# E-Verify

<u>Background</u>

The federal E-Verify program (or "Basic Pilot") is operated by the Department of Homeland Security (DHS) in partnership with the Social Security Administration (SSA).  Its purpose is to verify the employment eligibility of new hires online by comparing information from an employee's I-9 form against SSA and DHS databases.  Today, only about 1% of the 7.4 million employers in the United States use E-Verify.  According to the American Council on International Personnel, the remaining 99% of employers choose not to use E-Verify due to its difficult and inefficient enrollment process; *not* because these employers are dodging their responsibilities or engaging in illegal hiring practices.

An enforcement-only law like E-Verify oversimplifies the immigration issue and does not address the problem as a whole.  We all know the system is broken.  However, a partial solution like E-Verify is not the answer.  Enforcement is an important part of a comprehensive plan, but imposing E-Verify now without broad immigration reform will only complicate the issue and will ultimately delay lasting reform.  It simply does not make sense to impose worksite enforcement before there are legal channels in place to meet labor supply needs.

Implementation of E-Verify at the statewide level will only slow the economy and create a non-cohesive approach to immigration reform that will confuse the issue and put thousands of local businesses at a competitive disadvantage.  The good news is that immigration reform is a hot issue that will likely be a topic of discussion on the federal level in the coming year.  The **CWO urges all Oregon legislators to hold off on any statewide legislation and instead urge our Congressional delegation to push for comprehensive immigration reform in Washington, DC.**

<u>Issues with E-Verify</u>

- **E-Verify is flawed.**  It relies on the Social Security Database, which is fraught with errors.  The Government Accountability Office (GAO) acknowledges that the database has an error rate of 4.1 %, meaning 1 in every 25 new hires will receive a tentative non-confirmation, causing bureaucratic nightmares for many "legal" workers and employers.  Companies who use E-Verify report that it costs a significant amount of time, money and productivity to sort through the bureaucracy.

- **E-Verify has not been tested on a large scale**.  Today, E-Verify is only being used by about 100,000 employers across the country and it remains to be seen whether the system can handle larger volumes.  As a matter of fact, President Obama recently postponed the implementation of E-Verify for federal contractors so it can review the rule.  This is the

second time the rule has been delayed – the first was due to the U.S. Chamber of Commerce and other concerned groups filing lawsuits to block the regulation. If our federal government does not have faith in E-Verify, it does not make sense to mandate it on the statewide level. E-Verify is simply is not ready for a massive expansion, especially not during the economic crisis.

- **E-Verify will only punish the law-abiding employers.** Only employers who fill out proper documentation will be required to utilize the system. Imposing mandatory E-Verify laws will encourage more employers and workers to operate "under the table" and may prompt even more identify theft and document fraud. Additionally, E-Verify has the potential to harm workers who are falsely denied work and will place employers in the difficult position of having to fire lawful workers and risk wrongful termination suites.

- **E-Verify is especially burdensome for small businesses.** As our economy continues to decline, the last thing we should do is impose additional costs on our local businesses – most of which do not have the luxury of staff and resources to wade through the inevitable bureaucracy of the E-Verify process. Small businesses employ about half of the U.S. workforce and have generated 60 to 80 percent of net new jobs annually over the past decade. Mandating E-Verify will cause all businesses, and particularly small businesses, to face additional burdens and undue hardship, which will hurt their ability to survive and contribute to the economy.

- **A state-wide enforcement-only policy like E-Verify will cripple the state's economy and will not lower the state's unemployment rate.** A recent economic study through Oregon State University, commissioned by CWO, evaluated the harsh economic impacts of implementing a strict enforcement-only law in Oregon and found no evidence that eliminating the state's undocumented workers would lower the unemployment rate. To read the study, please visit CWO's website at: www.oregoncanwork.org.

CWO urges Oregon lawmakers not to pass any laws requiring or incentivizing the use of E-Verify. E-Verify is an inaccurate, untested and flawed enforcement mechanism that needs to be refined. Although it may one day be a useful component in a larger comprehensive immigration package, E-Verify in its current form must not be implemented as a stand-alone measure, particularly given the current economic climate. Instead, legislators are encouraged to push for comprehensive immigration reform on the federal level, where it belongs.