Automating I-9 Verification

Paperless software systems can create valuable efficiencies and promote consistency and thoroughness in recordkeeping.

By Dave Zielinski

A

need to hire more than 20,000 new employees annually kept Deborah Brantley’s staff buried in a paper blizzard of I-9 forms, the documents required to verify employee identities and authorize their ability to work in the United States.

Brantley, vice president of human resources and talent acquisition for AlliedBarton Security Services in Conshohocken, Pa., says the paper system increased fears that critical errors would be made in completing forms, hiked the odds of I-9 forms being improperly filed or even lost, and made internal audits a logistical challenge.

So, like a growing number of HR professionals, Brantley moved to an electronic I-9 management system, choosing software from the San Francisco-based Tracker Corp. that enables paperless signing, management and storage of I-9 records. These automated systems, available in software-as-a-service (SAAS) or enterprise models, have become popular among HR leaders since Congress authorized electronic signature and storage of I-9 forms seven years ago.

Many users are enticed by new efficiencies, greater consistency in form completion and built-in controls, and the benefits of integrating the software with E-Verify, a nationwide service that enables recruiters to check identity information provided by new hires against federal databases.

Closer Inspection

While paper I-9 systems still have their place, many HR leaders have turned to automated systems amid growing audit activity and high-profile fines levied by U.S. Immigration and Customs Enforcement (ICE).

In February, the government required 1,000 companies to turn over employment records for inspection, according to a Wall Street Journal report. Organizations including Chipotle Mexican Grill, apple grower Gebbers Farms and clothing retailer Abercrombie & Fitch recently have been hit with substantial fines for I-9 violations or forced to fire illegal workers following federal audits. Immigration attorneys say these activities represent a stark shift in focus under the Obama administration from targeting unauthorized workers to pursuing employers.

Electronic systems rid employers of unwieldy paper I-9 forms that can be difficult to manage and internally audit, that contain illegible handwriting, and that aren’t environmentally friendly. Many users find that automated systems:

• Ensure greater consistency in completing forms.

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• Provide embedded controls that don’t allow forms to be entered into the system with missing or incorrect information.
• Have automated prompts that remind administrators of re-verification processes or completion deadlines.
• Enable easier spot-check audits by HR managers.

Mark Nagel, director of employment practices for Best Buy, says the most attractive benefit of automation is consistency in how I-9 forms are completed and reviewed. The electronics retailer based in Richfield, Minn., purchased a system from vendor Maximus of Reston, Va.

“Talent managers had their own idiosyncrasies in how they wanted the audits done, but the automated system has brought a new consistency,” he explains.

Jenelle Hancock, a human resources supervisor with the city of Phoenix, has used an automated I-9 verification system from St. Louis-based TALX Corp. since 2007. Among the features she considers valuable are:
• Automatic notification of expiring I-9 documents.
• Users’ inability to enter forms in the system if not filled out completely.
• Easier purging of documents following required retention periods.

Under the old paper system, we occasionally mistyped a Social Security number when filling out I-9s,” Hancock says. “Now if we do that, we are notified that we have an I-9 on file for someone who doesn’t exist in our database. The software helps keep our records clean.”

Previously, Hancock says, paper I-9 forms filled out in field locations were centrally reviewed by the HR department and regularly sent back because of errors such as boxes not being checked or the use of correction fluid on forms. “We would have to pull employees back in from the field and go through those steps again,” Hancock recalls. The electronic system “forces you to have a properly completed document the first time. You have to complete step one before you can move to step two, and you also get reminders if it isn’t completed in a timely fashion.”

Brantley points to similar enhancements delivered by her system as well as greater ease in conducting internal I-9 audits. AlliedBarton has 16 U.S. regions and hundreds of recruiters and account managers who regularly fill out I-9 forms. “The ability for our HR directors in those regions to go into the system and spot-check lists of new hires to see if I-9s are being filled out correctly has been a big benefit,” Brantley says.

Nagel says Best Buy’s automated system helps meet staffing needs. “I can pull up a report in my office on who we hired across all stores and whether we have their completed I-9s yet. In the past, there was no way for me to generate reports like that,” he says.

AlliedBarton’s HR professionals access the Tracker Corp. software via the Internet. Brantley says HR’s unlimited license for the SAAS arrangement costs about $55,000 annually, on top of an initial setup fee of $11,000.

How to Evaluate Automated Systems

While it might be easy to grow enamored with the workflow and storage benefits of electronic systems, immigration attorneys say it’s equally important that I-9 software be evaluated for its ability to comply with ICE regulations and to withstand an ICE audit. In the

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Brantley used internally developed software that didn’t allow ICE auditors to easily access and print out readable I-9 forms. While brand-name systems from industry vendors may not have this flaw, experts say it’s still vital to ensure that prospective systems comply with ICE regulations. The HR staff, and an organization’s legal counsel, should rigorously question the vendor. For example, since auditors usually want to leave audits with printed documents, you’ll want to know whether the software you’re considering can easily produce batch printouts of I-9 forms, as well as forms for individual employees.

Experts recommend regular training for I-9 administrators to keep their knowledge current.

Mira Mdivani, a partner and immigration attorney with the Mdivani Law Firm in Washington, D.C., Abercrombie & Fitch case, for example, a $1 million fine was tied directly to technology-related flaws that auditors found in the company’s electronic I-9 system.

According to Mary Pivec, a partner and immigration attorney with Keller and Heckman in Washington, D.C., Abercrombie

For additional information about automating the I-9 verification process, see the online version of this article at www.shrm.org/hrmagazine/0511HRTechnologyAgenda.
Firm in Overland Park, Kan., says when she conducts internal audits of I-9 forms for clients, she still uncovers five errors per form, on average. “Train I-9 administrators at least once a year,” Mdivani advises. “Many administrators think they know proper procedure, but experience shows they often don’t, without regular training.”

Still Need Paper?
While a growing number of employers are embracing paperless I-9 management, some immigration attorneys voice sound reasons to keep hard copies of I-9 forms. Paper systems may still make sense for smaller, centralized businesses, for example. And for larger employers, paper still has advantages on the liability front—namely, providing a higher level of assurance, in the case of an ICE audit, that forms haven’t been tampered with since creation.

“ICE auditors remain concerned that once data are entered into an electronic system, they can be manipulated by other people,” Pivec says. “They want some clear method of detecting if there have been any changes made to I-9s, what the changes were, when they were made and by whom.”

Mdivani considers herself a technology proponent. Nonetheless, she suggests that her clients keep hard copies of I-9 forms in addition to electronic files.

In converting to I-9 software, HR executives also face the decision of retaining legacy I-9 forms or migrating existing documents to electronic form. Brantley’s team at Allied Barton opted not to scan in more than 50,000 existing paper I-9s into the electronic system. “Those we had on paper will continue to be on paper and we’ll manage them as we always have, but going forward we’ll do electronic I-9s with new hires,” Brantley says. “We’ll work out of two systems until enough time passes that it’s no longer an issue.”

Best Buy, on the other hand, chose to convert 170,000 existing paper I-9s to electronic form in a phased process, Nagel says. Employees were given nine months to adjust to the automated system. Then, each month, one of eight Best Buy regions began scanning the paper forms.

Automated systems can make I-9 forms easier to store and inspect, bring consistency to the completion process, and reduce certain types of human error. But if compliance issues aren’t weighed as heavily as the benefits of workflow efficiencies when choosing I-9 software, your organization could easily find itself on the wrong side of an ICE audit.