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Labor law change causes fear, confusion in Arcadia

By DAN SIMMONS,
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ARCADIA, Wis. — A proposed change in federal labor law that is affecting workers nationwide this week rippled through this small town and one of its major employers, Ashley Furniture Industries Inc.

For Asuncion, a 46-year-old Mexican father of three who has worked at Ashley for nearly two years, it caused fear he'd lose his job.

"I felt like I was between the sword and the wall," he said. He and other employees asked not to use their last names because of the sensitivity of talking about their employer.

For company lawyer Bill Koslo, it caused confusion.

"Homeland Security is telling us one thing, and the courts are telling us another," he said.

For Voces de la Frontera, a Milwaukee-based workers' rights group, it caused concern — so much concern that Christine Neumann-Ortiz, executive director, came to Arcadia on Monday night and met with workers and company lawyers on Tuesday.

She claimed Ashley threatened to fire as many as 600 of its Hispanic employees because of failures to fix discrepancies in personal information with the Social Security Administration.

Koslo called the figure "unbelievably exaggerated" and said that at most 30



Joyce Graciela De'Mora Gonzaller de Stellick meets with Latinos in Arcadia to try explain the situation they are in . Ashley Furniture will fire 100 latinos Wednesday if they do not have their discrepencies settled with the Social Security Adminastration . Dick Riniker photo

employees would have been affected. Company CEO and president Todd Wanek agreed and said he was concerned the higher estimate would cause undue fear among his staff.

“We value each and every one of our employees,” he said.

Ultimately, the employees kept their jobs. Koslo said the company was following two guidelines: the first, an August rule change by the Department of Homeland Security that would penalize employers who don't report workers with conflicting or incomplete records; the second, a temporary restraining order against the ruling by a judge in San Francisco.

“We're very satisfied,” Neumann-Ortiz said about the company's decision. “(The firings) would have been very harmful to workers and families and the local economy.”

The dispute centers around a change in federal law about so-called “no match” letters sent annually by the Social Security Administration to employers. The letters notify employers of discrepancies between personal information on employees' W-2 forms and what is on file with the administration.

Sometimes, the discrepancies are due to falsified documents. But often it's more benign.

Social Security estimates 4 percent to 10 percent of cases are due to simple typographical errors or other innocent mistakes, such as a name change due to marriage or divorce. The National Immigration Law Center estimated 70 percent of the discrepancies involve U.S. citizens who have a lawful right to work.

In the past, employers bore no responsibility for following up on the discrepancies. However, an August rule change announced by the U.S. Department of Homeland Security would require employers to clear up discrepancies within 90 days or face stiff penalties and fines.

“From our standpoint, that's just the kind of thing that the Department of Homeland Security ought to be doing, ferreting out workers with false Social Security numbers,” said Bob Dane, press secretary for the Federation of American Immigration Reform in Washington, D.C.

But the rule was successfully challenged in a U.S. District Court in San Francisco in late August, blocking the government from taking action against employers until the issue resolved.

Vicki Seltun, an immigration lawyer with Weld, Riley, Prenn and Ricci in Eau Claire, said many labor and industry groups oppose the rule change because it would end up hurting more legal workers than illegal workers.

“(SSA)'s records are inaccurate,” she said.

Dane said the claims against the “no match” rule change don't fly.

“Every system is flawed in some ways,” he said. “It doesn’t mean we shouldn’t implement it. (Opponents) are trying to divert attention from their addiction to cheap labor.”

Koslo called the temporary restraining order “good news” for the company.

“We don’t want to terminate employees,” he said. “These are nice people and they’re in our community. We’d hope the state and federal governments can work this out so everyone’s protected.”

Another hearing on the temporary restraining order is expected within the next week. A judge could rule either to make the restraining order a permanent injunction pending trial or throw out the case, giving the rule change legal weight.

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For a copy of the Social Security Administration’s information request to Ashley Furniture Industries Inc., [click here](#).

For a copy of the “no match” letter the Social Security Administration sends to employers, [click here](#).

To see the insert the Department of Homeland Security proposes sending with the “no match” letters, [click here](#).

For a copy of the lawsuit filed by labor organizations against the U.S. government in U.S. District Court, [click here](#).

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