EMPLOYMENT VERIFICATION

Challenges Exist in Implementing a Mandatory Electronic Employment Verification System

Why GAO Did This Study

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, recently named the E-Verify program, to provide participating employers with a means for electronically verifying employees' work eligibility. Legislation has been introduced in Congress to require all employers to electronically verify the work authorization status of their employees. In this statement GAO provides observations on the E-Verify system's capacity and costs, options for reducing delays and improving efficiency in the verification process, ability to detect fraudulent documents and identity theft, and vulnerability to employer fraud and misuse. This statement is based on GAO's products issued from August 2005 through June 2007 and updated information obtained from DHS and SSA in April 2008. We analyzed data on employer use, E-Verify guidance, and other reports on the employment verification process, as well as legislative proposals and regulations.

What GAO Recommends

In 2005, we recommended that DHS include an assessment of the feasibility and costs of addressing program weaknesses, such as inability to detect identity fraud, in a planned evaluation of the program. DHS implemented this recommendation. This statement contains no new recommendations.

To view the full product, including the scope and methodology, click on GAO-08-895T. For more information, contact Richard M. Stana at (202) 512-8777 or stanar@gao.gov.

What GAO Found

A mandatory E-Verify program would necessitate an increased capacity at both U.S. Citizenship and Immigration Services (USCIS) and SSA to accommodate the estimated 7.4 million employers in the United States. According to USCIS, as of April 2008, more than 61,000 employers have registered for E-Verify, and about half are active users. Although DHS has not prepared official cost figures, USCIS officials estimated that a mandatory E-Verify program could cost a total of about $765 million for fiscal years 2009 through 2012 if only newly hired employees are queried through the program and about $838 million over the same 4-year period if both newly hired and current employees are queried. USCIS has estimated that it would need additional staff for a mandatory E-Verify program, but was not yet able to provide estimates for its staffing needs. SSA has estimated that implementation of a mandatory E-Verify program would cost a total of about $281 million and require hiring 700 new employees for a total of 2,325 additional workyears for fiscal years 2009 through 2013.

USCIS and SSA are exploring options to reduce delays and improve efficiency in the E-Verify process. The majority of E-Verify 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 as work authorized by SSA, and about 1 percent cannot be immediately confirmed as work authorized by USCIS because employees' information queried through the system does not match information in SSA or DHS databases. The majority of SSA erroneous tentative nonconfirmations occur because employees' citizenship or other information, such as name changes, is not up to date in the SSA database, generally because individuals do not request that SSA make these updates. USCIS and SSA are planning to implement initiatives to help address these weaknesses and reduce delays.

E-Verify may help employers detect fraudulent documents thereby reducing such fraud, but it cannot yet fully address identity fraud issues, for example when employees present genuine documents that may be stolen. USCIS has added a photograph screening tool to E-Verify through which an employer verifies the authenticity of certain documents, such as an employment authorization document, by matching the photograph on the document with the photograph in DHS databases. USCIS is exploring options to expand this tool to include other forms of documentation, such as passports, with databases that store photographic information, but these efforts are in the planning stages and require decisions about data sharing and privacy issues.

E-Verify is vulnerable to acts of employer fraud and misuse, such as employers limiting employees' pay during the E-Verify process. USCIS has established a branch to review employers' use of E-Verify. In addition, information suggesting employers' fraud or misuse can be useful to U.S. Immigration and Customs Enforcement (ICE) in targeting worksite enforcement resources. USCIS and ICE are negotiating a memorandum of understanding to define roles and responsibilities for sharing information.

United States Government Accountability Office