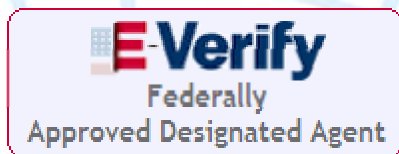


Summary of E-Verify and I-9s (and how systems like Guardian can help)



Agenda

- What is a Form I-9 & who must complete it?
- What is E-Verify?
- What federal and state laws mandate the use of E-Verify?
- Penalties for I-9 and E-Verify non-compliance
- Q&A about best practices and common misunderstandings.
- How LawLogix can help you?
- Benefits of Using Guardian
- Why Use Guardian over other options?
- Current I-9s Data Migration Options
- Who is LawLogix?

Form I-9 & Who Must Complete?

- 1986 Immigration Reform and Control Act requires all employers to verify employment eligibility of all employees by filling out the Form I-9 to help control illegal migration by elimination of employment opportunity for unauthorized persons.
- The Form I-9 needs to be completed within three days of the starting date.
- **Whose employment must be verified?**
 - All employees, whether US Citizens or not, hired after November 6, 1986.
- **For whom is I-9 verification unnecessary?**
 - Employees hired on or before November 6, 1986.
 - Domestic workers in a private home providing irregular or intermittent services
 - Independent contractors
 - Workers provided to employers by contract services such as temporary agencies (in which case it is the agency's responsibility to I-9 the employee)

What is E-Verify?

- **E-Verify** (formerly known as the Basic Pilot/Employment Eligibility Verification Program) is an Internet-based system.
- This system is operated by the Department of Homeland Security (DHS) in partnership with the:
 - **Social Security Administration (SSA)** and
 - **United States Customs and Immigration Services (USCIS)**that allows participating employers to electronically verify the employment eligibility of their **newly** hired employees.
- While **E-Verify** is still a voluntary federal program, its use by employers has been made mandatory at the state level by an ever growing number of states and a recent Executive Order will soon extend its mandatory use to the federal level for all employers who engage in federal contracts.

What Federal & State Laws Mandate E-Verify?

- The President's **Executive Order 12989** (EO 13468) mandates that **all** federal contractors and subcontractors (paid over \$3,000) use E-Verify – now with implementation date of September 8, 2009.
- **States mandating the use of E-Verify:**
AZ, CO, GA, IL, MN, MS, MI, NC, OK, RI, SC & UT
- For a **summary chart and map** showing all federal and state E-Verify laws refer to:

http://www.lawlogix.com/E-Verify_Federal_and_State_Legislation.html

If my company participates in E-Verify, are we required to notify applicants?

- You are required to post the notice provided by DHS indicating your company's participation in the E-Verify program as well as the anti-discrimination notice issued by the Office of Special Counsel for Immigration-Related Unfair Employment Practices at the Department of Justice.
- “This Employer Participates in E-Verify” Poster
- Right to Work Poster (English)
<http://www.uscis.gov/files/nativedocuments/OSC%20Right%20to%20Work%20Poster%20-%20English.pdf>
- Right to Work Poster (Spanish)
<http://www.uscis.gov/files/nativedocuments/OSC%20Right%20to%20Work%20Poster%20-%20Spanish.pdf>

May I verify my entire workforce?

- Yes...No...Maybe. As originally written under the rule, federal contractors and subcontractors have the option of verifying their entire workforce, both new hires and existing employees – including those not assigned to a federal contract.
- However, this is now subject to a political compromise and may change (within the next few days)

Is the employee required to provide his or her SSN on the Form I-9?

- Yes. The employee must provide his or her SSN to an E-Verify employer if the employee has one. If the employee has applied for and is waiting to receive an SSN, the employer should make a notation on their Form I-9 and proceed with E-Verify upon receipt of the SSN.



May I use E-Verify prior to making a job offer to a job applicant?

- No. All users, including federal contractors, are prohibited from using E-Verify prior to a job offer and acceptance by the applicant.



E-Verify Statistics

- 96.1% of employees are confirmed as work authorized instantly or within 24 hours
- 3.9% of employees receive initial mismatches
 - 2.96% from SSA
 - 0.95% from DHS
- 0.37% of employees receive an initial mismatch and then later confirmed as work authorized
- 3.5% employees receive a final non-confirmation response

“Nuts and Bolts” E-Verify

- Use a designated agent (or web services designated agent) or register at <http://www.vis-dhs.com/EmployerRegistration>
- Sign an MOU between your company and DHS/SSA/DA
- Take a Tutorial and score at least 70%
- Must verify all new employees
- After Section 1 and 2 of the I-9 completed, employer representative logs on and submits Section 1 Data which is checked against data bases in DHS and SSA. Must photocopy EADs and Green Cards. Simpler process for DA.
- Same 3 business day rule to submit E-Verification query as for I-9 certifications
 - However, can submit E-Verify query before employee starts paid employment and after accepts offer of employment. (Cautionary note)
 - Practical implications when compare to timing of I-9 Form completion

“Nuts and Bolts”

- Who is going to do the E-Verify?
- How do we handle multiple hiring sites?
- One MOU or multiple MOUs?
- Amend to include additional hiring sites?
- E-Verify Corporate Administrator?
- Differences with I-9 (the “transcription” problem)
- Controlled Roll-out
- Centralize Tentative Nonconfirmations (TNC)?
- Complications of Photo Screen Tool

“Nuts and Bolts”

RESULTS:

- Instant verification
- Tentative Nonconfirmation (TNC) or
- DHS needs more time (“Case in Continuance”)

THE TNC

Tentative Nonconfirmation (TNC)

- SSA TNC
- DHS TNC
- Employer: must notify employee “as soon as possible” of a TNC
“Employer will determine whether the employee contests the TNC as soon as possible after the Employer receives it.”
- Best Practice to comply with ASAP rule?
- Employee: 8 federal government work days to contact SSA or DHS
- What to do while employee is contesting?
- Employee has right to continue working
- Employer must check E-Verify system regularly for updates
- Document and clip to I-9

President Obama on Worksite Enforcement



- Typical Press Conference on April 29th
- Then was asked the Immigration Question.
- His answer in part:
 - “We can't continue with a broken immigration system. It's not good for anybody. It's not good for American workers. [We need to be] “taking seriously the violation of companies. That’s again something we can start doing administratively.”

New Assistant Secretary at DHS

- From the Senate Confirmation Hearings: John Morton, New Director of ICE and former federal prosecutor on April 23rd:
- Q. “What is your view of the worksite enforcement operations conducted by ICE?”
A. *“ WE NEED TO PLACE RENEWED FOCUS ON EMPLOYERS TO ENSURE THAT THEY ARE PLAYING BY THE RULES...THIS FOCUS SHOULD INCLUDE MORE ROUTINE USE OF CIVIL SANCTIONS...AND WE SHOULD CONTINUE TO DEVELOP PROGRAMS SUCH AS E-VERIFY TO ENCOURAGE COMPLIANCE.”*
- *Mentioned good old days of \$25 million annually in civil fines.*

Does the rule extend to contracts outside the United States?

- The rule applies only to employees working in the United States, which is currently defined to include the fifty States and the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands.



When is my company required to enroll in E-Verify?

- When a contractor wins the bid on a federal contract that contains the FAR E-Verify clause, the contractor and any **covered** subcontractors on the project are required to enroll in the E-Verify program within 30 calendar days of the contract or subcontract award date.
- Usage of E-Verify also applies to indefinite-delivery/indefinite-quantity contracts modified after the (now) September 8th, 2009 effective date in accordance with FAR 1.108(d)(3) to include the clause for future orders. The FAR rule provides that if the remaining period of performance extends at least **six months** after the final rule effective date, and the amount of work or number of orders expected under the remaining performance period is substantial, then the contract should be modified to include the clause.

Does the rule apply to subcontracts?

- Only covers subcontractors if a prime contract includes the clause
- Subcontract for services or for construction with a value over \$3,000



What types of prime contracts are exempt from the rule?

- Contracts that include only commercially available off-the-shelf (COTS) items (or minor modifications to a COTS item) and related services;
- Contracts of less than the simplified acquisition threshold (\$100,000);
- Contracts less than 120 days; and
- Contracts where all work is performed outside the United States.

My company is required to use E-Verify as a federal contractor for the first time. How do I proceed?

- If your company has not yet enrolled in E-Verify, then you have **30** days from the date of contract award to enroll and **90** days from the date you enroll with E-Verify to initiate verification queries for employees already on your staff who will be working on the contract and to begin using the system to verify newly hired employees.
- After 90-day phase, you will be required to verify newly hired employees within 3 business days of their hire date.

Additional Federal Contractor Obligations

- Use E-Verify for all new hires and employees assigned to the federal contract
- Covered federal contractors must also include verbiage in their subcontracts when applicable
- Required postings

Penalties for I-9 & E-Verify Non-compliance

It is the Law! If you fail to properly complete, retain, or make I-9 forms available for inspection, fines range from \$ 375 to \$ 16,000 per individual I-9.



Don't risk government contracts, business license suspensions, fines and criminal penalties for E-Verify non-compliance.



Questions and Answers (Part I)

- Common Misunderstandings/Problems
 - Between a rock and a hard place...and a flame thrower
 - Inconsistent deployment (a note about MOUs, EINs and the resulting complications)
 - The Photo Tool as part of E-Verify
 - Matters of HR and Documentation during a TNC process

How LawLogix can help you?

Trust LawLogix, a Federally Approved E-Verify Web Services Designated Agent, to assist with your federal (i.e., Executive Order 12989) and various state E-Verify compliance needs.



Because our Guardian software has passed a rigorous certification process by DHS, our seamless E-Verify integration system can save some businesses hundreds of hours and thousands of dollars by:

- (i) **Eliminating** the requirement that your staff spend hours reviewing the **DHS online tutorial** and taking their mandatory Mastery Test until they **achieve a passing score** (as many as 5 hours of work)
- (ii) **Saving** you the task of **duplicate data entry** from paper I-9 forms into E-Verify (by hand, one at a time)
- (iii) **Providing** E-Verify **step-by-step processes** for resolving Tentative Non-confirmations including the auto-population, printing and storage of digitally signed SSA Notice and Referral letters.
- (iv) **Capturing and tracking** your **E-Verify results** in case you are audited and much more

GUARDIANSM

I-9 Compliance System with E-Verify

Benefits

- Complete electronic preparation of the Form I-9 with digital signatures
- Ensures accurate completion of I-9s in a timely manner
- Seamless E-Verify integration saving thousands of dollars while meeting federal and state law E-Verify compliance needs
- Easy to learn and use backed by customized training & ongoing support
- Migration of pre-existing I-9s (paper and electronic) for smooth transition
- ATS/onboarding integration eliminating duplicate data entry
- Web based – secure SAS70 data center with no capital expenditures and quick deployment.
- Ideal for green initiatives as a paperless system





Why Choose Guardian?



All Exclusive to LawLogix and the Guardian System:

Superior E-Verify and I-9 Feature Set

- **Dashboard reports** to ensure I-9 are completed on time and you never miss a crucial deadline
- **Customizable management reports** by location, user, time period, I-9, E-Verify status and others
- **Super HR feature** to assist companies with multiple EIN/E-Verify MOUs
- **Identity theft and I-9 error checking** to help build your “Good Faith” defense and minimize the risk of fines
- **E-Verify** step-by-step processes for resolving Tentative Non-confirmations including the auto-population, printing and storage of digitally signed SSA Notice and Referral letters
- **Virtual Document Storage** of I-9s and Section II supporting documents and all correspondence
- **Spanish** I-9 Forms, interfaces and tutorials
- **Customizable employee interface** – Ideal for remote hires and advance I-9 section I completion

Security Infrastructure and Corporate Compliance

- **SAS70 Type I & II Compliant** with a detailed audit trail and complete back-ups in case of an ICE audit
- **Sarbanes Oxley Section 404** documentable controls and processes.
- **Multiple, redundant compliant tier 1 data centers** with near-zero latency and bandwidth speeds of 6 to 9 Megabits at 50%capacity or less with Class 3 256-bit SSL encryption with state-of-the-art intrusion prevention and continuous 3rd party enterprise level scanning
- **Stand-alone system**: No danger of co-mingling of I-9 data as with other larger HRMS systems
- **Individual user security privileges**: Numerous security options on a case by case basis

Why Choose Guardian? continued

All Exclusive to LawLogix and the Guardian System:

Training and Support

- **40 full-time** people dedicated to our I-9, E-Verify and Immigration Services including in-house experienced attorneys
- **Training and ongoing support** including within the system Live support, Live Chat, email help, tutorials and ask the Experts link

Insurance

- **16 million dollars** in cyber, general liability, E&O, D&O and employees insurance

Data Migration with I-9 Technical Estimated Compliance Summary Report

- LawLogix will **scan employees' I-9 forms** (either offsite or onsite) and **extract/index the handwritten information on the I-9s into** your Guardian system so you have full reporting functionality (e.g., reverification, issues, retention, pending, summary purgeable, etc.) by location and otherwise.
- This employee I-9 data extraction process includes **double key-entry by two independent coders** to eliminate human error found in other migrations
- **I-9 Migration Technical Estimated Compliance Summary (TECS)** of I-9s that appear to be incomplete, incorrect, illegible or otherwise non-compliant.

Fast Deployment

- **Compatible with Mac and PC** with a 3 to 10 business days deployment.
- **Web based/SAP model** means no expensive services or software to purchase and maintain

Superior Pricing Model

- **Pricing Model** that ensures we are around in the years to come to service you.

Current I-9s? No Problem.

- To ensure a smooth transition from paper I-9s to Guardian, eliminating the need to straddle a paper and electronic system while allowing companies to rapidly perform comprehensive purges, reverifications and outstanding receipt notice reports across entire set of I-9s, we offer a company administered (\$1 per I-9) and LawLogix assisted (range \$3.95 to \$8.95 per I-9) migrations.
- The LawLogix assisted migration includes our exclusive **I-9 Migration Technical Estimated Compliance Summary (TECS)** of I-9s that appear to be incomplete, incorrect, illegible or otherwise non-compliant.
- In addition, we offer options to facilitate manually entering data from a paper I-9 into Guardian for tracking and reporting purposes as well as for easily submitting the I-9 information entered on a paper I-9 for a recent hire to E-Verify.

Who is LawLogix?

- Phoenix based company founded in 2001 with offices in Phoenix, Sedona and San Francisco.
- 40+ employees including in-house attorneys
- Thousands of system users nationwide including US government agencies, Fortune 500 companies, top 5 banks, universities and non-profits:



3M Worldwide



TESCO

Cargill

What does this mean to your clients?

Our company's size and history means your clients will receive the very best in service, training, ongoing support and engineering prowess.



LawLogix was recently named to the prestigious INC. 500 list of the fastest growing private companies in America.

LawLogix

Automate and Prosper

- Most companies are handling their I-9s like they did their payroll in the *1950's...with pen and paper!*
- The decision for a company to automate the I-9 and E-Verify process should be no more difficult than deciding to install computers at workers' desks.
- If there is any **unintended silver-lining** in EO 12989, it is that it might prompt companies to wake-up to the **savings** presented by an I-9 Electronic compliance system with seamless E-Verify integration like Guardian.



VIP Demo and Money Back Guarantee

For a **VIP demo** and/or to sign-up under our **money-back guarantee** that includes training, please contact LawLogix at:

- Call 1.877.725.4355/602.357.4240 ext. 1
- Email: i9sales@lawlogix.com
- Visit us at: www.lawlogix.com

Our agreement **guarantees our ability to migrate your data** out of our system and provide it to you in an industry standard format along with the completed I-9 forms in a pdf format (i.e., able to edit outside of our system) at no additional charge.