

# Shipley pays \$1.5 million for hiring illegal help

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Shipley Do-Nut Flour and Supply Company Inc. paid the government \$1.5 million Friday for conspiring to harbor illegal immigrants.

Senior U.S. District Judge Ewing Werlein sentenced the corporation to be under court supervision for three years and fined the company \$250,000. That's in addition to \$1.3 million the company paid to Immigration and Customs Enforcement instead of forfeiting the houses where the illegal immigrant employees were living.

The sentencing hearing marked the end of several years of legal battles for the regional company, said president Lawrence Shipley III, a third-generation doughnut maker.

"We can go back to doing what we do. We're a better company now," said Shipley, who inherited the office from his father.

## Multiple problems

But he and his lawyer Dennis Cain told the judge that when he took over the company in 2005 it had many problems.

First, in 2005, the Equal Employment Opportunity Commission concluded that Shipley retaliated against an employee by firing him and evicting him from company housing. The employee was awarded \$6,500 in that settlement.

Next, in March 2008 a workers' discrimination lawsuit against Shipley Do-Nuts was settled. In that case brought by a dozen warehouse workers, allegations included that Mexican immigrants said they were subjected to daily slurs, and employees alleged abuse and retaliation.

Then in April 2008 came the immigration raid, which resulted from a tip from disgruntled workers also involved in the discrimination case, Shipley and his lawyer said Friday.

In that raid, 20 immigrant workers were arrested. Seven were released for humanitarian reasons, some have been deported and others are still here as material case witnesses but will likely face deportation, lawyers in the case said.

The raid involved a caravan of 50 ICE vehicles swarming Shipley's office and warehouse complex on North Main while a government helicopter circled overhead and workers were led away in handcuffs.

Federal authorities wanted to make a splashy example and the bust at Shipley's took place at the same time ICE agents conducted raids at plants in East Texas, Arkansas, Florida, West Virginia and Tennessee.

Shipley said he didn't hire the people swept up in the raid, his father did.

But he said he's been responsible for the business for four years and has worked to change it.

"I've quickly tried to right the ship," Shipley told the judge.

### **Placed on probation**

Prosecutor Ryan McConnell said Shipley got bad legal advice early on but has now structurally addressed the company's immigration hiring problems.

"We're just glad it's over and we can get back to making doughnuts," Shipley said in the courthouse hallway.

He and three of his managers pleaded guilty to hiring or continuing to hire illegal immigrants.

All four men were sentenced to six months of probation and received fines in the amounts of \$1,000 to the \$6,000 for Shipley himself.

Shipley, based in Houston, is a corporation involved in the supply of baking materials and logistical support to retail stores and to two hundred franchises across Texas, Alabama, Arkansas, Louisiana, Mississippi and Tennessee.