Businesses Cite a Catch-22 After Miss. Immigration Raid

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The arrests this week of nearly 600 immigrant workers at a manufacturing plant in Laurel, **_Miss._**, are fueling a national debate over a federal system to check new hires' work documents, a program whose expansion the Bush administration has made a cornerstone of its fight against illegal **_immigration_**.

In what they called the largest **_immigration_** sweep at a single site in U.S. history, federal agents **_raided_** a Howard Industries electrical transformer plant Monday despite the fact that the company last year joined the work eligibility system, called E-Verify.

The White House has called the program a key weapon against illegal hiring, proposing to expand it to nearly 200,000 government contractors this fall, covering about 4 million U.S. workers. Thirteen state legislatures have enacted similar legislation, and Congress is debating whether to extend E-Verify this fall.

Major U.S. employers assailed the expanding crackdown, saying it creates a **_Catch-22_**. If **_businesses_** fail to enroll in E-Verify, they run the risk of a **_raid_** by U.S. **_Immigration_** and Customs Enforcement agents, **_business_** groups led by the U.S. Chamber of Commerce said. But if they sign up, they face added costs, labor disruptions and discrimination complaints -- as well as the risk that flaws in the program won't stop all illegal hiring or prevent government **_raids_**, they said.

"I think it's a mistake on the part of a company to think that simply because they [enroll] that they are going to be protected from any kind of government audit or **_raid_**," said Myles Gladstone, vice president of Miller & Long, of Bethesda, a major construction firm based in the Washington area.

At issue is a program that is supposed to help employers abide by laws that bar the hiring of illegal immigrants. E-Verify allows companies to check federal Social Security and **_immigration_** databases to determine whether an employee is authorized to work.

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However, a key weakness in E-Verify is that while it can determine whether a Social Security number presented by a worker is valid, it often cannot determine whether the number belongs to the applicant. Many workers try to evade detection by using another person's identification.

That was allegedly the case Monday, when dozens of U.S. agents sealed entrances to Howard Industries' **_Mississippi_** plant, stopping production while they executed a criminal search warrant for evidence related to aggravated identity theft, fraudulent use of Social Security documents and other crimes. A civil search warrant for illegal immigrants was also executed, turning up suspect workers from Mexico, Guatemala, Germany, Peru, Brazil, El Salvador, Honduras and Panama, the government alleged.

About 475 workers were sent to a detention center in Jena, La., for deportation; 106 were released for humanitarian reasons to tend to a child or a medical condition pending court appearances; nine were juveniles transferred to a refugee resettlement agency, and eight face charges of criminal identity theft.

A spokeswoman for ICE noted the investigation began two years ago, before Howard joined E-Verify.

In its only comment on the **_raid_**, Howard Industries released a statement saying: "Howard Industries runs every check allowed to ascertain the **_immigration_** status of all applicants for jobs. It is company policy that it hires only U.S. citizens and legal immigrants."

The circumstances echoed a December 2006 **_raid_** on six plants operated by meat processor Swift & Co., now JBS Swift & Co., **_after_** which the company reported $53 million in losses, even though it was a longtime participant in the record-checking system.

Bush officials say such attacks are a smokescreen by industry groups, who oppose the program because it works. They note that many opponents embraced E-Verify last year, when they expected it to have less bite as part of a broad overhaul that would have legalized many immigrant workers.

But one of the lessons of last year's failed **_immigration_** legislation is that the American public wants to see tougher enforcement at U.S. workplaces before it will expand **_immigration_** or legalize those in the country unlawfully, said Stewart A. Baker, assistant secretary for policy at the Department of Homeland Security.

"We have to have strong enforcement if we're ever to have a chance for comprehensive reform," Baker said.

Baker said the government is fixing E-Verify's flaws as it prepares to expand the initiative. Bush officials in early June proposed to triple the number of companies in the program, mandating participation by 169,000 federal contractors and requiring them for the first time to verify the eligibility of existing employees, not just new hires.

Enrollment in E-Verify has grown from 3,000 companies to 82,000 since it was expanded nationwide in 2003, but participation remains voluntary and covers 1 percent of an estimated 6 million U.S. employers and about 11 percent of annual hiring.

The proposed changes would double E-Verify's reach, covering more than 20 percent of U.S. hiring, federal officials said.

Business groups call the proposal an election-year power play that goes far beyond what Congress intended in 1996 when it created the voluntary system.

Although the government estimated the change will cover about 3 percent of the 153 million-member U.S. workforce, companies say the impact would be far greater, as contractors and subcontractors with even a small piece of the $430 billion that the federal government awards each year would need to review their payrolls. The U.S. chamber claims the rule would cost $10 billion to implement, 100 times the government's estimate.

"Without very significant changes, we would look at all options to stop a final rule, including a court challenge," said Randel K. Johnson, vice president and spokesman for the U.S. chamber.

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Critics also say that E-Verify is not accurate enough, which could lead to discrimination against legal, foreign-born workers. Sorting out problems also threatens to swamp already overburdened Social Security administration offices that have their hands full tending to other work.

About 4.1 percent of 435 million Social Security records used by E-Verify contain errors -- or 17.8 million records -- the agency's Office of the Inspector General stated in June 2007. The system wrongly rejected foreign-born U.S. citizens 9.8 percent of the time in the first half of 2007, and it erroneously flagged noncitizens who had been authorized to work 1.4 percent of the time, a study last year found.

Federal officials insist that E-Verify is ready for prime time. In early 2007, 94.2 percent of workers were automatically verified. Another half-percent were mistakenly rejected, but workers were eventually able to clear up the problem, usually within two days. The remaining 5.3 percent of workers walked away, which officials said suggested that they were illegal.

The system has fixed errors that arose when workers enter the country legally or become citizens without notifying Social Security. Many remaining mistakes involve people who fail to report name changes *after* marriage or divorce.

Homeland Security has begun requiring workers who are permanent residents or noncitizens to present photo IDs that can be compared with their images in federal records. However, E-Verify lacks a similar check for people posing as citizens. As a result the system is feeding a black market for selling Social Security numbers, some of them stolen, *business* owners said.

"I think the general public thinks it's an answer-all to this whole illegal-worker-identity theft problem and it's not," said Bernie Kohl Jr., owner of Angelica Nurseries in Kennedyville, Md.

Kohl said E-Verify also creates a temptation for employers to discriminate against hiring legal immigrants because they don't want to hassle with trying to sort out the system's mistakes.

Congress still must decide whether to extend E-Verify beyond November. While the House voted 407 to 2 to extend it for five years, it required Homeland Security to pay the bills for the increased workload on Social Security and ordered new studies about its effectiveness. The Senate has yet to vote. Meanwhile, 13 states require some use of E-Verify, while Illinois has voted to bar it, creating a patchwork of laws likely to grow next year. Locally, Virginia lawmakers last winter rejected an attempt to mandate participation in E-Verify; no requirement exists in Maryland and the District.

Graphic

IMAGE; By Matt Bush -- Associated Press; Agents *raided* the Howard Industries plant in Laurel, *Miss.*, even though the company had joined the federal work eligibility system, called E-Verify.

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