



## Are you at Risk of Losing your Business License?

**Presented by:**

Mike McMorran

Inflection HR

424 E. Southern Ave. STE 103

Tempe AZ, 85282

P: 480.755.1811

[www.inflectionhr.com](http://www.inflectionhr.com)

[www.i9assist.com](http://www.i9assist.com)

**i9 Assist**  
Online I-9 Solution with E-verify

# Overview of Topics



- Brief overview/review of Legal Arizona Workers Act as it relates to employers
- Outline the steps to take to ensure your business is in compliance
- Additional procedures you can implement

# What is the Legal Arizona Workers Act?



- The law is intended to ensure that businesses in Arizona do not knowingly or intentionally hire or employ illegal immigrants
- The law requires businesses in Arizona to register and use the federal E-Verify program
- The law outlines penalties for employers who knowingly or intentionally hire illegal workers
- The law outlines enforcement guidelines for the Attorney General or County Attorney

# Legal Arizona Workers Act: Penalties Overview



- 1<sup>st</sup> time offenders can lose their business licenses for up to 10 days
  - Must Sign an Affidavit, terminate all illegal workers
  - Be put on a 3-5 year probationary period
- 2<sup>nd</sup> offense, permanent loss of all business licenses

# Legal Arizona Workers Act: Enforcement



- Attorney General or County Attorney will investigate every complaint filed
- Complaints can come from anyone
- Persons who “knowingly” file false or frivolous complaints are subject to a class 3 misdemeanor

# How to Get Into Compliance



- If you currently know you employ illegal workers, contact your attorney for guidance
- Sign Up for E-Verify Program to verify all new hires
  - Option 1: Sign Up directly with E-verify
  - Option 2: Use a designated agent
- Post required E-Verify Notices

# How to Become Compliant: E-Verify Option 1

- What is E-Verify?
- How to sign up
  - Go to [www.ucis.gov](http://www.ucis.gov), select the E-verify Logo
  - Select the Sign Up link, follow on screen instructions
  - Read and electronically sign the MOU
  - Complete profile information

# How to Become Compliant: E-Verify Option 2



- What is a Designated Agent of E-Verify?
- Designated Agents vs. E-Verify
  - Electronic Storage and completion of I-9 Forms
  - Eliminate data redundancy
  - Data validation upon input
  - Eliminate Paper Copies of I-9 forms
  - Expiring Document tracking
  - Step by Step Assistance
  - Cost \$ vs. Free for E-verify

# How to Become Compliant: Post Required Notices



- Must Post Required Notices in Plain View
  - We Follow the Law Hiring Poster
  - Right to Work Notice
- Both Notices can be downloaded at [www.i9assist.com](http://www.i9assist.com) on the resources page

# Additional Procedures



- Why should I bother?
  - Shows that you are making every attempt to stay in compliance
  - MOU Requires users of E-Verify to take very specific steps, not following these steps can cause you to lose access to the system
- Develop TNC Procedure
- General I-9 Checkup
  - Audit Existing Forms
  - Update your procedures for completing I-9 Form
  - Conduct Periodic audits

# Additional Procedures: TNC

- Tentative Non Confirmation Procedure
  - Under no circumstances should you terminate for a TNC
  - Review Data Entry to ensure it is not a user error
  - Review TNC letter with employee
    - Employee will sign contest or no contest, file form with I-9
  - If Employee does not contest then you can release them from employment
  - If employee disagrees, issue referral letter then direct him to SSA or DHS
  - Employee has 8 Federal business days to resolve
  - Resubmit in 10 federal business days

# Additional Procedures: Audit Existing I-9 Forms



- Quick Review of I-9 Retention Rules:
  - Employers must retain the I-9 form for every employee for the full duration of that individual's employment
  - Must keep each employee's I-9 form on file for either three years after the date of hire or for one year after employment is terminated, whichever is greater
  - Past practices indicate that the I-9 forms should be kept separate from employee personnel files

# Additional Procedures: I-9 Audit

- How to Conduct an Audit
  - Use payroll records to identify all employees hired after November 6, 1986
  - Create two lists
    - One list should highlight all active employees, with their dates of hire noted
    - The second list should highlight all terminated employees for whom I-9 forms are required. Their hire dates and termination dates should be noted.
  - Collect all the I-9 forms and compare them against these lists.
    - Match each I-9 to its corresponding I-9 audit tracking form.
    - Reconcile the differences
  - Repeat Annually (at minimum)

# Additional Procedures: Completing the Form I-9



- Considerations for your procedure
  - Complete form on hire date
  - Do Not Accept photo copies
  - E-verify within 3 days of hire, only after I-9 form has been completed
  - Photographs only for List B
  - E-verify Case Numbers Must be attached to I-9's
  - How will you track expiring documents?
  - How will you store completed I-9 Forms and related paperwork?

# Summary and Review

- The Legal Arizona Worker Act
  - Businesses Must use E-verify System
  - Can lose your business licenses for knowingly hiring illegal workers
- Become Compliant
  - Sign Up for E-Verify
    - Directly with E-Verify
    - Use a Designated Agent
  - Post Required Notices
- Additional Procedures may help protect you
  - Develop a TNC Procedure
  - Conduct a I-9 Audit
  - Modify existing I-9 procedures to reflect MOU

# Questions?

- Visit [www.i9assist.com](http://www.i9assist.com) for information and a copy of this presentation
- Email [mmcmorran@inflectionhr.com](mailto:mmcmorran@inflectionhr.com) with questions