

## SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the United States Department of Homeland Security (“DHS”), the United States Department of Labor (“DOL”) (collectively the “United States”) and Savantis Solutions LLC and Savantis Holdings, LLC f/k/a Vedicsoft Solutions, LLC and Vedicsoft Holdings, LLC (“Savantis” and collectively with the United States, the “Parties”), through their authorized representatives.

### RECITALS

1. Savantis is a corporation involved in consulting, technology, and staffing and has its principal place of business located in the State of New Jersey. Savantis was formerly known as Vedicsoft Solutions, LLC and Vedicsoft Holdings, LLC (both hereinafter referred to as “Vedicsoft”). Since its inception in 1999, Vedicsoft and Savantis were primarily in the H-1B staffing business.

2. As part of its staffing business, Savantis employs numerous consultants who are not United States citizens but are authorized to work pursuant to the H-1B visa classification program.

3. Savantis brings foreign nationals into the United States, or hires foreign nationals already in the United States under the H-1B visa classification, in order to perform work and fulfill contracts with its customers. The H-1B visa is a nonimmigrant visa that allows an employer to temporarily employ a foreign national in a “specialty occupation.” A specialty occupation is one that requires a theoretical and practical application of a body of specialized knowledge and attainment of a bachelor’s or higher degree or its equivalent in experience for the specific specialty. The application process

is highly regulated and requires the submission of a Labor Condition Application (“LCA”), which includes four attestations from the employer, including: (1) the employee will be paid the actual wage, or prevailing wage for that occupation in the geographic area; (2) that the hiring of the worker will not adversely impact similarly employed workers at the company; (3) that there is not a strike, lockout, or work stoppage in the named occupation at the place of employment; and (4) that the employer has provided existing workers within the company notice of the LCA filing. Moreover, H-1B employers are obligated to pay H-1B workers in regular intervals, as per 20 C.F.R. § 655.731(c)(4)-(5), at the wage rate throughout the period of employment—either the “actual wage level paid by the employer to all other individuals with similar experience and qualifications for the specific employment in question,” or the “prevailing wage level for the occupational classification in the area of employment,” whichever is higher. 8 U.S.C. § 1182(n)(1)(A); 20 CFR § 655.731(c) (“The required wage must be paid to the employee, cash in hand, free and clear, when due . . . .”); 20 CFR § 655.715 (“Required wage rate means the rate of pay which is the higher of: (1) The actual wage for the specific employment in question; or (2) The prevailing wage rate (determined as of the time of filing the LCA application for the occupation in which the H-1B . . . . nonimmigrant is to be employed . . . .”).

4. During the pendency of its operations, Savantis regularly employed H-1B workers through its staffing division. Savantis primarily engaged its H-1B workers in one of two ways: (i) Savantis and the H-1B worker arranged for a transfer and amendment of the H-1B worker’s status from the H-1B worker’s prior employer, called a “Change of Employer” petition; or (ii) Savantis petitioned H-1B workers (primarily from India) through the United States H-1B Cap lottery program. Regardless of the method in

which the H-1B workers came to Savantis, Savantis assigned those workers to third-party clients to fulfill service contracts.

5. The United States contends that it has certain administrative and civil claims against Savantis arising from its historical Vedicsoft and Savantis payroll and recruitment practices in connection with its employment of H-1B workers from on or about January 1, 2014 through on or about June 30, 2018. Specifically, the United States contends that Savantis's H-1B workers were not paid the required wage in regular intervals at the required wage rate throughout their period of employment (as designated on their LCA application). More specifically, the United States contends that Savantis failed to properly pay its H-1B workers, as identified in Addendum A, in conformance with the requirements of the LCA and federal regulations. The United States also contends that Savantis improperly recruited H-1B workers by requesting said H-1B workers provide security deposits to Savantis prior to Savantis submitting their H-1B Cap lottery application. The above conduct is referred to below as the "Covered Conduct."

6. This Agreement is not to be construed as an admission of liability by Savantis, who neither admits nor denies the allegations in the Covered Conduct.

#### SAVANTIS'S COMPLIANCE

7. Savantis represents that it has and will maintain internal controls and compliance processes for its immigration matters. Of note, in late 2018, Savantis began phasing in a new immigration compliance system, which it represents is designed to assure that the company complies with all of the immigration laws and regulations placed on a company, like Savantis, that employs substantial numbers of H-1B consultants. As part of that compliance system, Savantis has retained, and will continue

to retain, outside immigration counsel as a resource to answer any questions Savantis employees may have. Additionally, Savantis represents that its outside counsel has devised, and will continue to update and provide, specific policies and procedures that set out comprehensive advice to Savantis's staffing division regarding its employment of H-1B consultants.

Savantis represents that it has developed an H-1B policy handbook, which contains instructions for maintaining compliance and following best practices. Savantis represents that the handbook instructs human resources on "how to" properly administer H-1B casework, outlining the steps and protocols to follow for filing new petitions, amendments, and change of employer petitions. Savantis further represents that the handbook also establishes protocols for terminations and the timing in which certain actions are to be taken when a material change to an H-1B worker's employment occurs.

8. Savantis represents that it will maintain an H-1B policy designed to ensure compliance with all applicable requirements, including payment of all compensation due to an H-1B visa holder. Savantis represents that in late 2018, it clarified and made more robust its policies and procedures for paying H-1B visa holders, to ensure full compliance with the applicable immigration laws and regulations. Savantis understands that all H-1B workers should be paid consistent with the requirements of 20 C.F.R. 655.731(c)(4)-(5). Savantis further understands that H-1B Workers must be paid the required wage rate as specified on the LCA for all nonproductive time caused by the employer including, for example, lack of assigned work.

9. Savantis represents that it will maintain an H-1B policy designed to ensure compliance with all applicable requirements regarding the termination of H-1B workers. Should Savantis need to terminate an H-1B worker, Savantis represents that it

will effect a bona fide termination of the employment relationship by: (i) notifying the H-1B worker; (ii) offering to pay reasonable costs of return transportation; (iii) notifying USCIS of the termination; and (iv) otherwise complying with all applicable laws and regulations. 8 C.F.R. 2142.(h)(4)(iii)(E), (11).

10. Savantis represents that it will maintain an H-1B policy designed to ensure compliance with all applicable requirements regarding the recruitment of H-1B workers. Savantis represents that it no longer requests or accepts any form of security from prospective H-1B workers, in order to facilitate H-1B Cap lottery applications.

11. Savantis cooperated with the United States in its investigation, including by conducting an internal investigation, and providing timely information to the United States.

12. Savantis has agreed to institute and maintain policies, standards of conduct and internal control systems to prevent violations of United States immigration laws. Savantis has informed the United States that it intends to and will cooperate with the United States in connection with requests for follow-up information.

13. Savantis agrees to retain, at its own expense, an independent third-party monitor, subject to the approval of the Department of Justice, to conduct an annual audit of Savantis' compliance with immigration matters, to include H-1B visas and Forms I-9, and report on Savantis' compliance for a period of two (2) years from the Effective date of this Agreement. The independent third-party monitor must submit an initial signed report to the Department of Justice (United States Attorney's Office, District of New Jersey, ATTN: Chief, Government Fraud Unit, 970 Broad Street, Suite 700, Newark NJ 07101.) within 90 days of the signing of the Settlement Agreement. This initial report will include an audit consisting of a 10% Random Sample of I-9s for current employees

and former employees whose I-9s are within the retention period. There is no requirement that the monitor do an in-person site visit. However, the monitor is expected to report on how it gathered its documentation in order to draft its findings and all of this information will be within the monitor's first report required by the settlement agreement.

Within 90 days of the date of settlement and twice again within 90 days of the first and second anniversaries of the settlement date for the preceding year, the monitor is to do the following and report on it to DOJ as required by the settlement agreement:

- a. Cross reference Savantis' payroll records with its LCAs, Posting Notices, and Form I-129s to verify that all H-1B employees are being paid the appropriate wages at regularly scheduled pay intervals;
- b. Review together all LCA's, Posting Notices, Form I-129s and the supporting record in each H-1B file to verify that the appropriate worksite(s) and prevailing wages associated with the worksite(s) is properly stated on the LCA and I-129, and that payroll records match the required wages
- c. Review of the above will inherently require the monitor to look at all H-1B workers' public access files ("PAFs"). If there appear to be any discrepancies or errors in the PAFs, the monitor may note as such. However, there is no requirement from DOJ for the monitor to conduct a full PAF audit on every H-1B case. It is acceptable, for example, for the monitor to communicate that it

reviewed the PAFs as part of the review process and did not note any material instances of nonconformity or noncompliance.

- d. A review of Savantis' H-1B and I-9 policies and policy materials and procedures, including but not limited to interviews with key employees in charge of compliance, written compliance material or training materials used to maintain compliance, and software and other internal tools used to maintain compliance. There is no requirement that the monitor do an in-person site visit. However, the monitor is expected to report on how it gathered its documentation in order to draft its findings. Specific attention should be given to material changes to end-client engagements and how Savantis maintains compliance with its LCA and H-1B obligations.
- e. The Monitor should note any proposed or corrective changes offered or implemented by Savantis as it pertains to compliance management.

#### TERMS AND CONDITIONS

In consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

14. Savantis shall pay to the United States Three Hundred Forty-Five Thousand Three Hundred Sixty-Five Dollars and 16 Cents (\$345,365.16) (the "Settlement Amount") as described below. The payments will be made in three installments by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the District of New Jersey. The initial

payment of \$115,121.72 shall be made on or before September 15, 2020, with the remaining payments of \$115,121.72 due on or before September 15 of each consecutive year, with the final payment being due on or before September 15, 2022.

15. The Settlement Amount represents restitution for back wages as described in the Covered Conduct.

16. Subject to the exceptions in Paragraph 17 (concerning excluded claims) below, and conditioned upon Savantis's full payment of the Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payments made under this Agreement) the United States releases Savantis from any civil or administrative claims the United States has or may have arising out of or pertaining to the Covered Conduct.

17. Notwithstanding the release given in paragraph 16 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- c. Any liability based upon obligations created by this Agreement;
- d. Any liability of individuals.

18. Savantis fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that they have asserted, could have



asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

19. This Agreement is intended to be for the benefit of the Parties only.

20. If within 91 days of the Effective Date of this Agreement or of any payment made under this Agreement, Savantis commences, or a third party commences, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of Savantis's debts, or seeking to adjudicate Savantis as bankrupt or insolvent; or (b) seeking appointment of a receiver, trustee, custodian, or other similar official for Savantis or for all or any substantial part of Savantis's assets, Savantis agrees as follows:

a. Savantis's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. § 547, and Savantis shall not argue or otherwise take the position in any such case, proceeding, or action that: (i) Savantis's obligations under this Agreement may be avoided under 11 U.S.C. § 547; (ii) Savantis was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payments made to the United States; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Savantis.

b. If Savantis's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Savantis for the claims that would otherwise be covered by the

releases provided in Paragraph 16 above. Savantis agrees that (i) any such claims, actions, or proceedings brought by the United States are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceedings described in the first clause of this Paragraph, and Savantis shall not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) Savantis shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claims, actions, or proceeding that are brought by the United States within 90 calendar days of written notification to Savantis that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the Effective Date of this Agreement; and (iii) the United States has a valid claim and may pursue its claim in the case, action, or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. Savantis acknowledges that its agreement in this Paragraph are provided in exchange for good and valuable consideration provided in this Agreement.

21. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

22. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

23. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any

subsequent dispute.

24. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

25. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

26. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

27. This Agreement is binding on Savantis's successors, transferees, heirs, and assigns.

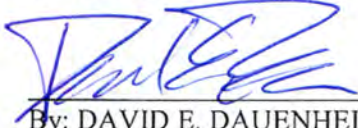
28. The United States and Savantis may, each at their discretion, disclose this Agreement, and information about this Agreement, to the public.

29. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date of this Agreement"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

SIGNATURE PAGE

For the United States of America:

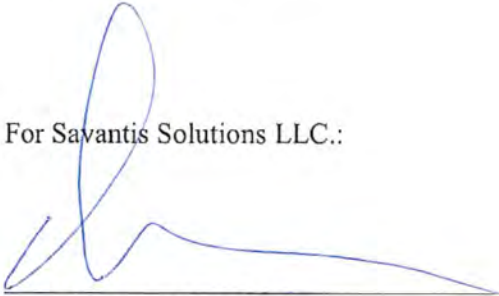
CRAIG CARPENITO  
United States Attorney



Dated: September 14, 2020

By: DAVID E. DAUENHEIMER  
Assistant U.S. Attorney  
U.S. Attorney's Office  
District of New Jersey  
970 Broad Street, Suite 700  
Newark, New Jersey 07102

For Savantis Solutions LLC.:



Dated: September 3<sup>rd</sup>, 2020

By: WILL SCHRAMME  
Chairman  
Board of Directors of Savantis  
Solutions LLC and  
Savantis Holdings, LLC f/k/a  
Vedicsoft Solutions, LLC  
and Vedicsoft Holdings, LLC