



AMERICAN IMMIGRATION COUNCIL

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## HOW EXPANDING E-VERIFY WOULD HURT AMERICAN WORKERS AND BUSINESS

Expanding mandatory E-Verify would threaten the jobs of thousands of U.S. citizens and saddle U.S. businesses with additional costs—all at a time when we need to stimulate our economy. Expanding E-Verify now would be in direct contradiction to the goal of creating jobs and would slow America's economic recovery.

### E-Verify is bad for the economy and tax revenues:

- The Congressional Budget Office (CBO) estimated that a mandatory E-Verify program would decrease federal revenues by [\\$17.3 billion over 10 years](#) due to the number of workers leaving the formal economy and working in the unregulated, untaxed underground economy.
- The CBO's predictions have come true in [Arizona](#), where E-Verify is mandatory. Businesses are hiring workers off the books, which means they are not paying income or payroll taxes.
- CBO also estimated that implementing mandatory E-Verify would cost [\\$3 billion](#) over 5 years and \$6.1 billion over 10 years.

### E-Verify will cost U.S. citizens and legal workers their jobs—the OPPOSITE of what is needed:

- If E-Verify were to become mandatory, [SSA](#) estimates 3.6 million Americans would have to visit an SSA field office each year in order to keep their jobs.
- When an employer receives a tentative nonconfirmation (TNC) from E-Verify, it means that DHS cannot immediately confirm the work authorization of the worker and the worker must work out the error with SSA or DHS.
  - Employers in Arizona have complained about the number of TNCs received for work-authorized immigrants or U.S. citizens.
  - MCL Enterprises, a company that owns 24 Burger King restaurants in Arizona, reported that over [14% of queries to E-Verify](#) resulted in a TNC, and the rate for foreign-born workers was 75%.

- Sometimes employers do not notify workers that they received a TNC, which means the workers don't have a chance to correct their records and may lose their jobs.
  - According to a DHS-sponsored evaluation of E-Verify, 42% of workers reported that they did not receive notice of a TNC and were not able to contest it.
  - Challenging a TNC means legal workers lose hours or days at work, and make multiple trips to SSA offices attempting to correct the error.
- Sometimes employers fire workers when they receive a TNC without giving the worker a chance to correct the error. Other employers restrict work assignments or delay training.

#### **E-Verify is costly for employers:**

- The real costs of enrolling and participating in E-Verify can run several thousand dollars per employer.
- We don't know how E-Verify will impact small employers who may lack the resources and technology to implement it. While 73% of businesses in the U.S. have less than 10 employees, only 12% of E-Verify users are small businesses.
- MCL Enterprises testified before Congress that implementing E-Verify was "extremely costly and disruptive" to their operations resulting in lost productivity.

#### **E-Verify does not detect unauthorized workers:**

- A new evaluation of the federal employment authorization program by Westat found that 4.1% of initial responses were wrong—0.7% of the time legally authorized workers were flagged as not work authorized, and 3.3% of all E-Verify cases involved unauthorized workers who got through the system. According to Westat, "many unauthorized workers obtain employment by committing identity fraud that cannot be detected by E-Verify." The "inaccuracy rate for unauthorized workers" is about 54%.
- E-Verify will not stop employers from hiring workers off the books, and may encourage them to do so.

#### **E-Verify debate is symbolic, not substantive:**

- Anti-immigrant groups which have crowned themselves the self-appointed champions of the American worker are willing to throw American workers under the bus in order to pass a harsh immigration provision that is ineffective. The American people want real solutions, not bitter, symbolic battles over immigration on every piece of legislation. Let's work to improve E-Verify as part of comprehensive immigration reform.