

August 30, 2007

Don Schoening
Commissioner Region 10
Social Security Administration
701 5th Avenue
Seattle, WA 98104

Dear: Mr. Schoening:

We are a coalition of faith, business, labor and immigrant rights organizations from Washington, Oregon and Idaho. We are writing to express our grave concern with the no-match letters that SSA will send to employers. With the new Department of Homeland Security rule insert into SSA's letters, beginning shortly after Labor Day, no-match letters will have new and devastating effects on employers and immigrant workers. These new regulations will make SSA into a tool for immigration enforcement. We urge SSA to not send out these letters to employers, and instead to concentrate its no-match letters on its DÉCOR, or workers' notices, process.

We understand that SSA is about to send out approximately 140,000 no-match letters to employers nationwide. Of these, approximately 5,000 will be sent to employers in Washington State, with 3,000 to Oregon employers and 1,000 to Idaho employers.

As SSA has repeatedly emphasized, there are many reasons for a no-match letter and the receipt of a no-match letter does not mean that a person is not authorized to work. However, the new DHS rule changes the manner in which employers are to respond to SSA no-match letters and converts the SSA no-match letter into an immigration enforcement tool, contrary to the purpose of the no-match letter. That purpose is, of course, to match employee records and pay benefits to the appropriate individuals out of the earnings suspense fund, which as of 2003 contained wage reports representing over \$500 billion in worker earnings.

The no-match system has never been an especially effective tool to correct mismatches. In 2002, your Office of Inspector General found that no-match letters accounted for only 2% or less of total corrections.

The more likely results of the new, harsher, DHS rule are those already documented in a number of reports and studies on employer sanctions and on the SSA process:

- Employers who fear immigration enforcement actions at their worksites will refuse to hire "foreign-looking" or "foreign-sounding" workers, as has happened under the current employer sanctions regime;
- Employers will fail to afford workers adequate time to correct SSA no-matches, and workers will lose their jobs needlessly;
- Errors in the verification process will result in job losses. SSA indicates that 17.8 million of its records contain discrepancies;

- Vulnerable workers, such as victims of domestic violence or trafficking, in the process of regularizing their immigration status, will lose their jobs because their documentation is not finalized;
- Unscrupulous employers will use the social security no-match letters as a sword against workers who have suffered workplace abuses and spoken up about them. Consistent with our own experience, a national study found that up to twenty-five percent of workers listed in no-match letters reported their employer fired them in retaliation for complaints or union activity. Other workers were retained, but at reduced wages and benefits;
- This is a crackdown on workers and employers that are paying taxes into the system. “Bad apple” employers will hire more workers “off the books,” opening up more opportunities for abuse of workers, and further increasing the tax gap at the state and national levels, a large portion of which is due to unreported payroll taxes, like Social Security taxes themselves. The growth of the underground economy unfairly penalizes employers who are trying to follow the rules by making them compete with companies that don't pay taxes.
- Even when the rules are correctly followed, they will result in increased costs to businesses as they are required to continually hire and train new employees, and a continual churning of the labor market, as workers move from job to job, trailed by no-match letters.

SSA has no obligation to send out no-match letters to employers. Given the inefficient performance and negative consequences of the no-match letter program, we urge SSA not to send out the no-match letters to employers.

We would like to meet with you in person to discuss these concerns. Please contact Carrie Tracy, Northwest Federation of Community Organizations, (206)719-6850, to set up such a meeting.

Sincerely,

CASA Latina
 CAUSA (Oregon)
 The Center for Intercultural Organizing, Portland, Oregon
 The Church Council of Greater Seattle
 Idaho Community Action Network
 Hate Free Zone Washington
 National Employment Law Project
 Northwest Federation of Community Organizations
 Northwest Immigrant Rights Project
 Oregon Action
 Pinos y Campesinos Unidos del Noroeste (Oregon)
 SEIU Healthcare 775NW
 Washington Community Action Network
 Washington State Labor Council, AFL-CIO