



EMAIL BULLETIN

U.S. SENATE PASSES AMENDMENT TO THE U.S. HOUSE MINIMUM WAGE BILL THAT WOULD BAR COMPANIES EMPLOYING UNDOCUMENTED WORKERS FROM RECEIVING GOVERNMENT CONTRACT AWARDS

26 February 2007

On January 25, 2007, the U.S. Senate voted overwhelmingly in favor of an amendment to the Fair Minimum Wage Act of 2007 (H.R. 2). The amendment would bar companies that employ undocumented workers from receiving awards of U.S. Government contracts for a period of seven years. If the company employed an undocumented worker at the time it held a U.S. Government contract, a ten-year bar would be imposed. Employers participating in the Basic Pilot program would be exempt from application of the bars. The differences in the House and Senate bills must be reconciled in conference before the law will pass and be sent to the President for signature.

The exemption of Basic Pilot program participants in the Senate amendment represents yet another inducement for employers to participate in the Basic Pilot program for employment eligibility verification. Participation in the program affords U.S. Immigration & Customs Enforcement (ICE) access to an employer's Form I-9 Employment Eligibility Verification records and Social Security No-Match percentages. Social Security Administration No-Match Letters do not, in and of themselves, indicate that an employee is not authorized to work in the United States. Further, the U.S. Government has not yet made participation in the Basic Pilot program mandatory, in part due to acknowledged flaws in the system. Such flaws include outdated information concerning employment eligibility and data-entry errors, issues that were previously raised by the U.S. Government Accountability Office in 2005, but remain unresolved.

In recent months, Basic Pilot program participants have been raided by U.S. Immigration & Customs Enforcement (ICE). The most high-profile raid in recent months was the December 12, 2006, ICE raid on six of Swift & Company's seven meat packing plants nationwide. Nearly 1,300 workers were detained, and the company immediately lost a significant percentage of production capability.