



# *CITY COUNCIL AGENDA REPORT*

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**MEETING DATE:** October 19, 2010

**ITEM NUMBER:**

**SUBJECT:** Request of Mayor Mansoor for Research on the Possible Use of the Federal E-Verify System

**DATE:** October 15, 2010

**FROM:** City Manager's Department/Administrative Division

**PRESENTATION BY:** Allan R. Mansoor, Mayor

**FOR FURTHER INFORMATION CONTACT:** Allan L. Roeder, City Manager  
(714) 754-5328

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## **RECOMMENDATION:**

Provide direction on the authorization of staff to research the E-Verify employment verification system and develop possible policies for future City Council review.

## **BACKGROUND:**

This is follow up to the Study Session presentation of September 14, 2010 on the above subject.

Mayor Mansoor has indicated an interest in bringing forward various proposals for City Council consideration as it relates to the topic of immigration enforcement. Among the proposals is utilization of the Federal E-Verify system which is the subject of this presentation. The following is a broad overview of E-Verify and an opportunity for the Mayor to address what his interests are in its possible application.

United States law requires companies to employ only individuals who may legally work in the United States – either U.S. citizens, or foreign citizens who have the necessary authorization. E-Verify is an electronic program through which employers verify the employment eligibility of their employees after hire. The program was authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996. In short, employers submit information taken from a new hire's Form I-9 (Employment Eligibility Verification Form) through E-Verify to the Social Security Administration and U.S. Citizenship and Immigration Services to determine whether the information matches government records and whether the new hire is authorized to work in the United States.

E-Verify is administered by the U.S. Department of Homeland Security and the Social Security Administration. The Department of Homeland Security's website states that "E-Verify is an Internet-based system that allows businesses to determine the eligibility of their employees to work in the United States. E-Verify is fast, free and easy to use – and it's the best way employers can ensure a legal workforce". This website further states "For most employers, the use of E-Verify is voluntary and limited to determining

the employment eligibility of new hires only. There is no charge to employers to use E-Verify. E-Verify is mandatory for some employers, such as those employers with Federal contracts or subcontracts that contain the Federal Acquisition Regulation (FAR) E-Verify clause and employers in certain states”.

More than 216,000 employers are enrolled in the program, with over 8.7 million queries run through the system in fiscal year 2009. There have been over 13 million queries run through the system in fiscal year 2010 (as of July 31, 2010).

### **ANALYSIS:**

In accordance with City Council Policy 300-6, new proposals that are likely to involve a substantial commitment of staff time and research are to be brought forward to the City Council for authorization. If the City Council directs staff to allocate staff time to this project, then the research would include how the E-Verify System could be used in all of the following:

- The City employment process;
- Creating clauses in future City contracts/agreements requiring those employers with City contracts or subcontracts to use E-Verify;
- Requiring employers seeking new business licenses or possible renewals of business licenses to use E-Verify; and
- Potentially other alternatives that may be discovered during the staff research.

### **FISCAL REVIEW:**

At the City Council Study Session, staff was directed to provide the estimated commitment of time required to research each of the proposed applications of the E-Verify System. Those estimates are as follows:

#### 1. Use in City Employment:

This is very simple and straight forward as there is abundant information available on the Federal website and E-Verify is already in use in a number of California cities. The estimated staff time is less than 4 hours to conduct the necessary research. If authorized by City Council, implementation would be a matter of integrating into the City’s recruitment and employment procedures on a go-forward basis (required by E-Verify).

#### 2. Use in City Contracts & Agreements:

There currently are existing requirements for use of E-Verify for agencies of the Federal Government. The research required would involve a review of the applicability of the existing Federal contract provisions for City use in Contracts & Agreements. If the Federal regulations can be incorporated into City Contract & Agreements and if City Council so directs, staff would recommend that the requirement for use of E-Verify be added into contracts and agreements as they are awarded or renewed. The estimated time to research the above is 4 to 5 hours combined legal and administrative staff time.

3. Use as a Condition of Business Licensing:

Legal research is required for the possible application of E-Verify as a condition of a Business License. The City Attorney has estimated this at 6 to 10 hours depending on the level of review required. This does not include administrative staff time if Business Licenses are to be modified to include this requirement nor desired auditing of licenses for compliance.

**Legal Review**

No legal review has been conducted at this point. If the City Council authorizes staff time on this project, then legal research and review would be necessary to develop procedures and policies for incorporating E-Verify into City processes.

**CONCLUSION:**

It is important to keep in mind that the request at this time is strictly to research the above requests – not for implementation. Further, staff would recommend that for the application of E-Verify for Business Licensing and Contracts & Agreements, the Costa Mesa Chamber of Commerce be involved in any development of these requirements.

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ALLAN R. ROEDER  
City Manager

ATTACHMENTS: 1 [Information on E-Verify](#)

