States Department of Labor  
Wage and Hour Division  
John F. Kennedy Federal Building, Room 525  
Boston, MA 02203

The Administrator will distribute the checks to the employees listed above (and on Exhibit A to the Consent Findings). Any sum not distributed to the employee or to his personal representative after three years, because of inability to locate the employee or because of his refusal to accept such sum, shall be deposited with the Treasurer of the United States as miscellaneous receipts;

- e. The Respondents agree that they shall be disqualified from filing Form I-129 employment petitions with the U.S. Citizen and Immigration Services (USCIS) seeking “New Employment” of nonimmigrant aliens in a specialty occupation as defined in 8 U.S.C. § 1101(a)(15)(H)(1)(b) for a period of at least two years from the date of the Department of Homeland Security (DHS) receipt of notification. The Administrator agrees that the Respondents may continue to file for extensions or amendments of H-1B status. The Respondents further agree that the U.S. Department of Labor’s Employment and Training Administration (ETA) and the DHS shall be notified promptly that the Respondents are disqualified from approval of any new H-1B petitions filed. The DHS, upon notification, is required to deny any petitions (not including H-1B renewals or amendments) filed by Cambridge Resource Group and/or Sri Reddy after the date of this settlement under Section 204 (8 U.S.C. § 1154) and Section 214(c) (8 U.S.C. § 1184(c)) of the Act for a period of at least two years from the date of receipt of the notification. Upon receipt of the notification, ETA will be required to invalidate any current LCAs (with respect to new hires only) and not accept for filing any new LCAs submitted by Cambridge Resource Group and/or Sri Reddy (with the exception of those required for amendment or extensions of H-1B status);

- 5) Mr. Reddy pled not guilty in the matter of United States of America v. Sodhar Reddy et. al., Case #: 1:08-cr10352-NG-1. The Respondents agree that should Mr. Reddy be convicted and sentenced in that case prior to satisfying his monetary obligations under the Consent Findings, then the entire balance shall immediately become due and payable upon demand;
- 6) The entire record upon which any order entered into in conformance with this agreement shall consist of the Administrator's determination, the Respondents' request for hearing, and this agreement;
- 7) The Respondents agree to comply in all respects with the Act and applicable regulations in the future;
- 8) The parties waive any further procedural steps before the OALJ and waive any right to challenge or contest the validity of these Consent Findings or of any Order entered into in accordance with this agreement;
- 9) Jurisdiction, including the authority to issue any additional orders or decrees necessary to effectuate the implementation of the provisions of these Consent Findings, is retained by the OALJ;
- 10) Enforcement proceedings for violation of these Consent Findings may be initiated at any time by filing a motion for an order of enforcement and sanctions with the OALJ;
- 11) These Consent Findings and the order issued in this matter shall have the same force and effect as an order made after a full hearing;
- 12) Nothing in the Consent Findings is binding on any government agency other than the U.S. Department of Labor;
- 13) The agreement contained in the Consent Finding shall fully and finally resolve all outstanding issues between the parties that were raised, or reasonably could have been raised, in the Administrator's determination letter of June 30, 2008;
- 14) Each party shall bear its own costs, attorney's fees, and expenses.

Upon review, I find that the parties' proposed resolution is fair and reasonable on its face and that it will effectuate the purposes and policies of the Act. Accordingly, the Consent Findings are **APPROVED** and they are adopted in their entirety. It is **ORDERED** that:

- (1) A copy of the Settlement Agreement and Consent Findings, including all exhibits thereto which was filed with the Court on February 19, 2009, shall be attached to this Order and is adopted and made a part of the Decision and Order of the Court;

- (2) The parties shall comply with each and every term contained in the Consent Findings; and
- (3) The Consent Findings and this Order shall comprise my findings of fact and conclusions of law and shall constitute the full, final, and complete adjudication of this proceeding.

**SO ORDERED.**

**A**

**JONATHAN C. CALIANOS**  
Administrative Law Judge

Boston, Massachusetts