

# Study: Illegal worker crackdown would cost employers \$1B

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The government's plan to crack down on illegal workers could cost employers more than \$1 billion a year and legal workers billions in lost wages, a study commissioned by the U.S. Chamber of Commerce says.

Those costs are enough to trigger a federal law that would require the Homeland Security Department to analyze more thoroughly the effect of its proposal, said Richard Belzer, a consultant hired by the chamber to do the study. It was made available to The Associated Press on Thursday.

The department's proposed "no match" rule would require employers to fire workers who can't resolve mismatches between their name and Social Security number. The chamber opposes the proposal.

Belzer's study will be among public comments submitted to the Homeland Security Department on the proposal. The department could adopt the proposal after reviewing the comments. The deadline for comments is Friday.

Social Security sends no-match letters to employers. They often occur because someone is working illegally, but a mismatch can also take place because of typos, misspellings and name changes, among other reasons.

The Homeland Security Department issued average costs for employers based on how many employees they have and what percent might be unauthorized workers. It determined there would not be a heavy cost to employers.

Belzer, a former economist with the Office of Management and Budget, looked at overall costs and multiplied the average costs by the number of employers in each category. He also used the Homeland Security's estimates that 2 percent of legal workers a year would lose their jobs because they can't resolve the Social Security mismatch.

That adds up to between 37,000 to 137,000 unable to get work. Belzer estimated their lost wages would be from \$8 billion to \$37 billion.

Belzer said the crackdown could cost employers who have to carry out administrative paperwork when their employees are affected. The loss of employees could also affect a company's ability to produce goods.

His cost estimates are based on the department's now -suspended plan to enforce the no-match rule after the government sent 140,000 employers no-match letters, each with about 10 or more names. A U.S. district judge blocked the plan last October after groups opposed to it sued. The department is appealing.

A law in place since 1981 requires agencies to do a comprehensive study of proposed regulations if the cost exceeds \$100 million, said Belzer, an independent consultant.

"This is 10 times that," Belzer said. "They haven't done the level of analysis that for almost 30 years would be commonplace."

Russ Knocke, the department's spokesman, said while the he is "not shy to talk about the virtues of no-match, it's difficult to talk about something I have not seen."