

HOUSE BILL 06S-1023

**VERIFICATION OF LAWFUL PRESENCE
ANNUAL COMPLIANCE REPORT
CALENDAR YEAR 2012**

COLORADO REVISED STATUTES—TITLE 24, ARTICLE 76.5

**Submitted to the Colorado Senate State, Veterans, and Military Affairs Committee and the House of
Representatives State, Veterans, and Military Affairs Committees**

Colorado Department of Labor and Employment

**Prepared in compliance with Colorado Revised Statutes Title 24, Article 76.5
by staff of the Colorado Department of Labor and Employment**

January 15, 2013

COLORADO REVISED STATUTES—TITLE 24, ARTICLE 76.5 REPORTING REQUIREMENTS

Pursuant to Colorado Revised Statutes 24-76.5-101, et seq., the Colorado Department of Labor and Employment is required to provide the status of its compliance with the requirement to verify the lawful presence of individuals 18-years of age and older who apply for local, state, or federal public benefits. No later than January 15, 2013, this report must be submitted to the Senate and House committees on State, Veterans, and Military Affairs.

This report complies with this requirement.

PART I. STATUTE AND PROGRAM OVERVIEW

Colorado Revised Statutes—Title 24, Article 76.5

This statute requires each state agency or political subdivision to verify that each person 18 years of age or older who applies for “state or local public benefits” provide proof of being lawfully present in the United States prior to the receipt of public benefits. The law defines state or local public benefits by referring to U.S. Code 8, Section 1621.

This statute also requires a person applying for benefits to sign an affidavit affirming to being a U.S. citizen or legal permanent resident. The law prohibits state agencies or political subdivisions from providing benefits that are in violation of this statute. This statute establishes reporting requirements, and each state agency is required to subscribe to the U.S. Department of Homeland Security’s Systematic Alien Verification for Entitlements (SAVE) Program, a Citizenship and Immigration Services Web site.

Colorado Department of Labor and Employment

The Colorado Department of Labor and Employment administers the following programs that provide state public benefits.

Wagner-Peyser and Workforce Investment Act Programs. The federal Workforce Investment Act of 1998 requires states to design and manage job training and employment programs at the local government level where the needs of businesses and individuals are best understood. Through the Wagner-Peyser Program and the statewide network of workforce centers, individuals receive core services, such as outreach, initial assessment of skills and needs, and job-search and placement assistance. In addition, individuals who are eligible for the Workforce Investment Act Programs also receive access to intensive services such as comprehensive assessments, development of individual employment plans and supportive services, and to training services such as occupational-skills training and on-the-job training.

Trade Adjustment Assistance Program. The Trade Act of 1974 provides benefits to workers whose job was lost, whose hours of work and wages were reduced because of increased imports, or whose jobs were exported offshore. Trade Adjustment Assistance benefits include a variety of reemployment services designed to help workers prepare for and obtain suitable employment. Workers may be eligible for job training, job-search allowance, relocation allowance, and health-coverage tax credit. Workers over 50 years of age may be eligible for alternative trade adjustment assistance. Trade Act services are provided by the statewide network of workforce centers.

Unemployment Insurance Division. The 1937 legislative declaration by the Colorado General Assembly provides that the purpose of the Colorado Department of Labor and Employment’s Unemployment Insurance Division is to provide economic security and stability to the citizens of Colorado by safeguarding the income and purchasing power of the unemployed worker. The Unemployment Insurance Division provides temporary and partial wage replacement to workers who have become unemployed through no fault of the worker, as determined under state law. The Unemployment Insurance Division is funded by employer-paid premiums and provides benefits to those who meet the eligibility requirements of the Colorado Employment Security Act.

PART II. VERIFYING LAWFUL PRESENCE TO DETERMINE PROGRAM ELIGIBILITY

Wagner-Peyser, Workforce Investment Act, and Trade Adjustment Assistance Programs

To comply with the requirements of House Bill 06S-1023, the Colorado Department of Labor and Employment issued a policy letter on August 1, 2006, mandating verification of immigration status through the SAVE Program. This policy was implemented in the statewide network of workforce centers, which are the providers of the Wagner-Peyser Program, Workforce Investment Act, and Trade Adjustment Assistance services.

There have been no denials of services for the Wagner-Peyser, Workforce Investment Act, and Trade Adjustment Assistance programs based on immigration status since the implementation of House Bill 06S-1023.

The following processes were implemented as part of determining eligibility for the Workforce Investment Act or Trade Adjustment Assistance Programs:

- Obtain one of the required forms of identification authorized by the statute.
- Require the Workforce Investment Act or Trade Adjustment Assistance applicant to complete and sign an Affidavit of Immigration Status, affirming that the applicant understood that lawful presence in this country will be verified through the SAVE Program before workforce program services can be provided, and that the applicant is a U.S. citizen, legal permanent resident, or is otherwise lawfully present in this country.
- Check the type of identification the applicant possessed, and obtained the identification number and expiration date.

Provision of Trade Adjustment Assistance benefits was contingent upon the applicant providing the required documents and signing the Affidavit of Immigration Status plus the successful verification of immigration status through the SAVE Program.

Number of Persons Receiving Workforce Investment Act Services	01/2012–12/2012
Number of Workforce Investment Act applicants receiving services	8,877
Number of Workforce Investment Act recipients who are not U.S. citizens	283
Number of inquiries of immigration status through the SAVE Program	283
Number of applicants denied services	0

Number of Persons Receiving Trade Adjustment Assistance Services	01/2012–12/2012
Number of Trade Adjustment Assistance applicants receiving services	653
Number of Trade Adjustment Assistance Act recipients who are not U.S. citizens	24
Number of inquiries of immigration status through the SAVE Program	24
Number of applicants denied services	0

Additional information regarding House Bill 06S-1023 policies and processes related to the administration of the Workforce Investment Act and Trade Adjustment Assistance Programs can be found in Policy Guidance Letter #06-07-WIA, Guidelines for Implementing Colorado HB1023, on the Colorado Department of Labor and Employment’s Web site at:

- www.coworkforce.com/PGL/pgl/PGL0607WIAGuidelinesHB1023.pdf
- www.coworkforce.com/PGL/SupportingDocuments/PGL0607WIAHB1023attach1.doc.

Unemployment Insurance Division

Under federal law and House Bill 06S-1023 only U.S. citizens and persons lawfully present in this country are eligible to receive unemployment benefits. The following processes were implemented as part of determining eligibility for the Unemployment Insurance Division.

Initial Claim

An unemployed individual can file a new unemployment claim via the Internet or with a customer-service representative over the telephone. At the time an initial unemployment claim is filed, the individual (claimant) is always asked to attest to lawful presence or that he or she is a U.S. citizen, and acknowledge the penalties for making false statements. The attestation of legal presence or U.S. citizenship is captured on the Internet application when the new claim is filed via the

Internet or recorded when the new claim is filed over the telephone with a customer-service representative. If the claimant attests that he or she is a U.S. citizen, the claimant must provide the identification number and expiration date of one of the following types of identification:

- Colorado driver's license or identification card
- U.S. Military Card or dependent identification card
- Native American Tribal Document
- U.S. Coast Guard Merchant Mariner Card
- Other state or Canadian driver's license or state identification card

If the claimant provides a Colorado driver's license or identification card number at the time the claim is filed, the identification number is added to the claim record. As part of the initial paperwork, the claimant is sent a form, which must be signed to verify that the information provided is correct. It also contains instructions for providing the information from the other acceptable forms of identification to verify legal presence in the United States for the claim record. The Unemployment Insurance Division maintains the returned signed affidavit on file to combat fraud and identity theft.

If the claimant attests that he or she is legally present but not a U.S. citizen, the claimant is asked for his or her alien-identification number. If the claimant can provide the alien-identification number at the time of filing, it is included in the claim record.

New Claim Correspondence

The business day following the day a claim is filed, correspondence is created and sent to each claimant (regardless of response to the citizenship question) and all affected employers (those employers reporting wages during the base period). This correspondence is as follows:

- Form UIB-1, Verification of Personal Information, is sent to the claimant. The claimant is instructed to verify the information, make any necessary changes or corrections, including the response to the citizenship question and provide his or her alien-identification number, and asked to provide information about the type of verifiable identification the claimant possesses. The form also requires a signature affirming that all information on the form is correct under penalty of perjury and that the claimant is a U.S. citizen or otherwise lawfully present in the United States.
- Forms UIB-290, Request for Facts About a Former Employee's Employment, and UIF-290, Notice of Unemployment Insurance Claim, Wages Reported, and Possible Charges, are sent to the interested employers requesting verification of the information about the claimant.

Alien Status Verification Through the SAVE Program

The business day following the day a claim is filed, a report listing the names of claimants that indicated non-U.S. citizenship is generated. If the claimants on this report provided an alien-identification number, the name, date of birth, and alien status are then verified through the SAVE Program by Unemployment Insurance Division staff members. If everything matches and the system does not indicate further verification is necessary, the documentation is placed in the claimant's file and the claim continues through the process.

If the claimant failed to provide an alien-identification number, the system response to the SAVE verification indicates that any line of data does not match, or it requests further verification, a "hold" is placed on the claim to prevent payment until further information is received from the claimant. In these instances, a Form B-521, Instructions for Claimants Who Are Non-U.S. Citizens, is sent to the claimant. The form requests that the claimant return the signed form and copies (front and back) of the employment-authorization card. It may also be appropriate to request a copy of a marriage

certificate. The claimant must be able to provide the requested information, and it must be verifiable with SAVE before benefits will be paid.

Legal Presence Verification Through the Department of Motor Vehicle

The Unemployment Insurance Division implemented a manual process to verify Colorado identification cards and driver’s licenses in November 2011. The Unemployment Insurance Division then implemented an automated data exchange with the Division of Motor Vehicle to verify all Colorado identification card and driver’s license numbers provided by the claimant in May 2012.

All claimants that file a new unemployment claim are included in the data exchange with the Division of Motor Vehicles. The report returned by Division of Motor Vehicle reflects that the Colorado identification card number or driver’s license number the claimant provided at the time he or she filed the new claim is either valid or invalid. The report also notifies the Unemployment Insurance Division if the claimant failed to provide an identification number to be verified through the data-exchange process. Beginning in August 2012 the Unemployment Insurance Division began a process of a secondary inquiry to verify the legal presence of those individuals who either provided an invalid identification card or driver’s license number or did not provide one at all. Each individual is mailed Form UIB-647, Verification of Legal Presence, requesting that he or she provide a copy of one of the acceptable forms of identification which are listed on the form. Each claimant must respond to this request or benefits are disallowed until such time that he or she complies with the request.

Statistics

Unemployment Insurance Claims	01/2012—12/2012
Approximate number of initial unemployment claims filed	179,351
Approximate number of claims paid (as of December 31, 2012)	113,344

Verification of Immigration Status for Non-U.S. Citizens	01/2012—12/2012
Number of inquiries of claimants’ immigration status through the SAVE Program	8,329
Number of claimants who required a secondary inquiry of immigration status through the SAVE Program	656
Number of decisions issued pertaining to immigration status (allowing and disallowing benefits)	375
Number of claimants denied unemployment benefits based on immigration status	82

Verification of Legal Presence for U.S. Citizens	08/2012—12/2012
Approximate number of initial unemployment claims filed between 08/2012-12/2012	61,619
Number of claimants who required a secondary inquiry to verify his or her legal presence	2,966
Number of claimants who returned the secondary inquiry providing proof of his or her legal presence	2,149
Number of decisions issued to claimants allowing his or her unemployment benefits, after the individual provided proof of their legal presence by the required due date	1,184
Number of decisions issued to claimants disallowing unemployment benefits for his or her failure to respond and provide proof of their legal presence by the required due date	1,694
Number of claimants who were initially issued decisions disallowing his or her unemployment benefits for failure to respond and subsequently allowed benefits after providing proof of legal presence	966

STATE AUDITOR'S OFFICE RECOMMENDATIONS

In 2011 the State Auditor's Office completed an audit of the Unemployment Insurance Division, including its compliance with HB 06S-1023. Based on audit findings, recommendations were made to the Unemployment Insurance Division, which include:

- 1) The Department of Labor and Employment should ensure that unemployment insurance claimants meet the requirements of House Bill 06S-1023 and federal law for attesting to his or her lawful presence in the United States by:
 - a. Changing the language in the unemployment insurance application form so that claimants are clearly affirming his or her legal presence in the United States through the application.
 - b. Requiring all applicants to affirm legal presence before receiving benefits.
 - c. Eliminating the use of the current paper affidavit form for affirming legal presence.
- 2) The Department of Labor and Employment should ensure that unemployment insurance claimants meet the requirements of House Bill 06S-1023 and federal law for affirming his or her lawful presence in the United States by:
 - a. Requiring all claimants to provide a valid Colorado driver's license number or Colorado identification card, or a copy of other documents acceptable under House Bill 06S-1023, before paying benefits. In addition, the Department of Labor and Employment should establish a process to collect acceptable forms of identification other than a Colorado driver's license or identification card and provide claimants with instructions on the application for submitting this documentation.
 - b. Establishing procedures to verify that the person applying for benefits is the same person depicted by the identification number or document that the person provides on his or her application. These procedures could include verifying all Colorado driver's license and identification numbers provided by claimants using Department of Revenue records. If necessary, the Department of Labor and Employment should seek legal counsel from the Office of the Attorney General to clarify the procedures that the Unemployment Insurance Division must follow to satisfy House Bill 06S-1023 while complying with federal requirements.

In response to the recommendations, the Unemployment Insurance Division completed recommendation 1a as described in "Initial Claim." Recommendation 1b is in place with the changes to the online applications and call-center scripts. Recordings are maintained for claims filed via telephone agents. Storage capacity limitations prevent the telephone-recorded affirmations from being maintained beyond a period of 11 months. As a result of this limitation, the Unemployment Insurance Division continues to mail a paper affidavit to verify legal presence to every claimant filing a claim for benefits. The Unemployment Insurance Division maintains the returned signed affidavit in the claimant's file to combat fraud and identity theft. Recommendation 2 the Unemployment Insurance Division completed this recommendation. As noted above in "Legal Presence Verification Through the Department of Motor Vehicles" the Unemployment Insurance Division executed an agreement with the Department of Revenue to verify Colorado driver's license and identification card information provided by each claimant.