



E-Verify Fact Sheet

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On June 14 Rep. Lamar Smith (R-TX) introduced the Legal Workforce Act, H.R. 2164. The bill would make the federal government's Internet-based system that verifies work eligibility—E-Verify—mandatory for all employers in the United States. Currently, 4 percent of all businesses use the system, but expanding it for use in every business presents a number of logistical and costly problems.

Without providing for a fully legalized workforce, E-Verify is too expensive to make mandatory. It is a prime example of an enforcement-only strategy that does nothing to solve the fact that we have 11 million undocumented immigrants currently living in the country. The system's high error rates will keep many Americans from working, while catching less than half of all undocumented workers.

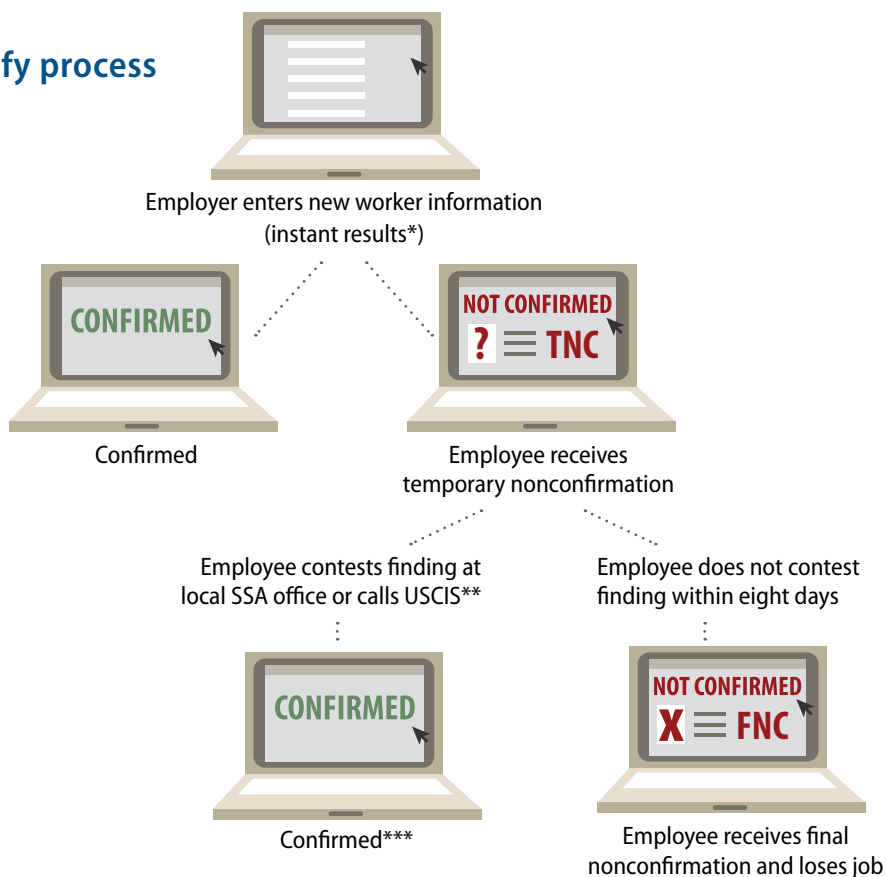
- **770,000** legally authorized Americans would lose their jobs because of errors in the system.¹
- Another **1.2 million to 3.5 million** Americans would have to visit a Social Security Administration office to fix erroneous information to avoid losing their jobs. CAP estimates this will cost **\$190** in lost wages and transportation per person—a jobs tax on ordinary Americans.²
- Naturalized citizens are **30 times** more likely than the native born to receive an error from E-Verify.³
- Those workers caught by E-Verify do not simply leave the country, but rather end up in the informal economy, where their earnings are not taxed, and as such are not part of government revenue.⁵
- E-Verify has an accuracy rate of only **46 percent** for undocumented immigrants, meaning more than half of all unauthorized workers have no trouble making it through the system.⁴
- If made mandatory, E-Verify would decrease federal tax revenue by **\$17.3 billion** over 10 years, according to the nonpartisan Congressional Budget Office.⁶
- Mandatory E-Verify would cost small businesses **\$2.6 billion** a year, according to a recent Bloomberg Government study.⁷
- The Department of Homeland Security estimates it would require **\$765 million to \$838 million** over four years to operate E-Verify, an estimate the nonpartisan Government Accountability Office called “minimally credible.”⁸
- The Social Security Administration estimates it would require **\$281 million** over five years to operate E-Verify,⁹ but this figure does not take into account any of the new mandates in the Legal Workforce Act, such as a provision that SSA block misused Social Security numbers, or issue letters to both employers and employees when Social Security numbers are used by multiple people.

How E-Verify works

Businesses that enroll in E-Verify submit each employee's eligibility information, currently found on the I-9 form—which includes, but is not limited to, Social Security number, name, date of birth, citizenship status, and alien number—over the Internet. SSA and USCIS then check the data against their records. (see Figure 1) If the infor-

FIGURE 1

The E-Verify process



mation matches government records, the employer receives instant proof of authorization. If there is a mismatch, the employer first has the opportunity to check that the information was entered correctly, and then receives a Tentative Nonconfirmation, or TNC, which indicates that the worker has the right to contest the finding.

Under the current system, after a TNC has been issued, the employer is legally obligated to inform the employee, who then has eight working days to contact SSA and/or USCIS to sort out the matter.¹⁰ If the worker fails to contest, or cannot correct his or her records, E-Verify sends a Final Nonconfirmation, or FNC. Employers are expected by law to fire anyone who receives a FNC.¹¹

Endnotes

- 1 With 154,287,000 workers in the United States, 0.5 percent translates to three-quarters of a million people losing their jobs. Tyler Moran, Testimony before the House Committee on Ways and Means, Subcommittee on Social Security, Hearing on the Social Security Administration's Role in Verifying Employment Eligibility, April 14, 2011, available at <http://bit.ly/1BifKN>.
- 2 Philip E. Wolgin, "Seen and (Mostly) Unseen: The True Costs of E-Verify" (Washington: Center for American Progress, 2011).
- 3 Westat, "Findings of the E-Verify Program Evaluation" (2009), available at <http://1.usa.gov/jxntK>, p. xxxv–xxxvi.
- 4 Ibid., p. xxx–xxxi.
- 5 See, for example, the case of Arizona, where a state-level mandatory E-Verify law has been in place since 2007. Daniel Gonzalez, "Illegal workers manage to skirt Ariz. employer-sanctions law," *The Arizona Republic*, November 30, 2008, available at <http://bit.ly/3TrHEI>.
- 6 Letter from Peter R. Orszag to John Conyers Jr., April 4, 2008, available at <http://1.usa.gov/kWu8U0>.
- 7 Jason Arvelo, "Assessing E-Verify Costs for Employers, Taxpayers," Bloomberg Government, January 2011, available at <http://bit.ly/k3Cm4V>.
- 8 Government Accountability Office, "Employment Verification: Federal Agencies Have Taken Steps to Improve E-Verify, but Significant Challenges Remain," GAO-11-146, Report to the Subcommittee on Social Security, Committee on Ways and Means, House of Representatives, December 2010, available at <http://1.usa.gov/gTFCV3>, p. 48–49.
- 9 Ibid., p. 50–52.
- 10 Note that some individuals will be required to confirm their status with both SSA and USCIS; for example, a naturalized citizen who may not have forwarded his or her information to the Social Security Administration.
- 11 Westat, "Findings," p. xxv–xxvi.