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Worker-status checking gets done without fuss

Local contractors say new rule helps with hiring process

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Workers cleared out after a recent shift at shipbuilder General Dynamics NASSCO, which was checking workers' eligibility status before a new federal rule began in September. - Charlie Neuman / Union-Tribune

In this region rife with federal contractors, employers are heeding a new rule requiring them to ensure that their employees are working legally in this country.

Employers with federal contracts or subcontracts of more than $100,000 and lasting longer than 120 days are now required to use E-Verify, a federal, Internet-based system that checks information provided on workers' employment eligibility verification forms, known as I-9 forms, to ensure that they are eligible to work in the United States.

The system checks employees' Social Security data for authenticity, as well as their immigration status.

Under the new rule, which went into effect Sept. 8, new hires must be screened. So must

existing employees working directly on a federal contract, a provision of the rule that has met with ire from the business lobby.

In San Diego, however, where federal dollars keep shipbuilding and other defense-related industries afloat, contractors aren't complaining.

"It has run smoothly for us," said Karl Johnson, spokesman for San Diego shipbuilder General Dynamics NASSCO, which has multimillion-dollar contracts to build Navy vessels. "Shipbuilding takes a lot of people, and the system has helped us with the hiring process."

Like many other federal contractors in the county, the company was already using the free verification system — previously referred to as Basic Pilot — before the rule kicked in.

There are 160,951 businesses enrolled in E-Verify nationwide, 12,692 of them in California, according to U.S. Citizenship and Immigration Services, which administers the program. Congress recently approved funding to extend E-Verify another three years.

In addition to cost and duration of contracts, the September rule applies only to companies whose products cannot be purchased off the shelf and whose work is not produced exclusively offshore, said Sharon Rummery, a spokeswoman for the agency. Companies meeting the criteria must enroll in E-Verify within 30 days of the contract award date and start verifying the information on workers' I-9 employment forms within 90 days of enrolling, she said.

The rule was initially scheduled to kick in last January. A month prior, the U.S. Chamber of Commerce filed suit against the government in an attempt to halt implementation and demand revisions, a case that is still pending.

Critics of what began as Basic Pilot, first rolled out on a trial basis in 1997 in five states including California, have raised concerns about the potential for false hits, which could complicate employment for those legally authorized to work, particularly foreign-born.

A worker whose screening reveals a discrepancy in his or her documents is informed of the problem and asked to straighten it out within eight working days, Rummery said. If they cannot, they lose their job.

Angelo Amador, executive director of immigration policy for the U.S. Chamber of Commerce, said the system has become significantly more efficient over the years, making this less of a concern. But he said there are other problems, in particular a provision forcing contractors to rescreen existing employees working on a federal contract. Critics argue that this costs employers money and exposes them to potential litigation.

"It is a costly proposition," Amador said. "You need to have HR people going around to

make sure to bring everybody in."

In the case of large companies, the staff hours required to do this work for thousands of employees can add up, Amador said. There are also problems over identifying which existing employees need to be screened or not, a quandary he said some companies might avoid by rescreening everyone. In addition, some labor unions have agreements stating their workers will not be rescreened.

"You have to be careful," Amador said. "Our companies are calling us and their attorneys themselves aren't clear on this."

Companies that profit from federal contracts aren't likely to complain publicly, Amador said, but many have complained privately.

The process is indeed labor-intensive, said Lynnette Williams, a compliance specialist for BAE Systems in San Diego, a federal contractor whose business lines range from ship repair to information technology used by the military.

The ship repair unit, formerly known as Southwest Marine, began using Basic Pilot following a federal audit in 2003 that found 14 employees had turned in fraudulent documents to obtain work. However, the information solutions unit in Rancho Bernardo only adopted E-Verify recently. It has six months to screen existing employees according to the new rule, Williams said.

"It is a lot of work, but you have to do it anyway, Williams said. "We have to do the I-9, and we have to comply with the federal government, so for us it is another step."