

The Wall Street Journal

February 17, 2011 Thursday

U.S. News: Feds Target Illegal Hires --- Expanded Government Audits Force About 1,000 Firms to Verify Workers' Status

By Miriam Jordan

The federal government is requiring as many as 1,000 companies to turn over their employment records for inspection, part of an expanding crackdown on businesses suspected of hiring illegal immigrants, according to people close to the Department of Homeland Security.

The audits, which the government is expected to make public in the next few days, represent the biggest operation since 2009. At that time, Immigration and Customs Enforcement, a DHS unit, conducted an auditing sweep of businesses working in public safety and national security.

ICE last month established an employment compliance inspection center to beef up coordination across states instead of having agents follow only local leads. The latest round of audits targets at least a few regional fast-food chains, according to people with knowledge of the operation.

Federal agents are expected to visit the companies in coming days to notify them of the requirement. The required documents include I-9 forms, used to verify an employee's identity and eligibility for employment in the U.S.

ICE declined to comment. The U.S. Chamber of Commerce didn't respond to a request for comment.

The big new sweep comes as state and federal lawmakers who champion tough immigration enforcement are pushing to mandate that all U.S. companies use a government-run electronic database to verify whether their new hires are legal workers. Currently, only federal contractors are required by law to use the program, called E-Verify.

The enforcement approach allows both Democrats and Republicans to argue that they're tackling illegal immigration even in the absence of major new legislation on the issue. Both sides can tout enforcement as an effort to protect American workers from illegal immigrants, perceived as creating unfair competition for scarce jobs.

That helps explain the push to expand the database system, which can weed out undocumented workers, and a recent surge of immigration enforcement by the Obama administration, which is stepping up its use of "silent raids," or audits of employee records that can lead businesses to dismiss hundreds of workers.

ICE isn't expected to name the companies it is auditing but may identify the sectors in which they operate. Historically, agriculture and the food-processing and hospitality industries are the most vulnerable to enforcement actions, because they rely heavily on low-skilled workers.

"I have just received I-9 notices for several clients," said Victor Cerda, an attorney with Jackson Lewis LLP and a former general counsel of ICE. Mr. Cerda, who advises companies on immigration compliance, says he is collecting his clients' paperwork to start discussions with authorities.

Audits last year ensnared the fast-growing burrito chain Chipotle Mexican Grill Inc., which in recent months was forced to dismiss hundreds of illegal workers in Minnesota. An ongoing investigation of 60

Chipotle restaurants in Virginia and Washington, D.C., will likely force the company to shed more workers, according to immigration authorities.

Thousands of workers have been caught in the net by the Obama administration. Among other companies hit by the program are Abercrombie & Fitch Co., hip-clothing maker American Apparel Inc. and Gebbers Farms, a big apple grower in Washington state.

Experts say the audits are more effective than the work-site sweeps of the Bush era because they make employers let go of every suspected illegal immigrant on the books, not only those present when a raid occurs. Companies are highly unlikely to hire replacements who are illegal immigrants.

Julie Myers Wood, who headed ICE in the Bush administration, said the Chipotle audit and the possible expansion of E-Verify at the federal or local level had companies on edge.

"These developments show that it's not wise to turn a blind eye" to unauthorized workers, said Ms. Myers Wood, who currently advises businesses on immigration issues. Companies can face civil and criminal prosecution for violations.

The Service Employees International Union, about 25% of whose members are immigrants, opposes the raids. "Silent raids are not helping keep good people employed, and they are not helping the economy," said Ben Monterroso, a senior staffer with the SEIU, the country's largest union, with 2.2 million members in health care, janitorial services and government. The union, which grew its ranks in California and other states by attracting immigrants, regardless of their status, favors an amnesty program for illegal workers, Mr. Monterroso said.

Though E-Verify's use has grown in recent years, only about 11% of 7.7 million employers nationwide use the program, either voluntarily or as a condition for doing business with the government. In recent weeks, Republican promoters of E-Verify have begun pushing for an expansion of the program in Congress and in several states.

At Stanley Farms, a 1,000-acre onion grower in Georgia, workers are overwhelmingly Hispanic immigrants, who co-owner Brian Stanley says he assumes are legal workers unless he is told otherwise. The closely held grower has tested equipment to replace manual labor during the April-to-June harvest, with little success. Vidalia onions, which tend to be softer than other onions, are easily bruised, says co-owner Brian Stanley.

"There's nothing out there to replace hand labor, and we don't have American people applying for these jobs," said Brian Stanley, a third-generation onion farmer.

"Using E-Verify would cut our work force and hurt our business," he says.