



Maricopa County

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To: Maricopa County Board of Supervisors
From: Ross L. Tate, County Auditor
Subject: Audit Report: Legal Arizona Workers Act
Date: July 1, 2016

Conclusion: We reviewed a County contractor and subcontractor for compliance with the Legal Arizona Workers Act and related contract provisions. Some of the contractor's employee records were missing or incomplete. E-Verify indicated that two of the employees reviewed were not authorized to work. We found no exceptions with the subcontractor's documentation.

Observation: We randomly selected the Sonoqui Wash Channelization Phase IIIB Contract (FY 2015 expenditures of \$3.2 million) and the awarded contractor Blucor Contracting, Inc., and its subcontractor, Cass Cura, LLC. We reviewed documentation for randomly selected Blucor and Cass Cura employees. We found no exceptions with the subcontractor documentation. However, we found several exceptions with Blucor: missing I-9 forms, lack of eligible personal identification documents, missing signatures, and insufficient employment authorization via the E-Verify system.

The Legal Arizona Workers Act (A.R.S. §§ 23-211 to 23-214) prohibits businesses from knowingly or intentionally hiring unauthorized aliens. It also requires employers to use the E-Verify system (a free web-based service offered by the Federal Department of Homeland Security) to verify the employment eligibility of all employees hired after December 31, 2007. A.R.S. § 41-4401 states that governments shall require contractors to comply with (a) federal immigration laws and regulations, and (b) E-Verify requirements. Random verification is required to ensure that contractors are complying.

We reviewed this information with Flood Control District (FCD) management. FCD management concurred with our recommendation and will be strengthening controls over the areas mentioned in this report.

Objective: Select a County contractor and determine compliance with warranties made under contract to (a) comply with the federal immigration laws and regulations that relate to their employees, and (b) use E-Verify to confirm eligibility of new hires.

This report is intended primarily for the information and use of the County Board of Supervisors, County leadership, and other County stakeholders. However, this report is a public record and its distribution is not limited. This audit was approved by the Board of Supervisors and was conducted in conformance with International Standards for the Professional Practice of Internal Auditing. If you have any questions about this report, please contact Stella Fusaro, Audit Manager, at 602-506-1777.