HOSPITALITYLAWYER.COM PRESENTS: POCUSING ON LEGAL, SAFETY & SECURITY SOLUTIONS FEBRUARY 10th - 12th, 2014

I-9 Verification Process & Compliance

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PRESENTERS



Michelle Jacobson – Partner

Michelle advises employers on both U.S. and global immigration, including strategic planning for global assignments on behalf of multinational corporations as well as assessing best practices to avoid civil penalties and sanctions.

She manages client accounts for several multinational and Fortune 500 companies.



Daniel N. Ramirez – Partner

board certified in Labor and Employment.
Daniel represents private and public employers in the areas of employment, labor, and immigration issues.
In 2011, Daniel was featured on the front cover of the Texas Super Lawyers, Rising Stars Edition.



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I-9 Verification Process & Compliance





Overview

- Introduction
- What Employers Need to Know—Immigration Law
- ICE—Trends & Patterns
- Form I-9 Compliance
- OSC
- SSN Mismatch Letters
- ID Fraud
- I-9 Best Practices
- E-Verify
- Immigration Reform
- Unions







Applicable Immigration Laws:

- Immigration and Nationality Act ("INA")
- Immigration Reform and Control Act of 1986 ("IRCA")
 Established I-9 requirements
 - Established civil, criminal, and monetary penalties

Established anti-discrimination provisions



U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT: "ICE"



Who is ICE?

Established after the 9/11 terrorist attacks

Mission is to "Protect National Security"

Ensure Employers Hire Authorized Employees



ICE INVESTIGATION



The Notice of Inspection Process





ICE WORKSITE ENFORCEMENT ACTIONS UNDER PRESIDENT OBAMA



- ICE Notice of Inspections (NOIs)
 - NOI = I-9 Audit/Investigation
 - At least 3 business days to produce I-9s and other documentation
 - ICE forensic auditors identify any compliance violations and assess fines and penalties
 - Lays the groundwork for possible criminal prosecution of employers who knowingly violate the law



Homeland Security Investigations Special Agent in Charge, Houston, Texas

U.S. Department of Homeland Security 4141 N. Sam Houston Pkwy E. Suite 300 Houston, TX 77032

EBRUARY 10th - 12th, 2014



NOTICE OF INSPECTION



Dear Sir/Madam:

Section 274A of the Immigration and Nationality Act, as amended by the Immigration Reform and Control Act of 1986, requires employers to hire only United States citizens and aliens who are authorized to work in the United States. Employers must verify employment eligibility of persons hired after November 6, 1986 using the Employment Eligibility Verification Form I-9.

Homeland Security Investigations (HSI) regulations require the provision of three days notice prior to conducting a review of an employer's Forms I-9. (This letter serves as advance notice that HSI has scheduled a review of your forms for January 27, 2012.) You may, however, waive the three-day period, should you wish to do so, by annotating and signing the bottom of this letter and advising this office of your decision.

During the review, Auditor Derek Kitchen will discuss the requirements of the law with you and inspect your Forms I-9. The purpose of this review is to assess your compliance with the provisions of the law. HSI will make every effort to conduct the review of records in a timely manner so as not to impede your normal business routine.

Sincerely,

Andur Wat

Geo Robert P. Rutt Special Agent in Charge

I wish to waive the three day notice to which I am entitled by regulation.

(Printed Name)

(Signature)

(Date)



NOI: DOCUMENTS REQUESTED



You are further commanded to provide the following books, papers, and documents:

- 1) Original I-9 Forms, (Employment Eligibility Verification Forms) and any copies of attached documents presented at time of I-9 completion for all current employees, and all terminated employees from October 1, 2008 to present.
- 2) Employee roster or payroll report listing all persons employed from October 1, 2008 to present containing the following information:
 - Full employee name (First Name, Middle Initial, Last Name)
 - Social security number
 - Date of birth
 - Date of hire and date of termination (if applicable). If employee has multiple dates of hire, provide all dates of hire and all dates of termination occurring from October 1, 2008 to present.
- 3) Monthly Payroll Reports for October 2008 to November 2009 with wage detail by employee.
- 4) Copies of the 4 most recent Washington State Unemployment Insurance Quarterly Tax Reports (Form 5208 A) and Quarterly Wage Detail Reports (Form 5208 B).
- 5) Copies of the Quarterly Tax Statements (IRS Form 941) pertaining to all employees from 2008 to the present.
- 6) Independent contractor roster listing the dates of hire and termination (if applicable) for all independent contractors employed from October 1, 2008 to present.



NOI: DOCUMENTS REQUESTED



- 7) Copies of Tax Form 1099 filed from 2007 to 2008, for all independent contractors.
- 8) A current listing of all paid on-call individuals you employ on a sporadic, irregular, or intermittent basis and not deemed to be an employee.
- Copy of Social Security Administration Employer Correction Requests received from October 1, 2008 to present.
- 10) Copies of any Citizenship and Immigration Services (CIS) forms I-129 or I-140 petitions and Department of Labor (DOL) ETA-750 certifications submitted or received from 2008 to present.
- 11) Copy of articles of incorporation, business license and most recent annual report
- 12) Employer Identification Number (EIC) and Taxpayer Identification Number (TIN) documentation.
- 13) If available, copy of company procedures or policies regarding Form I-9 preparation.
- 14) Yes or No response to the following questions:
 - 1. Participate in E-verify program.
 - 2. Previously received an I-9 Inspection by the Department of Labor.
 - 3. Obtain employees from a temporary staffing agency. If yes provide the names of the temporary staffing agencies used from October 2008 to the present.





MANAGING AN ICE INVESTIGATION

- WHAT TO DO IF YOU RECEIVE AN ICE NOTICE OF INSPECTION
- Like any Government Investigation, apprise site Managers (or employees) to ask for identification from the government official and determine the purpose of the visit.
- Inform Managers (and employees) not to disclose any I-9 information to ICE.
 - Do not engage in conversations about your company 's I-9 practices unless authorized by the Company.
- Immediately inform your General Counsel or Compliance Officer.
- Obtain guidance from experienced legal counsel. Proper and careful remediation at this stage is critical.
- Employers have at least 3 business days to correct any I-9 errors before submission = Eliminate monetary penalties.



ICE INITIATIVES:



- <u>Conduct I-9 Audits</u> ICE Notice of Inspections ("NOIs")
- Continue "Silent Raids" = Deter Employers From Hiring Illegal Workers
- I-9 "Paper" Violations = Monetary Penalties of \$110 to \$1,100 per I-9
- Criminal Penalties = Fines can be up to \$3,000 per worker and six months in prison per employee. Conspiracy charges and racketeering statutes can also come into play.
- ICE's Commitment = I-9 Audits in 2014!



SNAPSHOT OF ICE



- ICE has offices in all 50 states and employs more than 20,000 people.
- ICE made <u>520</u> criminal arrests tied to worksite enforcement investigations.
- Of the individuals criminally arrested, <u>240</u> were <u>owners</u>, <u>executives</u>, <u>managers</u>, <u>supervisors</u>, or <u>human</u> <u>resources employees</u>.
 - Harboring or knowingly hiring illegal aliens.
 - Aggravated identity theft and Social Security fraud.



SNAPSHOT OF ICE (CONT'D)



- ICE served 3,004 Notices of Inspection.
- ICE conducted 2,421 IMAGE outreach presentations to 15,906 employers.
- ICE debarred 376 business and individuals for administrative and criminal violations.
- Texas employers saw the most fines, followed by New Jersey employers.
- ICE monetary fines have grown from \$1 million in 2009 to \$13 million in 2012.



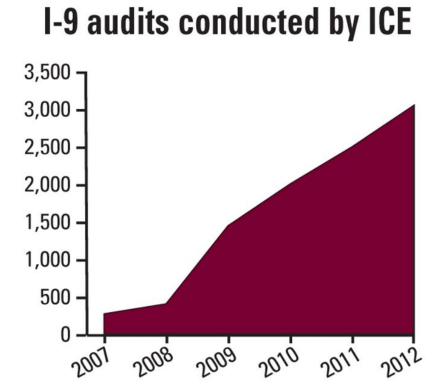
ICE – TRENDS & PATTERNS



ICE audits over the years:

- **250 in 2007**;
- **503 in 2008;**
- **1**,444 in 2009;
- **2,000 in 2010;**
- 2,496 in 2011; and
- = 3,004 in 2012

3,500(+) in 2013/2014?



Source: U.S. Immigration and Customs Enforcement (ICE)



ICE IN THE NEWS...



WAL-MART PAYS \$11M OVER ILLEGAL LABOR

- No criminal sanctions, but retailer will pay \$11M in case tied to cleaning contractors' hirings. (March 2005)
 - Federal prosecutors announced that Wal-Mart stores agreed to pay a record \$11 million to settle accusations that it used hundreds of illegal immigrants to clean its stores.
 - We acknowledge we should have had better safeguards in place to make sure our (floorcleaning) contractors hired only legal workers," Wal-Mart said.



The New Hork Times

ICE-MAJOR TARGETS



Who is on ICE 's Radar?

- Large Hispanic Workforces
- Construction Industry
- Manufacturing Sector
- Hospitality Industry
- Farming Sector
- Government Contractor





NEW FORM I-9-EMPLOYEE SECTION 1 Employment Eligibility Verification Y

Form I-9 03/08/13 N

AWYER COM PRESENTS. FEBRUARY 10th - 12th, 2014

USCIS

Form I-9

OMB No. 1615-0047

Page 7 of 9

Section 1. Employee Inform	nation and Attestation (Employees must com	plete and sign Section 1 of Form I-9 no lat
	but not before accepting a job offer.)	
Last Name (Family Name)	First Name (Given Name) Middle	Initial Other Names Used (if any)
Address (Street Number and Name)	Apt. Number City or Town	State Zip Code
Date of Birth (mm/dd/yyyy) U.S. Social	E-mail Address	Telephone Number
connection with the completion of	les for imprisonment and/or fines for false state f this form. that I am (check one of the following):	nents or use of false documents in
A noncitizen national of the Unite	ed States (See instructions) ien Registration Number/USCIS Number):	
An alien authorized to work until (ex (See instructions)	piration date, if applicable, mm/dd/yyyy)	. Some aliens may write "N/A" in this field
For aliens authorized to work, pr	rovide your Alien Registration Number/USCIS Num	ber OR Form I-94 Admission Number:
1. Alien Registration Number/US	CIS Number:	3-D Barcode
OR 2. Form I-94 Admission Number:		Do Not Write in This S
	n number from CBP in connection with your arrival	in the United
Foreign Passport Number:		
Country of Issuance:		•
· · · · · · · · · · · · · · · · · · ·	on the Foreign Passport Number and Country of Iss	suance fields. (See instructions)
Signature of Employee:		Date (mm/dd/yyyy):
Preparer and/or Translator Cer employee.)	rtification (To be completed and signed if Section	1 is prepared by a person other than the
I attest, under penalty of perjury, t information is true and correct.	that I have assisted in the completion of this for	m and that to the best of my knowledge
		Date (mm/dd/yyyy):
Signature of Preparer or Translator:		
Signature of Preparer or Translator: Last Name (Family Name)	First Nam	e (Given Name)

Department of Homeland Security

Section 1 Preparer/ Translator



Section 1

Employee

NEW FORM I-9 EMPLOYER SECTION 2 & 3 Section 2. Employer or Authorized Representative Review and Verification

L0 02/08/12 N

Employee Last Name, First Name and Middle Initial from Section 1: OR AND List A List B List C Identity and Employment Authorization Employment Authorization Identity Document Title: Document Title Document Title: Issuing Authority: Issuing Authority: Issuing Authority: Document Number Document Number Document Number: Expiration Date (if any)(mm/dd/yyyy): Expiration Date (if any)(mm/dd/yyyy): Expiration Date (if any)(mm/dd/yyyy): Document Title Issuing Authority: Document Number Expiration Date (if any)(mm/dd/yyyy): 3-D Barcode Do Not Write in This Space Document Title Issuing Authority: Document Number: Expiration Date (if any)(mm/dd/yyyy): Certification I attest, under penalty of perjury, that (1) I have examined the document(s) presented by the above-named employee, (2) the above-listed document(s) appear to be genuine and to relate to the employee named, and (3) to the best of my knowledge the employee is authorized to work in the United States. The employee's first day of employment (mm/dd/yyyy): (See instructions for exemptions.) Date (mm/dd/yyyy) Signature of Employer or Authorized Representative Title of Employer or Authorized Representative Last Name (Family Name) First Name (Given Name) Employer's Business or Organization Name Employer's Business or Organization Address (Street Number and Name) City or Town State Zip Code Section 3. Reverification and Rehires (To be completed and signed by employer or authorized representative.) A. New Name (if applicable) Last Name (Family Name) First Name (Given Name) Middle Initial B. Date of Rehire (if applicable) (mm/dd/yyyy) C. If employee's previous grant of employment authorization has expired, provide the information for the document from List A or List C the employee presented that establishes current employment authorization in the space provided below. Document Title Document Number Expiration Date (if any)(mm/dd/yyyy): I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual. Print Name of Employer or Authorized Representative: Signature of Employer or Authorized Representative: Date (mm/dd/yyyy):

Section 3 Updating/ **Re-verification**

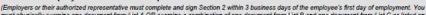
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Section 2

Manager





must physically examine one document from List A OR examine a combination of one document from List B and one document from List C as listed on the "Lists of Acceptable Documents" on the next page of this form. For each document you review, record the following information: document title, issuing authority, document number, and expiration date, if any.)

FORM I-9 COMPLETION



- Must be completed for all new hires including temporary or parttime employment
- Hire means employment in exchange for wages or remuneration
- Must be completed for all employees working in the U.S., even if on payroll abroad
- Not required for independent contractors
- Not required for pre-11/7/86 hires ("grandfathered" employees)
- Do not verify (complete form for) employees working outside the U.S. or outside its territories



FORM I-9 COMPLETION



- Physical presence of employee required
- You must see original documents
- Attach photocopies of documents
- Recommended for most employers but not required
- No exception for temporary or part-time employment
- Remote hires may have a notary or other employer representative verify.



FORM I-9 COMPLETION



- Section 1 must be completed by employee on, or before, the first day of work once the job offer has been accepted
- Section 2 must be completed within three business days from the date employment begins.
- Section 3 reverification must be completed on, or before, temporary employment authorization expires



TIPS FOR SECTION 1



- Section 1 must be completed by employees on or before first day of hire even if they don't have their documents.
- Ensure that employee checks box, and signs and dates the form.
- If employee checks box 3 (box 2 on older forms), A # must be entered.
- If employee checks box 4 (box 3 on older forms), expiration date, A# or I-94 number must be entered, and in some cases passport # and country of issuance.
- Avoid employer pre-population of forms



TIPS FOR <u>SECTION 1</u> (CONTINUED)



- Enter N/A if no other names used, no middle initial
- Email address and telephone number fields are voluntary. Use N/A if choosing not to submit.
- Preparer/Translator Certification should be completed if assistance provided in completing Section 1.
- Social Security Number should be provided if employer enrolled in E-Verify
- No foreign address or P.O. Box should be included as address. Exception: border commuters.
- Use of multiple names: Document must be genuine and reasonably relate to person



TIPS FOR SECTION 2



- Section 2 must be completed by company representative within 3 business days from date of hire
- Verification of IDENTITY and WORK AUTHORIZATION
- Additional line provided in List A for combination of documents (e.g., J-1 exchange visitors, H-1B porting)
- New hire must be physically present
- Company representative must review ORIGINAL DOCUMENTS
- Attach copies of documents presented to the I-9 (recommended).



RETENTION OBLIGATIONS



- Employer must have a Form I-9 for every current employee (unless they were hired prior to November 7, 1986).
- Following employee's termination, employer must retain
 I-9 for the later of:
 - 3 years from the date of hire

or

1 year after the date of termination



CORRECTING FORMS I-9



- Make corrections on original Form I-9
- Initial and date all corrections
- Employees should make corrections to Section 1
 - HR can make corrections to A#, Admission # and expiration date in attestation if copies attached
- Do not back date
- Do not use correction fluid
- Cross-outs (but not black-outs) are OK



EXAMPLES OF SUBSTANTIVE VIOLATIONS



- Violations will incur fines
- Missing I-9
- Employee name missing
- Failure of employee to check a box in Section 1
- Failure of an employee to sign Section 1
- Improper document(s) accepted
- Section 2 not signed or completed
- Section 3 not completed or signed if applicable



EXAMPLES OF TECHNICAL VIOLATIONS



- Maiden name, address or date of birth missing
- No A#, admission number or expiration date in attestation section of box 3 or 4 checked (box 2 or 3 on older forms), if copies of documents attached
- Section 1 not dated or date of hire in Section 2 missing
- Not timely completed (subject to good faith test)
- Document information incomplete (if copies attached)
- No title, business name or address
- Employer signature not dated



CURRENT CIVIL PENALTIES



- Violations of I-9 requirements: \$110 \$1,100 per I-9
- Knowingly hired or continuing to employ: \$375 \$3,200 per alien
- Pattern or practice: \$3,300 \$11,000
- Debarment from government contracts for "knowingly employing an unauthorized worker"
- Criminal penalties: fines and/or imprisonment



OFFICE OF SPECIAL COUNSEL



The Office of Special Counsel for Immigration-Related Unfair Employment Practices (OSC)

 OSC enforces the anti-discrimination provision (§ 274B) of the Immigration and Nationality Act (INA)







OSC - DISCRIMINATION VIOLATIONS

Federal Law Prohibits:

Document Abuse

 occurs when certain employees or applicants are subject to more stringent verification measures than necessary to verify that they are eligible to work in the United States

Citizenship Status Discrimination

 can occur when individuals are not hired or are fired because of their real or perceived immigration or citizenship status, or because of their type of work authorization

National Origin Discrimination

 occurs when employer treats an employee or applicant differently during the hiring and firing process because of his or her place of birth, country of origin, ancestry, native language, accent or because the individual is perceived as looking or sounding foreign

Retaliation or Intimidation

ex.: employee terminated for filing complaint



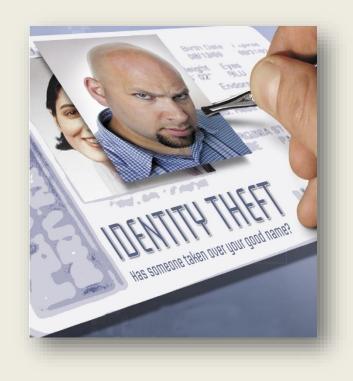
HANDLING SOCIAL SECURITY MISMATCH

- SSA resumed sending "decentralized correspondence" (DECOR) letters in April, 2011
- Employers expected to resolve mismatch even with rescission of regulation
- Inaction is factor to consider whether employer has "knowledge" of unauthorized worker
- Catch-22: OSC/NLRB/Courts consistently rule against employers who do take action
- Best practice:
 - Notify employees immediately
 - Require diligent follow-up
 - Do not take adverse personnel action before final resolution
 - Do not hold employee liable for government error/inefficiency





Fraudulent Documents In The Workplace







ARE YOU TODD DAVIS?

MY SOCIAL SECURITY # IS 457-55-5462

I'm Todd Davis, CEO of LifeLock,

and this really is my social security number.* I give it just to prove how safe your identity can be with LifeLock. All of us, no matter how careful, can become victims of identity theft. In fact, every three seconds another identity is stolen.

Do you ever worry about identity theft? If so, it's time you got to know LifeLock. We work to stop identity theft <u>before</u> it happens. We're so confident, we back our clients with a \$1 million dollar guarantee. If for any reason you fall victim to identity theft, we will spend up to \$1 million to hire the finest professionals to repair the damage and restore your good name. Period.

Security, peace of mind, protection – that's what LifeLock provides, along with the added bonus of reduced junk mail and pre-approved credit card offers. Normally it's just \$10 a month, but now you can try us *free for 30 days*. Protect yourself, your family and all you've worked for. Guarantee your good name today.

Life ocl

Idwide lea

Guarantee Your Good Name

Here's what LifeLock offers you:

- Proactive Identity Theft Protection
- \$1 Million Protection Guarantee Full details available on our website
- Reduction of Unsolicited Mail
- Reduction of Credit Card Offers
- Free Annual Credit Reports
 We order your annual free credit report for you



Use promo code ADVO1 to take advantage of this offer.

LifeLock.com • 877 LIFELOCK (543-3562)

No payment, no obligation for 30 days.
 After 30 days your credit card will be automatically billed,
 You can cancel at any time without penalty.

LifeLock.com 877 LIFELOCK (543-3562)

NO, I'M TODD DAVIS, BUT...





C1USA091712568WAC98203674510 6801152M1306167MEX<<<<<<< DAVIS<RICHARD<TODD<<<<<<<<<





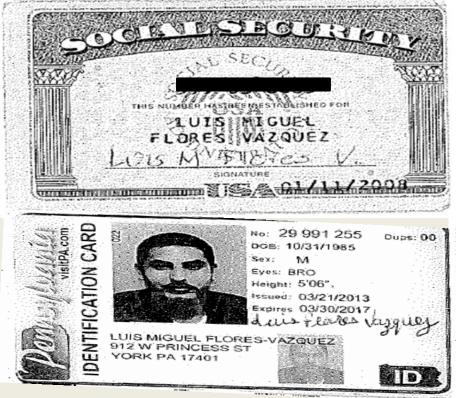


FRAUDULENT DOCUMENTS THAT PASSED E-VERIFY



Last Name	First Name	MI	Maiden Name
Flores Vazquez	Luis		
929. 	Date of Birth 10/31/1985		Hire Date 10/18/2013
Document title: Visa number:		A Nonci	tizen National
List C document title:		🔘 A Lawfu	l Permanent Resident
		🔘 An Alien	authorized to work
	O Alien Number		
	I-94 Number		







PRACTICAL STEPS FOR I-9 COMPLIANCE







BEST PRACTICES



- Routine internal auditing random sample and immediate review upon completion
- Regular training for those involved in I-9 verification process
- Review hiring and sponsorship policies and ensure consistency in practice
- Periodic retention review and establish purge schedule for terminated employees
- Use of electronic I-9 systems to minimize errors and ensure retention



WHAT IS E-VERIFY



Voluntary (except where it is not)

- Federal contractors
- State and local requirements
- STEM extension

Matches name with information in SSA and DHS databases

Pros

- Reduces chance of SSN no-match
- Safe harbor for good faith reliance on result

Cons

- Additional administrative cost
- Error in government databases
- Cannot overcome ID fraud



IMMIGRATION REFORM?



Pathway to Citizenship: Creation of a new "registered provisional immigrant" (RPI) status

More high-skill immigration: Increases the number of H-1B visas

More low-skill immigration:

New "W" Nonimmigrant Visas for nonagricultural low-wage workers.
"Blue Card" for Agricultural Workers

Border security:

Doubles the presence of border patrol agents to 40,000.

- 700 miles of border fencing and
- All employers would have to use E-Verify

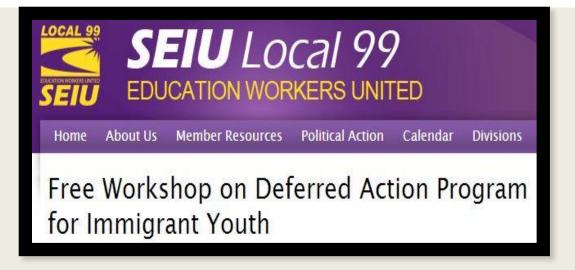


Senate Bill 744 passed on June 27, 2013



UNIONS TARGETING IMMIGRANTS





- Unions are currently taking advantage of the uptick in immigration and the confusion with immigration reform
- Unions are offering immigration assistance as part of membership with the union



UNIONS TACTICS



LABOR'S KICKOFF to Comprehensive Immigration Reform



Every size, more than 12 million immigrant aspiring officers contribute to our communities, our economy, and our country-yet are denied a voice in the workplace and essential rights in our accelst, Since the 2012 election, the president and Congress have created some momentum for immigration reform, but labor and its community alless will have to audidipt to native them pass cooperative immigration reform.

Come join the M.L. King County Labor Grand and the Mailingdon State Labor Council, AFL/OD, our atfliates and our commandy partners Case Labor and Ore America and stand up for comprehensive immigration reform!

Monday, Feb. 18 (President's Day) 11:30 a.m. to 1 p.m. Seattle Labor Temple, 2800 1st Ave., Hall 1

This will be a feative and free event with great music, foot, and manipard vorteer stores. It's time for common sense immigration reform. For more information cell 206/281-8901 or 206/441-8510.



- Unions have done a complete turnaround on this issue
- Unions have seen how deep the immigrant labor pool runs and, consequently, how accepting immigrant workers increases membership dues and collective bargaining power





QUESTIONS?



