



E-Verify Compliance FY 2025/26

Audit No. 2602

WHAT WE FOUND

With minor exceptions, most selected contractors and subcontractors are using the E-Verify program for their workers on City contracts.

Of these 16 contractors and subcontractors reviewed, we found that:

- Ten demonstrated compliance with the use of E-Verify; two others did not have qualifying employees.
- Two provided the requested documentation, but some or all E-Verify documentation was dated after our audit request rather than within three days of hire.
- Two were missing E-Verify documentation for one or more selected employees:
 1. One subcontractor was unable to provide documentation for 4 of 5 selected employees because they were hired before the company enrolled in the E-Verify program in May 2024. Our review of the E-Verify enrollment data confirms this enrollment date. With the exception of federal contractors, the current system policies do not allow employers to verify employees hired prior to the program enrollment date.
 2. One contractor was unable to provide E-Verify documentation for one of the five employees we selected for review.

The contractors were notified of the audit results, and the City contract administrator and the Purchasing department were notified of any non-compliance for further follow-up. A summary of the number of employees reviewed is shown in Table 1, below.

Table 1. E-Verify Compliance for Selected Service Contractors and Subcontractors.

	No. Reviewed	No. of Employees Reviewed	Confirmed Use of E-Verify	E-Verify dated after Audit Request
Contractors	10	45	44	8
Subcontractors	6	22	18	0
Total	16	67	62	8

SOURCE: Auditor analysis of selected service contractors' and subcontractors' E-Verify documentation.

WHY WE DID THIS AUDIT

An audit of E-Verify Compliance was included in the City Council-approved fiscal year (FY) 2025/26 Audit Plan. This is a regularly scheduled audit to confirm whether selected City contractors and their subcontractors are using the E-Verify program to verify employment eligibility of those working on City contracts, as required by Arizona law.

BACKGROUND

The City is required by state law to conduct random verification of the employment records of its service contractors to ensure compliance with required use of the E-Verify employment eligibility program (Arizona Revised Statutes §41-4401).

To meet this legal requirement, the City Auditor's Office has periodically audited selected vendors' compliance with the required use of the federal E-Verify system. E-Verify is a web-based application that allows any US employer to electronically confirm the employment eligibility of its newly hired employees. These requirements are also detailed in City contracts.