Understanding Establishment-Level ICE Audits

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Abstract

There is substantial controversy, but little information, about Immigration and Custom Enforcement's (ICE's) efforts to find and deport undocumented individuals living in the United States. Data on ICE's establishment-level audits has, until now, been scarce, making it difficult to assess what instigates them, their importance in ICE's overall domestic operations, and what impacts they have on economic outcomes. I use new data from a Freedom of Information Act request on ICE's establishment audits to evaluate their causes and consequences. I find that Secure Community roll-out, which facilitates jail audits, reduces the number of establishment ICE audits by seven percent at the county level. Further, I find little evidence that establishment audits affect formal sector employment rates among Hispanics or non-Hispanics at the county level. I also find little indication that establishment audits affect local crime rates. While establishment audits frequently receive media attention and may have important direct implications for audited employers and their workers, my findings suggest that they have limited broader economic impact.

Keywords: Immigration enforcement; Difference-in-difference; Crime: Employment; ICE

JEL classification codes: D9, H3, H7, J6

1   Introduction

Immigration has been a major policy issue throughout United States history. Immigration and Customs Enforcement (ICE), the branch of the Department of Homeland Security that specializes on enforcing immigration within the US, operates under the stated mission, "...to protect America from the cross-border crime and illegal immigration that threaten national security and public safety" (ICE, 2018c). However, because there is a dearth of data available on ICE's removal operations, it is difficult to know how ICE operates, whether their removal efforts are effective, and what broader economic impacts their activities have. This is particularly the case for ICE's establishment-level audits.

With access to a novel dataset on establishment audits conducted by ICE, I explore the causes and consequences of establishment audits. During an establishment audit, ICE will send a notification to the business requiring that employers turn over all I-9 forms[1] and corroborating documents. ICE will then audit these documents to determine if any employees are undocumented. Using micro-level data obtained from a Freedom of Information Act request on the establishments that ICE audited from 2009 to 2017, I explore how establishment audits were changed by policies and how they changed key economic outcomes.

First, I examine the interplay between ICE's primary enforcement policies, establishment audits and jail audits, by exploiting variation in the timing of Secure Community roll-out. Secure Community roll-out dramatically reduced the cost of conducting background checks on arrested individuals (heretofore referred to as jail audits) by automating the sharing of information between jails and ICE. Because of this reduction in the cost of finding undocumented individuals, ICE could focus more of their resources on detaining individuals from jail audits and less resources on establishment audits. However, there also may be important complementarities between jail audits and establishment audits, potentially as a result of the additional information sharing between criminal justice actors and ICE that occurs under Secure Communities. Using a difference-in-difference framework, I find that when the cost of a jail audit falls under Secure Community activation, establishment audits decrease by seven percent.

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[1]The I-9 form, also referred to as the Employment Eligibility Verification, is used to verify the identity and eligibility to work of employees.

To supplement the analysis on the causes of establishment audits, I use restricted access data on the number of removals filed by ICE, from the Transactional Records Access Clearinghouse (TRAC) to estimate the relationship between the number of undocumented people found in establishment audits and the number of removals filed by ICE. I find that an increase in the number of undocumented individuals found in establishment audits in a county increases the number of court filings for deportations in that county. However, the relationship weakens after the the introduction of Secure Communities. This suggests that ICE is relying on establishment audits less as a tool to find undocumented individuals.

Even if ICE is using establishment audits less in order to find undocumented individuals, the agency may still want to conduct establishment audits. Establishment audits send a signal to employers that ICE is serious about enforcing immigration. I test if this signal is received by regressing the number of taxed jobs, from Quarterly Workforce Indicators (QWI), on establishment audits. Using taxed jobs, I am able to observe if employers are more likely to hire individuals 'above the table' in response to a greater number of undocumented individuals found in establishment audits. I find a positive, yet non-robust, relationship between the number of taxed jobs and the number of undocumented individuals found in an establishment audit at the county level. This relationship becomes even weaker for individuals that are Hispanic, implying that employers are less willing to hire individuals that they perceive to be undocumented in response to an increase in establishment audits.

Finally, I estimate the relationship between greater immigration enforcement and reported crimes using data from the Uniform Crime Reporting (UCR). I find that reported crimes are decreasing in the number of undocumented individuals found in establishment audits. While this relationship is statistically imprecise, significant positive effects on crime can be ruled out. This is true for both property and violent crimes.

The current literature on workplace audits is sparse as it includes only reports from news agencies and qualitative studies. News agencies typically report on worksite audits in the wake of a particularly large establishment audit conducted by ICE (Gardella, 2011; Jordan and Jargon, 2011). The persistent reporting indicates that ICE's work is consistently salient. The qualitative studies conducted explain, in depth, the outcomes of establishment audits and their policy implications. Marienbach and Wroe (2017) compare the immigration

policies under the Obama administration with those of the Bush administration, focusing on data from a number of establishment audits conducted. Cunningham (2013) studies a single audit conducted in Brewster, Washington. Here, the author concludes that while nothing has really changed at the local level of their study, establishment audits may still have broad economic impacts across the United States. Given that my dataset covers establishment audits across the country, I am able to further test the claim of broader economic impacts.

When considering the consequences of ICE's immigration enforcement more broadly, the literature has predominantly focused on the relationship between Secure Community roll-out and economic outcomes. We know that this form of immigration enforcement increases the likelihood that a child growing up in a mixed-status household will either drop out of school or that they will have to repeat a grade (Amuedo-Dorantes and Lopez, 2015, 2017a). Similarly, more immigration enforcement is found to reduce social program participation, employment, and voter registration (Watson, 2014; Alsan and Yang, 2018; East et al., 2018; Amuedo-Dorantes and Lopez, 2017b). In finding a relationship between jail audits and establishment audits, my paper adds nuance to the conversation on immigration enforcement. Given the access to this new dataset, we now have a much better idea of how ICE operates and the consequences of their enforcement.

The rest of the paper proceeds as follows. Section two explains what is known about ICE and what worksite audits are, in more detail. Section three discusses the worksite audit data. Section four outlines the conceptual framework behind the causes and consequences of establishment audits. Section five explains the empirical strategy employed. Section six gives results from the causes of establishment audits. Section Seven gives results from the consequences of establishment audits. Section eight concludes.

2 Background

2.1 ICE Worksite Audits

Immigration and Customs Enforcement (ICE) is a branch of the Department of Homeland Security. ICE was established in 2003 after the US Customs Service and the Immigration

and Nationalization Service were merged. ICE focuses on enforcing laws on border control, customs, trade and immigration. In the agency's early years, ICE conducted worksite raids (Marienbach and Wroe, 2017). During a worksite raid, ICE officials would show up to establishments unannounced and conduct background checks on all employees working at the establishment that day. Any undocumented individuals were then taken into ICE's custody. Over this time, the Bush administration prioritized tough immigration policies in order to find undocumented individuals.

The Obama administration still wanted to maintain the perception that they were tough on immigration, but they also wanted to approach to immigration enforcement in a more sensible manner. Over this time, worksite raids were discontinued and replaced with establishment audits[2]. Establishment audits placed more pressure on employers to either self-regulate by hiring documented individuals, or face paying fines and criminal conviction. In 2010 Janet Napolitano, then secretary of Homeland Security, referred to the administration's increased enforcement efforts as "intelligent workplace enforcement" (Napolitano, 2010).

Homeland Security Investigations (HSI) is the branch of ICE that conducts establishment audits[3] (ICE, 2018b). According to their website, HSI has 29 field offices across the United States. These offices are referred to Special Agent in Charge field offices on ICE's website, as well as within my data[4]. Figure 1 is a map of the current HSI office locations across the country, with Honolulu omitted. ICE's field offices appear to be located in the larger metropolitan areas across the US.

When ICE conducts an establishment-level audit, they will first notify the owner of the establishment by sending a Notice of Inspection. From there, the employer has three business days to give ICE all I-9 Employee Verification Forms and supplemental documents. Supplemental documents are any documents that corroborate the fact that the individuals

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[2]Establishment raids were suspended from 2008 to 2018, but there is conflicting evidence on this fact. There are reports of a handful of raids happening over the ten-year period.

[3]Within ICE, there are four major offices: Enforcement and Removal Operations, Homeland Security Investigations, Office of the Principal Legal Advisor, and Management and Administration. Some sources point out that the Enforcement Removals Office is the department within ICE to conduct establishment audits.

[4]Although within my data, the number and location of the SAC offices varies by year. For example, in 2013 alone, there are over 150 SAC offices reported in the United States and the US provinces.

in the I-9 forms are, in fact, the employees working at the establishment. ICE will then inspect all I-9 forms from the employer and determine if there are any discrepancies in the forms or if there are any suspect documents. If ICE finds fraudulent documents, they will determine if these violations are substantive or technical. If the violations are found to be substantive, ICE will either issue a warning notice or they will issue a Notice of Intent to Fine. This process is outlined in Figure 2 (ICE, 2019).

Employers do not know the legal status of the individuals that work for them. This implies that there are no issues with employees altering or withholding information about employees to protect any employees that may be undocumented. Even if this were the case, employers are required to hand over corroborating information, such as payroll and schedules, in order to allow ICE to determine if there are any discrepancies in the I-9 forms and who is actually working at the establishment. This makes it even more difficult for the employer to cover up the fact that they have hired someone who they know is undocumented.

Some states have laws that require all or most employers to use E-verify. E-verify is a program that allows employers to check that the social security number on an I-9 form is correctly associated with the individual who is applying for work. While E-verify is required for all jobs with the federal government, they are optional for many employers across the United States. I do not consider E-verify to be of large concern in my case because many of the establishments that are audited by ICE have high job turnover. E-verify serves as a disincentive for employers in high-turnover labor markets because the process requires even more time to hire new workers which could be costly.

2.2   Additional Enforcement Mechanism

ICE has an additional strategy when searching for undocumented immigrants living within the United States, jail audits. In the case of a jail audit, ICE will conduct a background check of individuals that have been arrested. If the person is undocumented, ICE will then detain them and begin deportation proceedings. When jail audits were first used, it was up to the local jail to contact ICE about the arrested individuals. In this case, many jails would not request that a jail audit be conducted unless the person had been arrested for a serious crime. This meant that jail audits were infrequent and sporadically conducted by ICE.

In 2008, jail audits were streamlined when Secure Communities was formed. Secure Communities required that local jails send background and biometric information of all arrested individuals to ICE. This policy allowed ICE to conduct jail audits on arrested individuals. Figure 7 outlines how jail audits were conducted before and after a Secure Community was established. Under Secure Communities, when ICE found an undocumented individual, the jail was required to detain the person for an additional 48 hours so that ICE could pick the person up, detain them at their own facility, and begin deportation proceedings.

Secure Community activation was a seamless process. Before Secure Communities were established, jails already shared the background and biometric information of arrested individuals to the Federal Bureau of Investigation (FBI). The FBI determines if any of arrested individuals are suspected terrorists by using their Automated Fingerprint Identification System (IAFIS). When a county becomes a Secure Community, IAFIS is simply linked with the DHS's Automated Biometric Identification System (IDENT). IDENT is a database of biometric information of individuals who have attempted to, or successfully, entered, or left, the United States.

Jurisdiction activation happened at the county-level over time despite the fact that activation was simple and immediate. Within their strategic plan, ICE's goal was to 'deploy biometric identification to cover 30% of the criminal alien population' in 2009. Then in 2010, they would cover 60% of the population (ICE, 2009). Counties were activated from 2009 to 2013 and Figure 6 shows the jurisdiction activation over time. In this map, lighter counties were activated in earlier years. Here, it is clear that counties that are closer to the border were activated at an earlier time than counties that were further away. Cox and Miles (2013) also find that counties with larger Hispanic populations were activated earlier. It is not entirely clear why ICE decided to proceed in phases, but it is likely due to resource constraints on the agency.

When a jail audit is successful, ICE will contact the local law enforcement agency and instruct the agency to detain the person for an additional 48 hours. This gives ICE enough time to get to the local jail to take the person into their own custody in order to begin deportation proceedings. When ICE begins deportation proceedings, they will file a removal

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with the immigration courts. Here, they will make the case that the individual is living within the US without the proper documentation and should be removed.

In the case of both establishment audits and jail audits, ICE has the ability to detain the undocumented individuals found. Enforcement and Removal Operations is the branch of ICE that specializes in detentions. This branch of ICE determines if the individual should be detained and which detention facility to transport the individual to. From there,

3   Data

The data on establishment-level ICE audits were obtained from a FOIA request through ICE. These data give the name of the establishment, the city that the Special Agent in Charge field office is located in, the date the establishment was notified, how many undocumented workers were found from a work-site audit, and the number of fraudulent documents that were found in a work-site audit. From 2009 to 2018 there were about 7,600 total audits that ICE reported conducting. It is worth noting that these are likely the number of closed cases. That is, it is possible that ICE only gave data on establishment audits that are no longer under investigation. This implies that the number of audits conducted in 2017 and 2018 are likely under-reported.

I then geocoded the locations of the establishments using Google and the R package ggmap (Kahle and Wickham, 2013). After connecting each location with a latitude and longitude, I kept all of the observations that were within a 500 mile radius of the city that the Special Agent in Charge field office was located in. This reduced my sample to over 5,000 observations[5]. Figure 3 is a map of the worksites that were audited in 2017 by the field office located in Albuquerque, New Mexico in 2017. In this map, the filled in circle indicates that there is a field office in Albuquerque and the lighter circles are the locations of the audited establishments.

I then connected each establishment location with the county that it was located in. This allowed me to aggregate the data to the county-year level and merge it with the information

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[5]I decided to keep these observations as a sort of 'sanity check' on my geocoding, it did not make sense that the Los Angeles field office conduct an establishment audit in Tacoma, Washington given that there is also an ICE field office in Seattle.

that I have on Secure Community roll-out. Figure 4 highlights which counties had at least one establishment audit in that year in red. These maps show that there is a great amount of spatial variation in these establishment audits starting in 2012. It also appears that ICE tends to focus on the same areas over the course of the sample. These areas are southern California, Florida, and Washington.

Figure 5 plots the total number of audits conducted each year within my sample as well as the number of workers per audit in a county-year over time. It is clear that the number of establishment audits seriously increased after 2011, but then dropped off after 2014. Again, the number of audits in 2017 and 2018 may be under-reported because of the lack of closed cases. As for the number of workers per audit in a county-year, in earlier years, there were more workers found given the number of establishment audits conducted, but this definitely dropped off as ICE audited more establishments in 2013 and onward.

4   Conceptual Framework

4.1   Jail/Establishment Audit Trade-off

As stated, ICE has two major methods that they can employ in order to find undocumented individuals and deport them, establishment audits and jail audits. Each type of audit has some associated cost in the form of time and resources that ICE must expend. If the relative costs of these audits changes, that will lead ICE to re-allocate their resources differently than they were previously doing.

In thinking of these costs, when conducting establishment audits, ICE finds undocumented workers by researching, contacting, and auditing each establishment. This may result in a relatively low success rate if they have little to no information on which establishment should be audited. Further, if ICE does determine that an employee is undocumented, it is up to ICE to find and arrest the individual. In other words, this process is relatively costly for ICE in terms of time and resources.

Conversely, jail audits are essentially costless for ICE to conduct when a jurisdiction is a Secure Community. This is because this process is automatic. The background information

on the arrested individual is passed electronically and the background check itself is a simple comparison of the individuals information with a database that ICE has on hand. One major cost that ICE must pay from a jail audit is the time it takes to issue the detainer request and then pick up the individual who is being detained in the jail. This may vary based on how far the regional ICE office is from the county jail that is detaining the individual.

Further, it is easier for ICE to make the claim that they are arresting and deporting people who are socially costly when these individuals already been arrested for crimes that are independent of their immigration status. Under establishment audits, the only known crime that the individual has committed is that they are living in the United States without the proper documentation. There is no additional known harm that the individual has incurred on others[6]. Because of this, it it far easier for ICE to claim that they are 'catching the bad guys' through jail audits. This would possibly result in less push-back from voters and advocates for undocumented individuals.

Given that jail audits are far less costly than establishment audits, I would expect the roll-out of secure communities to have two possible outcomes. One possible outcome is that the two would complement each other. If it is essentially zero cost to conduct a jail audit, then we could expect ICE to detain those found in jail audits and then interview the arrested individual about their living and working habits. From there, ICE would have better information on which establishments to audit. This improved information would result in more establishment audits that are also more efficient. If this were the case, I would expect to observe a positive relationship between Secure Community roll-out and establishment audits.

The alternative possible outcome is that the two would be substitutes. That is, because jail audits are far less costly, ICE would prefer to spend much more of their time and resources conducting jail audits and fewer of their time and resources conducting establishment audits. From this, I would observe a negative relationship between Secure Community roll-out and establishment audits.

Even if this relationship were to be negative, I would expect these establishment audits

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[6]ICE claims that individuals found through faulty I-9 forms are committing identity theft, but there is little evidence to back this claim.

to become more productive. This increased productivity would come from the fact that ICE now has more information about where individuals live and work. When ICE finds an undocumented individual through a jail audit, they would interview the individual about their life and work habits. Because of this fact, I expect ICE to follow-up with, and audit, the establishment that the individual claims to work at.

The productivity of an establishment audit could be determined by the number of undocumented migrants found. If there are more undocumented immigrants found in an establishment audit after a Secure Community is activated, this would imply that ICE has better information on which establishments should be audited. I expect this relationship to be positive because there are strong network effects found within the migration literature. Munshi (2003) finds that migrants with larger networks in the location that they migrate to are more likely to have larger wages and more likely to be employed. Also, McKenzie and Rapoport (2007) find that the presence of networks make it easier for liquidity constrained households to send a migrant to the location. Given these findings, I would expect ICE to capitalize on the presence of social networks by interviewing all detained undocumented immigrants in order to inform which establishment should be audited next.

4.2   Types of Migrants Found in Audits

When considering the difference between establishment-level audits and jail audits conducted by ICE, it is important to think about what type of undocumented person the work of ICE finds. In either case, ICE is looking for individuals that are living within the US without proper documentation. But each type of audit uncovers individuals through different actions that they have taken.

The individuals that are detained during an establishment-level ICE audit are people who are working members of society. The only known crime that these individuals have committed is that they do not have the proper documentation to live in the United States. This could arise from the fact that they arrived in the US legally and outstayed their visa or it could be that they entered the country illegally and have no real documentation.

ICE does claim on their website that individuals who submit forged I-9 forms are committing identity theft because the social security numbers that the individuals issue are stolen,

but it is not yet clear if this claim is founded. It is possible that what is occurring is that undocumented individuals who submit I-9 forms will just make up a social security number and, in some instances, this number happens to be the social security number of a person who is a citizen. Little to no research has been done to explore the relationship between undocumented immigration and identity theft, though.

Additionally, in the case of individuals that were found in establishment audits, because these individuals have submitted I-9 forms, it is possible that they have also submitted W-4 forms and their employers are withholding payroll taxes from these individual's paycheck. This implies that the undocumented workers who are found in establishment audits are paying taxes for services they do not receive a benefit from. In fact, Gee et al. (2016) argue that undocumented immigrants pay a collective 11 billion dollars per year in state and local taxes.

Undocumented immigrants that are found in the US through jail audits are individuals that are also living within the US without the proper documentation. It is not well known if these individuals are working and therefore also contributing to society in the same way as individuals found in establishment audits. Further, undocumented immigrants that are found in jail audits have been arrested for a crime that they may have committed.

An implicit theme throughout the anti-immigration rhetoric is that individuals who live within the US illegally are causing additional harm to US citizens. This rhetoric argues that undocumented individuals are not only breaking immigration laws, but they are also further generating negative externalities to US citizens in the form of committing more crimes, causing identity theft, and illegally using tax dollars.

It is far easier for ICE to support this rhetoric with numbers if the individuals that are found and deported have been additionally arrested for crimes committed on top of being undocumented. Another way to think about this is it is much easier to garner public support for ICE's work if ICE is able to say that the individuals being deported are violent criminals.

5 Empirical Strategy

5.1 Causes of Establishment Audits

I begin by evaluating the interplay of jail audits and establishment-level audits on ICE's immigration enforcement efforts. In order to do so, I exploit the roll-out of Secure Communities to estimate how worksite audit frequency and efficiency changed when the cost of conducting jail audits fell. The main specification for these tests is a difference-in-differences model,

$$y_{cy} = \beta_1 SC_{cy} + \beta_2 X_{cy} + \delta_y + \lambda_c + \epsilon_{cy}. \tag{1}$$

In this model, y_{cy} represents either the count of ICE audits that occurred or the number of undocumented immigrants that were found in a county during a year. My results focus on the instances where the variables are transformed using inverse hyperbolic sine (IHS). There are many counties that have zero audits and the IHS transformation, as opposed to the log transformation, exists over all values of a variable[7]. The explanatory variable, SC_{cy} is a binary indicator for when a county becomes a Secure Community in year y. Specifically, the variable is zero when the county is not a Secure Community, and one otherwise. X_{cy} is a set of control variables like total population, percent of county that is urban, percent of county that voted for a Democratic president, and percent of county that is Hispanic. δ_y and λ_c are year and county fixed effects, respectively. Standard errors are clustered at the county level throughout.

β_1 is the main coefficient of interest in model (1). In this diff-in-diff framework with establishment audits as the outcome, a negative β_1 implies that establishment audits are decreasing when the jail audits become less costly. Alternatively, a positive β_1 implies that establishment audits are increasing when the cost of jail audits falls under Secure Community roll-out.

This policy change can be understood as a county being 'treated' while the control group is the set of counties that have not yet become activated jurisdictions. The differences-in-

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[7]Burbidge et al. (1988) outline in their paper that the function for inverse hyperbolic sine can be interpreted similarly to a log transformation.

differences estimator therefore gives the average treatment effect on the treated.[8] There are a number of key assumptions required for differences-in-differences to be convincing.

First, the roll-out of Secure Communities must not be endogenous to the outcome variable of establishment audits or the number of undocumented migrants found in establishment audits. Given that Cox and Miles (2013) find that the Secure Community roll-out is not associated with crime rates, it is likely that ICE is not choosing which counties should be switched on based on the success of establishment audits.

The next assumption that needs to be addressed is that the composition of counties remains the same over time. This assumption could be violated if undocumented workers move out of counties that become activated jurisdictions because the composition of the counties being treated would change in a way that would bias the estimates. There is evidence that implementation of immigration policies results in migrant populations moving away from the location (Good, 2013; Bohn et al., 2014) but in the case of Secure Communities, East et al. (2018) find that there is no significant migration response to Secure Community roll-out. I would think that because Secure Community roll-out happened so quickly, individuals did not have much time to really respond to the policy change. Further, there was likely no migration response to Secure Community roll-out because it was well understood that all counties would become activated jurisdictions.

Finally, in order for this differences-in-differences specification to be convincing, the assumption of parallel trends needs to be satisfied. This assumption states that, in the absence of Secure Communities, the difference between the 'treatment' group and the 'control' group remains constant over time. Secure Community roll-out occurred in a uniform way across all counties over time. Because this is the case, it is worth exploring if there were any differences among counties that were treated early on in the roll-out, relative to those that were not treated. A future version of the paper will include this exploration.

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[8]It should be noted though that Goodman-Bacon (2018) argues that time-varying treatment requires an additional test to ensure that the estimates are not biased. I will implement tests of this assumption in future versions of this paper.

5.2 Consequences of ICE Audits

After better understanding the interplay between jail audits and establishment audits, I am interested in understanding how establishment audits interact with economic factors. I am particularly interested in the effects on employment and crime. Understanding the effects of establishment audits on employment and crime fosters a broader understanding of immigration enforcement overall. To estimate this relationship, I estimate the relationship between establishment audits and employment and crime using the following equation,

$$y_{cy} = \alpha_1 \text{Number Undoc.}_{cy} + \alpha_2 X_{cy} + \nu_y + \gamma_c + \omega_{cy}. \tag{2}$$

In this equation, y_{cy} is either the number of removal filings in immigration courts, the number of taxed jobs, or the number of reported violent and property crimes. I explore both IHS results and results where the variables are scaled by county population. Number Undoc.$_{cy}$ is the number of individuals that are found to be undocumented from establishment audits in a county-year. X_{cy} is the set of control variables. ν_y and γ_c are year and county fixed effects, respectively.

Because I find a direct relationship between jail audits and establishment audits, there is a possibility that the variation in Secure Community roll-out could bias the estimate on establishment audits if this variation is not accounted for. I address this problem by considering only the sample of counties that are Secure Communities. This removes any potential identifying variation from jail audits that may interact with the relationship between establishment audits and the outcomes in question. One limitation to conditioning on only Secure Communities is that I am limiting the time frame and counties in my results, which may affect the generalizability of the results.

Further, there is a possible concern that ICE could be targeting counties to audit based on the crime or employment rate in that county. To check for this, Figure 8 and Figure 9 plot the average crime and employment rates for the years leading up to and after a a county had its first establishment audit. In these plots, year zero is the year that an establishment in the county is audited for the first time. In the case of Figure 8, there does not appear to be any meaningful trends in crime in the years leading up to, and after, an establishment in

a county is audited for the first time. But in Figure 9, there does appear to be an upward trend in the employment rate. It is possible that there is an issue of endogeneity here and I will explore this in later versions of this paper.

The information that I use to quantify employment are the Quarterly Workforce Indicators (QWI) from the Longitudinal Employer-Household Dynamics. Data are connected from the Quarterly Census of Employment and Wages, the Unemployment Insurance Earnings Records, the Business Dynamics Statistics, and other Census Surveys to create employee-level data. These data are unique to other employment data because they provide demographic information on employees. The public data are aggregated as either sex by age, race by ethnicity, and sex by education in order to protect individuals identities.

For my employment measures, I downloaded the race by ethnicity files for the first quarter in each state in the years 2007-2014. Within these files, ethnicity is categorized as either 'Hispanic or Latino' or 'Not Hispanic or Latino'. Race is broken into 'White Alone', 'Black or African American Alone', 'Asian Alone', 'Native Hawaiian or Other Pacific Islander Alone', 'Two or More Race Groups'. Using this information, I aggregate information on employment into all employees, Hispanic or Latino employees only, and Asian employees only in order to conduct my analysis.

I am more interested in measuring the employment of individuals that are perceived to be undocumented and not individuals that are actually undocumented. That is, when researchers are interested in measuring the effects of immigration policies on undocumented populations, they will often get an estimate of the undocumented population from the literature by looking at individuals that are Hispanic, have low educations, are in low-skilled jobs, etc.[9] I am only concerned with individuals that are either Hispanic or Asian because I am interested in exploring how these immigration policies will affect an employers hiring decision. Recall that, theoretically, the employer does not know the citizenship status of the individuals they are employing. Because of this, they may be more hesitant to hire an individual based on their race or ethnicity if the employer feels that ICE is increasing their enforcement efforts.

The data that I use for crime comes from the FBI's Uniform Crime Reporting. Each

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[9]This process is outlined in East et al. (2018).

year, participating police agencies will give information on the number of arrests made and crimes reported in their area. From there, the FBI compiles the information into county-level data on reported violent and property crimes as well as detailed arrest data. While not all police agencies participate in UCR, a majority of them do. For the states that do not participate, the FBI will impute the number of arrests made and crimes reported in order to get a somewhat accurate picture of crime across the US.

I use the dataset on county-level crimes reported. The reported crimes that are included in these data are the total number of violent crimes and property crimes reported in the county. Violent crimes are all instances of murder, rape, robbery, and aggravated assaults. Property crimes are all reported burglaries, larcenies, and motor vehicle thefts. These data are released annually from 2009 onwards. I focus on data from 2009 to 2014, since those are the years that the Secure Communities Program was implemented.

6 Results: Causes

6.1 Establishment Audit and Jail Audit Trade-off

Table 2, Panel A reports the primary results from the differences-in-differences estimation with county-level controls included. Each column regresses a different measure of establishment audits on Secure Community rollout. The first column uses the number of audits conducted in a county-year as the dependent variable. This result indicates that when the cost of jail audits falls to almost nothing, the number of establishment audits in that county decreases by seven percent. This result indicates that ICE is substituting their time and resources from conducting establishment audits to jail audits because jail audits are much easier to conduct.

Regardless of the evidence of substitution, we might expect establishment audits to become more productive once the cost of jail audits falls. Because there is an increase in the number of undocumented individuals found after jail audits become less costly, ICE is now able to interrogate these individuals to determine their living and working habits. Column 2 of Table 2 shows the estimates from the model where the number of undocumented migrants

found in a county-year is regressed on Secure Community roll-out. This model estimates that, in a county where the cost of jail audits falls, the number of undocumented migrants found from establishment audits in the county is expected to decrease by 10 percent.

Column 3 of Table 2 gives the intensive margin results of the change in the number of migrants per establishment audit in a county. These results are estimated for only counties that have establishment audits before 2015, which is why the sample size decreases so dramatically. When a Secure Community is activated, the number of migrants per establishment audits is expected to decrease by 119 percent.

6.2 Robustness Checks

6.2.1 Large Population Counties

It is possible that counties with smaller populations experience fewer raids and vice versa with larger population counties. I do not want to use weights in order to account for this issue of heterogeneity because, as Solon et al. (2015) point out, weighting estimates in order to account for heterogeneous effects results in inconsistent estimates for the population average effect. Instead, when dealing with the issue of heterogeneous effects the authors recommend studying the heterogeneity. Because of this, it is important to limit the sample to counties with significantly large populations. I also do not want to use a heterogeneous interaction because the distribution of establishment audits is heavily skewed left. This implies that I would not be identifying off of much variation in the sample in the case of counties with small populations.

Table 2, Panel B reports results from the same model as Table 2, Panel A, but with the sample limited to counties with a population greater than 100,000. These results indicate that when conditioning on larger counties, establishment audits are expected to decrease by 14 percent when the cost of jail audits falls. This decrease is two times larger than the aforementioned result with all counties. The change in magnitude makes sense because there are many low population counties that do not have any establishment audits over the course of the entire sample, whereas the larger population counties experience many more changes in the number of audits over the time period.

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6.2.2 Priority Enforcement Program

On November 20, 2014, Jeh Johnson, then Secretary of Homeland Security, stated in a memo, "The Secure Communities program, as we know it, will be disbanded" (Johnson, 2014b). The decision was driven, in large part, by a number of federal court decisions which had determined that the issuing of requests for detention violated the Fourth Amendment.[10] This memo marked the replacement of Secure Communities with the Priority Enforcement Program (PEP). With the PEP, the sheriffs office was still required to share fingerprints and background information of arrested individuals with ICE. There were two major differences between Secure Communities and PEP.

The first major difference was that ICE was instructed to prioritize the detention and deportation of individuals who had committed serious crimes (Johnson, 2014a). Serious crimes were defined as threats to national security, convicted of three misdemeanors, or significant misdemeanors. As outlined in the policies memo, this prioritizing of serious crimes was due to the limited resources of the Department of Homeland Security and its inability to address all undocumented immigration cases (Johnson, 2014a).

The second major difference outlined in the PEP was the manner in which detentions were issued by ICE. Under Secure Communities, ICE sent requests for detention in the form of a I-247 'Immigration Detainer' form (ICE, a). This form requested that local law enforcement agencies detain the individual for 48 hours beyond the time that the local law enforcement agency had planned to hold the individual. Now, under the PEP, ICE separated this form into three forms. These were the I-247N, I-247D, and I-247X forms (ICE, b,c,d). These forms requested that the law enforcement agency notify ICE that the individual would be released 48 hours before their release time. This would grant ICE enough time to determine if the individual is a 'removable alien' that should be taken into ICE's custody. This major difference made it voluntary for a law enforcement agency to detain and transfer an arrested individual who is undocumented.

When determining the effects of Secure Community roll-out, much of the literature will

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[10]A number of the cases were *Miranda-Olivares v. Clackamas County et. al*, *Galarza v. Szalczyk*, and *Moreno v. Napoletano*. But there were many others being pursued in the courts at the time of SC's discontinuation.

look only at the years that Secure Communities were rolled-out and then consider any years after 2014 as ones where Secure Communities had ended. But this is not necessarily the case. In fact, given that information of arrested individuals was still shared between local law enforcement and ICE, jail audits are still far less costly than establishment audits during PEP years. So if I include years where PEP replaced SC, I might expect to see no change in my estimates.

Panel C of Table 2 reports the results for the differences-in-differences model of establishment audits regressed on an indicator for SC activation for both SC roll-out year and PEP years. That is, Panel C reports the estimates from the primary model, but with the years 2014 through 2016 included. Because there is little change to these estimates, it is possible that the Priority Enforcement Program did not make jail audits more costly with the policy changes.

6.2.3 Sheriff Political Party Affiliation

The biometric information of an arrested person is passed through the sheriffs office and when ICE requests to have undocumented individuals held for 48 additional hours, the sheriff can theoretically decide to not detain the individual. There are partisan elections for sheriff in 42 states. An elected sheriff may want to uphold their party's values in order to keep their position. Because of this, I would observe more, or less, compliance with ICE, but this relationship is theoretically ambiguous. If a sheriff were to be a Democrat, they might hold different values than ICE when it come to immigration enforcement. Because of this, a Democratic sheriff might be less willing to communicate with ICE about establishments that potentially employ undocumented individuals. This unwillingness to communicate would make establishment audits more costly for ICE, resulting in fewer establishment audits in counties that have Democratic sheriffs.

Conversely, ICE may decide to target counties that are more Democratically leaning. This is because these counties may be viewed as more 'immigration friendly' and therefore ICE may decide to spend more of its resources in these areas finding undocumented immigrants. This means that I would observe an increase in the number of establishment audits in counties with democratically elected sheriffs.

In order to determine the difference in the number of establishment audits between counties that are more democratic and those that are more conservative, I start by estimating the following model,

$$EstAudits_{cy} = \theta_1 DemSheriff_{cy} + \theta_2 X_{cy} + \eta_y + \mu_c + \zeta_{cy}. \tag{3}$$

Here, $DemSheriff$ is an indicator for if the county voted for a Democratic sheriff. $EstAudits$ is the number of establishment audits conducted by ICE in a county-year. X is a control for the proportion of the county that voted for a Democratic president. η_y and μ_c are county and year fixed effects, respectively.

Table 3 gives the regression results with the number of establishment audits regressed on a dummy variable for the party affiliation of the county sheriff. In this case, the sample size has decreased significantly to just over 4,000 observations. This is because of the limited number of counties that I have election information on.[11] Column 1 of Table 3 gives the model with an indicator for the sheriff party affiliation and county-year fixed effects. Here, a Democratic sheriff increases the percentage of establishment audits by 2.8%, but this result is imprecise. In fact, the lower bound on the 95% confidence interval is -0.1464 so a sizable negative effect can not be ruled out.

It is possible that a county's political leanings in national elections could affect both the political party of the sheriff as well as the number of establishment audits conducted in the county. To mitigate this problem, I control for the percent of the county that voted for a Democratic president. Column two of Table 3 gives the same model, but with the percent of vote for president in a county included as a control. Here, the estimate does not change significantly and is still statistically imprecise.

Finally, column three of Table 3 gives the results from the model that has the SC dummy interacted with the indicator for the political affiliation of the sheriff. In this case, counties that become a Secure Community with Democratic sheriffs result in a decrease in the number of establishment audits by 3.7%. The party affiliation of the sheriff, is also imprecisely estimated. My findings are similar to what Thompson (2019) finds. In his paper, the author

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[11]My data collection for the sheriff elections is described in the appendix.

uses close sheriff elections in a regression discontinuity framework to determine how a sheriff's political affiliation would affect the number of removal filings in court. His findings indicate that there is not a strong difference in the number of filings in response to a sheriff's political affiliation.

7 Results: Consequences

7.1 Deportation Filings

In order to test the relationship between changes in the price of jail audits and ICE's total output, I employ data from the Transactional Records Access Clearinghouse (TRAC) on the number of deportations filed by ICE. When ICE finds an undocumented individual, they will begin deportation proceedings by filing a removal with the courts. From there, the courts decide if the individual should be removed. TRAC has data on each immigration case filed by ICE, the date that ICE filed the request, the decision made by the court, whether or not the individual already has a criminal background, and the county that the individual was initially picked up in. I use information on the number of removals filed by ICE from 2008-2017. These cases are aggregated to the county-year level where the county is the location that the individual was picked up in and the time is the year that the removal was initially filed with the courts.

Panel A of Table 4 shows results from the number of removals filed by ICE in response to the number of undocumented individuals found from establishment audits. Columns 1 and 2 are scaled by population and columns 3 and 4 are are transformed via IHS. According to column 1, as the number of undocumented individuals found from establishment audits increases, the number of removal filings also increases. This change is 120% of the average dependent variable which is 0.0004. When the sample is conditioned on counties that are Secure Communities in column 2, this relationship weakens. In this case, the lower bound on the 95% confidence interval is -0.0156 which implies that a sizeable negative effect can not be ruled out, relative to the average dependent variable.

Similar to columns 1 and 2, columns 3 and 4 show that the number of filings are increasing

in the number of undocumented individuals found from establishment audits. In column 3, the estimate indicates that a one percent increase in the number of individuals found in an establishment audit will increase the number of court filings for removals by 0.012 percent. This relationship, though, becomes smaller when counties are conditioned on Secure Communities only. The estimate from column 4 can be interpreted as a one percent increase in the number of undocumented individuals found from establishment audits is expected to increase the number of court filings for removals by 0.01%. The fact that this relationship weakens when jail audits become much less costly implies that ICE is relying on establishment audits less as a tool to find undocumented individuals.

Panel B reports estimates for removal filings of individuals that have a prior criminal background. ICE tracks whether individuals have a criminal record prior to the current removal filing. This is an indicator variable where the individual does or does not have a prior criminal record. Currently, it is unclear what crimes individuals were convicted of. In column 1, the estimate indicates that the number of removal filings is still increasing in the number of undocumented individuals found from establishment audits, but the magnitude of this relationship is much smaller than the results from panel A. Again, this result becomes imprecise when only counties that are Secure Communities are considered. In the case of column 3, the number of court filings for removals for individuals with criminal backgrounds is decreasing in the number of individuals found in establishment audits.

Alternatively, in panel C, I consider the court filings of individuals that do not have a criminal background. Similar to panel A, in column 1 as the number of undocumented individuals found in an establishment audit increases, the number of court filings for individuals that do not have a criminal background also increases. Column 3 in panel C is also similar to column 3 in Panel A. In this case, a one percent increase in the number of undocumented individuals found in an establishment audit increases the court filings for individuals without a criminal background by 0.013 percent. This relationship becomes smaller in magnitude when the sample is reduced to only Secure Communities.

7.2 Employment

Recall that establishment audits were meant to incentivize employers to hire documented individuals as opposed to undocumented individuals. Because of this, if employers are seeing ICE making a greater effort to audit establishments then we can expect them to want to hire more individuals through legal channels. Table 5 shows the relationship between establishment audits and taxed jobs using data from QWI. I use taxed jobs here in order to capture if employers are hiring individuals 'above the table' in the wake of greater immigration enforcement efforts. In this table, columns 1 and 2 show the estimates when both the number of undocumented individuals and jobs are scaled by total population[12]. In columns 3 and 4, both variables are transformed using inverse hyperbolic sine.

Panel A reports the estimates from total employment in the formal sector. The estimate from column 3 can be interpreted as, for all counties, when the number of undocumented individuals found in ICE's worksite audits increases by one percent, the number of taxed jobs is expected to increase by 0.011 percent. Given that the average dependent variable is 9.77, if ICE finds one additional undocumented worker in a county year, employment is expected to increase by 0.11%. Column 4 indicates that, in counties where jail audits are less costly, the number of taxed jobs is expected to increase by 0.001 percent. While these estimates are statistically significant, they are not robust to transformations.

Columns 1 and 2 in Panel A report the estimates when both audits and education are scaled by total population. In both columns, employment is still increasing in the number of undocumented individuals found in establishment audits. Similar to Columns 3 and 4, this relationship is smaller in magnitude when jail audits become less costly. But the estimates in columns 1 and 2 are statistically imprecise. In fact, the lower bound on the 95% confidence interval is -0.493 which is 5% of the mean dependent variable. This is large enough that I can not rule out a sizeable negative effect.

It is possible that establishment audits would have an effect on the employment of individuals that may be perceived as undocumented. I assume that employers do not know the citizenship status of the individuals that they hire. This is because undocumented workers may be able to use a faulty social security number on their I-9 form. If ICE finds undocu-

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[12]To scale these variables, I multiplied everything by 1000/total population.

mented individuals through fraudulent I-9 forms, then we might expect employers to further vet individuals based on their perception of the immigration status of the person. Panels B and C look at the estimates on the sample of people that are White and Hispanic, respectively. In both cases, this relationship is still positive but it is much weaker for individuals that are Hispanic. This implies that, on average, employers may be less willing to hire Hispanic individuals when there is more enforcement activities in the area.

7.3 Crime

To the extent that establishment audits affect employment opportunities for undocumented individuals, they might have implications for the criminal activity of those individuals, and in particular income-generating criminal activity. The relationship between establishment audits and reported crime is given in table Table 6. Similar to Table 5, columns 1 and 2 report the estimates from crime rates[13] and columns 3 and 4 report the estimates from the inverse hyperbolic sine of crime. In all cases, county and year fixed effects are included and all standard errors are clustered at the county level.

According to column 3, if the number of undocumented individuals found in an establishment audit increases by one percent, reported crimes are expected to decrease by 0.003 percent. This estimate is statistically imprecise though. Given the size of the standard error, the upper bound on the 95% confidence interval from column 3 is 0.00092. This is 0.01% of the average dependent variable so I can rule out a sizeable positive effect in this case. This result implies that it is possible that crime is decreasing at a very small amount in the wake of greater immigration enforcement, but a null effect can not be ruled out. This is also the case for counties where jail audits become less costly, a zero effect can not be ruled out.

When undocumented migrants and crime are scaled by population, the results are similar where reported crime is decreasing in the number of undocumented migrants found, but the relationship is small and statistically imprecise. It is also important to explore the results for reported property crimes and reported violent crimes. This is because property crimes are considered to be income-generating crimes whereas violent crimes are non-income generating crimes. I would expect establishment audits to have more of an effect on property crimes

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[13]These variables are multiplied by 1000/total population.

than they do on violent crimes.

Panels B and C report the estimates from property and violent crimes, respectively. In columns 3 and 4, the estimates do not change much at all for property crimes or violent crimes. But in columns 1 and 2, when crime and undocumented migrants are scaled, the magnitude of the estimates for property crimes become much larger. It is ultimately difficult to draw any conclusions from these estimates because everything is still statistically imprecise.

8 Conclusion

Despite the persistent public interest in understanding how ICE operates, little about the government agency is really known. This is, in large part, due to the fact that the data released by ICE is aggregated and sporadically made public. I use micro-level data on establishment audits conducted by ICE to explore the causes and consequences of these audits. Understanding how ICE operates lends better knowledge of how to estimate the consequences of ICE's actions an immigration policy.

My paper first estimates the relationship between jail audits and establishment audits. Using a differences-in-differences framework, I exploit the variation in Secure Community roll-out to estimate how the number of establishment audits change after the cost of jail audits decrease dramatically. I find that when the cost of jail audits decreases dramatically, establishment audits decrease by seven percent in a county-year. Despite the decrease in the number of establishment audits, the total number of deportations filed by ICE in immigration courts increases in response to Secure Community roll-out. My findings support the hypothesis that ICE is spending more of its resources conducting jail audits than it is on establishment audits in response to the decrease in the cost of jail audits from SC roll-out.

The interaction between the two styles of immigration enforcement adds nuance to the conversation on immigration enforcement. Much of the literature, because of data limitations, has focused primarily on the reduced form effects of Secure Community roll-out on economic outcomes. My findings indicate the exploration of Secure Communities on economic outcomes should consider alternative forms of immigration enforcement. This in-

terpretation is similar to conclusions outlined in related papers on the need to consider how separate policies interact (Johnson and Jackson, 2017).

I then find that when establishment audits increase, taxable jobs increase. These findings indicates that when ICE audits become more salient, employers will be more likely to hire people 'above the table'. In order to explore the demographics of the population receiving these jobs, I broke the results out for individuals who are White, Hispanic, and Asian. I find that jobs for individuals that are White increase whereas jobs for individuals that are Hispanic and Asian decrease, yet this relationship is imprecise. This implies that employers are less willing to hire individuals that they think are possibly undocumented if they see that ICE is ramping up immigration enforcement.

Finally, I explore the relationship between establishment audits and reported crimes. Here, I find that when establishment audits increase, reported crimes also increase but by a small amount. This finding is similar to what the literature on immigration enforcement and crime has found. The idea behind such a finding is that, with fewer employment opportunities for individuals that are undocumented, they have more time and greater necessity to commit crimes in order to get by.

Questions of how to enforce immigration and what measures are best will always be present, so long as we have policies on immigration. Understanding how separate enforcement procedures interact with each other and with economic outcomes strengthens our knowledge of how to best implement these policies.

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9   Tables and Figures

Figure 1: ICE Special Agents in Charge Office Location

This maps ICE's current Special Agents in Charge field office locations (ICE, 2018a).
Honolulu is omitted. Map was created using Leaflet (Joe Cheng, 2017).

Figure 2: ICE Establishment Audit Process

Notice of Inspection	Inspect all I-9 forms	Determine Violations
• Establishment has three business days to hand over all I-9 forms and coroborrating documents	• ICE will audit all documents to find any suspect Social Security Numbers or discrepancies among documents	• If substantive violations are found, ICE will issue either a Warning Notice or a Notice of Intent to Fine

This chart shows how an establishment audit is conducted by ICE. Adapted from ICE
(2019).

Figure 3: Establishment Audits in Albuquerque, New Mexico in 2017
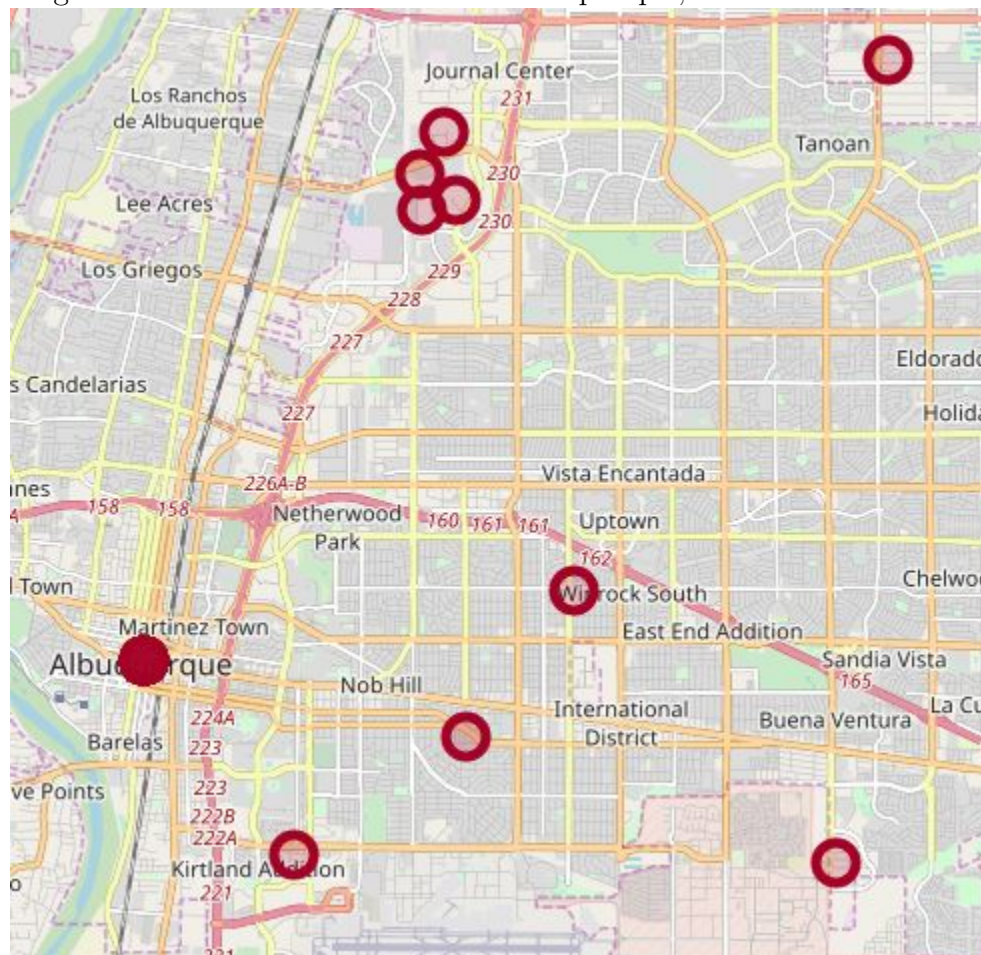
Geocoded establishment audits that occurred in Albuquerque, NM in 2017. Map was created using Leaflet in R which uses OpenStreetMap for the underlying map Joe Cheng (2017).

Figure 4: Map of Ice Audits
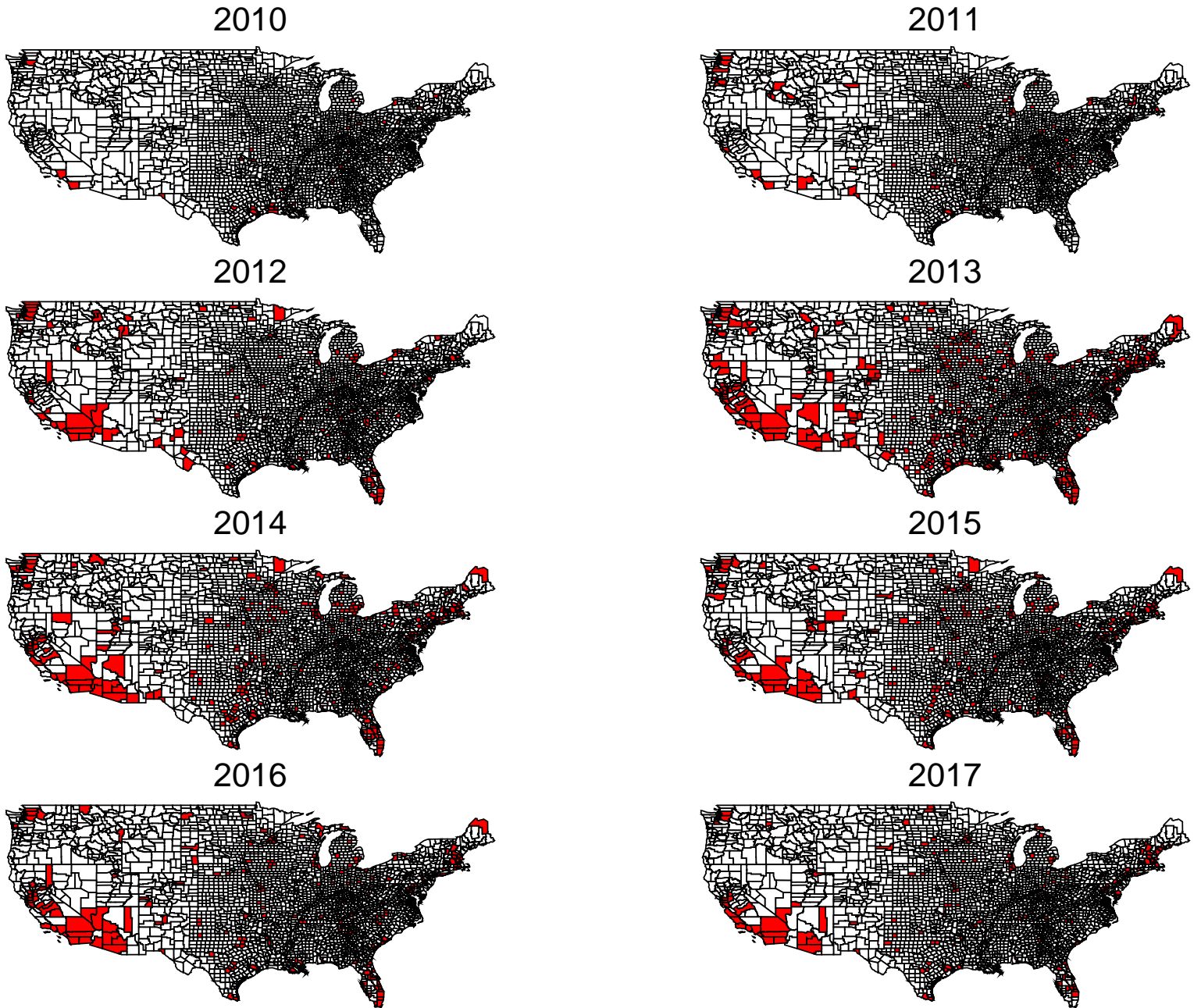
Counties that experienced establishment audits are highlighted in red.

Figure 5: Establishment Audits and Undocumented Workers Found over Time

Number of establishment audits and number of workers found scaled by establishment audits over time.

Figure 6: Map of Secure Community Rollout
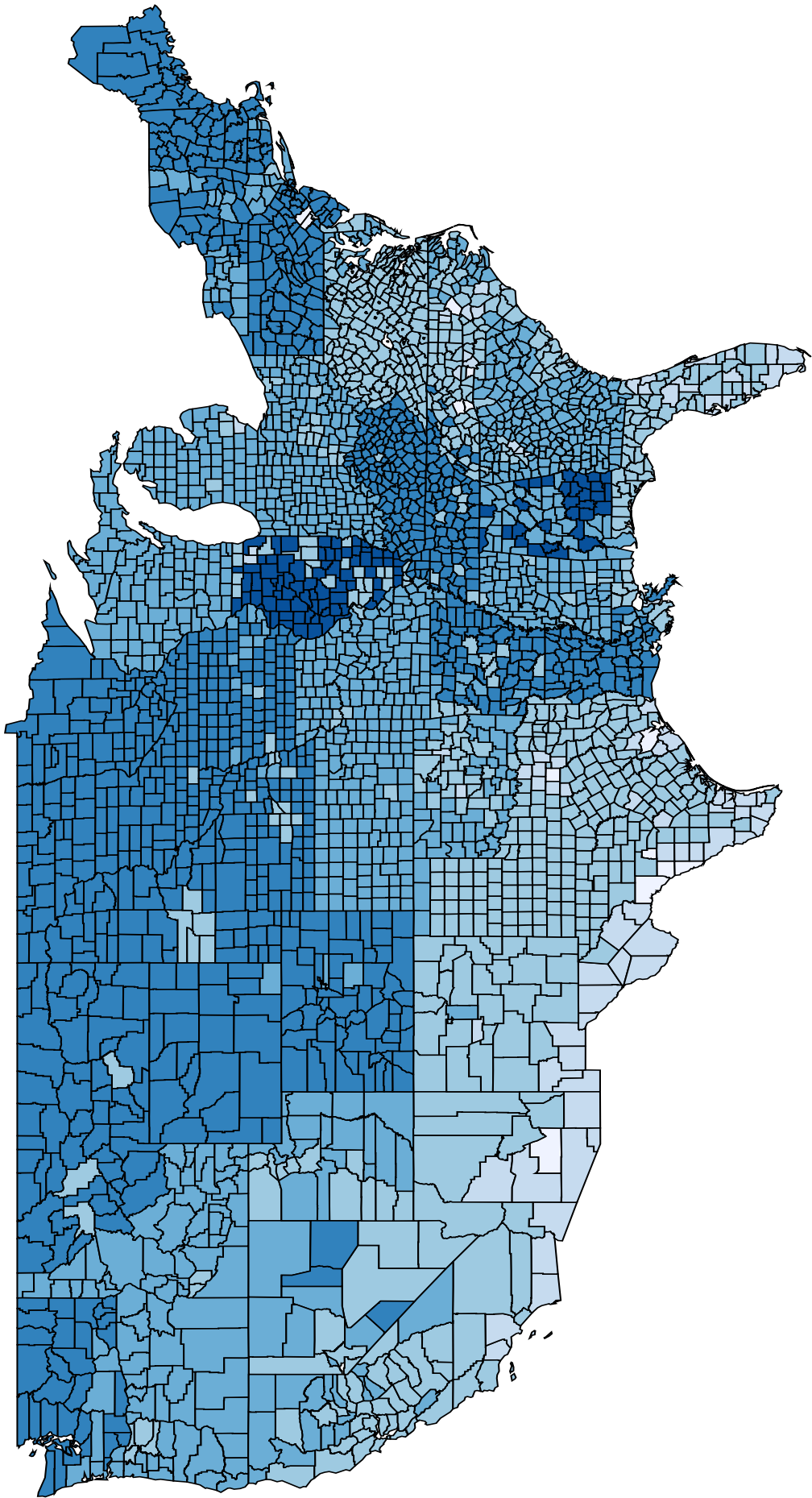
Secure Community roll-out from 2008-2013. Lighter shades of blue indicate counties that were rolled out sooner.

Figure 7: ICE Jail Audit Process
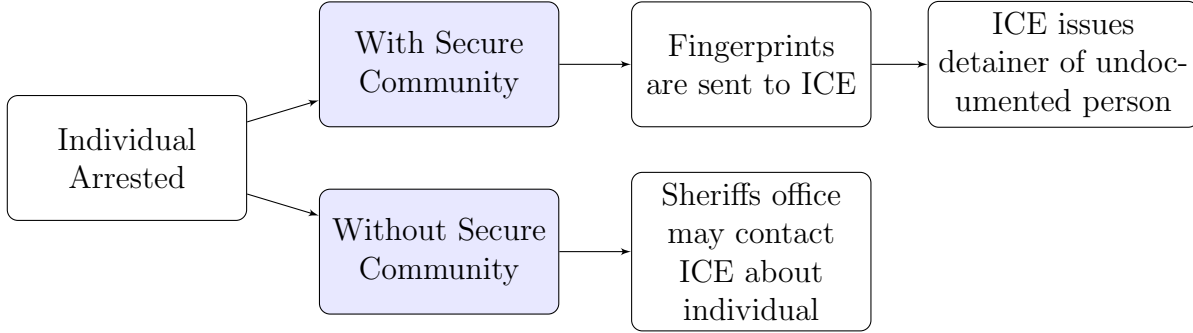
This chart shows the difference in how jail audits are conducted when a county is a Secure Community versus when it is not a Secure Community.

Table 1: Establishment Audit Descriptive Statistics

	Sample Size	Average	SD
Est. Audits	31020	0.161	1.689
Undoc. Indvs.	31020	2.493	46.172
IHS Est. Audits	31020	0.071	0.351
IHS Undoc. Indvs.	31020	0.103	0.673
Scaled Est. Audits	31020	0.0004	0.005
Scaled Undoc. Indvs.	31020	0.007	0.149
Total Population	31020	200232.1	643093.7
Pct. Democratic	31020	0.383	0.151
Pct. Hispanic	31020	0.087	0.134
Pct. Urban	31020	0.412	0.313

This table gives descriptive statistics of the number of establishment audits and the number of undocumented individuals found in an audit in a county-year from 2008 to 2018. This also resports averages of the inverse hyperbolic sine ("logged") and scaled variables.

Table 2: Relationship Between Jail Audits and Establishment Audits

	(1) Cases	(2) Workers	(3) Workers/Case
A. SC Roll-Out			
SC Roll-Out	-0.067***	-0.105***	-1.187***
	(0.010)	(0.017)	(0.432)
Avg. Dep. Var.	0.063	0.104	1.894
N	21714	21714	612
B. Large Population Counties			
SC Roll-Out	-0.137***	-0.233***	-1.171***
	(0.025)	(0.045)	(0.445)
Avg. Dep. Var.	0.177	0.284	1.923
N	6739	6739	577
C. Priority Enforcement Program Years			
SC Roll-Out	-0.067***	-0.095***	-0.907**
	(0.010)	(0.016)	(0.412)
Avg. Dep. Var.	0.071	0.103	1.612
N	31020	31020	1203
County FE's	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes

This table reports the estimation results, for all counties, of the variable of interest regressed on an indicator for if a county was activated as a Secure Community. Years are from 2008-2014. Column one gives the results for the IHS of Cases, column two is the IHS of the number of workers, and column three is the IHS of the number of workers per case. In Panel A, the sample is restricted to counties with populations greater than 100,000. In Panel B, the sample includes years where Secure Communities were replaced with the Priority Enforcement Program. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

Table 3: Sheriff Party Affiliation

	(1)	(2)	(3)
Democratic Sheriff	0.028	0.025	0.076
	(0.089)	(0.088)	(0.080)
Democratic Sheriff*SC			-0.037
			(0.025)
Secure Community			-0.287***
			(0.043)
Avg. Dep. Var.	0.121	0.121	0.121
N	4203	4203	4203
County FE's	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes
President Control	No	Yes	Yes

This table estimates the number of establishment audits conducted by ICE on the county sheriffs party affiliation. In all regressions, county fixed effects, year fixed effects, and controls are included. Years are from 2008-2014, the states that I have collected data for are outlined in the Appendix. Column (1) gives the estimate from the sheriff being a Democrat without controlling for the county having voted for a Democratic president, column (2) gives the estimate from the sheriff being a Democrat while also controlling for the county voting for a Democratic president, column (3) interacts the county sheriff being a Democrat with Secure Community roll-out. Significance reported at the *0.10,** 0.05, and***0.01 levels.

Table 4: Effects of Undocumented Individuals found in Establishment Audits on Court Filings

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
A. Court Filings				
Undoc. Indvs.	0.048*	0.004	0.012*	0.010*
	(0.025)	(0.010)	(0.006)	(0.005)
Avg Dep Var	0.0004	0.0004	1.867	1.963
N	31020	21486	31020	21486
B. Court Filings Conditioned on Criminal Background				
Undoc. Indvs.	0.007*	-0.001	-0.015**	0.005
	(0.004)	(0.002)	(0.007)	(0.007)
Avg Dep Var	0.00007	0.00007	0.513	0.518
N	31020	21486	31020	21486
C. Court Filings Conditioned on Non-Criminal Background				
Undoc. Indvs.	0.041*	0.005	0.013**	0.011*
	(0.022)	(0.009)	(0.006)	(0.006)
Avg Dep Var	0.0003	0.0003	1.806	1.906
N	31020	21486	31020	21486
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number court filings to remove individuals on the number of undocumented individuals found from audits in a county. Observations are all counties from 2008-2018. Both the dependent and independent variables are transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

Figure 8: Average Reported Crime Rate in Years Before and After First Establishment Audit
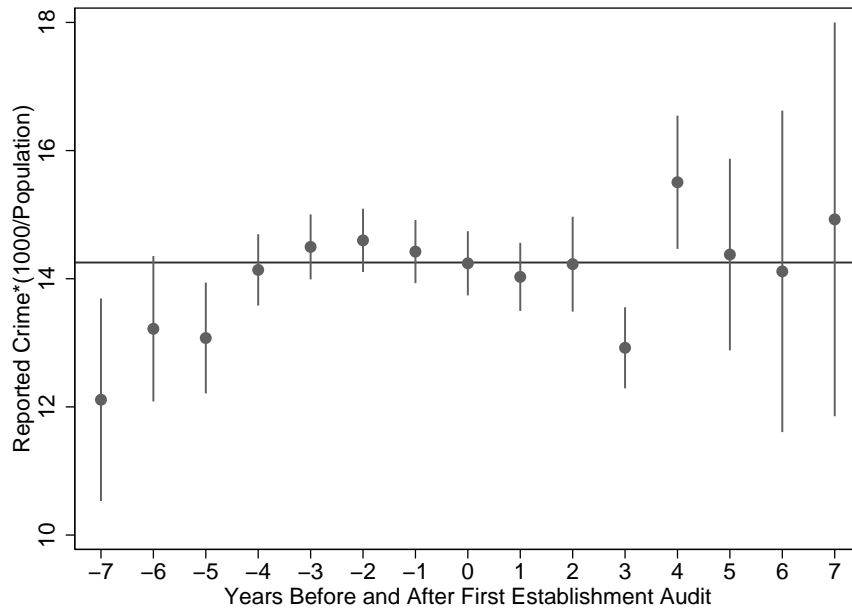
This plots the average reported crime rate for each year before and after a county experiences an establishment for the first time. This excludes all counties that never had an establishment audit.

Figure 9: Average Employment Rate in Years Before and After First Establishment Audit
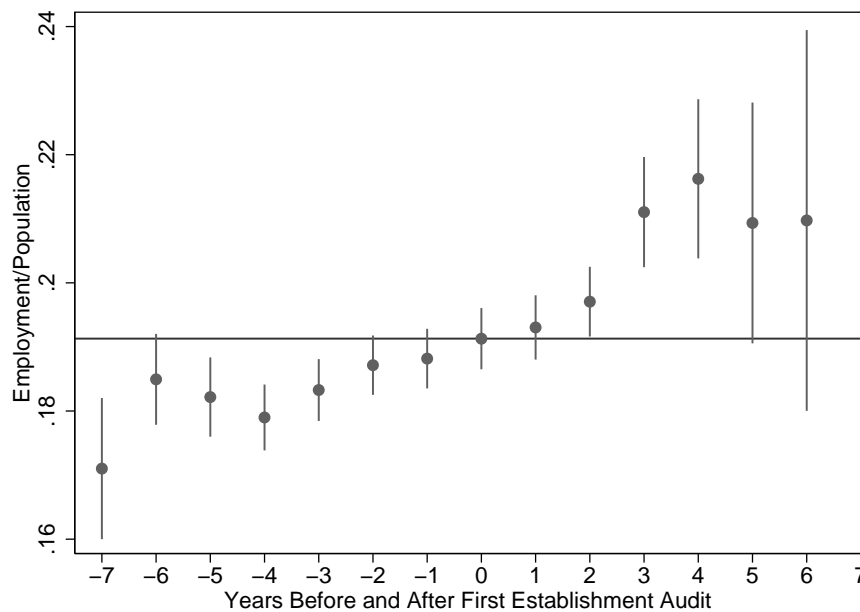
This plots the average employment rate for each year before and after a county experiences an establishment for the first time. This excludes all counties that never had an establishment audit.

Table 5: Effects of Establishment Audits on Employment

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
	A. All Employment			
Undoc. Indvs.	0.283	0.204	0.011**	0.001**
	(0.396)	(0.400)	(0.005)	(0.000)
Avg Dep var	160.969	161.727	9.769	9.825
N	24080	18302	24080	18302
	B. White Employment			
Undoc. Indvs.	0.213	0.152	0.011**	0.001**
	(0.367)	(0.389)	(0.005)	(0.000)
Avg Dep Var	138.793	138.706	9.603	9.654
N	24080	18302	24080	18302
	C. Hispanic Employment			
Undoc. Indvs.	0.157	0.177	0.000	0.002*
	(0.099)	(0.139)	(0.001)	(0.001)
Avg Dep Var	13.192	14.562	6.597	6.737
N	23973	18245	23973	18245
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number of taxed jobs on the number of establishment audits conducted in a county or the number of undocumented individuals found from audits in a county. The counties included are those that reported employment and years are from 2008-2018. Both the dependent and independent variables are transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

Table 6: Crime Regressed on Number of Undocumented Individuals Found in an Establishment Audit

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
	A. Reported Property and Violent Crimes			
Undoc. Indvs.	-0.004	-0.003	-0.003	0.000
	(0.049)	(0.050)	(0.002)	(0.002)
Avg Dep Var	10.786	10.909	6.793	6.893
N	21714	15269	21714	15269
	B. Reported Property Crimes			
Undoc. Indvs.	-0.014	-0.013	-0.003	-0.000
	(0.045)	(0.046)	(0.002)	(0.002)
Avg Dep Var	9.605	9.699	6.672	6.770
N	21714	15269	21714	15269
	C. Reported Violent Crimes			
Undoc. Indvs.	0.011	0.010	-0.003	0.000
	(0.011)	(0.011)	(0.003)	(0.003)
Avg Dep Var	1.181	1.210	4.529	4.641
N	21714	15269	21714	15269
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number of crimes reported in a county on the number of establishment audits conducted in a county or the number of undocumented individuals found from audits in a county. Both the dependent and independent variables are transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

10 Appendix

10.1 Secure Community Roll-Out Results in Levels

Table 7 gives the results from the effect of Secure Community roll-out on establishment audits in levels. According to column 1, when the cost of jail audits falls dramatically, establishment audits are expected to decrease by 0.192. This is 126% of the average number of establishment audits in a given county-year. In other words, the direction of the estimate has not changed from the transformed results, but the relative magnitude in much larger in the levels case.

Table 7: Initial Set of Results in Levels

	(1) Cases	(2) Workers	(3) Workers/Case
A. SC Roll-Out			
SC Roll-Out	-0.192***	-2.645**	-22.210
	(0.052)	(1.069)	(21.283)
Avg. Dep. Var.	0.152	2.682	25.039
N	21714	21714	612
B. Large Population Counties			
SC Roll-Out	-0.442***	-6.194*	-20.002
	(0.146)	(3.332)	(20.043)
Avg. Dep. Var.	0.459	8.003	25.814
N	6739	6739	577
C. Priority Enforcement Program Years			
SC Roll-Out	-0.238***	-3.514**	-10.440
	(0.057)	(1.387)	(14.177)
Avg. Dep. Var.	0.161	2.493	19.523
N	31020	31020	1203
County FE's	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes

This table reports the primary estimation results, in levels, of the variable of interest regressed on an indicator for if a county was activated as a Secure Community during Secure Community roll-out years of 2008-2014. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

10.2 Sheriff Election Data Collection

I collected county-level sheriff election data for 22 states. Individual counties in all but four states[14] hold local elections for the sheriffs office in either two or four year terms, depending on the state[15]. From the states that hold elections, all but four states hold partisan elections for the sheriffs office[16]. From this, there are 42 states that hold partisan elections.

I started with scraping information from individual state websites using Beautiful Soup and Selenium in Python. A number of states make county-level election results publicly available in a centralized location on their website. These states were Louisiana, Washington, Ohio, California, Minnesota, Maine, Mississippi, New Hampshire, New Mexico, Oklahoma, and West Virginia[17]. Then, there were states that contract with an election night reporting agency which reported state and local election outcomes in a centralized location. The states that contracted with the election night reporting agency are Alabama, Georgia, Kentucky, Arkansas, and South Carolina[18]. The caveat to these results is that I have collected information on 'unofficial results' because they are outcomes from the night of the election and not after all absentee ballots have been considered. This is potentially problematic for my estimation results because absentee voters are, historically, more likely to vote democratically than individuals who vote on the day of the election.

After collecting data from states that kept their results in a centralized location, I focused my collection efforts on elections from states where establishment-level ICE audits were more likely to occur. This information was typically collected by visiting individual county websites. The states that I visited individual websites for were Florida, Arizona, and Deleware[19]. But in the state of Texas, counties are not required to post election results from over 22 months in the past. Because of this, I emailed each county election commissioner asking for historical election results.

10.3 Court Decisions and Court Success Rates

While I use removal filings in my primary set of results, some possible alternative measures are court decisions and court success rates. In the case of court decisions, these are the number of cases where the judge initially decided to remove the individuals. In the case of success rates, I have divided the number of court decisions by the number of removal filings. The results are given in Table 8 and Table 9, respectively.

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[14]Alaska, Connecticut, Hawaii, and Rhode Island do not appoint sheriffs through local elections.

[15]The states with two year terms are Arkansas and New Hampshire. New Jersey has three year terms and Massachusetts has six year terms.

[16]States that hold non-partisan elections for the sheriffs office are California, Minnesota, Oregon, and Tennessee. There are a number of counties within Florida that also do not hold partisan elections.

[17]Indiana and Vermont had information available for 2018 only which was outside of my sample pre-period.

[18]Colorado had this information for 2018 only.

[19]Utah had this information for 2018 only.

Table 8: Effects of Both Secure Community roll-out and Establishment Audits on Court Decisions

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
A. Court Decisions				
SC Roll-out	0.103	0.103	-0.000	0.001
	(0.085)	(0.085)	(0.019)	(0.019)
Undoc. Indvs.		0.048*		0.012*
		(0.025)		(0.006)
Avg Dep Var	0.0004	0.0004	1.867	1.867
N	31020	31020	31020	31020
B. Court Decisions Conditioned on Criminal Background				
SC Roll-out	0.027	0.027	0.115***	0.113***
	(0.019)	(0.019)	(0.016)	(0.016)
Undoc. Indvs.		0.007*		-0.013*
		(0.004)		(0.007)
Avg Dep Var	0.00007	0.00007	0.513	0.513
N	31020	31020	31020	31020
C. Court Decisions Conditioned on Non-Criminal Background				
SC Roll-out	0.077	0.077	-0.012	-0.010
	(0.075)	(0.075)	(0.019)	(0.019)
scUndoc		0.041*		0.013**
		(0.022)		(0.006)
Avg Dep Var	0.0003	0.0003	1.806	1.806
N	31020	31020	31020	31020
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number court filings to remove regressed on the number of undocumented individuals found from audits in a county and on an indicator variable for Secure Community roll-out. Both the dependent and independent variables are either scaled by county population or transformed using inverse hyperbolic sine. In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

Table 9: Effects of Secure Community roll-out and Establishment Audits on Court Success Rates

	(1) Scaled	(2) Scaled	(3) Logged	(4) Logged
A. Court Success Rates				
Undoc. Indvs.	21.737**	25.330***	-0.001	0.003
	(9.220)	(8.775)	(0.002)	(0.002)
Avg Dep Var	0.247	0.245	0.247	0.245
N	31020	21486	31020	21486
B. Court Success Rates Conditioned on Criminal Background				
Undoc. Indvs.	2.778	0.492	-0.004	-0.001
	(10.625)	(11.475)	(0.002)	(0.003)
Avg Dep Var	0.104	0.100	0.104	0.100
N	31020	21486	31020	21486
C. Court Success Rates Conditioned on Non-Criminal Background				
Undoc. Indvs.	24.011***	28.505***	-0.000	0.003*
	(9.194)	(8.601)	(0.002)	(0.002)
Avg Dep Var	0.235	0.233	0.235	0.233
N	31020	21486	31020	21486
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the success rate of the number of decisions to remove individuals on the number of undocumented individuals found from audits in a county. The independent variable is transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10, ** 0.05, and *** 0.01 levels.

10.4   Asian and Black Employment Outcomes

If establishment audits affect the employment outcomes of individuals that are perceived to be undocumented, then it is possible that employers are making similar hiring decisions about individuals that are Asian or Black as they are about Hispanic individuals. Table 10 reports the estimates for the number of taxed jobs of individuals that are either Asian or Black regressed on the number of undocumented individuals found from establishment audits. The table is similar to Table 5 where columns 1 and 2 are the results from scaled population and columns 3 and 4 are transformed via inverse hyperbolic sine.

In Panel A columns 1 and 2, employment is decreasing in the number of undocumented individuals found in establishment audits. In column 1, the upper-bound on the 95% confidence interval is 0.0174 which is 0.5% of the average dependent variable, 2.954. This implies that a sizable positive estimate could be ruled out. Similarly, in column 2, the upperbound on the 95% confidence interval is 0.45% of the average dependent variable which is also small enough to rule out a sizeable positive effect. In the case of columns 3 and 4, the direction of the estimates changes when conditioning on counties that are Secure Communities. Also in this case, the effects are much smaller, relative to the scaled outcomes. Because of this, these estimates are not robust to transformations. In Panel B columns 1 and 2, employment for individuals that are Black is increasing in the number of undocumented individuals found from establishment audits. But, again, these estimates are imprecise. The results are similar for columns 3 and 4. These results suggest that there is no meaningful relationship between the number of undocumented individuals found in establishment audits and employment for individuals that are Black.

Table 10: Effects of Establishment Audits on Asian Employments

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
A. Asian Employment				
Undoc. Indvs.	-0.012	-0.025	0.005	-0.000
	(0.015)	(0.020)	(0.004)	(0.001)
Avg Dep Var	2.954	3.108	5.180	5.296
N	24080	18302	24080	18302
B. Black Employment				
Undoc. Indvs.	0.026	0.042	0.004	0.001
	(0.038)	(0.030)	(0.004)	(0.001)
Avg Dep Var	14.662	15.117	6.416	6.553
N	24093	18313	24093	18313
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number of taxed jobs for individuals that are either Asian or Black on the number of establishment audits conducted in a county or the number of undocumented individuals found from audits in a county. Both the dependent and independent variables are transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

10.5 Lagged Employment and Crime Effects

It is possible the effect that establishment audits have on employment and crime takes a longer amount of time than within the same year. To test this, Table 11 and Table 12 regress employment and crime on the lagged number of individuals found in an establishment audit. In Table 11, the results still indicate that employment is increasing in the number of undocumented individuals found from establishment audits. These results still weaken when counties that are Secure Communities are considered. In Table 12 columns 1 and 2, it is still the case that crime is decreasing in the number of individuals found from establishment audits. This relationship is increasing in columns 3 and 4 when the variables are transformed using IHS. The sign switch in crime is not entirely surprising since there is some noise in the main estimates generating some imprecision as well.

Table 11: Effects of Lagged Establishment Audits on Employment

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
A. All Employment				
Lagged Undoc. Indvs.	0.169	0.341*	0.011***	0.003***
	(0.325)	(0.197)	(0.004)	(0.000)
Avg Dep var	160.615	161.727	9.764	9.825
N	22897	18302	22897	18302
B. White Employment				
Lagged Undoc. Indvs.	0.169	0.294	0.011**	0.003***
	(0.293)	(0.183)	(0.004)	(0.000)
Avg Dep Var	138.544	138.706	9.599	9.654
N	22897	18302	22897	18302
C. Hispanic Employment				
Lagged Undoc. Indvs.	0.198	0.232**	0.001	0.003***
	(0.124)	(0.094)	(0.001)	(0.001)
Avg Dep Var	13.267	14.562	6.597	6.737
N	22794	18245	22794	18245
D. Asian Employment				
Lagged Undoc. Indvs.	0.012	0.007	0.005	0.000
	(0.016)	(0.011)	(0.004)	(0.001)
Avg Dep Var	2.945	3.108	5.179	5.296
N	22897	18302	22897	18302
E. Black Employment				
Lagged Undoc. Indvs.	-0.027	0.029	0.002	-0.001
	(0.029)	(0.021)	(0.004)	(0.001)
Avg Dep Var	14.513	15.117	6.403	6.553
N	22910	18313	22910	18313
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number of taxed jobs on the number of establishment audits conducted in a county or the number of undocumented individuals found from audits in a county. Both the dependent and independent variables are transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.

Table 12: Crime Regressed on The Lagged Number of Undocumented Individuals Found in an Establishment Audit

	(1) Scaled	(2) Scaled	(3) IHS	(4) IHS
	A. Reported Property and Violent Crimes			
Lagged Undoc. Indvs.	-0.062	-0.048	0.001	0.004
	(0.079)	(0.078)	(0.003)	(0.003)
Avg Dep Var	10.786	10.909	6.793	6.893
N	21714	15269 s	21714	15269
	B. Reported Property Crimes			
Lagged Undoc. Indvs.	-0.058	-0.040	0.001	0.005*
	(0.072)	(0.070)	(0.003)	(0.003)
Avg Dep Var	9.605	9.699	6.672	6.770
N	21714	15269	21714	15269
	C. Reported Violent Crimes			
Lagged Undoc. Indvs.	-0.004	-0.007	-0.001	0.002
	(0.012)	(0.014)	(0.003)	(0.003)
Avg Dep Var	1.181	1.210	4.529	4.641
N	21714	15269	21714	15269
SC's Only	No	Yes	No	Yes
County FE's	Yes	Yes	Yes	Yes
Year FE's	Yes	Yes	Yes	Yes

This table estimates the number of crimes reported in a county on the number of establishment audits conducted in a county or the number of undocumented individuals found from audits in a county. Both the dependent and independent variables are transformed by either population scales (columns 1 and 2) or inverse hyperbolic sine (columns 3 and 4). In all regressions, county fixed effects, year fixed effects, and controls are included. Standard errors are clustered at the county level. Significance reported at the *0.10,** 0.05, and***0.01 levels.