## FEDERAL MEDIATION AND CONCILIATION SERVICE Arbitrator Sean J. Rogers

AMERICAN FEDERATION OF	:
GOVERNMENT EMPLOYEES,	:
LOCAL 922	:
Union,	:
V.	: : FMCS No.: 12-00837
UNITED STATES DEPARTMENT OF JUSTICE,	:
FEDERAL BUREAU OF PRISONS,	:
FEDERAL CORRECTIONAL COMPLEX,	:
FORREST CITY, ARKANSAS	:
Agency.	:

### SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made by and between the U.S. Department of Justice, Federal Bureau of Prisons, Federal Correctional Complex ("FCC"), Forrest City, Arkansas ("Agency") and the American Federation of Government Employees Local 922 ("Union") in resolution of the grievance (FMCS No. 12-00837 Howard case) filed on October 3, 2011, alleging that the Agency failed to pay overtime compensation pursuant to the Fair Labor Standards Act ("FLSA") for time spent by bargaining unit employees performing work during their meal breaks at FCC Forrest City. In full and complete settlement of the above-referenced grievance, the parties by and through their undersigned representatives, freely and voluntarily agree to the terms outlined in this Agreement.

1. Coverage

The Grievant is the Union at FCC Forest City, Arkansas. The Union is the certified representative of all bargaining unit employees assigned to FCC Forrest City. The Grievant covered by this Agreement warrants and represents that no other action or suit with respect to the claims that are set forth in the grievance covered by this settlement agreement will be filed in or

submitted to any court or any administrative forum including but not limited to, the General Accounting Office or the Office of Personnel Management for the time period that this grievance covers. By agreeing to accept payment under this Agreement, the Grievant agrees to waive any right or entitlement to pursue or collect payment for any FLSA claim asserted in the grievance covered by this Agreement for the time period October 3, 2008 through December 17, 2011.

#### 2. Lump Sum

Without constituting an admission of liability or any wrongdoing upon the part of either the Agency or the Grievant, the Agency agrees to pay, through the Grievant's attorneys Mehri & Skalet, PLLC, a lump sum settlement amount of \$960,000 to resolve all claims for unpaid FLSA overtime for work performed during meal periods by AFGE Local 922 bargaining unit employees at FCC Forrest City through December 17, 2011. This lump sum covers all back pay, liquidated damages, interest and attorneys' fees and costs ("Damages"), which may have been claimed by the Grievant on behalf of present and former bargaining unit members of the Bureau of Prisons with a duty station at FCC Forrest City, and, for the Damages portion of the grievance, those current and former bargaining unit members who have identified themselves as performing uncompensated work by completing the paperwork required by the Union to demonstrate that they were willing to participate in the Damages portion of the grievance ("Participating Damages Recipients"). The Union shall determine how to distribute the lump sum amount among the Participating Damages Recipients.

#### 3. Payment Timetable and Method for Payment of Lump Sum

The Agency shall make the lump sum payment of \$960,000 to the law firm of Mehri & Skalet, PLLC, at 1250 Connecticut Avenue, N.W., Suite 300, Washington, D.C. 20036, by electronic funds transfer or a single check made payable to "Mehri & Skalet, PLLC" on or before March 9, 2015. Mehri & Skalet, PLLC, on behalf of the Grievant will be responsible for

distributing to each Participating Damages Recipient his/her respective share of the lump sum amount. The parties agree that this Settlement Agreement does not determine the amount of any income tax or any other taxes for which the Grievant, Participating Damages Recipients, or beneficiaries may be liable now or in the future as a result of this Agreement. The Union agrees that the Participating Damages Recipients will be responsible for any federal, state, or local tax liability arising from the payment of the amounts set forth in the Agreement, and that they will hold the Agency harmless from any liability for such taxes which may be owed on account of payment from this settlement. Mehri & Skalet, PLLC will hire a third party claims administrator who will utilize a Qualified Settlement Fund ("QSF") under Treasury Regulation 1.468B-1 et seq. Mehri & Skalet, PLLC and the Union will not make any payment to any bargaining unit employee until after the employer's share of taxes on the backpay portion of the money being distributed is paid to the Internal Revenue Service ("IRS") and to any applicable state or local tax entities through the QSF. After making any distribution to the Grievant, Participating Damages Recipients, or other beneficiaries, all required forms will be submitted by Mehri & Skalet, PLLC, on behalf of the Union to the IRS for each Grievant, Participating Damages Recipient, or beneficiary. Mehri & Skalet, PLLC, on behalf of the Union will be responsible for distributing all required federal tax forms to the Grievant, Participating Damages Recipients, or beneficiaries. These tax forms must be sent in accordance with Federal tax regulations.

4. Interest

In the event that the Agency fails to pay the amount of \$960,000 on or before March 9, 2015, interest shall begin to accrue on the amount owed beginning on March 10, 2015. Interest will accrue in accordance with the formula prescribed under the Back Pay Act, 5 U.S.C. \$5596(b)(2)(A), and by the Office of Personnel Management in FPM Letter 550-78. The interest shall be computed at the rate or rates in effect under Section 6621(a)(1) of the Internal Revenue

Code of 1986 and shall continue to accrue until the Agency transmits the lump sum amount to Mehri & Skalet, PLLC, in accordance with paragraph 3 above.

#### 5. Release From Claims Related to Settlement

The Union and the Agency understand and agree that in consideration for the payment made by the Agency and the Agency's compliance with the terms of this Agreement, the Grievant remises, releases and forever irrevocably discharges the United States government, the Bureau of Prisons, the Agency and their officers, agents and employees, and each of them, separately and collectively, from the claims asserted in the grievance covered by this Settlement Agreement for the time period October 3, 2008 through December 17, 2011.

6. <u>Waiver</u>

In consideration for the payments made and the promises provided herein the Union will not sponsor any arbitration or individual grievances seeking FLSA or Title 5 overtime compensation for the time spent performing work during meal periods (the claims asserted in FMCS 12-00837) by AFGE Local 922 bargaining unit employees at FCC Forrest City for the time period October 3, 2008 through December 17, 2011.

## 7. <u>Extensions</u>

Any of the deadlines set forth in this agreement may be extended by mutual agreement of the Union and the Agency.

8. <u>Precedent</u>

This Agreement is made solely for the purpose of settling and permitting entry of final resolution of the grievance (FMCS 12-00837). The parties agree that this Agreement shall not be cited as precedent, and may not be cited, published, or referenced by either party as justification for their respective positions or referred to in any other proceeding, whether judicial or administrative, for any purpose other than to enforce the terms of this Agreement. The parties

recognize that it is in their respective interests to resolve this dispute through this settlement.

# 9. <u>Completeness of Agreement</u>

This document constitutes the complete terms of the settlement and supersedes any and all prior oral or written representations, understanding, or agreements between the parties to this Agreement.

### 10. Authority of the Parties

The parties agree that they have full authority to enter this Agreement and to make the promises, obligations and considerations contained herein.

The Grievant's representative of record represents that he is authorized to enter into this Agreement on behalf of AFGE Local 922, which has full authority to enter into this Agreement and to make the promises, obligations and considerations contained herein.

The Agency's representative of record represents that he is authorized to enter into this Agreement on behalf of the U.S. Department of Justice, Bureau of Prisons, Federal Correctional Complex Forrest City, Arkansas, which has full authority to enter into this Agreement and to make

the promises, obligations and considerations contained herein.

President, AFGE Local 922

C.V. Rivera, Warden Federal Correctional Complex Forrest City, Arkansas

1/25/15 Date