

**US Department
of Homeland
Security
Form I-9
Self-Audit
Information**

April 2011



TECHNICAL ASSISTANCE the basics

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US Department of Homeland Security Form I-9 Self-Audit Information

The Form I-9 is the documentation required by the Department of Homeland Security to determine which individuals are eligible to work in the United States. The Federal government requires employers to participate in this verification process. Missouri also requires those receiving contracts from the State to participate in E-Verify to complete this task.

E-Verify is an electronic record keeping and information verification system operated by the federal government that checks the employment eligibility of individuals against a variety of government databases. It can also take the place of paper retention practices within agencies. Employers in Missouri that receive a contract, not a grant, from the State of Missouri are required to participate.

There are for-profit agencies that provide a bridge to E-Verify, handle the Form I-9 storage and provide technical assistance to you. The company's job is to make sure that the retained I-9 information is up-to-date and to store PDF copies of your paper I-9s. For information about one such Missouri company, please contact MCADSV.

WHY CONDUCT AN AUDIT?

An audit is a formal examination of the practices and forms retained by an organization. For example, the government audits certain employment forms to ensure accuracy in an organization's operations. If the forms contain errors, the organization can face fines and/or its employees can be jailed. To avoid these penalties, an organization can do a self-audit to make sure its employees' forms contain complete and accurate information.

The following is specifically about conducting a self-audit for the Form I-9, or employment eligibility verification. The U.S. Department of Homeland Security requires every employee in the United States hired after November 6, 1986 to complete a Form I-9. Employees are defined as those hired and paid for work or those who receive remuneration, which is anything of value, including food and lodging, given in exchange for labor or services rendered by an employee.

This technical assistance publication was developed by **MCADSV staff.**

This publication is not an exhaustive resource about the Form I-9 or conducting a self-audit. MCADSV recommends discussing specific questions and concerns with an attorney.

If you have questions about conducting a self-audit or a Missouri-based E-Verify company, please contact MCADSV at 888-666-1911.



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If a new supervisor accepts I-9 forms that were approved by a previous supervisor, the new supervisor is still held responsible for any errors. Doing a self-audit can help new supervisors identify errors and make any necessary corrections before facing a government audit and possible fines.

Although the I-9 form seems fairly straight-forward, administrators are often surprised how many errors they find during a self-audit. Discovering and correcting errors before the US Department of Homeland Security performs its audit of those same forms protects the organization and its employees. Taking the time to conduct a self-audit can mean avoiding costly penalties, and, therefore, is well worth the effort. This is particularly important for new supervisors. If they accept I-9 forms that were approved by a previous supervisor, the new supervisor is still held responsible for any errors. Doing a self-audit can help new supervisors identify errors and make any necessary corrections before facing a government audit and possible fines. Below is information regarding the I-9 and tips on how to conduct your own audit.

IMPORTANT I-9 INFORMATION:

1. Failure to comply with the Form I-9 requirements, including properly completing, retaining and making the forms available as requested – and required by law, has civil penalties ranging from \$110 to \$1,100 per employee. There are also civil monetary penalties for unlawful employment practices. They range from \$375 to \$11,000 per unauthorized person depending on the number of the offense.
2. Employees complete the I-9 within three business days of being hired. Failure to complete the form and present valid documents for Section 2 of the form requires the employer to immediately discharge the employee. Employers that retain an employee without a properly completed I-9 may be subject to fines of \$250 to \$10,000 for each unauthorized employee and a maximum six-month prison sentence if the employer demonstrates a persistent pattern of hiring unauthorized workers.
 - a. If eligible for employment, the employee can be rehired after completing the form.
 - b. When counting “three business days,” weekends and holidays qualify as business days if the employer is open for business on those days. If, within that time, the employee produces a receipt showing that he or she has applied for a work authorization or identification document, the employee must be given 90 days to produce the required documentation.
 - c. It is unlawful for an employer to specify or require specific documents for the completion of the Form I-9. The employer must accept any of the documents listed in the Form I-9 “Lists of Acceptable Documents” in any of the combinations indicated on the form.
3. I-9s must be retained for the duration of an employee’s employment, plus one year, or for a minimum of three years from the date of hire, whichever is longer. Employers must keep a record of employees whose work authorizations will expire and re-verify the authorization to work of such employees prior to expiration.

4. When employees change their names, the I-9 forms must be updated. This update is documented in section 3 of the form.
5. If employees are rehired and their forms are still on file, their rehire information can be documented in section 3 of the form and they are not required to complete a new form.
6. The Form I-9 provides direction on what to do in the event an employee's work-eligibility to work in the United States is in question.

WHAT TO LOOK FOR WHEN CONDUCTING AN I-9 AUDIT

The information pages of the Form I-9 provide administrators detailed instructions, such as when an employee needs to complete the form. Administrators should read this before having an employee complete the form and reread it often enough to be familiar with the Department of Homeland Security's requirements.

A few salient points for each section are mentioned below.

Section 1:

1. Has the employee completed section 1 in its entirety, including marking the appropriate check box in the lower right corner of section one?
2. Did the employee sign and date section 1?
3. Section 1 includes information for the preparer of the document to complete. This is only completed when a translator is used to assist with completing the form.

Section 2:

1. Employers must complete either section A or both sections B and C.
2. All lines in each list must be completed, even if only with "N/A" (not applicable.) For example, if as a form of identification, you use a Social Security card, which does not have an expiration date, fill in "N/A" for "Expiration Date."
3. The person who reviews the documents provided as proof of work-eligibility should be the one who completes the form.
 - a. Signing the form means the information on the form is accurate to the best of her or his knowledge. The signer attests to this under penalty of perjury and, therefore, should be sure she or he actually saw the documents.
 - b. Do not retain a copy of documents as proof. Although this used to be recommended, it is not now.
 - c. Is the form dated by the person reviewing it?
 - i. Make sure the form was signed in the appropriate amount of time. If there are consistent delays between the date of hire and the date of verification, you will need to change your practices to be compliant.

The person who reviews the documents provided as proof of work-eligibility should be the one who completes the form.

**Documenting
your
changes and
conducting
a thorough
review will
take time.
But taking
care of this
now will save
you a lot of
time and
possible
fines if your
documents
fail an audit
by the
government.**

- d. Did you include the date of employment on the line provided in the certification paragraph? This is easy to miss but is required, so be sure to double check it.

Section 3:

1. Only complete this section if:
 - a. An employee has changed her or his name; or
 - b. If an employee has left your agency's employment and then has been rehired.
 - i. The employee does not need to complete a new form, unless the form has been destroyed in compliance with retention guidelines.

CONDUCTING YOUR OWN AUDIT

There are multiple ways to conduct an audit. This is just one way to set up a self-audit process.

1. Create a list of all employees hired after 1986. Separate the list into current employees and inactive employees of the past three years. A sample form/list is included in the sample section at the end of this document.
 - a. Each of these categories will be filed as active and inactive when you are finished with the audit so keep them separated as you work.
 - b. Your checklist should include the employees' names, their hire dates and if they are on the inactive list, their employment end dates.
 1. Double check your inactive list to determine which forms, if any, can be disposed of based on the I-9 retention rules (number 3 in the Important I-9 Information section above.)
 2. Dispose of those forms in a secure manner so an employee's identifying information is kept secure.
2. Create an I-9 audit tracking form by filling in the name, date of hire, and date of termination, if applicable, for each selected employee. An example of a tracking form is at the end of this document.
3. Determine that all employees on each list have a completed I-9 on file.
 - a. If a completed I-9 form cannot be located for current employees, they must complete one within three business days or face termination of employment. Do not back date an I-9 form.
 - b. Inactive employees who do not have a completed I-9 should be documented in the inactive file as being an employee with an I-9 that cannot be located. There is little that can be done for past employees other than to document the missing form and note that this was discovered as the result of a self-conducted-audit.

4. Consider documenting corrections to the documents in two ways:
 - a. Correct the document in another color of ink, such as red. Make the correction and note that the correction was made as a part of your agency's self-audit. All corrections made to an employee's I-9 form should be noted with "SA" for self-audit.
 - b. Complete the audit form below and attach it to the corrected I-9 form.
5. File your active forms in one folder and your inactive forms in another and return them to a locked storage cabinet.
6. Include a memo for the file that documents the date of the self-audit, who conducted it and what process was followed. A sample of a memo is at the end of this document in the samples section.

Documenting your changes and conducting a thorough review will take time. But taking care of this now will save you a lot of time and possible fines if your documents fail an audit by the government.

CONSIDERATIONS FOR A RANDOM SAMPLE AUDIT

With larger employers, it might be impractical to inspect every I-9 form. A review of a random sample could reveal common errors, which then could be corrected and prevented in the future.

To perform a random sample audit, select personnel records in a random manner (for example, select all employees whose social security numbers end in an even number, or all employees born in May). Be sure to select a representative sample, that is, a sample that includes I-9 forms prepared at different times, by different managers, and, where appropriate, at different facilities. Create an I-9 audit tracking form for each randomly selected employee and reconcile all discrepancies by following the steps above.

Although a random sample audit might take less time, it is less thorough and cannot guarantee that Homeland Security will not find incomplete or missing forms in its audit.

**The Form I-9 has been online since the late 1980s and can still be found at <http://www.uscis.gov/files/form/I-9.pdf>.

REFERENCES

- ▶ Lleras, L. M. (2007, January). *Corporate I-9 Compliance*. Retrieved from <http://www.usvisanews.com/content/view/15/34/>
- ▶ Consultation with J. Kevin Robinson, President of People Wise of Missouri, a human resource management firm.

With larger employers, a review of a random sample could reveal common errors, which then could be corrected and prevented in the future.

Although a random sample audit might take less time, it is less thorough and cannot guarantee that Homeland Security will not find incomplete or missing forms in its audit.

Samples:

I-9 MCADSV Self-Audit Employee List December 20, 2010

Active Employee Hire Dates

As of December 20, 2010

Jane M. Doe	12/16/10
Katy Miller	02/01/09
Lisa Smith	09/17/09
Susan Supervisor	01/18/09

Inactive Employee Anniversaries

As of December 20, 2010

Name	Hire	End	Destroyed or destruction date
*Lori Worker	08.09.10	10.23.10	08.2013
*Penny Whitworth	01.04.10	07.07.10	
* Maggie Fisher	05.27.08	01.11.09	05.2011
*notation included	termination date noted in I-9 Advantage		

I-9: Self-Audit Documentation

This corresponds to the I-9 on page 7

Name: Jane Doe

Date of audit: December 31, 2010

Person conducting audit: Susan Supervisor, Executive Director

Errors and Corrective Actions:

Number 1

Error: Employee skipped completion date on signature line in section 1.

Corrective action taken: Information entered in red ink and indicated by "SA."

Correction made: 12.16.10

Number 2

Error: Section 2, list C document information is over-documentation.

List B information should have been in list A.

List B information is incomplete.

Corrective action taken: Complete information noted in red ink.

Correction made: List C information strike through in red and indicated by "SA."

List B passport information moved to list A and indicated by "SA."

Passport expiration date included and indicated by "SA."

Number 3

Error: Employee start date in certification paragraph omitted.

Corrective action taken: Information entered in red ink and indicated by "SA."

Correction made: 12.16.10

Destruction information if any: 12.16.10 Photocopies of MO driver's license and social security card disposed of in secure shred box. Disposal handled by Joe's Shredding Company.

List C items were marked as "too much information," therefore, the mistake in the social security number was not mentioned as an error. However, if the list C item were to have remained because a document from list B was in place then the correction should have been listed as an error and the correction noted.

Example of Audited

OMB No. 1615-0047; Expires 08/31/12

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-9, Employment Eligibility Verification

Read instructions carefully before completing this form. The instructions must be available during completion of this form.

ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents have a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification (To be completed and signed by employee at the time employment begins.)

Print Name: Last Doe	First Jane	Middle Initial M	Maiden Name Smith
Address (Street Name and Number) 1234 Everywhere Drive		Apt. # 2	Date of Birth (month/day/year) 01/01/1950
City Whooville	State MO	Zip Code 61234	Social Security # 123-45-6789

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- A citizen of the United States
- A noncitizen national of the United States (see instructions)
- A lawful permanent resident (Alien #) _____
- An alien authorized to work (Alien # or Admission #) _____ until (expiration date, if applicable - month/day/year) _____

Employee's Signature Jane M. Doe Date (month/day/year) 12.16.2010 Audited 12.21.2010 SA

Preparer and/or Translator Certification (To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Preparer's/Translator's Signature	Print Name
Address (Street Name and Number, City, State, Zip Code)	Date (month/day/year)

Section 2. Employer Review and Verification (To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number, and expiration date, if any, of the document(s).)

List A	OR	List B	AND	List C
Document title: <u>US Passport</u>		US Passport		Social Sec. Card
Issuing authority: <u>US DHS</u>		US DHS		US Soc. Sec. Admin
Document #: <u>13456899775134</u>		13456889775134		123-46-6789
Expiration Date (if any): <u>04.05.2012</u>				
Document #: _____				
Expiration Date (if any): _____				

SSN # recorded wrong as too much information over-documented 12.21.10 SA

CERTIFICATION: I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) 12.16.10 and that to the best of my knowledge the employee is authorized to work in the United States. (State employment agencies may omit the date the employee began employment.)

Signature of Employer or Authorized Representative <u>Susan Supervisor</u>	Print Name <u>Susan Supervisor</u>	Title <u>Executive Director</u>
Business or Organization Name and Address (Street Name and Number, City, State, Zip Code) <u>Peace House, 1024 Whoov Court, Whooville, MO 61234</u>		Date (month/day/year)

Section 3. Updating and Reverification (To be completed and signed by employer.)

A. New Name (if applicable)	B. Date of Rehire (month/day/year) (if applicable)
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C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment authorization.

Document Title:	Document #:	Expiration Date (if any):
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I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative	Date (month/day/year)
--	-----------------------

Example of correct.

OMB No. 1615-0047; Expires 08/31/12

Form I-9, Employment Eligibility Verification

Department of Homeland Security
U.S. Citizenship and Immigration Services

Read instructions carefully before completing this form. The instructions must be available during completion of this form.

ANTI-DISCRIMINATION NOTICE: It is illegal to discriminate against work-authorized individuals. Employers CANNOT specify which document(s) they will accept from an employee. The refusal to hire an individual because the documents have a future expiration date may also constitute illegal discrimination.

Section 1. Employee Information and Verification (To be completed and signed by employee at the time employment begins.)

Print Name: Last Doe	First Jane	Middle Initial M	Maiden Name Smith
Address (Street Name and Number) 1234 Everywhere Drive		Apt. # 2	Date of Birth (month/day/year) 01/01/1950
City Whooville	State MO	Zip Code 61234	Social Security # 123-45-6789

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- A citizen of the United States
- A noncitizen national of the United States (see instructions)
- A lawful permanent resident (Alien # _____)
- An alien authorized to work (Alien # or Admission # _____ until (expiration date, if applicable - month/day/year) _____)

Employee's Signature Jane M. Doe Date (month/day/year) 12.16.2010

Preparer and/or Translator Certification (To be completed and signed if Section 1 is prepared by a person other than the employee.) I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

Preparer's/Translator's Signature	Print Name
Address (Street Name and Number, City, State, Zip Code)	Date (month/day/year)

Section 2. Employer Review and Verification (To be completed and signed by employer. Examine one document from List A OR examine one document from List B and one from List C, as listed on the reverse of this form, and record the title, number, and expiration date, if any, of the document(s).)

List A	OR	List B	AND	List C
Document title: _____		<u>Driver License</u>		<u>Social Security Card</u>
Issuing authority: _____		<u>State of Missouri</u>		<u>US Soc. Security Admin.</u>
Document #: _____		<u>T987654321</u>		<u>1234-45-6789</u>
Expiration Date (if any): _____		<u>12-31-2011</u>		<u>n/a</u>
Document #: _____				
Expiration Date (if any): _____				

CERTIFICATION: I attest, under penalty of perjury, that I have examined the document(s) presented by the above-named employee, that the above-listed document(s) appear to be genuine and to relate to the employee named, that the employee began employment on (month/day/year) 12/16/2010 and that to the best of my knowledge the employee is authorized to work in the United States. (State employment agencies may omit the date the employee began employment.)

Signature of Employer or Authorized Representative <u>Susan Supervisor</u>	Print Name <u>Susan Supervisor</u>	Title <u>Executive Director</u>
Business or Organization Name and Address (Street Name and Number, City, State, Zip Code) <u>Peace House; 1024 Whoo Court, Whooville, MO 61234</u>		Date (month/day/year) <u>12.16.2010</u>

Section 3. Updating and Reverification (To be completed and signed by employer.)

A. New Name (if applicable) _____ B. Date of Rehire (month/day/year) (if applicable) _____

C. If employee's previous grant of work authorization has expired, provide the information below for the document that establishes current employment authorization.

Document Title: _____ Document #: _____ Expiration Date (if any): _____

I attest, under penalty of perjury, that to the best of my knowledge, this employee is authorized to work in the United States, and if the employee presented document(s), the document(s) I have examined appear to be genuine and to relate to the individual.

Signature of Employer or Authorized Representative _____ Date (month/day/year) _____

Memo: I-9 Audit, 2010

To: Whom it may concern
From: Susan Supervisor, Executive Director
Date: December 20, 2010
Re: Form I-9 Compliance SELF-AUDIT

Peace House staff received training on proper I-9 documentation procedures on September 15, 2010 from Wise HR Management, Inc. On December 16, 2010, Peace House reviewed their employment practices regarding I-9 recordkeeping. During the review and subsequent self-audit each active and inactive employee record was examined for errors and omissions. For each employee an original I-9 document was located; however, some information was omitted from the forms.

Actions Taken:

- To address the errors and have correct documentation on file, each original form was reviewed and corrections and inclusion of omitted information was documented in red ink and summarized on a cover sheet.
- The cover sheet for each I-9 form included:
 - Date of the audit;
 - Who conducted the audit;
 - Errors in the records;
 - Actions taken to correct the document; and
 - The destruction of photocopied identification information.
- Inactive and active employee records were separated into separate folders and both remain in a locked file cabinet behind a locked door.
- Current paper I-9s were scanned as a single document to include the corrected I-9 and the audit summary memo for each employee record.

Policy and Procedural Changes:

As of December 20, 2010 Peace House is adopting the practices of:

1. Photocopied records of eligibility documents will no longer be retained.
2. Paper I-9 forms will not be used. I-9 Advantage, a contracted company that is a bridge to the US E-Verify system, will be used as the sole record-keeping system for I-9 files.
3. I-9 Advantage has been used since August 6, 2010. A paper copy of information submitted for each employee had been retained as a fail-safe. This method is a redundancy and does not coincide with the “green” philosophy of the organization.