To gradually raise the Federal minimum wage, to permanently establish the E-Verify employment eligibility verification system, to mandate the use of E-Verify by all employers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. COTTON (for himself, Mr. ROMNEY, Mrs. CAPITO, Mr. CASSIDY, Ms. COLLINS, and Mr. VANCE) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To gradually raise the Federal minimum wage, to permanently establish the E-Verify employment eligibility verification system, to mandate the use of E-Verify by all employers, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Higher Wages for American Workers Act of 2023”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Purpose.
Sec. 4. Minimum wage increases.
Sec. 5. Establishment of permanent E-Verify program.
Sec. 6. Mandatory E-Verify for all employers.
Sec. 7. Penalty for failure to use E-Verify.
Sec. 8. Enhanced penalties for unauthorized employment.
Sec. 9. E-Verify self-check.
Sec. 10. E-Verify process.
Sec. 11. Good faith defense.
Sec. 12. Preemption.
Sec. 13. Access to information.
Sec. 14. Fraud and misuse of documents.
Sec. 15. Fraud prevention.
Sec. 16. Protection of Social Security Administration programs.
Sec. 17. Inspector General audits.
Sec. 18. Recruitment, referral, and continuation of employment.
Sec. 19. Definitions.

1 SEC. 2. FINDINGS.

Congress finds the following:

(1) In the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208), Congress directed the establishment of 3 pilot programs for employment eligibility confirmation, including what became the E-Verify Pilot Program.

(2) The E-Verify Pilot Program has grown into a successful, necessary tool for employers across the country that want to verify their workers’ employment eligibility.

(3) E-Verify is a fast, reliable, electronic system, administered by the Department of Homeland Security, that offers United States employers a tool to verify that prospective employees are legally authorized to work in the United States.
(4) All Federal executive departments and legislative branch offices, employers subject to certain court orders under section 274A(e)(4) or 274B(g) of the Immigration and Nationality Act (8 U.S.C. 1324a(e)(4) and 1324b(g)), employers with Federal contracts or subcontracts that contain the Federal Acquisition Regulation E-Verify clause, and employers in several States are required to use E-Verify to confirm the identity and employment eligibility of their employees.

(5) Many other employers voluntarily use E-Verify to confirm that their workforce complies with Federal immigration laws and more than 1,000,000 employers are using E-Verify.

(6) It is necessary to make E-Verify permanent and mandatory to prevent unauthorized employment, which—

(A) drives illegal immigration to the United States; and

(B) undermines economic opportunity for authorized workers.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to gradually increase the Federal minimum wage;
(2) to provide a permanent authorization for E-Verify; and

(3) to require all employers to use E-Verify.

SEC. 4. MINIMUM WAGE INCREASES.

(a) SCHEDULED INCREASES.—Section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)) is amended—

(1) by striking paragraph (1) and inserting the following:

“(1) except as otherwise provided in this section, not less than—

“(A) $8.00 per hour, beginning on the effective date under section 4(e) of the Higher Wages for American Workers Act of 2023;

“(B) $8.75 per hour, beginning on the date that is 1 year after such effective date;

“(C) $9.50 per hour, beginning on the date that is 2 years after such effective date;

“(D) $10.25 per hour, beginning on the date that is 3 years after such effective date;

“(E) $11.00 per hour, beginning on the date that is 4 years after such effective date;

“(F) beginning on the date that is 5 years after such effective date, and every 2 years thereafter, the amount determined by the Sec-
retary for purposes of this subsection under subsection (h);’’;

(2) in paragraph (3), by striking ‘‘or’’ after the semicolon;

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following:

“(4) if such employee is employed by a business with fewer than 20 employees (including a franchise with fewer than 20 employees) and except as otherwise provided under paragraphs (2), (3), or (5), not less than—

“(A) $7.75 per hour, beginning on the effective date under section 4(e) of the Higher Wages for American Workers Act of 2023;

“(B) $8.25 per hour, beginning on the date that is 1 year after such effective date;

“(C) $8.75 per hour, beginning on the date that is 2 years after such effective date;

“(D) $9.25 per hour, beginning on the date that is 3 years after such effective date;

“(E) $9.75 per hour, beginning on the date that is 4 years after such effective date;
“(F) $10.25 per hour, beginning on the
date that is 5 years after such effective date;
and
“(G) beginning on the date that is 6 years
after such effective date, the wage rate in effect
under paragraph (1)(F); or”.

(b) INCREASES IN YOUTH MINIMUM WAGE.—Section
6(g)(1) of the Fair Labor Standards Act of 1938 (29
U.S.C. 206(g)(1)) is amended—

(1) by striking “90” and inserting “180”; and

(2) by striking “less than $4.25 an hour.” and
inserting the following: “less than—
“(A) $4.75 per hour, beginning on the effective
date under section 4(e) of the Higher Wages for
American Workers Act of 2023;
“(B) $5.25 per hour, beginning on the date
that is 1 year after such effective date;
“(C) $5.75 per hour, beginning on the date that
is 2 years after such effective date;
“(D) $6.00 per hour, beginning on the date
that is 3 years after such effective date; and
“(E) beginning on the date that is 5 years after
such effective date, and every 2 years thereafter, the
youth minimum wage rate amount determined by
the Secretary for purposes of this subsection under subsection (h).”.

(c) **Determination Based on Increase in the Consumer Price Index.**—Section 6 of the Fair Labor Standards Act of 1938, as amended by subsections (a) and (b), is further amended by adding at the end the following:

“(h)(1) Not later than the date that is 1 year before a new minimum wage rate under subsection (a)(1)(F) and new youth minimum wage rate under subsection (g)(1)(E) are to take effect for a 2-year period, the Secretary shall determine the minimum wage rate and youth minimum wage rate to be in effect pursuant to this subsection. The minimum wage rate or youth minimum wage rate determined pursuant to this subsection shall be—

“(A) not less than the amount in effect under subsection (a)(1) or subsection (g)(1), respectively, on the date of such determination;

“(B) increased from such amount by the percentage increase in the Chained Consumer Price Index for All Urban Consumers (as published by the Bureau of Labor Statistics of the Department of Labor) for the preceding 2 years, as calculated in accordance with paragraph (2); and

“(C) rounded to the nearest multiple of $0.05.
“(2) In making each determination under paragraph (1) and calculating the percentage increase in the Chained Consumer Price Index for All Urban Consumers under paragraph (1)(B), the Secretary shall compare the Consumer Price Index for the most recent month, quarter, or year available (as selected by the Secretary before the first year for which a minimum wage or youth minimum wage is in effect pursuant to this subsection) with the Consumer Price Index for the same month in the second preceding year, the same quarter in the second preceding year, or the second preceding year, respectively.”.

(d) Rule of Construction.—Nothing in the amendments made by this Act shall be construed to impact or affect the Secretary’s authority to issue special certificates under section 14(c) of the Fair Labor Standards Act of 1938 (29 U.S.C. 214(c)).

(e) Effective Date.—The amendments made by this section shall take effect on January 1, 2024.

SEC. 5. ESTABLISHMENT OF PERMANENT E-VERIFY.

(a) Establishment of Permanent E-Verify.—

Section 274A(d) of the Immigration and Nationality Act (8 U.S.C. 1324a(d)) is amended to read as follows:

““(d) Establishment of Permanent E-Verify.—

“(1) In general.—On the date of the enactment of the Higher Wages for American Workers
Act of 2023, the Secretary of Homeland Security shall permanently establish E-Verify, based on the E-Verify pilot program implemented under section 401(c)(1) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), that—

“(A) responds to inquiries made by persons through a website, mobile application, or other toll-free electronic media, as determined by the Secretary, concerning—

“(i) an individual’s identity; and

“(ii) whether such individual is authorized to be employed in the United States; and

“(B) maintains records of—

“(i) the inquiries that were made;

“(ii) the verifications that were provided (or not provided); and

“(iii) the codes provided to inquirers as evidence of their compliance with their obligations under E-Verify.

“(2) RESPONSES.—

“(A) INITIAL RESPONSES.—E-Verify shall provide confirmation or a tentative nonconfirmation of an individual’s identity and em-
ployment eligibility not later than 3 business
days after the initial inquiry. If providing con-
firmation or tentative nonconfirmation, E-
Verify shall provide an appropriate code indi-
cating such confirmation or such nonconfirma-
tion.

“(B) SECONDARY CONFIRMATION PROCESS
IN CASE OF TENTATIVE NONCONFIRMATION.—

“(i) IN GENERAL.—In cases of ten-
tative nonconfirmation, the Secretary shall
specify, in consultation with the Commis-
sioner of Social Security, an available sec-
ondary verification process to confirm the
validity of information provided and to
provide a final confirmation or noncon-
firmation not later than 10 business days
after the date on which the notice of the
tentative nonconfirmation is provided by
the Secretary.

“(ii) EXTENSIONS.—The Secretary, in
consultation with the Commissioner—

“(I) may extend the deadline
under clause (i) once, on a case-by-
case basis, for a period of 10 business
days; and
“(II) if such deadline is extended, shall document such extension within the verification system.

“(iii) NOTIFICATIONS.—The Secretary, in consultation with the Commissioner, shall immediately notify the employee and employer of any tentative non-confirmation under clause (i), which shall include—

“(I) guidance to the prospective employee regarding the secondary verification process; and

“(II) any extension granted under clause (ii).

“(iv) PROCESS.—The Secretary, in consultation with the Commissioner, shall—

“(I) create a standard process for extensions and notifications under this paragraph; and

“(II) make a description of such process available to the public.

“(v) CODE.—When final confirmation or nonconfirmation is provided, the verification system shall provide an appro-
priate code indicating such confirmation or nonconfirmation.

“(3) DESIGN AND OPERATION OF E-VERIFY.—

E-Verify shall be designed and operated—

“(A) to maximize its reliability and ease of use by persons and other entities consistent with insulating and protecting the privacy and security of the underlying information;

“(B) to respond to all inquiries made by such persons and entities on whether individuals are authorized to be employed and to register all times when such inquiries are not received;

“(C) to prevent unauthorized disclosure of personal information through appropriate administrative, technical, and physical safeguards;

“(D) to include reasonable safeguards against unlawful discriminatory practices based on national origin or citizenship status, including—

“(i) the selective or unauthorized use of E-Verify to verify eligibility; or

“(ii) the exclusion of certain individuals from consideration for employment as a result of a perceived likelihood that addi-
tional verification will be required, beyond what is required for most job applicants;
“(E) to maximize the prevention of identity theft use in the system;
“(F) to limit the subjects of verification to—
“(i) individuals hired, referred, or recruited, in accordance with paragraph (1) or (4) of subsection (b);
“(ii) employees and prospective employees, in accordance with paragraph (1), (2), (3), or (4) of subsection (b); and
“(iii) individuals seeking to confirm their own employment eligibility on a voluntary basis; and
“(G) to confirm identity and employment authorization through verification and comparison of records maintained by the Department of Homeland Security, other Federal departments, States, or outlying possessions of the United States, as determined necessary by the Secretary of Homeland Security, including—
“(i) records maintained by the Social Security Administration;
“(ii) passports, passport cards, and visa records (including photographs) maintained by the Department of State;

“(iii) notwithstanding section 6103 of Internal Revenue Code of 1986 or any other provision of law, Employer Identification Number records maintained by the Internal Revenue Service;

“(iv) State driver’s license or identity card information (including photographs) maintained by the Department of Motor Vehicles of a State or outlying possession; and

“(v) any other Federal records that the Secretary of Homeland Security determines to be relevant and necessary for such purpose.

“(4) Responsibilities of Commissioner of Social Security.—

“(A) In general.—The Commissioner of Social Security, in consultation with the Secretary of Homeland Security (and any designee of the Secretary selected to establish and administer the verification system), shall establish a reliable, secure, electronic method within E-
Verify, which, within the periods specified in subparagraphs (A) and (B) of paragraph (2), compares the name and Social Security account number provided in an inquiry against such information maintained by the Commissioner in order to validate (or not validate)—

“(i) the information provided regarding each individual whose identity and employment eligibility is being confirmed;

“(ii) the correspondence of the name and number; and

“(iii) whether the individual has presented a Social Security account number that is not valid for employment.

“(B) LIMITATION ON DISCLOSURES.—The Commissioner may not disclose or release Social Security information (other than such confirmation or nonconfirmation) under E-Verify except as provided for in this section or section 205(c)(2)(I) of the Social Security Act (42 U.S.C. 405(c)(2)(I)).

“(5) RESPONSIBILITIES OF SECRETARY OF HOMELAND SECURITY.—The Secretary of Homeland Security, in consultation with any designee of the Secretary selected to establish and administer the
verification system, shall establish a reliable, secure, electronic method within E-Verify, which, within the periods specified in subparagraphs (A) and (B) of paragraph (2), compares the name and alien identification or authorization number (or any other information as determined relevant by the Secretary) which are provided in an inquiry against such information maintained or accessed by the Secretary—

“(A) to validate (or not validate)—

“(i) the information provided regarding each individual whose identity and employment eligibility is being confirmed;

“(ii) the correspondence of the name and number; and

“(iii) whether the alien is authorized to be employed in the United States; or

“(B) to the extent that the Secretary determines to be feasible and appropriate, to determine whether the records available to the Secretary verify the identity or status of a national of the United States.

“(6) Responsibilities of the Secretary of State.—The Secretary of State, in consultation with the Secretary of Homeland Security and any designee of the Secretary of Homeland Security se-
lected to establish and administer the verification system, shall establish a reliable, secure method, that compares and provides, within the time periods required under paragraphs (2) and (3), a confirmation or nonconfirmation of the name and passport, passport card, or visa number provided in an inquiry against such information maintained by the Secretary of State in order to confirm (or to not confirm) the information provided regarding an individual whose identity and employment eligibility must be confirmed.

“(7) Updating Information.—The Commissioner of Social Security and the Secretary of Homeland Security shall immediately, and not later than 3 business days after receiving updated information, update their information in a manner that promotes the maximum accuracy and shall provide a process for the prompt correction of erroneous information, including instances in which it is brought to their attention in the secondary verification process described in paragraph (2)(B).

“(8) No National Identification Card.—Nothing in this subsection, or in the Higher Wages for American Workers Act of 2023, may be construed to directly or indirectly authorize—
“(A) the issuance or use of national identification cards; or

“(B) the establishment of a national identification card.

“(9) Remedies.—

“(A) In general.—If an individual alleges that the individual would not have been dismissed from a job absent an error of the verification mechanism, the individual may seek—

“(i) compensation only through the mechanism of chapter 171 of title 28, United States Code (commonly known as the ‘Federal Tort Claims Act’); and

“(ii) injunctive relief to correct such error.

“(B) Class actions.—No class action may be brought under this subsection.”.

(b) Conforming Amendments.—Section 401 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended—

(1) by amending the section heading to read as follows: ‘E-VERIFY’;
(2) in subsection (a), by striking “3 pilot programs of employment eligibility confirmation” and inserting “E-Verify”; and

(3) in subsection (b)—

(A) in the subsection heading, by striking “; TERMINATION”; and

(B) by striking “Unless the Congress otherwise provides, the Secretary of Homeland Security shall terminate a pilot program on September 30, 2015.”.

(c) TRANSITION FROM PILOT TO PERMANENT E-VERIFY PROGRAM.—

(1) IN GENERAL.—Subtitle A of title IV of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is repealed.

(2) REFERENCES.—Any reference in any Federal law, Executive order, rule, regulation, or delegation of authority, or any document of, or pertaining to, the Department of Homeland Security, the Department of Justice, or the Social Security Administration, to the employment eligibility confirmation system established under section 404 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is deemed to
refer to E-Verify, which has been permanently established pursuant to subsection (a).

(3) CLERICAL AMENDMENT.—The table of contents in section 1(d) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208) is amended by striking the items relating to subtitle A of title IV.

(4) EFFECTIVE DATE.—This subsection shall take effect on the date that is 90 days after the date of the enactment of this Act.

(d) FUNDING.—

(1) TRANSFERS.—On the first day of each fiscal year beginning after the date of the enactment of this Act, the Secretary of the Treasury shall transfer $100,000,000 in unobligated funds from the general fund of the Treasury to the Department of Homeland Security, which shall be used to carry out E-Verify.

(2) AUTHORIZATION OF APPROPRIATIONS.—In addition to the amounts transferred pursuant to paragraph (1), there are authorized to be appropriated $100,000,000, in fiscal year 2024, and in each successive fiscal year, to carry out E-Verify.

(e) REPORTING REQUIREMENTS.—
(1) APPROPRIATE CONGRESSIONAL COMMIT-
TEES DEFINED.—In this subsection, the term “ap-
propriate congressional committees” means—

(A) the Committee on the Judiciary of the
Senate;

(B) the Committee on Homeland Security
and Governmental Affairs of the Senate;

(C) the Committee on the Judiciary of the
House of Representatives; and

(D) the Committee on Homeland Security
of the House of Representatives.

(2) PERMANENT E-VERIFY INITIAL REPORT.—
Not later than 180 days after the date of the enact-
ment of this Act, the President shall submit a report
to the appropriate congressional committees describ-
ing the implementation of the permanent E-Verify
Program, including—

(A) any significant changes made from the
E-Verify Pilot Program in existence on the day
before the date of the enactment of this Act;

(B) any additional planned changes to
streamline or improve the permanent E-Verify
Program; and

(C) a classified appendix, if necessary, to
discuss sensitive topics, such as measures to
prevent unauthorized disclosure of personal information.

(3) PERMANENT E-VERIFY ANNUAL REPORT.—Not later than 1 year after the submission of the report under paragraph (2), and annually thereafter, the President shall submit a report to the appropriate congressional committees, the Committee on Appropriations of the Senate, and the Committee on Appropriations of the House of Representatives describing the status of the permanent E-Verify Program, including—

(A) statistics on use, confirmations, tentative and final nonconfirmations, and response times; and

(B) information regarding the costs of the program, including an accounting of any increases in costs that occurred during the previous year.

SEC. 6. MANDATORY E-VERIFY FOR ALL EMPLOYERS.

(a) IN GENERAL.—Any person or other entity hiring, recruiting, or referring an individual for employment in the United States shall utilize E-Verify in accordance with this section.

(b) IMPLEMENTATION TIMELINE.—
(1) HIRING.—Except as provided in paragraphs (3) and (4), an employer shall use E-Verify whenever hiring an individual for employment in the United States beginning—

   (A) on the date that is 6 months after the date of the enactment of this Act if the employer has 10,000 or more employees in the United States on such date of enactment;

   (B) on the date that is 9 months after the date of the enactment of this Act if the employer has at least 500 employees in the United States and fewer than 10,000 employees in the United States on such date of enactment;

   (C) on the date that is 1 year after the date of the enactment of this Act if the employer has at least 20 employees in the United States fewer than 500 employees in the United States on such date of enactment;

   (D) on the date that is 18 months after the date of the enactment of this Act if the employer has at least 1 employee in the United States and fewer than 20 employees in the United States on such date of enactment; and
(E) on the date that is 1 year after the date of the enactment of this Act for any new employer.

(2) Recruiting and Referring.—Except as provided in paragraph (3), the requirement under subsection (b) shall apply to a person or other entity recruiting or referring an individual for employment in the United States beginning on the date that is 1 year after the date of the enactment of this Act.

(3) Agricultural Labor or Services.—Notwithstanding paragraph (1), the requirement under subsection (b) shall not apply to the verification of employment eligibility for employees performing agricultural labor or services until on or after the date that is 18 months after the date of the enactment of this Act.

(4) Critical Infrastructure.—The Secretary of Homeland Security shall authorize and direct any person or entity responsible for granting access to, protecting, securing, operating, administering, or regulating part of the critical infrastructure (as defined in section 1016(e) of the Critical Infrastructure Protection Act of 2001 (42 U.S.C. 5195c(e))) to use E-Verify whenever hiring an individual for employment in the United States on or
after the date that is 6 months after the date of the enactment of this Act.

(5) USE OF CONTRACT LABOR.—Any employer who uses a contract, subcontract, or exchange to obtain the labor of an individual in the United States after the applicable effective date under paragraphs (1) through (4) shall certify, in such contract, subcontract, or exchange, that the employer, and all parties to such contract, subcontract, or exchange, use E-Verify.

(6) TRANSITION RULE.—Any person or other entity hiring, recruiting, or referring an individual for employment in the United States before the applicable effective date under paragraphs (1) through (4) shall be subject to any other provision of Federal law requiring the person or entity to participate in the E-Verify Pilot Program described in section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), as in effect before the date of the enactment of this Act, including Executive Order 13465 (8 U.S.C. 1324a note), and all references to the E-Verify Pilot Program or a requirement to participate in an employment verification program, shall be
deemed to refer to the E-Verify program established under section 4 of such Act.

(c) Early Compliance.—

(1) Former E-Verify required users, including federal contractors.—Notwithstanding the deadlines set forth in subsection (b)(1), beginning on the date of the enactment of this Act, the Secretary of Homeland Security shall require employers required to participate in E-Verify described in section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note), including employers required to participate in such program by reason of Federal acquisition laws (and regulations promulgated under those laws, including the Federal Acquisition Regulation), to use E-Verify (and comply with any additional requirements of such Federal acquisition laws and regulation).

(2) Former E-Verify voluntary users and others desiring early compliance.—Notwithstanding the deadlines set forth in subsection (b)(1), beginning on the date of the enactment of this Act, the Secretary of Homeland Security shall provide for the voluntary use of E-Verify by employers voluntarily electing to participate in the E-Verify program.
described in section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) before such date, and by other employers seeking voluntary early compliance.

SEC. 7. PENALTY FOR FAILURE TO USE E-VERIFY.

If a person or entity fails to utilize E-Verify as required by law, including failing to comply with section 6(b)(5) or providing information to the system that the person or entity knows or reasonably believes to be false, such failure shall be treated as a violation of paragraph (1)(A), (1)(B), or (2) of section 274A(a) of the Immigration and Nationality Act (8 U.S.C. 1324a(a)), as applicable.

SEC. 8. ENHANCED PENALTIES FOR UNAUTHORIZED EMPLOYMENT.

(a) IN GENERAL.—Section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a) is amended—

(1) in subsection (e)—

(A) in paragraph (1)—

(i) by striking “Attorney General” each place such term appears and inserting “Secretary of Homeland Security”; and
(ii) in subparagraph (D), by striking
“Service” and inserting “Department of
Homeland Security”; 

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) in the matter preceding clause
(i), by inserting “, subject to para-
graph (10),” after “in an amount”;

(II) in subparagraph (A)(i), by
striking “not less than $250 and not
more than $2,000” and inserting “not
less than $2,500 and not more than
$5,000”;

(III) in subparagraph (A)(ii), by
striking “not less than $2,000 and
not more than $5,000” and inserting
“not less than $5,000 and not more
than $10,000”;

(IV) in subparagraph (A)(iii), by
striking “not less than $3,000 and
not more than $10,000” and inserting
“not less than $10,000 and not more
than $25,000”; and

(ii) by amending subparagraph (B) to
read as follows:
“(B) may require the person or entity to take appropriate remedial action.”;

(C) in paragraph (5)—

(i) in the paragraph heading, by striking “PAPERWORK”;

(ii) by inserting “, subject to paragraphs (10) through (12),” after “in an amount”; and

(iii) by striking “$100 and not more than $1,000” and inserting “$1,000 and not more than $25,000”; and

(D) by adding at the end the following:

“(10) ADJUSTMENT OF PENALTY FOR GOOD FAITH VIOLATION.—The Secretary of Homeland Security or the Attorney General may waive or reduce a civil penalty under paragraph (4)(A) (with respect to a violation of paragraph (1)(A) or (2) of subsection (a) for hiring or continuation of employment or recruitment or referral by person or entity) or a civil penalty under paragraph (5) (with respect to a violation of subsection (a)(1)(B) for hiring or recruitment or referral by a person or entity) if the violator establishes that the violator acted in good faith.
“(11) Mitigation.—The size of the business shall be taken into account when assessing the level of civil money penalty under paragraph (4).

“(12) Authority to debar employers for certain violations.—

“(A) In general.—If the Secretary of Homeland Security determines that a person or entity is a repeat violator of paragraph (1)(A) or (2) of subsection (a), or is convicted of a crime under this section, such person or entity may be proposed for debarment from the receipt of Federal contracts, grants, or cooperative agreements in accordance with the debarment standards and pursuant to the debarment procedures set forth in the Federal Acquisition Regulation.

“(B) Does not have contract, grant, agreement.—If the Secretary of Homeland Security or the Attorney General determines that a person or entity should be proposed for debarment in accordance with subparagraph (A), and such an person or entity does not hold a Federal contract, grant or cooperative agreement, the Secretary or the Attorney General
shall refer the matter to the Administrator of General Services to determine—

“(i) whether to list the person or entity on the List of Parties Excluded from Federal Procurement; and

“(ii) if the person or entity is included on such list, the duration and scope of such inclusion.

“(C) HAS CONTRACT, GRANT, AGREEMENT.—If the Secretary of Homeland Security or the Attorney General determines that a person or entity should be proposed for debarment in accordance with this subparagraph (A), and such person or entity holds a Federal contract, grant or cooperative agreement, the Secretary or the Attorney General—

“(i) shall advise all agencies or departments holding a contract, grant, or cooperative agreement with the person or entity of the Government’s interest in having the person or entity proposed for debarment; and

“(ii) after soliciting and considering the views of all such agencies and depart-
ments, may refer the matter to any appropriate lead agency to determine—

“(I) whether to list the person or entity on the List of Parties Excluded from Federal Procurement; and

“(II) if the person or entity is included on such list, the duration and scope of such inclusion.

“(D) REVIEW.—Any decision to debar a person or entity under this paragraph shall be reviewable pursuant to part 9.4 of the Federal Acquisition Regulation.

“(13) CONTINUED EMPLOYMENT AFTER FINAL NONCONFIRMATION.—If a person or other entity continues to employ (or to recruit or refer) an individual after receiving final noneconfirmation, a rebuttable presumption is created that the person or entity has violated subsection (a)(1)(A).”; and

(2) in subsection (f), by amending paragraph (1) to read as follows:

“(1) CRIMINAL PENALTY.—Any person or entity that engages in a pattern or practice of violations of paragraph (1) or (2) of subsection (a) shall be fined not more than $30,000 for each unauthorized
alien with respect to which such a violation occurs, imprisoned for not more than 18 months, or both.”.

(b) **Effective Date.**—

(1) **In general.**—Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) **Continued employment after final nonconfirmation.**—

(A) **In general.**—Paragraph (13) of section 274A(e) of the Immigration and Nationality Act, as added by subsection (a)(1)(D), shall take effect on the date that is 6 months after the date of the enactment of this Act.

(B) **Penalty calculations.**—The calculation of any penalties under section 274A(e)(13)(B) of the Immigration and Nationality Act, as added by subsection (a)(1)(D), shall not include any period of continuing employment before the effective date referred to in subparagraph (A).

**SEC. 9. E-VERIFY SELF-CHECK.**

(a) **In general.**—The Secretary of Homeland Security, in consultation with the Commissioner of Social Security, shall establish a secure self-verification procedure to
permit an individual to verify his or her employment eligibility.

(b) Elements.—The self-verification procedure established under subsection (a)—

(1) shall be subject to appropriate safeguards to prevent misuse of the confirmation system, including requiring employees or applicants—

(A) to use any self-verification feature; or

(B) to provide the employer with self-verification results; and

(2) shall allow individuals to contact the appropriate agency to correct or update the information contained in the confirmation system.

SEC. 10. E-VERIFY PROCESS.

Section 274A(b) of the Immigration and Nationality Act (8 U.S.C. 1324a(b)) is amended to read as follows:

“(b) Employment Eligibility Verification Process.—

“(1) New hires, recruitment, and referral.—A person or other entity hiring, recruiting, or referring an individual for employment in the United States shall be subject to the following requirements:

“(A) Attestation after examination of documentation.—
“(i) Attestation.—During the verification period, the person or entity shall attest, by either a handwritten or electronic signature, under penalty of perjury, on a form, including electronic formats, designated or established by the Secretary by regulation not later than 6 months after the date of the enactment of the Higher Wages for American Workers Act of 2023, that the person or entity has verified that the individual is not an unauthorized alien by—

“(I)(aa) obtaining from the individual the individual’s Social Security account number or United States passport number and recording the number on the form;

“(bb) if the individual does not attest to United States nationality under subparagraph (B), obtaining such identification or authorization number established by the Department of Homeland Security for the alien as the Secretary of Homeland
Security may specify, and recording such number on the form;

“(II) examining, in a manner prescribed by the Secretary—

“(aa) a document described in clause (ii) that relates to the individual presenting the document; or

“(bb) a document described in clause (iii) that relates to the individual presenting the document and a document described in clause (iv) that relates to the individual presenting the document; and

“(III) matching the photograph on a document described in subclause (II) that relates to the individual presenting the document with a photograph of such individual, if such photograph is available through the E-Verify Program.

“(ii) DOCUMENTS EVIDENCING EMPLOYMENT AUTHORIZATION AND ESTAB-
lishing identity.—A document described in this clause is an individual’s—

“(I) unexpired United States passport or passport card;

“(II) unexpired permanent resident card that contains a photograph;

“(III) unexpired employment authorization card that contains a photograph;

“(IV) in the case of a non-immigrant alien authorized to work for a specific employer incident to status, a foreign passport with Form I–94 or Form I–94A, or other documentation as designated by the Secretary specifying the alien’s non-immigrant status as long as the period of status has not yet expired and the proposed employment is not in conflict with any restrictions or limitations identified in the documentation;

“(V) passport from the Federated States of Micronesia (FSM) or the Republic of the Marshall Islands (RMI) with Form I–94 or Form I–
94A, or other documentation as designated by the Secretary, indicating nonimmigrant admission under the Compact of Free Association Between the United States and the FSM or RMI; or

“(VI) other document designated by the Secretary of Homeland Security, if the document—

“(aa) contains a photograph of the individual and biometric identification data from the individual and such other personal identifying information relating to the individual as the Secretary of Homeland Security finds, by regulation, sufficient for purposes of this clause;

“(bb) is evidence of authorization of employment in the United States; and

“(cc) contains security features to make it resistant to tampering, counterfeiting, and fraudulent use.
“(iii) DOCUMENTS EVIDENCING EMPLOYMENT AUTHORIZATION.—A document described in this clause is an individual’s Social Security account number card (other than such a card which specifies on the face that the issuance of the card does not authorize employment in the United States).

“(iv) DOCUMENTS ESTABLISHING IDENTITY OF INDIVIDUAL.—A document described in this clause is—

“(I) an individual’s unexpired State issued driver’s license or identification card if the license or card contains a photograph and personally identifying information, such as name, date of birth, gender, height, eye color, and home address;

“(II) an individual’s unexpired U.S. military identification card that contains a photograph;

“(III) an individual’s unexpired Native American tribal identification document that contains a photograph and was issued by a tribal entity rec-
recognized by the Bureau of Indian Affairs; or

“(IV) in the case of an individual who is younger than 18 years of age, a parent or legal guardian’s attestation under penalty of law as to the identity and age of the individual.

“(v) Authority to prohibit use of certain documents.—If the Secretary of Homeland Security finds, by regulation, that any document described in clause (ii), (iii), or (iv) as establishing employment authorization or identity does not reliably establish such authorization or identity or is being used fraudulently to an unacceptable degree, the Secretary may prohibit or place conditions on its use for purposes of this paragraph.

“(B) Individual attestation of employment authorization.—

“(i) In general.—During the verification period, the individual shall—

“(I) attest, by either a handwritten or electronic signature, under penalty of perjury, and on the form
designated or established for purposes of subparagraph (A), that the individual is a citizen or national of the United States, an alien lawfully admitted for permanent residence, or an alien who is authorized under this Act or by the Secretary of Homeland Security to be hired, recruited, or referred for such employment; and

“(II) provide his or her Social Security account number or valid United States passport number.

“(ii) OTHER IDENTIFICATION.—If the individual does not attest to United States nationality under clause (i), the individual shall provide the identification or authorization number established for the alien by the Department of Homeland Security, as specified by the Secretary.

“(C) E-VERIFY REDESIGN.—The Secretary is authorized to issue regulations allowing any person or other entity hiring, recruiting, or referring an individual for employment and the individual to comply with this section through
an updated digital verification system that requires the submission of—

“(i) the information required under subparagraph (A)(i)(I);

“(ii) the documentation required under subparagraph (A)(i)(II); and

“(iii) the matching of any available photos with any photo contained in any document presented for identity or employment verification purposes.

“(D) System responses.—

“(i) Confirmation received.—If a person or other entity receives an appropriate confirmation of an individual’s identity and work eligibility under the verification system within the specified period, the person or entity shall record, on the form designated or established for purposes of subparagraph (A), an appropriate code provided by the system that indicates a final confirmation of such identity and work eligibility of the individual.

“(ii) Tentative nonconfirmation.—
“(I) IN GENERAL.—If the person or other entity receives a tentative nonconfirmation of an individual’s identity or work eligibility under the verification system within the specified period, the person or entity shall—

“(aa) inform the individual for whom the verification is sought of such nonconfirmation;

“(bb) if the individual does not contest the nonconfirmation within 10 business days after receiving such tentative nonconfirmation, record on the form an appropriate code which has been provided under the system to indicate a final nonconfirmation; and

“(cc) if the individual does contest the nonconfirmation during such period, refer the individual secondary verification process described in subsection (d)(2)(B).
“(II) DURATION.—A nonconfirmation described in subclause (I) shall remain tentative until a final confirmation or nonconfirmation is provided by the verification system not later than 10 business days after the issuance of a tentative nonconfirmation.

“(III) NOT GROUNDS FOR TERMINATION.—An employer may not terminate the employment of an individual because of a failure of the individual to have his or her identity and work eligibility confirmed under this section until the nonconfirmation becomes final. Nothing in this subclause may be construed to apply to a termination of employment for any reason other than because of such failure.

“(IV) NOT GROUNDS FOR RESCISSION OF OFFER.—An employer may not rescind an offer of employment to an individual because of a failure of the individual to have his or her identity and work eligibility con-
firmed under this section until the nonconfirmation becomes final. Nothing in this subclause may be construed to apply to a rescission of an offer of employment for any reason other than because of such failure.

“(iii) Final confirmation or nonconfirmation received.—If a final confirmation or nonconfirmation is provided by the verification system regarding an individual, the person or entity shall record on the form an appropriate code that is provided under the system and that indicates a confirmation or nonconfirmation of identity and work eligibility of the individual.

“(iv) Extension.—If a person or other entity in good faith attempts to make an inquiry during the time period specified and the verification system has registered that not all inquiries were received during such time, the person or entity may make an inquiry in the first 5 subsequent business days in which the verification system registers that it has received all inquiries.
If the verification system cannot receive inquiries at all times during a day, the person or entity merely has to assert that the entity attempted to make the inquiry on that day for the previous sentence to apply to such an inquiry, and does not have to provide any additional proof concerning such inquiry.

“(v) Termination upon final non-confirmation.—Not later than 3 business days after receiving a final non-confirmation regarding an individual, the person or entity shall terminate the employment of the individual (or decline to recruit or refer the individual).

“(E) Verification period defined.—

“(i) In general.—In this paragraph:

“(I) In the case of recruitment or referral, the term ‘verification period’ means the period ending on the date recruiting or referring commences.

“(II) In the case of hiring, the term ‘verification period’ means the period beginning on the date on which an offer of employment is extended
and ending on the date that is 3 business days after the date of hire, except as provided in clause (iii). The offer of employment may be conditioned in accordance with clause (ii).

“(ii) JOB OFFER MAY BE CONDITIONAL.—A person or other entity may offer a prospective employee an employment position that is conditioned on final verification of the identity and employment eligibility of the employee using the procedures established under this paragraph.

“(iii) CONTACT INFORMATION.—A person or other entity, upon making an offer of employment to a prospective employee under clause (ii), shall submit to E-Verify the contact information of the prospective employee, including an email address or a telephone number, so that E-Verify can notify the prospective employee in the case of a tentative nonconfirmation.

“(iv) SPECIAL RULE.—Notwithstanding clause (i)(II), if a United States citizen, a lawful permanent resident, or an alien who is authorized for employment
provides evidence from the Social Security Administration that such individual has applied for a Social Security account number, the verification period shall end on the date that is 3 business days after the date on which the individual receives the Social Security account number.

“(2) Reverification for Individuals with Limited Work Authorization.—

“(A) In General.—Except as provided in subparagraphs (B) and (C), a person or entity shall use E-Verify to seek reverification of the employment eligibility of all individuals with a limited period of work authorization employed by the person or entity not later than 3 business days after the date on which the employee’s prior work authorization expires.

“(B) Effective Date.—Employers shall be subject to the requirement under subparagraph (A) beginning on the date on which the employer is required to use E-Verify under section 6 of the Higher Wages for American Workers Act of 2023.

“(C) Reverification.—Paragraph (1)(C) shall apply to reverifications under this para-
graph on the same basis as it applies to verifications under paragraph (1), except that employers shall use a form designated or established by the Secretary by regulation for purposes of this paragraph.

“(3) PREVIOUSLY HIRED INDIVIDUALS.—

“(A) ON A MANDATORY BASIS FOR CERTAIN EMPLOYEES.—

“(i) IN GENERAL.—Not later than the date that is 6 months after the date of the enactment of the Higher Wages for American Workers Act of 2023, an employer shall use E-Verify to seek verification of the identity and employment eligibility of any individual described in clause (ii) who is employed by the employer and whose employment eligibility has not been verified under the E-Verify program described in section 403(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note).

“(ii) INDIVIDUALS DESCRIBED.—An individual described in this clause is—

“(I) an employee of any unit of a Federal, State, or local government;
“(II) an employee who requires a Federal security clearance working in a Federal, State or local government building, a military base, a nuclear energy site, a weapons site, or an airport or other facility that requires workers—

“(aa) to carry a Transportation Worker Identification Credential; or

“(bb) to have access to a Secure Identification Display Area; or

“(III) an employee assigned to perform work in the United States under a Federal contract, except that this subclause—

“(aa) is not applicable to individuals who normally perform support work, such as indirect or overhead functions, and do not perform any substantial duties applicable to the contract, or are working solely on contracts that provide Commercial Off The
Shelf goods or services as set forth by the Federal Acquisition Regulatory Council, unless they are subject to verification under subclause (II); and

“(bb) only applies to contracts in excess of the micro-purchase threshold (as defined in section 2.101 of title 48, Code of Federal Regulations).

“(B) On a mandatory basis for multiple users of same Social Security account number.—An employer who is required to use E-Verify, or has elected voluntarily to use E-Verify, shall make inquiries to the system in accordance with the following:

“(i) The Commissioner of Social Security shall notify annually employees (at the employee address listed on the Wage and Tax Statement) who submit a Social Security account number to which more than 1 employer reports income and for which there is a pattern of unusual multiple use. The notification letter shall identify the number of employers to which income is
being reported as well as sufficient information notifying the employee of the process to contact the Social Security Administration Fraud Hotline if the employee believes the employee’s identity may have been stolen. The notice may not include information protected as private, in order to avoid any recipient of the notice from being in the position to further commit or begin committing identity theft.

“(ii) If the person to whom the Social Security account number was issued by the Social Security Administration has been identified and confirmed by the Commissioner, and indicates that the Social Security account number was used without his or her knowledge, the Secretary and the Commissioner shall—

“(I) lock the Social Security account number or employment eligibility verification purposes; and

“(II) notify the employers of the individuals who wrongfully submitted the Social Security account number
that the employee may not be work eligible.

“(iii) Each employer receiving notification of an incorrect Social Security account number under clause (ii) shall use E-Verify to check the work eligibility status of the applicable employee not later than 10 business days after receiving the notification.

“(C) ON A VOLUNTARY BASIS.—

“(i) IN GENERAL.—Subject to paragraph (2) and subparagraphs (A) and (B), an employer may make an inquiry through E-Verify to seek verification of the identity and employment eligibility of any individual employed by the employer. If an employer chooses voluntarily to seek verification of any individual employed by the employer, the employer shall—

“(I) seek verification of all individuals employed by the employer; and

“(II) notify E-Verify whether the individual is an existing or prospective employee.
“(ii) Effect of verification decision.—An employer’s decision not to voluntarily seek verification of its current workforce under this subparagraph may not be considered by any government agency in any proceeding, investigation, or review provided for in this Act.

“(D) Verification.—Paragraph (1)(C)(ii) shall apply to verifications pursuant to this paragraph on the same basis as it applies to verifications pursuant to paragraph (1), except that employers shall use a form designated or established by the Secretary by regulation for purposes of this paragraph.

“(4) Copying of documentation permitted.—Notwithstanding any other provision of law, the person or entity—

“(A) may copy a document presented by an individual under this subsection; and

“(B) may retain the copy for the purpose of complying with the requirements under this subsection.

“(5) Limitation on use of forms.—A form designated or established by the Secretary of Homeland Security under this subsection and any infor-
mation contained in or appended to such form, may
not be used for purposes other than for the enforce-
ment or administration of this Act and any other
provision of Federal or State criminal law.

“(6) GOOD FAITH COMPLIANCE.—

“(A) IN GENERAL.—Except as otherwise
provided in this subsection, a person or entity
is considered to have complied with a require-
ment of this subsection notwithstanding a tech-
nical or procedural failure to meet such require-
ment if there was a good faith attempt to com-
ply with the requirement.

“(B) EXCEPTION IF FAILURE TO CORRECT
AFTER NOTICE.—Subparagraph (A) shall not
apply if—

“(i) the failure is not de minimus;

“(ii) the Secretary of Homeland Secu-

rity has explained to the person or entity
the basis for the failure and why it is not
de minimus;

“(iii) the person or entity has been
provided a period of not less than 30 cal-
endar days (beginning after the date of the
explanation) within which to correct the
failure; and
“(iv) the person or entity has not cor-
rected the failure voluntarily within such
period.

“(C) EXCEPTION FOR PATTERN OR PRACTICE VIOLATORS.—Subparagraph (A) shall not
apply to a person or entity that has or is engag-
ing in a pattern or practice of violating para-
graph (1)(A) or (2) of subsection (a).”.

SEC. 11. GOOD FAITH DEFENSE.

Section 274A(a)(3) of the Immigration and Nation-
ality Act (8 U.S.C. 1324a(a)(3)) is amended to read as
follows:

“(3) GOOD FAITH DEFENSE.—

“(A) DEFENSE.—An employer (or person
or entity that hires, employs, recruits, or refers,
or is otherwise obligated to comply with this
section) who establishes that it has complied in
good faith with the requirements of subsection
(b)—

“(i) shall not be liable to a job appli-
cant, an employee, the Federal Govern-
ment, or a State or local government,
under Federal, State, or local criminal or
civil law for any employment-related action
taken with respect to a job applicant or
employee in good-faith reliance on information provided through the system established under subsection (d); and

“(ii) has established compliance with its obligations under subparagraphs (A) and (B) of paragraph (1) and subsection (b) absent a showing by the Secretary of Homeland Security, by clear and convincing evidence, that the employer had knowledge that an employee is an unauthorized alien.

“(B) Mitigation element.—For purposes of subparagraph (A)(i), if an employer proves by a preponderance of the evidence that the employer uses a reasonable, secure, and established technology to authenticate the identity of the new employee, that fact shall be taken into account for purposes of determining good faith use of the system established under subsection (d).

“(C) Failure to seek and obtain verification.—Subject to the effective dates and other deadlines applicable under subsection (b), in the case of a person or entity in the United States that hires, or continues to em-
ploy, an individual, or recruits or refers an individ-
ual for employment, the following require-
ments shall apply:

“(i) Failure to seek verification.—

“(I) In general.—If the person
or entity has not made an inquiry,
under the mechanism established
under subsection (d) and in accord-
ance with the timeframes established
under subsection (b), seeking
verification of the identity and work
eligibility of the individual, the de-
defense under subparagraph (A) shall
not be considered to apply with re-
spect to any employment, except as
provided in subclause (II).

“(II) Special rule for fail-
ure of verification mechanism.—
If such a person or entity in good
faith attempts to make an inquiry in
order to qualify for the defense under
subparagraph (A) and the verification
mechanism has registered that not all
inquiries were responded to during the
relevant time, the person or entity can make an inquiry until the end of the first subsequent business day in which the verification mechanism registers no nonresponses and qualify for such defense.

“(ii) Failure to obtain verification.—If the person or entity has made the inquiry described in clause (i)(I), but has not received an appropriate verification of such identity and work eligibility under such mechanism within the time period specified under subsection (d)(2) after the time the verification inquiry was received, the defense under subparagraph (A) shall not be considered to apply with respect to any employment after the end of such time period.”.

SEC. 12. PREEMPTION.

Section 274A(h)(2) of the Immigration and Nationality Act (8 U.S.C. 1324a(h)(2)) is amended to read as follows:

“(2) Preemption.—The provisions of this section preempt any State or local law, ordinance, policy, or rule, including any criminal or civil fine or
penalty structure, to the extent they may relate to
the hiring, continued employment, or verification for
employment eligibility purposes, of unauthorized
aliens.”

SEC. 13. ACCESS TO INFORMATION.

(a) Defined Term.—In this section, the term “E-
Verify purposes” means—

(1) preventing identity theft, fraud, and misuse
of E-Verify; and

(2) administering and enforcing the provisions
of this Act and section 274A of the Immigration and
Nationality Act (8 U.S.C. 1324a) governing employ-
ment eligibility verification.

(b) Federal Records.—Notwithstanding any other
provision of law, including section 6103 of the Internal
Revenue Code of 1986, with respect to Employer Identifi-
cation Number information, the Secretary of Homeland
Security shall have access to relevant Federal records de-
scribed in clauses (i) through (iii) of section
274A(d)(3)(G) of the Immigration and Nationality Act (8

(c) Federal Cooperation.—Any Federal agency
or other Federal Government entity possessing records de-
scribed in subsection (a) shall provide such assistance and
cooperation as the Secretary of Homeland Security may
(d) State Cooperation.—

(1) Driver's License Information.—Notwithstanding section 2721 of title 18, United States Code, or any other law, a State department of motor vehicles may provide information described in section 274A(d)(3)(G)(iv) of the Immigration and Nationality Act, as added by section 5(a) of this Act, obtained by the department, including an individual's photograph, to the Secretary of Homeland Security for E-Verify purposes.

(2) Information Sharing Agreements.—The Secretary of Homeland Security shall maximize enrollment of States and other non-Federal Government entities possessing information described in section 274A(d)(3)(G)(iv) of the Immigration and Nationality Act in information sharing agreements that provide access to such information to the Secretary for E-Verify purposes and fully implement such agreements.

(3) Conditions for Federal Grant Funding.—
(A) Economic Development Assistance

grants.—Section 3(4) of the Public Works
and Economic Development Act of 1965 (42
U.S.C. 3122(4)) is amended by adding at the
end the following:

“(C) Grants conditioned on information sharing.—The term ‘eligible recipient’
does not include, with respect to grants authorized under section 201, 203, 205, or 207—

“(i) a State that—

“(I) does not provide access to
driver’s license or identity card inform-
information (including photographs) main-
tained by the State department of
motor vehicles to the Secretary of
Homeland Security for E-Verify pur-
poses (as defined in section 13(a) of
the Higher Wages for American
Workers Act of 2023); or

“(II) does not provide such as-
assistance and cooperation as the Sec-
retary may request to resolve initial
verification inquiries, further action
required results, cases in continuance,
and final nonconfirmation results relating to such records; or

“(ii) a city, or other political subdivision of a State described in clause (i), including a special purpose unit of such State or political subdivision engaged in economic or infrastructure development activities, or a consortium of such political subdivisions.”.

(B) COMMUNITY DEVELOPMENT BLOCK GRANTS.—Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) is amended by adding at the end the following:

“(n) PROTECTIONS FOR AUTHORIZED WORKERS.—

“(1) IN GENERAL.—Amounts appropriated to carry out this title may not be obligated or expended for any State (or any unit of general local government that is a political subdivision of such State) that—

“(A) does not provide access to driver’s license or identity card information (including photographs) maintained by the State department of motor vehicles to the Department of Homeland Security for E-Verify purposes (as
defined in section 13(a) of the Higher Wages for American Workers Act of 2023); or

“(B) does not provide such assistance and cooperation as the Secretary may request to resolve initial verification inquiries, further action required results, cases in continuance, and final nonconfirmation results relating to such records.

“(2) RETURNED AMOUNTS.—

“(A) STATE.—If a State receives funding under this title during any period in which the State is ineligible to receive such funding pursuant to paragraph (1), the Secretary shall—

“(i) direct the State to immediately return to the Secretary any such funding; and

“(ii) reallocate amounts returned under clause (i) for grants under this title to other States that are not ineligible for such funding.

“(B) UNIT OF GENERAL LOCAL GOVERNMENT.—If a unit of general local government receives funding under this title during any period in which it is ineligible for such funding pursuant to paragraph (1)—
“(i) the local government shall return any such amounts to the Secretary; and
“(ii) the Secretary shall reallocate such amounts for grants under this title to States and other units of general local government that are not ineligible for such funding.
“(C) Reallocation Rules.—In reallocating amounts pursuant to subparagraphs (A) and (B), the Secretary—
“(i) shall apply the relevant allocation formula under subsection (b), with all entities ineligible for funding pursuant to paragraph (1) excluded; and
“(ii) shall not be subject to the rules for reallocation under subsection (e).”.
(C) Effective Date.—The amendments made by this paragraph shall take effect on the date that is 1 year after the date of the enactment of this Act.

SEC. 14. FRAUD AND MISUSE OF DOCUMENTS.

Section 1546(b) of title 18, United States Code, is amended—
(1) in paragraph (1), by striking “identification document,” and inserting “identification document
or document meant to establish work authorization
(including the documents described in section
274A(b) of the Immigration and Nationality Act (8
U.S.C. 1324a(b)),”; and

(2) in paragraph (2), by striking “identification
document” and inserting “identification document or
document meant to establish work authorization (in-
cluding the documents described in section 274A(b)
of the Immigration and Nationality Act (8 U.S.C.
1324a(b)),”.

SEC. 15. FRAUD PREVENTION.

(a) Blocking Misused Social Security Account
Numbers.—The Secretary of Homeland Security, in con-
sultation with the Commissioner of Social Security, shall
establish a program in which Social Security account num-
bers that have been identified to be subject to unusual
multiple use through E-Verify or that are otherwise sus-
pected or determined to have been compromised by iden-
tity fraud, the Social Security account numbers of de-
ceased individuals, or other misuse, shall be blocked from
use by E-Verify unless the individual using such number
is able to establish, through secure and fair additional se-
curity procedures, as determined by the Secretary of
Homeland Security, that the individual is the legitimate
holder of the number.
(b) Allowing Suspension of Use of Certain Social Security Account Numbers.—The Secretary of Homeland Security, in consultation with the Commissioner of Social Security, shall establish a program which shall provide a reliable, secure method by which victims of identity fraud and other individuals may suspend or limit the use of their Social Security account numbers or other identifying information for purposes of E-Verify. The Secretary may implement the program on a limited pilot program basis before making it fully available to all individuals.

(c) Allowing Parents to Prevent Theft of Their Child’s Identity.—The Secretary of Homeland Security, in consultation with the Commissioner of Social Security, shall establish a program which shall provide a reliable, secure method by which parents or legal guardians may suspend or limit the use of the Social Security account number or other identifying information of a minor under their care for the purposes of E-Verify. The Secretary may implement the program on a limited pilot program basis before making it fully available to all individuals.
SEC. 16. PROTECTION OF SOCIAL SECURITY ADMINISTRATION PROGRAMS.

Pursuant to an agreement with the Commissioner of Social Security, the Secretary of Homeland Security shall continue to provide funds to the Commissioner for the full costs of the responsibilities of the Commissioner under section 274A of the Immigration and Nationality Act, as amended by this Act.

SEC. 17. INSPECTOR GENERAL AUDITS.

(a) In General.—Not later than 1 year after the date of the enactment of this Act, the Inspector General of the Social Security Administration, in order to uncover evidence of individuals who are not authorized to work in the United States, shall complete audits of—

(1) workers who dispute wages reported on their Social Security account number because they believe that their names and such numbers were fraudulently used by others to secure employment;

(2) children’s Social Security account numbers that have been fraudulently used for work purposes;

(3) employers whose workers present significant numbers of mismatched Social Security account numbers or names for wage reporting;

(4) Social Security account numbers of deceased individuals that were fraudulently used for work purposes; and
(5) Social Security account numbers of retired individuals that were potentially used fraudulently for work purposes.

(b) SUBMISSION.—The Inspector General of the Social Security Administration shall—

(1) submit the audits completed pursuant to subsection (a) to—

(A) the Committee on Finance of the Senate;

(B) the Committee on the Judiciary of the Senate;

(C) the Committee on Homeland Security and Governmental Affairs of the Senate;

(D) the Committee on Ways and Means of the House of Representatives;

(E) the Committee on the Judiciary of the House of Representatives; and

(F) the Committee on Homeland Security of the House of Representatives.

(2) make the information contained in such audits available to Federal law enforcement.

SEC. 18. RECRUITMENT, REFERRAL, AND CONTINUATION OF EMPLOYMENT.

(a) ADDITIONAL CHANGES TO RULES FOR RECRUITMENT, REFERRAL, AND CONTINUATION OF EMPLOY-
MENT.—Section 274A(a) of the Immigration and Nationality Act (8 U.S.C. 1324a(a)) is amended—

(1) in paragraph (1)(A), by striking “for a fee”;
(2) in paragraph (1), by amending subparagraph (B) to read as follows:
   “(B) to hire, continue to employ, or to recruit or refer for employment in the United States an individual without complying with the requirements of subsection (b).”; and
(3) in paragraph (2), by striking “after hiring an alien for employment in accordance with paragraph (1),” and inserting “after complying with paragraph (1),”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date that is 6 months after the date of the enactment of this Act to the extent such amendments relate to continuation of employment.

SEC. 19. DEFINITIONS.

(a) IN GENERAL.—In this Act, the terms “agricultural labor or services”, “date of hire”, “recruit”, “refer”, and “unauthorized alien”, have the meanings given such terms in section 274A(i) of the Immigration and Nationality Act, as amended by subsection (b).
(b) Amendments to the Immigration and Nationality Act.—Section 274A of the Immigration and Nationality Act (8 U.S.C. 1324a) is amended—

(1) in subsection (h), by striking paragraph (3); and

(2) by adding at the end the following:

“(i) Definitions.—In this section:

“(1) Agricultural labor or services.—The term ‘agricultural labor or services’—

“(A) has the meaning given such term by the Secretary of Agriculture, by regulation; and

“(B) includes—

“(i) agricultural labor (as defined in section 3121(g) of the Internal Revenue Code of 1986); “(ii) agriculture (as defined in section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f))); “(iii) all activities required for the preparation, processing, or manufacturing of a product of agriculture (as defined in such section 3(f)) for further distribution; and

“(iv) the handling, planting, drying, packing, packaging, processing, freezing,
or grading prior to delivery for storage of any agricultural or horticultural commodity in its unmanufactured state.

“(2) DATE OF HIRE.—The term ‘date of hire’ means the date of commencement of employment for wages or other remuneration.

“(3) RECRUIT.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘recruit’ means the act of soliciting a person who is in the United States, directly or indirectly, and referring the person to another with the intent of obtaining employment for that person.

“(B) EXCEPTIONS.—The term ‘recruit’ only applies to persons or entities referring for remuneration (whether on a retainer or contingency basis) except that the term applies to—

“(i) union hiring halls that refer union members or nonunion individuals who pay union membership dues regardless of whether they receive remuneration; and

“(ii) labor service entities or labor service agencies, whether public, private, for-profit, or nonprofit that recruit, dispatch, or otherwise facilitate the hiring of
laborers for any period of time by a third party.

“(4) Refer.—

“(A) In general.—Except as provided in subparagraph (B), the term ‘refer’ means the act of sending or directing a person who is in the United States or transmitting documentation or information to another, directly or indirectly, with the intent of obtaining employment in the United States for such person.

“(B) Exceptions.—The term ‘refer’ only applies to persons or entities referring for remuneration (whether on a retainer or contingency basis) except that the term applies to—

“(i) union hiring halls that refer union members or nonunion individuals who pay union membership dues regardless of whether they receive remuneration; and

“(ii) labor service entities or labor service agencies, whether public, private, for-profit, or nonprofit, that refer, dispatch, or otherwise facilitate the hiring of laborers for any period of time by a third party.
“(5) Unauthorized alien.—The term ‘unauthorized alien’ means, with respect to the employment of an alien at a particular time, an alien who is not—

“(A) an alien lawfully admitted for permanent residence; or

“(B) otherwise authorized to be employed under this Act or by the Secretary of Homeland Security.”.