



IMMIGRATION POLICY CENTER

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How Expanding E-Verify in the Stimulus Bill Would Hurt American Workers and Business

Expanding mandatory E-Verify as part of the stimulus package would threaten the jobs of thousands of U.S. citizens, decrease productivity, saddle U.S. businesses with additional costs, and hinder the Social Security Administration's (SSA) ability to provide benefits to needy and deserving Americans – all at a time when we need to stimulate our economy. The fact is: expanding E-Verify now would decelerate the Stimulus Package and slow America's economic recovery.

E-Verify is not a magic bullet that will fix the problem of illegal immigration or solve our economic woes. If immigration opponents really cared about U.S. workers, they would be fighting to ensure E-Verify is perfected before further expansion. Advocating for expansion of a deeply flawed program is irresponsible and antithetical to the U.S. worker.

E-Verify is bad for the economy:

- The U.S. Chamber of Commerce concluded that a federal rule that would have similarly expanded E-Verify would result in net societal costs of [\\$10 billion a year](#). Small businesses – which employ approximately 50% of the U.S. workforce – would be disproportionately affected.
- 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.

E-Verify would delay the positive impact of the stimulus:

- It could take weeks or months for public and private entities – including schools, hospitals, and local governments – to register for E-Verify in order to receive stimulus funds.
- Currently, E-Verify enrolls only a tiny fraction of U.S. employers. Only about [100,000 employers](#) are registered for E-Verify—just about 1% of all employers – and only half of them use the system. About 6.6 million queries were run through E-Verify in FY2008. Making E-Verify mandatory for stimulus recipients would mean that a large number of the country's *7.4 million employers* would have to sign up for the program, and up to 60 million new hires would have to be verified annually.

E-Verify will cost U.S. citizens and legal workers their jobs:

- [Database errors](#) mean that tens of thousands of U.S. citizens and legal workers would be denied their jobs and their paychecks. In [Arizona](#), a restaurant owner's own U.S. citizen daughter was not immediately confirmed after he hired her. Those who are informed of the error will spend hours to days away from work navigating the bureaucratic maze of the SSA

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and the Department of Homeland Security (DHS) trying to correct their records. Some legal workers would never be informed of the error by their employers and would simply be fired.

- SSA's database has a [4.1% error rate](#) amounting to 17.8 million discrepancies – 12.7 million discrepancies pertain to native-born U.S. citizens. One in 25 new hires could receive an erroneous response from E-Verify due to SSA errors.
- According to [DHS](#), approximately 5% of workers queried receive a tentative nonconfirmation (TNC), meaning DHS cannot immediately confirm their work authorization and the worker must work out the error with SSA or DHS. Up to **3 million workers** could receive a TNC and be forced to fix their records.

E-Verify is costly for employers:

- The real costs of enrolling and participating in E-Verify can run several thousand dollars per employer, and the cost may exceed the benefits of receiving stimulus funds for many small businesses. Even the Heritage Foundation claims E-Verify costs employers \$4-20 per employee – large companies with thousands of employees could spend tens of thousands of dollars.
- MCL Enterprises, a company that owns 24 Burger King restaurants in Arizona, [testified before Congress](#) that implementing E-Verify was “extremely costly and disruptive” to their operations resulting in lost productivity. MCL reported that over 14% of queries to E-Verify resulted in a tentative nonconfirmation, and the rate for foreign-born workers was 75%.

E-Verify will prevent deserving Americans the Social Security benefits they need:

- 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. Others would have to resolve errors with DHS. This puts an enormous burden on those workers who need to resolve errors, the employers who want to employ them, and the federal agencies charged with fixing the errors.
- The [AARP](#) and [other organizations](#) are concerned that putting this additional burden on SSA to resolve the errors will take away from SSA's main mission and prevent deserving Americans from receiving their retirement and disability benefits in a timely manner.

E-Verify does not solve the problem of undocumented immigration:

- According to the [CATO Institute](#), E-Verify does not prevent identity theft – it will confirm as work authorized those undocumented immigrants who use borrowed or stolen identity documents. E-Verify's design flaws ensure that it will not significantly reduce undocumented employment without additional improvements and without comprehensive immigration reform.

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.