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Social Security, Committee on Ways and  
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# EMPLOYMENT VERIFICATION

## Challenges Exist in Implementing a Mandatory Electronic Verification System

Statement of Richard M. Stana, Director  
Homeland Security and Justice Issues





Highlights of [GAO-07-924T](#), a testimony before the Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

## Why GAO Did This Study

The opportunity for employment is one of the most powerful magnets attracting illegal immigration to the United States. The Immigration Reform and Control Act of 1986 established an employment eligibility verification process, but immigration experts state that a more reliable verification system is needed. In 1996, the former U.S. Immigration and Naturalization Service, now within the Department of Homeland Security (DHS), and the Social Security Administration (SSA) began operating a voluntary pilot program, called the Employment Eligibility Verification (EEV) program, to provide participating employers with a means for electronically verifying employees' work eligibility. Congress is considering various immigration reform proposals, some of which would require all employers to electronically verify the work authorization status of their employees at the time of hire. In this testimony GAO provides observations on the EEV system's capacity, data reliability, ability to detect fraudulent documents and identity theft, and vulnerability to employer fraud as well as challenges to making the program mandatory for all employers. This testimony is based on our previous work regarding the employment eligibility verification process and updated information obtained from DHS and SSA.

[www.gao.gov/cgi-bin/getrpt?GAO-07-924T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-924T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Richard M. Stana at (202) 512-8777 or [stanar@gao.gov](mailto:stanar@gao.gov).

## EMPLOYMENT VERIFICATION

# Challenges Exist in Implementing a Mandatory Electronic Verification System

## What GAO Found

A mandatory EEV program would substantially increase the number of employers using the system. As of May 2007, about 17,000 employers have registered to use the current voluntary EEV program, about half of which are active users. If participation in EEV were made mandatory, the approximately 5.9 million employers in the United States may be required to participate. Requiring all employers to use EEV would substantially increase the demands on DHS and SSA resources. DHS estimated that increasing the capacity of EEV could cost it \$70 million annually for program management and \$300 million to \$400 million annually for compliance activities and staff. SSA officials estimated that expansion of the EEV program through this fiscal year would cost \$5 million to \$6 million and noted that the cost of mandatory EEV would be much higher and driven by increased workload of its field office staff that would be responsible for resolving queries that SSA cannot immediately confirm.

DHS and SSA are exploring options to reduce delays in the EEV process. The majority of EEV queries entered by employers—about 92 percent—confirm within seconds that the employee is work authorized. About 7 percent of the queries cannot be immediately confirmed by SSA, and about 1 percent cannot be immediately confirmed by DHS. Resolving these nonconfirmations can take several days, or in a few cases even weeks. DHS and SSA are considering options for improving the system's ability to perform additional automated checks to immediately confirm work authorization, which may be important should EEV be mandatory.

EEV may help reduce document fraud, but it cannot yet fully address identity fraud issues, for example, when employees present borrowed or stolen genuine documents. The current EEV program is piloting a photograph screening tool, whereby an employer can more easily identify fraudulent documentation. DHS expects to expand the use of this tool to all participating employers by September 2007. Although mandatory EEV and the associated use of the photograph screening tool offer some remedy, limiting the number of acceptable work authorization documents and making them more secure would help to more fully address identity fraud.

The EEV program is vulnerable to employer fraud, such as entering the same identity information to authorize multiple workers. EEV is also vulnerable to employer misuse that adversely affects employees, such as employers limiting work assignments or pay while employees are undergoing the verification process. DHS is establishing a new Compliance and Monitoring program to help reduce employer fraud and misuse by, for example, identifying patterns in employer compliance with program requirements. Information suggesting employers' fraud or misuse of the system could be useful to other DHS components in targeting limited worksite enforcement resources and promoting employer compliance with employment laws.

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Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to be here today to participate in this hearing on electronic employment verification. As we and others have reported in the past, the opportunity for employment is one of the most powerful magnets attracting unauthorized immigrants to the United States. To help address this issue, in 1986 Congress passed the Immigration Reform and Control Act (IRCA),<sup>1</sup> which made it illegal for individuals and entities to knowingly hire, continue to employ, or recruit or refer for a fee unauthorized workers. The act established a two-pronged approach for helping to limit the employment of unauthorized workers: (1) an employment verification process through which employers verify all newly hired employees' work eligibility and (2) a sanctions program for fining employers who do not comply with the act.<sup>2</sup>

Following the passage of IRCA, the U.S. Commission on Immigration Reform and various immigration experts indicated a number of problems with the implementation of immigration policies and concluded that deterring illegal immigration requires, among other things, strategies that focus on disrupting the ability of illegal immigrants to gain employment through a more reliable employment eligibility verification process. In particular, the commission report and other studies found that the single most important step that could be taken to reduce unlawful migration is the development of a more effective system for verifying work authorization. In the over 20 years since passage of IRCA, the employment eligibility verification process has remained largely unchanged. The House and Senate are considering legislation to reform immigration laws and strengthen electronic employment verification. Some of this legislation includes proposals that would require implementing a mandatory, functional electronic employment verification program for all employers before other immigration-related reforms could be initiated. Currently, the

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<sup>1</sup>Pub. L. No. 99-603, 8 U.S.C. § 1324a.

<sup>2</sup>IRCA provided for sanctions against employers who do not follow the employment verification (Form I-9) process. Employers who fail to properly complete, retain, or present for inspection a Form I-9 may face civil or administrative fines ranging from \$110 to \$1,100 for each employee for whom the form was not properly completed, retained, or presented. Employers who knowingly hire or continue to employ unauthorized aliens may be fined from \$275 to \$11,000 for each employee, depending on whether the violation is a first or subsequent offense. Employers who engage in a pattern or practice of knowingly hiring or continuing to employ unauthorized aliens are subject to criminal penalties consisting of fines up to \$3,000 per unauthorized employee and up to 6 months' imprisonment for the entire pattern or practice.

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U.S. Citizenship and Immigration Services (USCIS) administers, and Social Security Administration (SSA) supports, a voluntary electronic employment verification program, called the Employment Eligibility Verification (EEV) program.

My testimony today is an update of our prior work regarding employment verification and worksite enforcement. Specifically, I will discuss our observations on the current electronic employment verification program and challenges to making the program mandatory for all employers.

In preparing this testimony, we reviewed our past work on employment verification and worksite enforcement efforts.<sup>3</sup> We analyzed updated information provided by U.S. Immigration and Customs Enforcement (ICE), USCIS, and SSA officials on steps they are taking to address weaknesses identified in our prior work, as well as challenges their agencies may face if an electronic employment verification program were made mandatory. We examined regulations, guidance, and other studies on the employment verification process. We also analyzed a report on the results of an independent evaluation of the electronic employment eligibility verification program, then known as the Basic Pilot program, conducted by the Institute for Survey Research at Temple University and Westat in June 2004.<sup>4</sup> Furthermore, we received updated data on employer use of the current electronic employment eligibility verification system. We reviewed these data for accuracy and completeness and determined that these data were sufficiently reliable for the purposes of our review. We conducted the work reflected in this statement from September 2004 through July 2005 and updated this information in May and June 2007 in accordance with generally accepted government auditing standards.

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## Summary

A mandatory EEV would necessitate an increased capacity at both USCIS and SSA to accommodate the estimated 5.9 million employers in the

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<sup>3</sup>GAO, *Immigration Enforcement: Weaknesses Hinder Employment Verification and Worksite Enforcement Efforts*, [GAO-05-813](#) (Washington, D.C.: Aug. 31, 2005).

<sup>4</sup>Institute for Survey Research and Westat, *Findings of the Basic Pilot Program Evaluation* (Washington, D.C.: June 2004).

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United States.<sup>5</sup> As of May 2007, about 17,000 employers have registered for the EEV program, about half of which are active users. USCIS has estimated that a mandatory EEV could cost USCIS \$70 million annually for program management and \$300 million to \$400 million annually for compliance activities and staff, depending on the method for implementing the program. The costs associated with other programmatic and system enhancements are currently unknown. SSA is currently refining its estimates and was not yet able to provide estimates for the cost of a mandatory EEV. According to SSA officials, the cost of a mandatory EEV would be driven by the field offices' increased workload required to resolve queries that SSA cannot immediately confirm.

USCIS and SSA are exploring options to reduce delays in the EEV process. According to USCIS, the majority of EEV queries entered by employers—about 92 percent—confirm within seconds that the employee is authorized to work. About 7 percent of the queries cannot be immediately confirmed by SSA, and about 1 percent cannot be immediately confirmed by USCIS. With regard to the SSA-issued tentative nonconfirmations,<sup>6</sup> USCIS and SSA officials told us that the majority occur because employees' citizenship or other information, such as name changes, is not up to date in the SSA database. Resolving some DHS nonconfirmations can take several days, or in a few cases even weeks. USCIS and SSA are examining ways to improve the system's ability to use additional automated checks to immediately confirm work authorization.

EEV may help reduce document fraud, but it cannot yet fully address identity fraud issues, for example, when employees present borrowed or stolen genuine documents. The current EEV program is piloting a photograph screening tool, whereby an employer can more easily identify fraudulent documentation. This tool is currently being used by over 70 employers, and USCIS expects to expand the use of the tool to all

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<sup>5</sup>In 2004, the most recent year for which data are available, there were approximately 5.9 million firms in the United States. A firm is a business organization consisting of one or more domestic establishments in the same state and industry that were specified under common ownership or control. Under EEV, one employer may have multiple worksites that use the system. For example, a hotel chain could have multiple individual hotels using EEV. This hotel chain would represent one employer using the pilot program.

<sup>6</sup>In general, in cases when the EEV system cannot confirm an employee's work authorization status through the initial automatic check, the system issues the employer either an SSA or a DHS tentative nonconfirmation of the employee's work authorization status, which requires the employee to resolve any data inaccuracies if he or she is able or chooses to do so.

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participating employers by the end of summer 2007. Although mandatory EEV and the associated use of the photograph screening tool offer some remedy, further actions, such as limiting the number of acceptable work authorization documents and making them more secure, may be required to more fully address identity fraud.

EEV is vulnerable to employer fraud that diminishes its effectiveness and misuse that adversely affects employees. ICE officials stated that EEV program data could indicate cases in which employers may be fraudulently using the system and therefore would help the agency better target its limited worksite enforcement resources toward those employers. EEV is also vulnerable to employer misuse that adversely affects employees, such as limiting work assignments or pay while employees are undergoing the verification process. USCIS is establishing a new Compliance and Monitoring program to help reduce employer fraud and misuse by, for example, identifying patterns in employer compliance with program requirements. Information suggesting employers' fraud or misuse of the system could be useful to other DHS components in targeting limited worksite enforcement resources and promoting employer compliance with employment laws.

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## Background

In 1986, IRCA established the employment verification process based on employers' review of documents presented by employees to prove identity and work eligibility. On the Form I-9, employees must attest that they are U.S. citizens, lawfully admitted permanent residents, or aliens authorized to work in the United States. Employers must then certify that they have reviewed the documents presented by their employees to establish identity and work eligibility and that the documents appear genuine and relate to the individual presenting them. In making their certifications, employers are expected to judge whether the documents presented are obviously counterfeit or fraudulent. Employers generally are deemed in compliance with IRCA if they have followed the Form I-9 process in good faith, including when an unauthorized alien presents fraudulent documents that appear genuine. Following the passage of IRCA in 1986, employees could present 29 different documents to establish their identity and/or work eligibility. In a 1997 interim rule, the former U.S. Immigration and

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Naturalization Service (INS) reduced the number of acceptable work eligibility documents from 29 to 27.<sup>7</sup>

The Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA)<sup>8</sup> of 1996 required the former INS and SSA to operate three voluntary pilot programs to test electronic means for employers to verify an employee's eligibility to work, one of which was the Basic Pilot Program.<sup>9</sup> The Basic Pilot Program was designed to test whether pilot verification procedures could improve the existing employment verification process by reducing (1) false claims of U.S. citizenship and document fraud, (2) discrimination against employees, (3) violations of civil liberties and privacy, and (4) the burden on employers to verify employees' work eligibility.

In 2007, USCIS renamed the Basic Pilot Program the Employment Eligibility Verification (EEV) program. EEV provides participating employers with an electronic method to verify their employees' work eligibility. Employers may participate voluntarily in EEV, but are still required to complete Forms I-9 for all newly hired employees in accordance with IRCA. After completing the forms, these employers query EEV's automated system by entering employee information provided on the forms, such as name and Social Security number, into the EEV Web site within 3 working days of the employees' hire date. The program then electronically matches that information against information in SSA's NUMIDENT database and, for noncitizens, DHS databases to determine whether the employee is eligible to work. EEV electronically notifies employers whether their employees' work authorization was confirmed. Those queries that the DHS automated check cannot confirm are referred to DHS immigration status verifiers, who check employee information

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<sup>7</sup>Eight of these documents establish both identity and employment eligibility (e.g., U.S. passport or permanent resident card); 12 documents establish identity only (e.g., driver's license); and 7 documents establish employment eligibility only (e.g., Social Security card).

<sup>8</sup>U.S.C. 1324a(b). IIRIRA was enacted within a larger piece of legislation, the Omnibus Consolidated Appropriations Act, 1997, Pub. L. No. 104-208, 110 Stat. 3009.

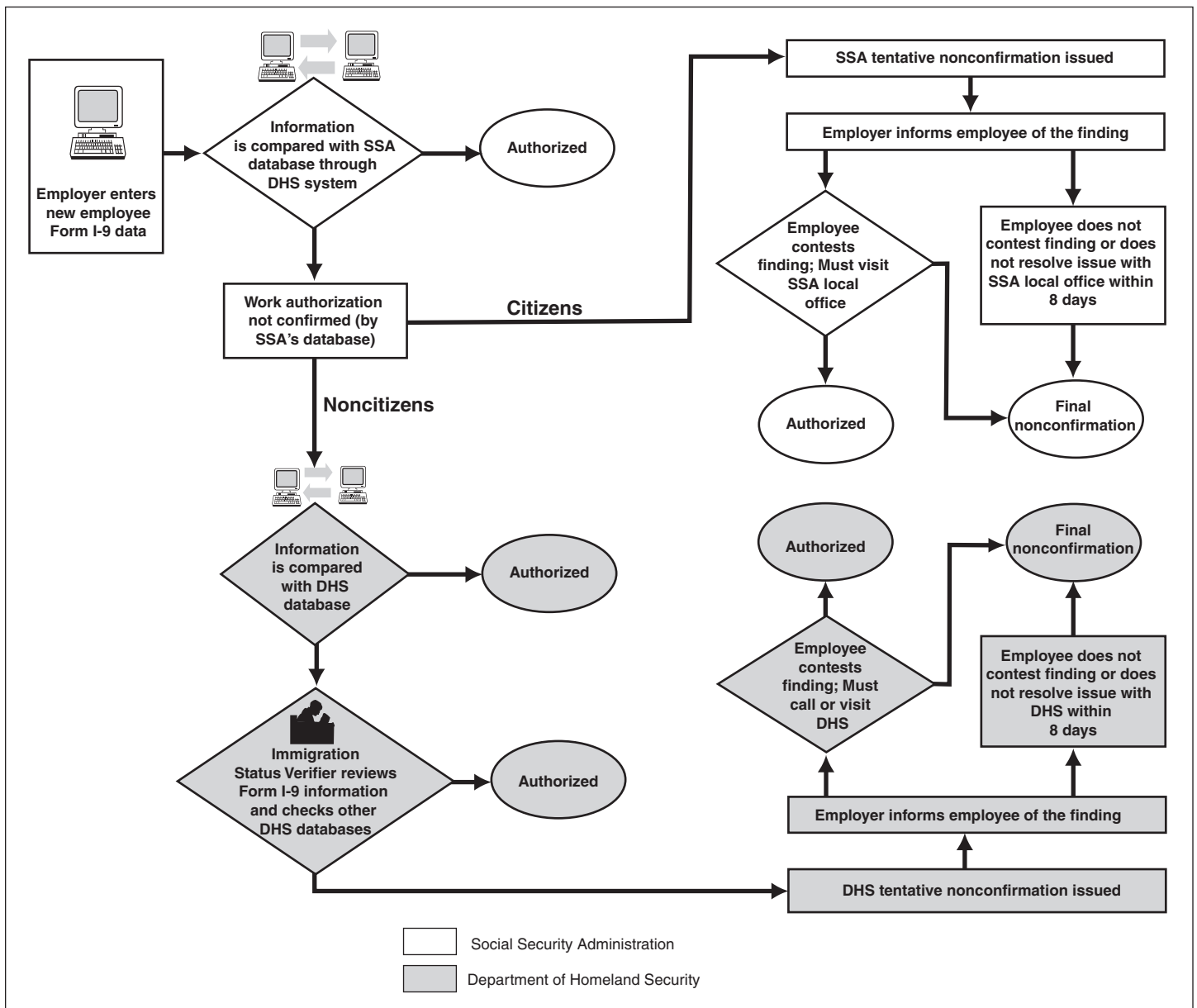
<sup>9</sup>The other two pilot programs mandated by IIRIRA—the Citizen Attestation Verification Pilot Program and the Machine-Readable Document Pilot Program—were discontinued in 2003 due to technical difficulties and unintended consequences identified in evaluations of the programs. See Institute for Survey Research and Westat, *Findings of the Citizen Attestation Verification Pilot Program Evaluation* (Washington, D.C.: April 2003) and Institute for Survey Research and Westat, *Findings of the Machine-Readable Document Pilot Program Evaluation* (Washington, D.C.: May 2003).

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against information in other DHS databases. The EEV process is shown in figure 1.



**Figure 1: Electronic Employment Verification Program Verification Process**



Source: GAO analysis based on USCIS information.

In cases when EEV cannot confirm an employee's work authorization status either through the automatic check or the check by an immigration status verifier, the system issues the employer a tentative nonconfirmation

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of the employee's work authorization status. In this case, the employers must notify the affected employees of the finding, and the employees have the right to contest their tentative nonconfirmations by contacting SSA or USCIS to resolve any inaccuracies in their records within 8 days. During this time, employers may not take any adverse actions against those employees, such as limiting their work assignments or pay. After 10 days, employers are required to either immediately terminate the employment or notify DHS of the continued employment of workers who do not successfully contest the tentative nonconfirmation and those who the pilot program finds are not work-authorized.

The EEV program is a part of USCIS's Systematic Alien Verification for Entitlements Program, which provides a variety of verification services for federal, state, and local government agencies. USCIS estimates that there are more than 150,000 federal, state, and local agency users that verify immigration status through the Systematic Alien Verification for Entitlements Program. SSA also operates various verification services. Among these are the Employee Verification Service (EVS) and the Web-based SSN Verification Service (SSNVS), which can be used to provide verification that employees' names and Social Security numbers match SSA's records. These services, designed to ensure accurate employer wage reporting, are offered free of charge. Employer use is voluntary, and the services are not widely used.

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## Mandatory EEV Would Require an Increase in Capacity at USCIS and SSA

Mandatory electronic employment verification would substantially increase the number of employers using the EEV system, which would place greater demands on USCIS and SSA resources. As of May 2007, about 17,000 employers have registered to use the program, 8,863 of which were active users,<sup>10</sup> and USCIS has estimated that employer registration is expected to greatly increase by the end of fiscal year 2007. If participation in the EEV program were made mandatory, the program may have to accommodate all of the estimated 5.9 million employers in the United States. USCIS officials estimate that to meet a December 2008 implementation date, this could require about of 30,000 employers to register with the system per day. The mandatory use EEV can affect the capacity of the system because of the increased number of employer queries.

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<sup>10</sup>Active users are those employers who have run at least one query in fiscal year 2007.

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USCIS has estimated that a mandatory EEV could cost USCIS \$70 million annually for program management and \$300 million to \$400 million annually for compliance activities and staff. The costs associated with other programmatic and system enhancements are currently unknown. According to USCIS, cost estimates will rise if the number of queries rises, although officials noted that the estimates may depend on the method for implementing a mandatory program. SSA officials told us they have estimated that expansion of the EEV program to levels predicted by the end of fiscal year 2007 would cost \$5 to \$6 million, but SSA was not yet able to provide us estimates for the cost of a mandatory EEV. According to SSA officials, the cost of a mandatory EEV would be driven by the increased workload of its field office staff due to resolving SSA tentative nonconfirmations.<sup>11</sup>

A mandatory EEV would require an increase in the number of USCIS and SSA staff to operate the program. For example, USCIS had 13 headquarters staff members in 2005 to run the program and 38 immigration status verifiers available for secondary verification.<sup>12</sup> USCIS plans to increase staff levels to 255 to manage a mandatory program, which includes increasing the number of immigration status verifiers who conduct secondary verifications.<sup>13</sup> USCIS officials expressed concern about the difficulty in hiring these staff due to lengthy hiring processes, which may include government background checks. In addition, according to SSA officials, a mandatory EEV program would require additional staff at SSA field offices to accommodate an increase in the number of individuals visiting SSA field offices to resolve tentative nonconfirmations. According to SSA officials, the number of new staff required would depend on both the legislative requirements for implementing mandatory EEV and the effectiveness of efforts USCIS has under way to decrease the need for individuals to visit SSA field offices. For this reason, SSA officials

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<sup>11</sup>In general, in cases when the EEV system cannot confirm an employee's work authorization status through the initial automatic check, the system issues the employer a tentative nonconfirmation of the employee's work authorization status.

<sup>12</sup> Thirty-eight immigration status verifiers were available for completing secondary verifications. According to USCIS, at any one time about 3 to 5 immigration status verifiers work to resolve tentative nonconfirmations. The other immigration status verifiers work on other verification programs, such as the Systematic Alien Verification for Entitlements Program.

<sup>13</sup> USCIS officials noted that this does not include staff for monitoring and compliance functions.

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told us they have not yet estimated how many additional staff they would need for a mandatory EEV.

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## USCIS and SSA Are Exploring Options to Reduce Delays in the EEV Process

In prior work, we reported that secondary verifications lengthen the time needed to complete the employment verification process. The majority of EEV queries entered by employers—about 92 percent—confirm within seconds that the employee is authorized to work. About 7 percent of the queries are not confirmed by the initial automated check and result in SSA-issued tentative nonconfirmations, while about 1 percent result in DHS-issued tentative nonconfirmations. With regard to the SSA-issued tentative nonconfirmations, USCIS and SSA officials told us that the majority occur because employees' citizenship status or other information, such as name changes, is not up to date in the SSA database. SSA does not update records unless an individual requests the update in person and submits the required evidence to support the change in its records. USCIS officials stated that, for example, when aliens become naturalized citizens, their citizenship status is often not updated in the SSA database. In addition, individuals who have changed their names for various reasons, such as marriage, without notifying SSA in person may also be issued an SSA tentative nonconfirmation. According to SSA officials, although SSA instructs individuals to report any changes in name, citizenship, or immigration status, many do not do so. When these individuals' information is queried through EEV, a tentative nonconfirmation would be issued, requiring them to go to an SSA field office to show proof of the change and to correct their records in SSA's database.

USCIS and SSA are exploring some options to improve the efficiency of the verification process. For example, USCIS is exploring ways to automatically check for naturalized citizens' work authorization using DHS databases before the EEV system issues a tentative nonconfirmation. Furthermore, USCIS is planning to provide naturalized citizens with the option, on a voluntary basis, to provide their Alien Number or Naturalization Certification Number so that employers can query that information through the EEV system before referring the employees to SSA to resolve tentative nonconfirmations.<sup>14</sup> SSA is also coordinating with USCIS to develop an automated secondary verification capability, which may reduce the need for employers to take additional steps after the

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<sup>14</sup>According to USCIS, providing these data to employers would be voluntary to help ensure that naturalized citizens are not subject to discrimination.

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employee resolves the SSA tentative nonconfirmation.<sup>15</sup> USCIS and SSA officials told us that the agencies are planning to provide SSA field office staff with access to the EEV system so that field office staff can resolve the SSA tentative nonconfirmation directly in the system at the time the employee's record is updated at the field office. According to SSA officials, the automated secondary verification capability is tentatively scheduled to be implemented by October 2007. While these steps may help improve the efficiency of the verification process, including eliminating some SSA tentative nonconfirmations, they will not entirely eliminate the need for some individuals to visit SSA field offices to update records when individuals' status or other information changes.

USCIS and SSA officials noted that because the current EEV program is voluntary, the percentage of individuals who are referred to SSA field offices to resolve tentative nonconfirmations may not accurately indicate the number of individuals who would be required to do so under a mandatory program. SSA and USCIS officials expressed concern about the effect on SSA field offices' workload of the number of individuals who would be required to physically visit a field office if EEV were made mandatory.

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## EEV May Help Reduce Employee Document Fraud, but Cannot Yet Fully Address Identity Fraud Issues

In our prior work, we reported that EEV enhances the ability of participating employers to reliably verify their employees' work eligibility and assists participating employers with identification of false documents used to obtain employment.<sup>16</sup> If newly hired employees present false information, EEV would not confirm the employees' work eligibility because their information, such as a false name or social security number, would not match SSA and DHS database information. However, the current EEV program is limited in its ability to help employers detect identity fraud, such as cases in which an individual presents borrowed or stolen genuine documents.

USCIS has taken steps to reduce fraud associated with the use of documents containing valid information on which another photograph has been substituted for the document's original photograph. In March 2007, USCIS began piloting a photograph screening tool as an addition to the

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<sup>15</sup>Currently, once an individual resolves the reason for the SSA tentative nonconfirmation, the employer must then re-query the EEV system in order to finalize the verification.

<sup>16</sup>[GAO-05-813](#)

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current EEV system. According to USCIS officials, the photograph screening tool is intended to allow an employer to verify the authenticity of a Lawful Permanent Resident card (green card) or Employment Authorization Document that contain photographs of the document holder by comparing individuals' photographs on the documents presented during the I-9 process to those maintained in DHS databases. As of May 2007, about 70 employers have been participating during the pilot phase of the photograph screening tool, and EEV has processed about 400 queries through the tool. USCIS expects to expand the program to all employers participating in EEV by the end of summer 2007.

The use of the photograph screening tool is currently limited because newly hired citizens and noncitizens presenting forms of documentation other than green cards or Employment Authorization Documents to verify work eligibility are not subject to the tool. Expansion of the pilot photograph screening tool would require incorporating other forms of documentation with related databases. In addition, efforts to expand the tool are still in the initial planning stages. For example, according to USCIS officials, USCIS and the Department of State have begun exploring ways to include visa and U.S. passport documents in the tool, but these agencies have not yet reached agreement regarding the use of these documents. USCIS is also exploring a possible pilot program with state Departments of Motor Vehicles.

In prior work we reported that although not specifically or comprehensively quantifiable, the prevalence of identity fraud seemed to be increasing, a development that may affect employers' ability to reliably verify employment eligibility in a mandatory EEV program. The large number and variety of acceptable work authorization documents—27 under the current employment verification process—along with inherent vulnerabilities to counterfeiting of some of these documents, may complicate efforts to address identity fraud. Although mandatory EEV and the associated use of the photograph screening tool offers some remedy, further actions, such as reducing the number of acceptable work eligibility documents and making them more secure, may be required to more fully address identity fraud.

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## While Most Employers Complied with EEV Procedures, the Program Is Vulnerable to Employer Fraud That Diminishes Its Effectiveness and Misuse That Adversely Affects Employees

EEV is vulnerable to acts of employer fraud, such as entering the same identity information to authorize multiple workers. Although ICE has no direct role in monitoring employer use of EEV and does not have direct access to program information, which is maintained by USCIS, ICE officials told us that program data could indicate cases in which employers may be fraudulently using the system and therefore would help the agency better target its limited worksite enforcement resources toward those employers. ICE officials noted that, in a few cases, they have requested and received EEV data from USCIS on specific employers who participate in the program and are under ICE investigation. USCIS is planning to use its newly created Compliance and Monitoring program to refer information on employers who may be fraudulently using the EEV system, although USCIS and ICE are still determining what information is appropriate to share.

Employees queried through EEV may be adversely affected if employers violate program obligations designed to protect the employees, by taking actions such as limiting work assignments or pay while employees are undergoing the verification process. The 2004 Temple University Institute for Survey Research and Westat evaluation of EEV concluded that the majority of employers surveyed appeared to be in compliance with EEV procedures. However, the evaluation and our prior review found evidence of some noncompliance with these procedures. In 2005, we reported that EEV provided a variety of reports that could help USCIS determine whether employers followed program requirements, but that USCIS lacked sufficient staff to do so. Since then, USCIS has added staff to its verification office and created a Compliance and Monitoring program to review employers' use of the EEV system. However, while USCIS has hired directors for these functions, the program is not yet fully staffed. According to USCIS officials, USCIS is still in the process of determining how this program will carry out compliance and monitoring functions, but its activities may include sampling employer usage data for evidence of noncompliant practices, such as identifying employers who do not appear to refer employees contesting tentative nonconfirmations to SSA or USCIS. USCIS estimates that the Compliance and Monitoring program will be sufficiently staffed to begin identifying employer noncompliance by late summer 2007.

USCIS's newly created Compliance and Monitoring program could help ICE better target its worksite enforcement efforts by indicating cases of employers' egregious misuse of the system. Currently, there is no formal mechanism for sharing compliance data between USCIS and ICE. ICE officials noted that proactive reduction of illegal employment through the

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use of functional, mandatory EEV may help reduce the need for and better focus worksite enforcement efforts. Moreover, these officials told us that mandatory use of an automated system like EEV could limit the ability of employers who knowingly hired unauthorized workers to claim that the workers presented false documents to obtain employment, which could assist ICE agents in proving employer violations of IRCA.

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## Concluding Observations

Although efforts to reduce the employment of unauthorized workers in the United States necessitate a strong employment eligibility verification process and a credible worksite enforcement program and other immigration reforms may be dependent on it, a number of challenges face its successful implementation. The EEV program shows promise for enhancing the employment verification process and reducing document fraud if implemented on a much larger scale, and USCIS and SSA have undertaken a number of steps to address many of the weaknesses we identified in the EEV program. USCIS has also spent the last several years planning for an expanded or mandatory program, and has made progress in several areas, but it is unclear at this time the extent to which USCIS's efforts will be successful under mandatory EEV. It is clear, however, that a mandatory EEV system will require a substantial investment in staff and other resources, at least in the near term, in both agencies. There are also issues, such as identity fraud and intentional misuse, that will remain a challenge to the system. Implementing an EEV system to ensure that all individuals working in this country are doing so legally and that undue burdens are not placed on employers or employees will not be an easy task within the timelines suggested in reform proposals.

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This concludes my prepared statement. I would be pleased to answer any questions you and the subcommittee members may have.

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## GAO Contact and Staff Acknowledgements

For further information about this testimony, please contact Richard Stana at 202-512-8777.

Other key contributors to this statement were Blake Ainsworth, Frances Cook, Michelle Cooper, Rebecca Gambler, Kathryn Godfrey, Lara Laufer, Shawn Mongin, Justin L. Monroe, John Vocino, Robert E. White, and Paul Wright.



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