

American Opportunity

ICE pledges immigration crackdown on businesses. Here's what it looks like

by Parija Kavilanz @CNNMoney

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Undocumented: How an ICE raid shattered this family's American dream

Last summer, roughly 800 undocumented workers at Cloverhill Bakery in Chicago were let go after immigration agents discovered that many of them had used fake or stolen papers to secure their jobs.

The temp agency that had hired the workers had been audited by Immigration and Customs Enforcement. In one fell swoop, Cloverhill -- a large-scale bakery with nationwide distribution -- lost more than one-third of its workforce.

The impact was significant. Cloverhill recorded its first losses since 2014. The bakery fell behind on orders and started losing big customers. McKee Foods, known for its Little Debbie snack cakes, was one of them.

"With Cloverhill's worker issues [last] year, they were not able to fulfill our orders in a timely manner," said Mike Gloekler, a spokesman for the Collegedale, Tennessee-based company.

The next white-collar crime?

Immigration experts say U.S. companies can expect more crackdowns like this.

Worksite enforcement is the next leg in the Trump administration's multipronged strategy to quell unauthorized immigration. In recent months, U.S. Immigration and Customs Enforcement (ICE) has signaled it would significantly step up audits and raids on employers in order to sniff out undocumented workers and those who hire them.

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Cloverhill Bakery lost one-third of its workforce after an I-9 audit found about 800 employees were not authorized to work in the U.S.

"I want to see a 400% increase in work site operations," said Tom Homan, deputy director of ICE, at a press conference in Washington D.C., in December. "We're not just talking about arresting the aliens at these work sites, we are also talking about employers who knowingly hire people who are unauthorized to work."

Most recently, ICE officers swooped in on nearly [100 7-Eleven stores](#) across the U.S. in the early morning hours. The agents conducted audits and interviewed workers and managers. The raid resulted in the arrest of 21 people who were suspected of being in the country illegally.

[Related: ICE chief pledges quadrupling of workplace crackdowns](#)

ICE regularly conducts I-9 audits, which seek to verify whether workers provided proper proof of identification -- such as a driver's license or a Social Security card -- when they were hired. Employers must [keep these I-9 forms](#) after they have hired a worker and for a period of time after the employee has left the company.

ICE inspections peaked at 3,127 in fiscal 2013. But then the Obama administration shifted its focus from work site enforcement to cracking down on undocumented immigrants with criminal records.

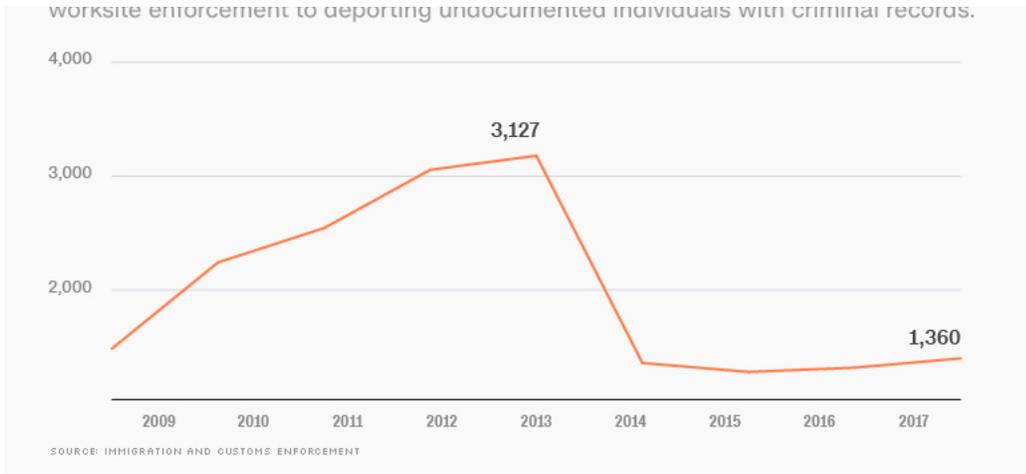
In fiscal 2017, ICE audited 1,360 U.S.-based businesses, resulting in 71 indictments and 55 convictions of business owners and managers.

With the expected ramp up in worksite enforcement, "immigration could become the new white collar crime," said John Fay, an immigration attorney with LawLogix, a provider of digital solutions for immigration and I-9 compliance.

Civil penalties for knowingly employing unauthorized immigrants can range from \$548 to \$21,916 [per violation](#). Repeat offenders and companies hiring a larger number of undocumented employees receive fines that are on the higher end of the range. Criminal penalties for employing undocumented workers can result in monetary fines and possibly jail time.

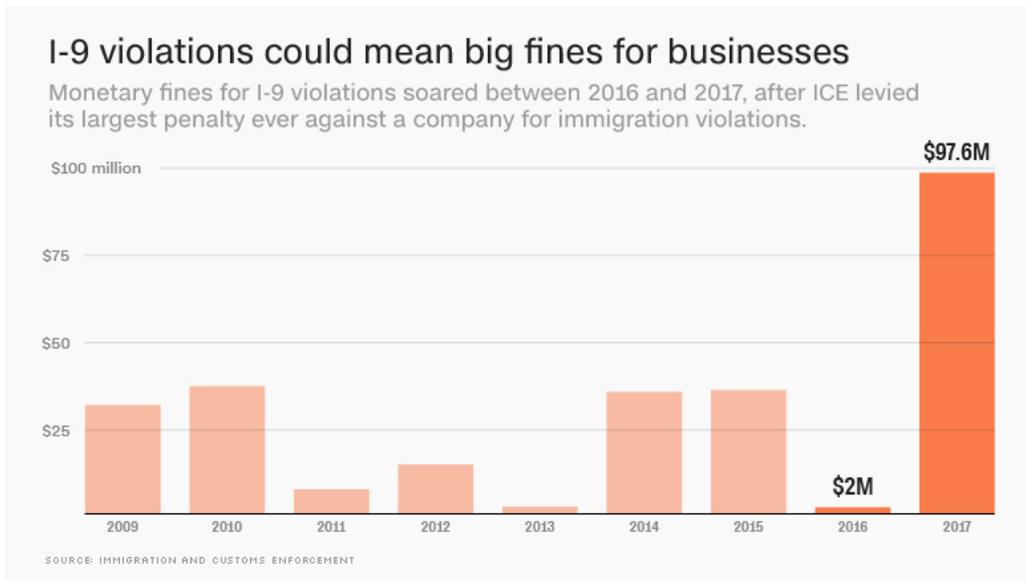
[Related: How America's immigrant workforce is changing](#)

ICE's worksite enforcement actions resulted in \$97.6 million in fines and forfeitures last year, up



from \$2 million in 2016. According to ICE, the spike was almost entirely the result of penalties incurred by Asplundh Tree Expert Co., which was fined a total of \$95 million. ICE said it was the [largest payment ever levied](#) in a work site case. According to the agency's estimates, at least 10% of Asplundh's tree cutting unit was staffed by undocumented workers.

In a [statement](#), Asplundh apologized to its customers and listed the corrective actions it had taken since the ICE audit, including hiring compliance specialists and implementing a photo ID system with face recognition technology.



The cost to Cloverhill

So far, no details have been released regarding fines or charges associated with the audit that impacted Cloverhill Bakery, but it's clear the business has paid in other ways.

In its annual report released in September, Cloverhill's Swiss-based parent company, Aryzta AG, said its bakery division had incurred more than \$19 million in losses in June and July, largely due to the shedding of hundreds of experienced workers.

In a recent email to CNNMoney, Aryzta spokeswoman Tracy Stecko noted that Cloverhill's staffing is now at "appropriate levels for our current business needs."

Related: ICE immigration officers swoop in on 7-Elevens nationwide

Stecko also pointed out that the nearly 800 workers that Cloverhill lost were not directly employed by the bakery or Aryzta. Instead, they had been hired through a professional staffing agency.

Both Aryzta and ICE declined to name the employment agency, but letters received by CNNMoney indicate that Chicago-based staffing firm Labor Network was the subject of the audit.

Staffing agencies are routine targets for ICE audits because they have such high turnover rates, said Fay. "So they want to get lots of candidates in the labor pool and sometimes get lax in conducting work authorization checks," he said.

"On the other end, businesses that use staffing agencies think they can skirt liability because they didn't directly hire workers later found to be undocumented," he said. But they, too, can face financial penalties or jail time.

Stecko said Aryzta conducts background checks for all of its direct hires. She noted that the company even voluntarily uses E-Verify, a federally-run online tool that crosschecks information on an employee's I-9 form against records at the Social Security Administration, Department of Homeland Security and the State Department. She said the company stipulates in its contracts with staffing agencies that they must do a similar background check on workers they hire for the firm.



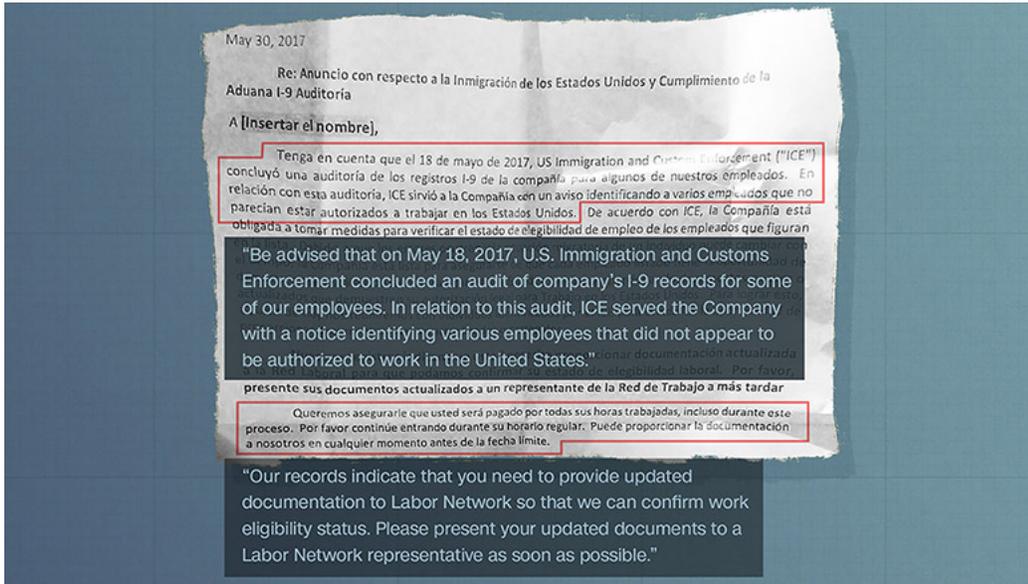
Cloverhill Bakery said the workers it lost as a result of the ICE audit had been hired through a staffing agency.

Stecko would not say whether Aryzta or any of its business entities were currently under investigation by the government regarding its hiring practices. ICE declined to comment on the audit. In a statement to CNNMoney, ICE said it regularly conducts these audits to ensure companies are complying with U.S. hiring laws.

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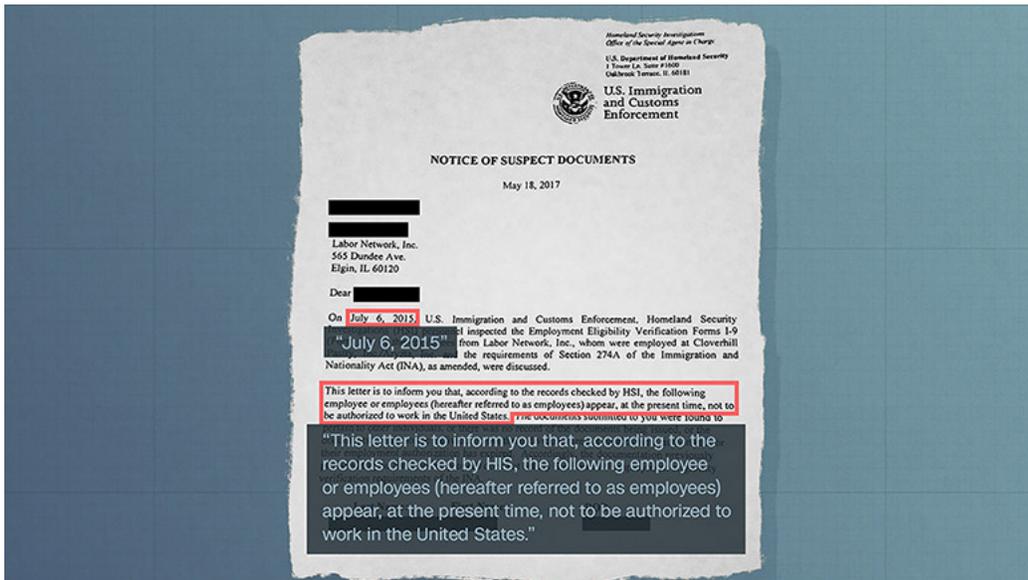
Some of the Cloverhill workers that were let go had been working there for more than a decade.

One undocumented worker, who requested his name be withheld, came to the U.S. from Mexico and had worked at the bakery for 17 years. The worker said he got the job through Labor Network and was a machine operator at Cloverhill up until last summer.



In late May, a Cloverhill worker received two letters informing him of an I-9 audit on the staffing firm that had placed him at the bakery. One of the letters was in Spanish.

In late May, the worker received two separate letters from his supervisor -- one written in Spanish from Labor Network and one written in English from ICE. Both letters stated ICE had conducted an I-9 audit of Labor Network's employees and that he needed to provide proper I-9 documentation "as soon as possible." If he was unable to do so, the letter said Labor Network would have to let him go.



The other letter was from ICE and it informed the worker he did not have valid work authorization.

The employee's wife, who had worked at Cloverhill for six years but then left to raise their two children, said the family was reliant on his salary.

Related: Immigration showed up at Kevin Kelly's factory and he lost his star workers

"My husband gave many years to Cloverhill. Many days he worked 12-hour shifts. He's not been able to find a stable job since June," she said. She said her husband recently found some factory work, but when he went to cash his paycheck, the checks bounced.

"We're really struggling," she said.

"The result of this audit had a great impact across the northwest side of the city, with hundreds of families struggling [to] find new jobs," said Juan Cruz, from Chicago-based advocacy Communities United. "These workplace audits further undermine workers' rights and enable silence to report incidents in which workers' rights are violated in fear of outing their status or suffering retaliation."

Aryzta declined to comment on the terminated workers, noting that "their employment status is a matter between the professional staffing agency and its employees."

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