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## Compliance Bulletin

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#### Retailer fined \$1.05 million for problems with electronic I-9 system

A major clothing retailer was fined \$1.05 million after U.S. Immigration and Customs Enforcement (ICE) inspected I-9s in the retailer's stores in Michigan. In a [press release](#), ICE said it fined the retailer on finding "numerous technology-related deficiencies" in the company's electronic I-9 verification system.

ICE praised the company for cooperating during the investigation and said that it found no cases in which the company knowingly hired an unauthorized alien. The fine was imposed **only because of deficiencies in the company's electronic I-9 system.**

Said Brian M. Moskowitz, special agent in charge of ICE for Ohio and Michigan: "Employers are responsible not only for the people they hire but also for the internal systems they choose to utilize to manage their employment process and those systems must result in effective compliance."

Since January of 2009, ICE has hit employers with \$50 million in fines. (See "ICE workforce enforcement jumps," below.)

The TALX I-9 solution is built to meet all the legal requirements for electronic I-9 creation and storage. The system also meets the requirements for historical I-9s that you can (at your option) scan and upload when you implement our service. The guided process for creating new I-9s prevents you from accepting an inappropriate document for proof of eligibility to work, flags many of the common errors, and won't accept an incomplete I-9. We also offer tools that let you identify missing I-9s and purge I-9s that are past their retention requirements, and respond quickly when audited. For more information, please send us an email at [moreinfo@talx.com](mailto:moreinfo@talx.com).

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### ICE worksite enforcement: I-9 audits double; fines reach record

In an Oct. 6 email alert, ICE detailed the sharp increase in its employer-focused worksite enforcement actions:

- This year, ICE **criminally charged a record-breaking 180 owners, employers, managers and/or supervisors** – up from 135 in FY 2008 and 114 in FY 2009.
- ICE conducted more than **2,200 I-9 audits** – up from more than 1,400 in FY 2009.
- Since January 2009, ICE has imposed approximately **\$50 million in financial sanctions**.
- ICE **debarred 97 business and 49 individuals** in FY 2010, up from 30 and 53, respectively, in FY 2009.

Despite the increased enforcement efforts aimed at employers, some critics believe DHS and ICE should do more.

Julie Myers, chief of ICE during the Bush Administration between 2006 and 2008 was quoted recently in the Wall Street Journal as saying the stepped up enforcement was commendable but too focused on small employers.

"To make the program overall more effective the way they are seeking, ICE is going to have to bring substantial cases against large employers, as well," she said.

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### Southern California business owners arrested over undocumented workers

Managers and owners at two companies in Southern California **face criminal charges** for knowingly hiring undocumented workers.

In September, the U.S. Immigration and Customs Enforcement arm of DHS arrested the owners of a maker of metal castings for “continuing to employ unauthorized aliens.”

ICE had earlier audited the company’s hiring records and identified 16 employees who used counterfeit permanent resident alien cards. The company, based in Oxnard, CA near Los Angeles, told ICE it had fired the employees, but in fact kept them on the payroll and “directed them to go out and get ‘good’ Social Security numbers.” Both owners were charged in a criminal complaint.

ICE also recently arrested a manager at a Los Angeles-based temporary staffing firm. The manager was charged with hiring unauthorized workers and supplying the workers with forged immigration documents.

Recent ICE enforcement efforts have targeted not just corporations but individual owners and managers. In fact this year ICE has brought criminal charges against 180 owners, employers, managers and/or supervisors. (See above article, “ICE worksite enforcement: I-9 audits double; fines reach record”)

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## Employers must accept only new Puerto Rico birth certificates for I-9 documentation

On July 1 Puerto Rico began issuing new, more secure birth certificates in an effort to alleviate problems with passport fraud. It was estimated that as much as 40% of all US passport fraud investigations involved use of Puerto Rican birth certificates.

Starting Oct. 30, no birth certificates issued prior to July 1 are valid.

After Oct. 30, employers must ensure that any new hires presenting a Puerto Rican birth certificate as a List C I-9 document are presenting a certificate issued after July 1, 2010. A new hire presenting a certificate issued before that date must produce a different document for I-9 verification or obtain a newly issued certificate.

However, employers should not re-verify any current employees who previously presented older Puerto Rican birth certificates.

I-9 enforcement efforts are at unprecedented levels. The odds of an I-9 audit are higher than they've ever been and even companies making a good faith effort to comply with requirements can be hit with fines of \$110 to \$1,100 per faulty or missing I-9. TALX offers compliance tools that let you identify missing I-9s, improve accuracy, purge I-9s that are past their retention requirements, and respond quickly when audited.

To learn more about the TALX I-9 solution, send an email to [moreinfo@talx.com](mailto:moreinfo@talx.com) with "I-9 solution" in the subject line.

If any of your team members wish to be added to the recipient list for TALX compliance bulletins, send an e-mail to [compliance.bulletin@talx.com](mailto:compliance.bulletin@talx.com) with "Subscribe to compliance bulletins" in the subject line.

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Editor:  
Gordon Middleton,  
Compliance Specialist