

The Wall St. Journal

AUGUST 15, 2011

Immigration Audits Drive Illegal Workers Underground

By [MIRIAM JORDAN](#)

MINNEAPOLIS—In 2009, Alba and Eugenio were making almost twice the federal minimum wage, plus benefits, cleaning a skyscraper for a national janitorial company. With two toddlers, the Mexican couple enjoyed relative prosperity in a tidy one-bedroom duplex in a working-class neighborhood here.



Brenda dropped out of school to work when her mother, an illegal immigrant, lost her job at ABM.

Late that year, federal agents audited employee records of [ABM Industries](#) Inc., forcing it to shed all the illegal workers on its payrolls in the Twin Cities. Among them was the couple, undocumented immigrants who had worked at ABM for more than a decade.

Shortly after, Alba and Eugenio, who declined to have their surname published, landed at a small janitorial concern, scrubbing car dealerships for about half the pay, without benefits. Earlier this year that employer, too, was hit by an immigration audit. In late February, Alba and Eugenio were let go.

Today, the couple is struggling to make ends meet, working part-time and often relying on handouts from food banks to feed their family.

The journey from prosperity to the economic margins followed by Alba and Eugenio is an increasingly common path for thousands of undocumented workers pushed out of their jobs by the federal government's audits of U.S. businesses, according to immigration experts, business owners and unions.

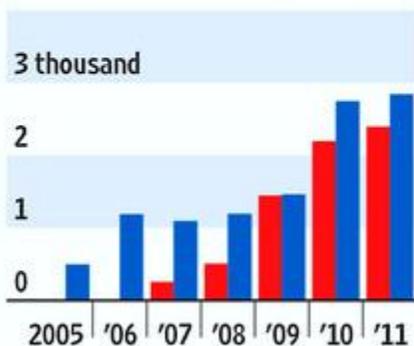
The audits, started by the Obama administration in 2009, put the onus on business to police workers, requiring companies to turn over employee records to federal agents. If the papers aren't in order, the workers are quietly let go without penalty while the companies are punished.

The audits, conducted by Immigration and Customs Enforcement, or ICE, a unit of the Department of Homeland Security, were initially hailed by some immigrant advocates as more humane because they eliminate deportation raids, the norm during the Bush administration.

Silent Raids

Employers examined by immigration enforcement

Investigations of employers Audits of I-9 forms



Note: 2011 figure through Aug. 6

Source: Immigration and Customs Enforcement

But it has become increasingly clear that the policy is pushing undocumented workers deeper underground, delivering them to the hands of unscrupulous employers,

depressing wages and depriving federal, state and local coffers of taxes, according to unions, companies and immigrant advocates.

Indeed, the audits draw flak from both proponents and opponents of an immigration overhaul. Rep. Lamar Smith (R., Texas), a leading voice among foes of giving illegal immigrants amnesty, deems audits ineffectual because they don't result in deportation.

"This means the illegal immigrant can walk down the street to the next employer and take a job that could go to an unemployed, legal worker," said Rep. Smith, who is chairman of the House Judiciary Committee.

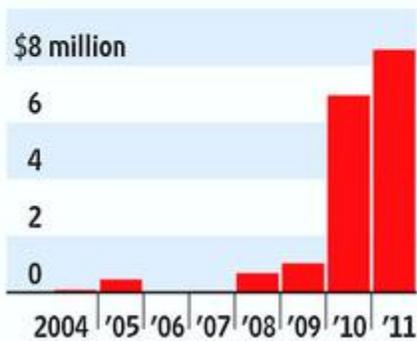
Many employers say the administration is depriving them of foreign workers who do jobs Americans refuse, even during an economic downturn, without proposing immigration reform that would supply a stable, legal labor force.

"All the audits do is keep employers in certain industries awake at night, while driving immigrants into work environments and arrangements that are indefensible," said Bill Blazar, a senior vice president of the Minnesota Chamber of Commerce.

Audits hit national burrito chain Chipotle Mexican Grill last year and garment maker American Apparel in 2009, among thousands of other employers. This year, ICE said it has audited more than 2,300 companies who employ tens of thousands of workers—in construction, agriculture, food processing, restaurant and critical-infrastructure sectors—from upstate New York and Alabama to Texas and Washington.

Cost of Illegal Hiring

Fines associated with paperwork violations in the hiring of illegal immigrants



Note: 2011 figure through Aug. 6

Source: Immigration and Customs Enforcement

The audits are an answer to calls by many members of Congress to strictly enforce current immigration laws before considering wholesale reform of the country's

immigration system. Like his predecessor, President Barack Obama favors an immigration overhaul that would put illegal immigrants on the path to legalization.

The administration began targeting employers because they are the "magnet" for illegal immigration since they provide jobs that lure the undocumented workers, according to ICE chief John Morton.

ICE doesn't disclose the names of the audited companies, and it said it also doesn't keep tabs on how many workers lose their jobs. As of Aug. 6, ICE said 2,393 companies were being audited, the largest number in a single fiscal year.

It's impossible to track where workers hit by audits end up. But immigration experts say Minnesota offers a microcosm for how many immigrants respond.

Before the recession, millions of Latin Americans snuck across the Mexican border to take jobs in construction, cleaning and other blue-collar work. Alba and Eugenio were part of that wave, making the journey to Minneapolis in the late 1990s after hearing jobs were plentiful and the cost of living relatively low.



They settled in the burgeoning Latino enclave around East Lake Street, a commercial corridor dotted with orange, yellow and pastel buildings that are home to "taquerias," and other businesses that cater to the Spanish-speaking community. They would eventually have two children in the U.S. and send them to the local public school.

Both Alba and Eugenio got jobs at ABM, a publicly traded building-services contractor. For nine years, Alba was on a bathroom crew, swabbing toilets and wiping sinks in a 56-story tower designed by the famed architect I.M. Pei.

Alba made \$7.75 an hour, above the federal minimum wage at the time. She worked eight-hour shifts five days a week and was entitled to paid vacation and sick days. She received paid maternity leave when she had each child. "Each January, my salary inched up a few cents," she says.

Wages for Eugenio, who is currently 37 and also worked in the Capella Tower, also climbed each year.

In October 2008, Eugenio was promoted to shift supervisor, at an hourly rate of \$14.42, according to his last pay stub, which also shows Medicare, Social Security and tax deductions. The following month, the couple secured a bank loan and bought a 2005 blue Ford Explorer for \$17,000.

By January 2009, the month President Obama took office, Alba had been promoted to vacuuming and emptying waste baskets for \$12.97 an hour.

The family's monthly expenses at the time included \$565 for rent, \$200 for gas and \$50 for cellphone usage. The family dined at buffets on the weekends and Alba signed up for English lessons. Their children, Alexander, 6, and Narely, 8, wore crisp new clothes. The couple was sending \$100 to \$200 a month to relatives in Mexico.

"We had job security and never imagined what was coming," said Alba, 28 years old.

In February 2009, ICE took the new White House administration by surprise when it raided an engine factory of Yamato Engine Specialists Ltd., in Bellingham, Wash., arresting more than two dozen undocumented workers. Yamato paid a \$100,000 fine. The operation outraged some immigrant advocates who had expected a softer approach to work site enforcement from the new president.

Homeland Security Secretary Janet Napolitano ordered an internal review of the raid and on April 30 announced that ICE would follow a new approach "to target the root cause of illegal immigration." ICE later initiated audits of 654 companies.

The new strategy was showcased in Los Angeles that summer when ICE audited American Apparel. No agents stormed the premises. ICE delivered a written notice advising the company to turn over employee records—including federal I-9 worker eligibility forms—and warning it of potential fines. The clothing maker lost about 1,500 workers, more than a quarter of its work force, and paid about \$35,000 in fines, said Peter Schey, the attorney who represented the company during the audit for what he said were "paperwork violations."

Under federal law, employers are obligated to ensure their workers are eligible to work in the U.S. However, many complain that workers present fake documents and companies don't have the ability to patrol them. They also fear discrimination suits for demanding additional documents from workers they suspect are in the country illegally.

Later that summer, ICE sent an audit notice to ABM in the Twin Cities. Anxious workers huddled in the halls of the skyscrapers as word spread that "la migra," the Spanish term used to refer to immigration agents, was targeting their employer.

The workers feared being arrested and separated from their children. "This was uncharted territory—the first big I-9 audit" in Minnesota, recalls John Keller, executive director of the Immigrant Law Center of Minnesota.

A few weeks later, ICE notified ABM that a number of workers' I-9 documents were suspect and asked that the workers provide different documentation, such as a valid social security number and driver's license, an ABM spokesman said.

"Our policy is full compliance with the law and we cooperated with the administration in this matter," the spokesman said.

By late October, 1,250 undocumented workers at ABM, including Alba and Eugenio, had been let go or left, union officials say.

ABM, which employs nearly 100,000 nationwide, paid \$108,000 in civil penalties, according to ICE, which declined to elaborate. It was able to replace all the undocumented workers, the spokesman said.

The effects of the audit reverberated through the East Lake Street immigrant enclave. Alba and Eugenio's neighbor, Marta, and her husband, lost their jobs at ABM and then lost their three-bedroom house, where they had lived for 12 years, to foreclosure. Marta's husband eventually got a job as a dishwasher making \$8 per hour.

Nearby, Brenda, the daughter of another ABM employee who lost her job, dropped out of high school so she could get a full-time cleaning job to help pay bills, including the mortgage on the powder-blue house that her parents had bought in 2006.

"When my mom got fired, that's when all the problems started," said Brenda, 20, who had planned to attend college and become a police officer.

In November, Alba and Eugenio landed jobs at ROC Inc. for a net sum of \$155 each per week to wash a Chevrolet dealership six nights a week in the St. Paul suburb of Roseville. Pay stubs don't show an hourly rate. The couple say they didn't receive benefits or paid time off.

ROC didn't give them an auto scrubber, a machine customarily used to wash large areas. Mike Chmielewski, the dealership's finance manager, confirms the couple swept and mopped the 10,000-square-foot area themselves. "They were very hardworking," he said. "They had personal pride in doing the job well."

People familiar with the company say that ROC, which has contracts with dealers selling major car brands, paid wages that dipped below the federal minimum wage.

To supplement their income, Eugenio found part-time work parking cars for an auto-rental company at the airport, earning minimum wage of \$7.25 per hour. He had no fixed hours. Alba said she began visiting the food pantries of community organizations for staples like rice, beans, canned corn and sugar.

Late last year, Chipotle in the Twin Cities, hit by an audit, dismissed hundreds of workers. In January, ICE audited ROC, which immediately placed ads for workers in the local newspaper.

An ICE spokesperson said the agency doesn't comment on investigations.

In a statement, ROC said it complied with ICE's request for information and hasn't received further contact from the agency. "ROC Inc. follows all laws and regulations regarding state and federal employment practices," said Peter Mogren, CFO of ROC. He declined to answer specific questions.

Alba said she and her husband learned about the audit in February. "We were distraught," she said. The company told them to take time off until immigration reported back the results of the audit, Alba said.

Mr. Chmielewski, the Chevy dealership manager, said the worker who replaced Alba and Eugenio was an American man who "had no pride in his work."

With complaints mounting, ROC fired many of the new workers and hired subcontractors to supply cleaning crews, according to people close to the company. Such a practice, which is common in the industry, enables companies to use workers who don't appear on the payroll.

In April a subcontractor called Alba and Eugenio and soon they were back cleaning the Chevy dealership, where managers said they were delighted when the couple returned. A month later, however, the subcontractor told the couple he couldn't employ them because of the ICE investigation of ROC, the couple said.

Alba found part-time work cleaning hotel rooms for \$10.33 an hour. Eugenio recently found a landscaping job that pays \$11 an hour.

With their children's future in mind, the couple says they plan to remain living in the East Lake Street enclave. Still, this summer they've sent the kids to Mexico to stay with relatives. "That way we can work," Alba said.