

# **The Mercury News**

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## **Trump called ‘very weak’ on E-Verify effort in US**

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In President Donald Trump’s many vocal pronouncements about stopping illegal immigration, one solution he promoted during the campaign has been conspicuously missing: a requirement that employers check whether workers are legal.

Eight states require nearly all employers to use the federal government’s online “E-Verify” tool to check whether new hires are eligible to work in the U.S., but efforts to expand the mandate to all states have stalled, despite polls showing widespread support and studies showing it reduces unauthorized workers.

The campaign for a national mandate has withered amid what appears to be a more pressing problem – a historic labor shortage that has businesses across the country desperate for workers, at restaurants, farms and in other low-wage jobs.

The urgency around that shortage was clear at a congressional hearing last week when senators pressed Homeland Security Secretary Kirstjen Nielsen on additional visas for seasonal foreign workers.

“There’s not one manufacturing plant in Wisconsin, not one dairy farm, not one resort that can hire enough people,” said Sen. Ron Johnson, R-Wis., chairman of the Homeland Security and Governmental Affairs Committee.

With the unemployment rate at a 17-year low and a Trump administration crackdown on foreign workers, lawmakers are reluctant to champion legislation that could exacerbate the labor

shortage and hurt business constituents – even one aimed at illegal workers that’s popular among a broad swath of Americans.

House Republicans are forging ahead with a debate over the future of young undocumented immigrants who arrived in the United States as children, but the fate of an E-Verify provision remains in limbo.

Despite his administration’s “Hire American” rhetoric, Trump and the GOP leadership have gone quiet on mandating E-Verify, draining momentum from a top policy goal of grass-roots Republicans.

“The president has been very weak on this subject. Even though he’s not pushing hard for it, and even though the Republican leadership has been really sluggish on this, the Republican Party as a whole is overwhelmingly for this,” said Roy Beck, president of NumbersUSA, an organization that has campaigned for a national E-Verify mandate since 1996 in its quest for reduced immigration.

“Allowing businesses to employ people illegally is like the government leaving the keys in an unlocked car,” Beck said. “You’re going to get a lot of stolen cars.”

E-Verify has proved effective at keeping immigrants who are in the country illegally from taking American jobs. In Arizona, which pioneered the mandatory checks in 2008, the number of unauthorized workers dropped 33 percent below what was projected without the requirement, according to a 2017 analysis by the Federal Reserve Bank of Dallas.

The federal employment verification system, introduced more than 20 years ago, has wide public support. Nearly 80 percent of those surveyed last fall by The Washington Post and ABC News support requiring employers to verify new hires are legally living in the United States – more than double the support for building a wall along the Mexico border.

Trump touted a national E-Verify mandate while running for president.

“We will ensure that E-Verify is used to the fullest extent possible under existing law, and we will work with Congress to strengthen and expand its use across the country,” Trump declared in a 2016 speech in Arizona.

Trump last October listed E-Verify among his immigration priorities and in February, requested \$23 million in his 2019 budget proposal to expand the program for mandatory nationwide use. He uses E-Verify at his golf club in North Carolina, where the worker checks are required by state law, as well as other entities in Chicago, Miami and New York, according to an E-Verify database of participating employers.

But it is unclear whether E-Verify checks are performed across Trump’s entire domestic portfolio of hotels and golf clubs. Trump Organization and White House officials have not responded to Post inquiries.

And Trump has yet to use the platform of the presidency to rally support for a national requirement, opting instead to push for building a wall, militarizing the border and stepping up deportations.

The labor shortage in industries that most depend upon undocumented workers – like agriculture, construction and hospitality – is driving up wages and deterring state authorities from rigorous enforcement of state E-Verify laws, factors that analysts say complicate any national campaign.

There is just one unemployed person for every job opening in the country, according to Bureau of Labor Statistics data, the lowest since the government began tracking this information in 2000.

“If you cut off the labor supply like these laws do, you are going to see employers get desperate when it becomes a lot more difficult to hire, and if businesses are following the law, they have to raise wages,” said Pia Orrenius, senior economist at the Dallas Fed who found that states with universal E-Verify requirements typically saw substantial reductions in the number of unauthorized workers.

Orrenius’s research has shown that E-Verify mandates resulted in increased wages for low-skilled workers born in the United States or otherwise naturalized. In the states that have mandated near-universal E-Verify, the average hourly wages of unauthorized Mexican men fell nearly 8 percent after the requirement went into effect, while wages for U.S. born and naturalized Hispanic men rose between 7 and 9 percent.

In South Carolina, restaurateur Steve Carb, the largest employer on the resort island of Hilton Head, is struggling to staff his 12 restaurants – and having to shut down entire dining sections several days a week.

His dining establishments, from pizzerias to 450-seat waterfront seafood restaurants, now employ about 900 people but need 1,000 to function optimally, he said.

He has had to raise wages to attract and keep workers.

Dishwashers earn \$13 an hour, instead of \$10 a couple of years ago. Line cooks are paid between \$15 and \$18 an hour, instead of \$13 to \$15. Additional overtime costs mean tweaking the menu to stay profitable, from switching to smaller shrimp to raising the price of a plate of fish and chips by 30 cents.

“The whole island is a disaster zone right now,” said Carb, president and founder of SERG Restaurant Group. “It’s been a nightmare.”

Meanwhile, Carb noted, “there are people who are willing to work and pay taxes, but they can’t get jobs because we can’t legally hire them.”

Other restaurants will, though, he said.

Even with the threat of fines or losing their business licenses, some employers in mandatory E-Verify states are not complying with the program because states have shied away from enforcement actions for fear of alienating business owners.

Only 55 percent of new hires in South Carolina were screened through E-Verify in the second quarter of 2017, according to an analysis by Cato Institute. In Arizona, 59 percent of new hires were checked against federal records during that period, according to Cato.

“There’s no enforcement,” said Bruce Dusenberry, former president and chief executive of Horizon Moving Systems before he sold it in 2013 to focus on commercial industrial real estate in Arizona.

“If employers were required to follow the law just like they scream about immigrants following the law, it would reduce the demand,” said Dusenberry, who supports a national E-Verify mandate. “We wouldn’t need the military going down to the border.”

Alex Nowrasteh, an immigration policy analyst at Cato, said states have been reluctant to crack down hard because legislators know businesses will suffer. His analyses have shown that compliance rates in South Carolina fall when the unemployment rate falls.

“The penalties aren’t used very often because who wants to shut down a bunch of small businesses?” Nowrasteh said. “If you enforce immigration laws too much, you could do serious damage to the local economy and hurt a lot of small businesses that have a lot of political power.”

In South Carolina, 2 percent of employers were audited for E-Verify use in 2017, according to state data. Of those businesses, 17 percent were cited for violating the law, but none had their licenses suspended.

Congressional Republican supporters of Trump’s “America First” ideology also face political pressures.

Conservative members who represent rural farming districts, as well as Democrats, have said they will support a national E-Verify mandate only if it comes with the guarantee of a robust agricultural guest worker program and protection of existing workers who are in the country illegally.

“A lot of our elected officials are listening to those of us explaining the negative economic impact,” said Bert Lemkes, general manager of Tri-Hishtil, an agricultural firm in western North Carolina that specializes in plant grafting.

Sen. Thom Tillis, R-N.C., said in an interview that the low unemployment rate has made it harder for Republicans to call for a federal mandate. He said he would not support a national mandate, but states that do require employers to use E-Verify, such as North Carolina, should receive priority for foreign worker visas.

“There is a worker shortage, whether it’s in low-skilled work or certified work like the construction trades,” Tillis said. “There is going to be an increasing number of unfilled positions.”

He cited a business franchise with footprints in North Carolina and another state without an E-Verify requirement that he would not name because he did not want to identify the company. “In

North Carolina, they have a couple hundred open jobs they can't fill," he said. "And in the state without E-Verify, they don't have a worker shortage."

Florida Gov. Rick Scott, a Republican, campaigned on the promise of implementing a statewide E-Verify mandate. But as governor, Scott told citrus growers in 2012 that it would be "foolish to put Florida companies at a disadvantage" because of the lack of a national requirement.

Nationally, 10 percent of U.S. employers are enrolled in E-Verify. The eight states that require nearly all employers to use the system are: Alabama, Arizona, Georgia, Mississippi, North Carolina, South Carolina, Tennessee and Utah.

California, a self-declared "sanctuary state" for undocumented immigrants, prohibits state agencies and municipalities from mandating E-Verify.

David Cox, owner of a family nursery L.E. Cooke Co. in Visalia, California, voluntarily began using E-Verify after a 2009 audit by Immigration and Customs Enforcement. A quarter of his field workers were undocumented and had to be fired.

But the E-Verify signs in his office and production facilities have discouraged many immigrants from applying. Instead, Cox began primarily attracting ex-convicts.

His absenteeism rate shot from nonexistent up to 10 percent as his new employees skipped work for drug court, anger management classes and appointments with their probation and parole officers. He slipped a new line into his orientation speech: "No guns, knives or bombs."

Whereas in the past, Cox harangued workers who showed up 10 minutes past the 7:30 a.m. start time, he soon began thanking the ones who bothered showing up by 10 a.m.

By April, Cox concluded that, amid other labor market conditions, he could no longer compete against nurseries that continue to employ unauthorized immigrants, and he shuttered his field operations.

"If we're going to use E-Verify," he said, "it has to be done on a national basis all at once so everyone is on a level playing field and everyone feels the pain."