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Past studies of illegal aliens revealed that these aliens did not pay all Federal taxes owed, were sometimes on welfare, and held jobs that could be filled by citizens or lawful aliens. There is disagreement about the extent to which illegal aliens are benefiting from federally funded programs, paying taxes, and affecting the labor market. Legal immigration has had a significant impact of Federal assistance programs. About 37,500 newly arrived aliens in five States received about \$72 million annually in Supplemental Security Income benefits. Reassessment of immigration policy is needed because of the large number of illegal aliens who are not apprehended, violations of entry conditions by other foreigners, unfair and ineffective immigration laws, and activities of professional smugglers. Problems exist because of poor conditions in some countries, inadequate resources for enforcement, the need for new legislation, and inadequate information. Legislative proposals contain provisions for sanctions against employers who hire undocumented aliens, changing the status of many illegal aliens, increasing enforcement resources, and cooperating with foreign governments to improve their economies. (HIV)

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STATEMENT BEFORE THE
HOUSE SELECT COMMITTEE ON POPULATION
ON
THE IMPACT OF ALIENS ON FEDERAL PROGRAMS

Mr. Chairman and Members of the Committee:

As requested, our testimony today deals with the work the General Accounting Office has performed relative to the impact of aliens on Federal programs, with specific emphasis on public assistance program.

Mr. Chairman, I would first like to give a brief overview of our work in the immigration area. From May 1973 through August 1976, we issued a series of reports containing administrative and legislative recommendations to the Congress and executive branch agencies. These reports discussed the need for action to curb the adverse social and economic impact of illegal immigration.

The complex factors contributing to the problem, the numerous adverse social and economic effects of these problems, and the wide range of proposed solutions illustrate the need for a comprehensive rather than a fragmented effort to evaluate the current laws and their administration and enforcement.

In October 1976, we issued a summary report, entitled "Immigration--Need to Reassess U.S. Policy," in which we recommended that the Congress work with the administration to totally reassess U.S. immigration policy. The digests to that report and certain other reports mentioned in our statement are attached. (Attachments 1 through 5.)

After issuance of our summary report, we curtailed our work in the immigration area based on our belief that further work would not be fruitful unless the Congress and the administration took action. We have, however, continued to respond to congressional requests for assistance in specific areas.

ILLEGAL ALIENS

Generalizations about illegal aliens are difficult because there are substantial differences among them depending on method of entry and country of origin. However, the majority are believed to be young, male, single, unskilled, and poorly educated. About 88 percent of those apprehended by INS entered illegally by sneaking into this country. The other 12 percent are visa abusers who entered the country legally but violated the terms of their admission. These figures reflect the emphasis on interdicting illegal entrants along the Southwest border. Undoubtedly, a lower percentage of visa abusers are apprehended; hence their proportion of the nationwide illegal alien population is probably much higher than 12 percent.

Some insight into the impact of illegal aliens is provided by our past work.

In a 1973 report, 1/ we pointed out that, in many cases:

--Illegal aliens did not pay Federal taxes on income earned in the United States. Although no overall estimate existed of the amount of Federal taxes owed but not paid by illegal aliens, indications were that this amount could be substantial. Over the years the Immigration and Naturalization Service (INS) and the Internal Revenue Service (IRS) have participated in special projects to collect Federal taxes owed by departing illegal aliens. During one such project, illegal aliens who came into INS' Los Angeles district office seeking voluntary departure were referred to IRS. Of the 98 aliens referred, 90 were assessed a total of \$110,243 in taxes--an average of over \$1,200 each. When one considers the number of illegal aliens estimated to reside in this country the potential for lost revenue to the Federal Government becomes obvious.

1/"More Needs to be Done to Reduce the Impact of Illegal Aliens in the United States," B-125051, July 31, 1973.

--Illegal aliens were on welfare. At the time of this review, as is the case currently, no estimates of the number of illegal aliens on welfare were available. Although unable to estimate a dollar impact, some State agencies and commissions have concluded that illegal aliens cause a drain on welfare programs.

--Illegal aliens were holding jobs that could be filled by citizens or lawful aliens. The incentive to enter illegally or to violate nonimmigrant status is principally based on the search for jobs. INS reports show that a large percentage of illegal aliens apprehended were or had been employed. Our comparison of the type of jobs held by illegal aliens apprehended by INS in four INS districts with the local demand for such jobs showed that these aliens occupied jobs for which there was a demand by citizens or lawful aliens. For example, in New York City 44 apprehended illegal aliens were holding jobs of the type that 454 applicants had filed for at the New York State Department of Labor.

In a 1977 report 1/ we pointed out that there is a great deal of disagreement and lack of information among Federal, State, and local officials as well as researchers regarding whether and to what extent illegal aliens are benefitting from federally funded programs. We found that:

- Insufficient data exist to estimate the extent of use of public assistance programs by illegal aliens.
- Of the seven major programs examined, medical assistance, unemployment insurance, and public education may be the most widely used by illegals.
- Medical assistance and public education received by illegal aliens appear to be a greater financial burden on State and local governments than on the Federal Government.

Another area of major controversy focuses on tax contributions by illegal aliens. Although illegal aliens do pay taxes--Federal and State income taxes, social security taxes, sales taxes, gasoline taxes, and property taxes--just how much they pay is uncertain. Studies have also shown, however, that illegal aliens avoid or underpay taxes. Overall, researchers

1/"Impact of Illegal Aliens on Public Assistance Programs: Too Little is Known," GGD-78-20, December 1, 1977.

have offered conflicting answers to the question of whether illegal aliens contributed more to the cost of social services than they consumed.

Still another area of controversy involves the illegal aliens impact on the labor market. Some of the studies we reviewed concluded that they take jobs away from U.S. citizens. Others suggested that any displacement that occurs is in jobs that U.S. citizens do not want. Advocates for aliens argue that the availability of public assistance programs allows U.S. citizens to reject the low paying, undesirable jobs which illegal aliens are willing to accept.

Unfortunately, the factual data needed to resolve this issue do not exist. The clandestine nature of the illegal portion of the alien population, estimated between 2 to 12 million, makes it difficult to evaluate the impact of their actions while in the United States.

LEGAL IMMIGRANTS

The impact of immigration on Federal programs is by no means limited to that caused by actions of illegal aliens. In a 1975 report, 1/ we discussed the fact that large

1/"Need to Reduce Public Expenditures for Newly Arrived Immigrants and Correct Inequity in Current Immigration Law," GGD-75-107, July 15, 1975.

expenditures of tax monies--Federal and State--have been made to support immigrants and their families within 5 years after entry into the United States.

This review covered payments made under the Aid to Families with Dependent Children, and the former Old Age Assistance and Aid to the Disabled programs. These latter two programs were transferred to the Supplemental Security Income Program effective January 1, 1974.

We could not determine the frequency with which immigrants entering the United States to become permanent residents obtained public assistance. In most locations visited the records did not designate welfare recipients' citizenship status. However, we were able to project, based upon a statistical sample, that in Los Angeles County alone newly arrived immigrants and their families were receiving \$19.6 million in welfare payments.

Our review of randomly selected immigrant cases in the States of California, Massachusetts, and New York showed that in about 50 percent of the cases the immigrants had applied for welfare within 5 years of entering the United States.

We recently issued a report 1/ dealing with payments to newly arrived aliens--those in the United States for 5 years

1/"Number of Newly Arrived Aliens Who Receive Supplemental Security Income Needs to be Reduced," HRD-78-50, February 22, 1978.

or less--who were receiving payments under the Supplemental Security Income (SSI) program. Based on a statistical sample of about 23,000 randomly selected recipients, we estimated that about 37,500 newly arrived aliens in five States annually received about \$72 million in Supplemental Security Income benefits. Of this amount, about \$16 million is paid to refugees.

We estimated that 63 percent of these 37,500 newly arrived aliens were in the United States 1 year or less when they applied for SSI payments.

Although we were only able to project the SSI payments to newly arrived immigrants for five States, we were able to establish that such payments were being made in 25 of the 50 States.

NEED TO TOTALLY REASSESS
U.S. IMMIGRATION POLICY

In reaching the conclusion, in our summary report, that there is a need to totally reassess U.S. immigration policy, we listed the following problems that in large part still exist.

--Many more aliens than can be apprehended are illegally entering the country.

- Many nonimmigrants, such as foreign students, are here illegally; that is, they are violating their conditions of entry.
- Current immigration law is unfair--people in this country illegally can later derive immigration benefits while bona fide immigrants are denied early admission.
- Laws designed to insure that legal aliens do not become public charges or adversely affect the domestic labor force have been ineffective.
- Professional smugglers, illicit documents, and schemes to obtain legal resident status are undermining U.S. immigration control efforts.
- Aliens entering illegally with the assistance of smugglers have on occasion received inhumane treatment from their "benefactors."

We identified certain factors which contributed to these problems. Some of the more significant were

- (1) the poor economic conditions in certain countries,
- (2) the lack of adequate personnel and resources to enforce immigration laws,
- (3) the need for new legislation to curb immigration problems, and

(4) the absence of adequate information for the Congress to use in assessing the extent of the problems and their social and economic implications.

Like the problems, most of the contributing factors still exist.

CURRENT INITIATIVES

Recently the Congress and the administration have shown an increased commitment to come to grips with the knotty questions of immigration policy and practices.

In October 1977, the President submitted legislative proposals to the Congress in a draft bill entitled "Alien Adjustment and Employment Act of 1977." Some of the major elements of this proposal are

- the imposing of sanctions against employers who hire undocumented aliens,
- granting of permanent or temporary resident status to many aliens who are currently in this country illegally,
- increasing border enforcement resources to prevent illegal entry, and
- cooperating with foreign governments to improve their economies.

Various Members of Congress have introduced legislation to establish a comprehensive approach to the admission of refugees and to tighten up requirements for receiving public assistance.

One recurring problem which has plagued the Congress in attempting to come up with solutions to immigration problems has been the lack of factual data which could be used in reaching decisions on these matters. Unfortunately, efforts to obtain such data have generally been unsuccessful to date. This is especially true with respect to the illegal alien portion of the immigrant population. Because of the clandestine nature of this element of the population, the Congress may have to make decisions, if these problems are to be solved, without the benefit of all the information it would like to have. We believe that congressional hearings, such as you are holding here today, Mr. Chairman, should provide the Congress with additional insight into these problems.

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This concludes our statement, Mr. Chairman. We will be pleased to answer any questions.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-125051

To the President of the Senate and the
Speaker of the House of Representatives

This report summarizes the problems the Government has in administering and enforcing immigration laws and highlights the need for reassessing U.S. immigration policy.

Since May 1973, we have issued several reports containing administrative and legislative recommendations to the Congress and to agency officials. (See app. IV.) These reports primarily emphasize the need for action to curb the adverse social and economic impact of illegal immigration and discuss problems that, in large part, still exist. For example:

- Many more aliens than can be apprehended are illegally entering the country.
- Many nonimmigrants, such as foreign students, are here illegally; that is, they are violating their conditions of entry, such as being employed and not departing when required.
- Current immigration law is unfair--people in this country illegally can later derive immigration benefits while bona fide immigrants are denied early admission.
- Laws designed to insure that legal aliens do not become public charges or adversely affect the domestic labor force have been ineffective.
- Professional smugglers, illicit documents, and schemes to obtain legal resident status are undermining U.S. immigration efforts.

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--Aliens entering illegally with the assistance of smugglers have on occasion received inhumane treatment (leading to death in some cases) from their "benefactors."

The Congress and the administration have recognized the seriousness of this situation and have initiated actions to solve the problems.

--Numerous bills, many encompassing our legislative recommendations, have been introduced in the Congress to deal with various aspects of the problems. As of August 25, 1976, none had been enacted. (See app. XI.)

--In 1975 the President established the Domestic Council Committee on Illegal Aliens to identify solutions to U.S. immigration problems.

--The Immigration and Naturalization Service and the Department of State have implemented some of our recommendations and have made some improvements in their programs. Also, the Service has begun a major effort to assess the number of aliens and their impact on our Nation.

These proposals and actions will only partially answer the problems. Finding adequate solutions to the U.S. immigration situation is difficult because of numerous and complex factors which have contributed to the immigration problems. The problems have grown rapidly because of:

--The poor economy in certain countries, which is usually the driving force behind many foreigners striving, by whatever means possible, to enter the United States.

--The need for additional personnel and resources to enforce immigration laws.

--The need for legislation to curb immigration problems. No major changes have been made to the immigration laws since 1965, even though most people agreed then that additional legislation would soon be needed.

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- The need for improved administration and enforcement of U.S. immigration laws, including better interagency and State and local government cooperation.
- Political and other constraints which have been based on humanitarian considerations for the alien and the role of the immigrant in our Nation's development.
- The absence of adequate information for the Congress to use in assessing the extent of the problems and their social and economic implications.

In commenting on our report, the Department of State cited various social, political, economic, demographic, and international situations which complement the above factors and should be considered when examining U.S. immigration policy. (See app. XIV.)

The seriousness of U.S. immigration problems dictates a need for early corrective measures. The complex factors contributing to the problems, the numerous adverse social and economic effects of these problems, and the wide range of proposed solutions illustrate the need for a comprehensive and coordinated effort to evaluate the current laws and their administration and enforcement. The work of the Domestic Council Committee and the Service could be important in obtaining and evaluating information needed to assess the immigration problems.

U.S. immigration problems may be alleviated somewhat by changes to the current laws; however, to adequately cope with all the problems and to effectively regulate future immigration, we recommend that the Congress work with the administration to totally reassess U.S. immigration policy.

The Departments of Justice and State and the President's Domestic Council Committee on Illegal Aliens agree that our immigration policy needs to be reassessed. Their comments on this report included the following:

- The report brings fairly well into focus the seriousness of the illegal alien problem and lack of resources to enforce immigration laws. (See app. XIII.)
- The report perceptively analyzes the existing U.S. immigration situation and the underlying causes of it. (See app. XIV.)

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--It is consistent with the current work and tentative findings of the Domestic Council Committee on Illegal Aliens. While legislative improvements, greater interagency cooperation, and increasing resources can help improve our Nation's ability to cope with illegal immigration, a more comprehensive solution to this problem requires that our U.S. immigration policy be totally reassessed. (See app. XV.)

The Congress and the administration need to act together to give U.S. immigration policy the attention it demands. To assist committees and Members of Congress and the administration in considering immigration policy and legislation, appendixes I through XII provide information on immigration legislation, the alien population, and our observations on the various factors contributing to the problems based on a series of our reports.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of the report are being sent to the Director, Office of Management and Budget, the Attorney General, and the Secretaries of State and Labor.


Comptroller General
of the United States

**COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS**

**MORE NEEDS TO BE DONE TO REDUCE THE
NUMBER AND ADVERSE IMPACT OF
ILLEGAL ALIENS IN THE UNITED STATES**
Immigration and Naturalization
Service
Department of Justice B-125051

D I G E S T

WHY THE REVIEW WAS MADE

At the request of the Chairman, Special Studies Subcommittee (presently Chairman, Legal and Monetary Affairs Subcommittee), House Committee on Government Operations, and Congressman John W. Wydler, GAO examined the problems of the Immigration and Naturalization Service (INS) in preventing entry of, locating, apprehending, and expelling illegal aliens--those deportable under the Immigration and Nationality Act.

This report deals with the illegal alien problem, its impact on INS enforcement operations, and the coordination of INS activities with those of other Government agencies to help relieve some of the burdens caused by illegal aliens.

FINDINGS AND CONCLUSIONS

INS does not have the problem under control. The increasing number of illegal aliens entering the country has reached severe proportions and far exceeds INS's ability to cope with the problem.

The number of illegal aliens located by INS has increased from about

200,000 in fiscal year 1968 to over 500,000 in fiscal year 1972. (See p. 5.) This large number and the consequent strain on its resources have caused INS to establish operating practices which have diluted the deterrent effect of its enforcement efforts.

These practices include granting most illegal aliens voluntary departure in lieu of deporting or prosecuting them and discontinuing many special searches which had successfully located many of them.

Illegal aliens have a strong incentive to enter the United States in search of employment. Although INS apprehends many, a large portion--at least 31 percent of the 369,495 apprehended by the Border Patrol in 1972--are repeaters. Some aliens enter illegally as many as 10 times. (See p. 10.)

Many employers continue to hire illegal aliens even after (1) repeated INS visits, which result in numerous apprehensions, and (2) other INS efforts to dissuade these employers from hiring such aliens. (See p. 12.)

INS has little difficulty apprehending illegal aliens; however, INS could apprehend more illegal

aliens if it had more detention funds and space, investigators, border patrolmen, transportation funds, and time. (See p. 14.)

The New York and Los Angeles INS district offices had a backlog of about 38,000 cases in which INS had not verified the departure of apprehended illegal aliens who had been allowed to depart on their own recognizance. GAO's analysis of 200 cases showed INS had not attempted to locate many of these aliens for several months. (See p. 17.)

In fiscal years 1971 and 1972 INS located about 900,000 illegal aliens. During that period, 23,347, or less than 3 percent, were prosecuted and 33,905, or about 4 percent, were deported. (See p. 18.)

A large percentage of commercial smugglers of aliens are being prosecuted. However, penalties levied on these smugglers are light considering the monetary gains from smuggling aliens into the United States. (See p. 23.)

Inadequate enforcement of immigration laws contributes to the rise in illegal entries. An effective enforcement program hinges on (1) eliminating the economic incentives attracting illegal aliens and (2) increasing the resources for apprehending and processing illegal aliens. (See p. 29.)

INS does not have the capacity to locate and expel all illegal aliens in the country and should emphasize those operations that minimize

their adverse impact on the economy. Other Government agencies must cooperate to achieve this goal.

Cooperation between INS and the Internal Revenue Service, local welfare agencies, and State employment agencies has been unsystematic, or sporadic, and has had little effect. Most Government agencies either do not feel obligated to cooperate with INS or question the benefits of such cooperation.

Three areas where improved cooperation among Government agencies is needed concern illegal aliens who

--do not pay Federal income taxes on income earned in the United States,

--are on welfare, and

--hold jobs that could be filled by citizens or lawful resident aliens.

Recent Social Security Act amendments (1) provide that information on welfare applicants or recipients may be disclosed to law enforcement officials and (2) restrict eligibility under welfare programs to citizens or aliens residing lawfully in the United States.

On August 3, 1972, a bill was introduced in the House of Representatives which included a provision to restrain employers from hiring illegal aliens by making it unlawful to knowingly employ such an alien.

The Congress adjourned before taking final action on this bill. The bill was reintroduced in January 1973 as House bill 982, and the House passed it in May 1973.

This legislation, if enacted and enforced, would remove a major economic incentive which attracts illegal aliens.

RECOMMENDATIONS

GAO recommends that:

- The Attorney General and the Secretary of the Treasury agree on the goals and duties of each agency in their efforts to collect taxes from departing aliens and revise their operating instructions to include (1) criteria under which INS will refer aliens to the Internal Revenue Service for tax determinations, (2) a system for making such referrals, and (3) followup procedures to monitor and measure the system's effectiveness. (See p. 39.)
- The Attorney General and the Secretary of Health, Education, and Welfare develop guidelines for Federal and local welfare agencies to provide information to INS for identifying illegal aliens applying for or receiving welfare assistance. (See p. 45.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department of Justice said INS had done an effective job operating in the midst of the constraints on its resources. The Department, however, agreed with GAO's conclusions that

- there is little difficulty in locating illegal aliens,

- the number of illegal aliens located is constrained by the available resources,
- inadequate enforcement is contributing to the rise in illegal entries into the United States, and
- an improved and more systematic information exchange between INS and various Government agencies would be beneficial.

The Department also agreed with GAO recommendations and said that an improved more systematic exchange of information between INS and the various agencies would be beneficial. (See app. II.)

The Internal Revenue Service agreed with GAO's recommendations. Discussions between INS and the Internal Revenue Service have been reopened and a revised program for collecting taxes from departing illegal aliens is being considered.

The Internal Revenue Service is confident that implementation of a revised program incorporating GAO suggestions will increase tax collections and remove some of the incentive for aliens to enter illegally. (See app. III.)

The Department of Health, Education, and Welfare (see app. V) agreed on the need for welfare agencies to provide information to INS on illegal aliens applying for or receiving welfare payments. The Department said policies and procedures are presently contemplated that would accomplish the intent of the GAO recommendation.

The Department of Labor referred to the lack of a Federal law to prohibit employers from hiring illegal aliens. It said that, since

jobs lure aliens and employers hire them because they will accept wages below prevailing rates and perform menial and low status jobs, the Employment Service can do little in a cooperative arrangement. Labor also said curtailment of its resources prohibited it from even contemplating cooperation. (See app. IV.)

MATTERS FOR CONSIDERATION BY
THE CONGRESS

GAO recommends that the Senate give favorable consideration to aspects of House bill 982 which make it unlawful to hire illegal aliens.

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

NEED TO REDUCE PUBLIC EXPENDITURES
FOR NEWLY ARRIVED IMMIGRANTS AND
CORRECT INEQUITY IN CURRENT
IMMIGRATION LAW
Department of Justice
Department of State

D I G E S T

GAO found that the Departments of State and Justice, and the Congress, must act to reduce the likelihood of newly arrived immigrants receiving public assistance.

Large expenditures of tax moneys--Federal and State--have been made to support immigrants and their families within 5 years after entry.

In some cases an unavoidable event (accident, illness) occurred after the entry, which caused a need for public assistance; but this was true in only 10 percent of the welfare cases GAO examined.

GAO could not obtain a reasonably accurate figure of the amount of funds involved in public assistance payments to newly arrived immigrants; States simply do not accumulate such data. However, GAO believes the funds are substantial.

Information from locations visited by GAO in California, Massachusetts, and New York and information solicited from other locations supported that newly arrived immigrants are receiving public assistance.

For example, GAO's analysis of 195 randomly selected immigrant welfare cases in Los Angeles County showed that 86 (44 percent) applied for assistance within 5 years after U.S. entry. More than half of these applied within 2 years. GAO estimated that newly arrived immigrants and their families were receiving \$19.6 million annually in welfare payments in Los Angeles County. (See pp. 11 and 12.)

The Immigration and Nationality Act provides that no one be admitted as an immigrant who is likely to become a public charge.

An applicant is excludable from admission if likely to need public assistance.

The act provides for deporting those who, within 5 years of entry, become public charges from causes shown to have arisen before entry. (See p. 3.) For deportation purposes, an immigrant--although wholly supported by public assistance--is considered deportable only if he is legally liable to repay the supporting State or local authority. Thus, most forms of public assistance are not applicable for deportation purposes.

Sponsors' affidavits of support do not protect taxpayers from having to support many newly arrived immigrants, because various courts have judged the affidavits to be only moral obligations.

The Departments of Justice and State generally concurred with GAO's recommendations aimed at improving the screening of immigrant visa applicants and remedying certain postentry problems and said they have taken or will be taking action to implement the recommendations. (See pp. 31 to 32 and 41 to 42.)

If the Congress wishes to reduce the likelihood of newly arrived immigrants receiving public assistance, the Congress should amend the Immigration and Nationality Act to:

- Define "public charge" as public expenditures directly supporting immigrants unable to earn an adequate living, irrespective of whether the immigrants are legally liable to repay the public support. Or, alternatively, establish immigrant entry as being conditional upon the immigrant demonstrating self-sufficiency in the United States for a specified time before permanent-resident status is granted. The Congress, in considering the above, should clarify whether partial support for the general welfare of low-income persons should be defined within the meaning of public charge.

- Make the affidavit of support a legally enforceable financial obligation. (See pp. 42 and 43.)

The Congress should also act to correct an inequity in the current immigration law.

Immigration visa applicants generally are subject to numerical ceilings for the Eastern and Western Hemispheres. In January 1975 Western Hemisphere aliens had to wait 2 years for a visa. Immediate relatives (spouses and children of U.S. citizens

and parents of U.S. citizens over the age of 21) are not subject to the ceilings and visas are considered immediately available.

Aliens illegally in the U.S. are qualifying for a visa by one or more of the following actions:

- Marrying a U.S. citizen (this allows immigration without regard to numerical ceilings and labor certification requirements).
- Marrying a permanent-resident alien (this exempts applicants from labor certification requirements).
- Giving birth to a child in the U.S. (this exempts Western Hemisphere applicants from labor certification requirements).
- Obtaining work experience and a job offer (this helps the applicant overcome public charge exclusion provisions of the law). (See p. 44.)

Consular officers in Mexico estimated that in 75 to 90 percent of their immigrant applicant cases, the adult aliens in the family have illegally resided in the United States.

There is an inequity created when people who are in this country illegally can subsequently derive benefits from their illegal acts while bona fide immigrants are denied early admission.

GAO believes the incentive for establishing a relative relationship--while in the United States illegally--could be reduced (1) if a citizen child's parents were exempted from the labor certification requirement only when the child became 21 years old and (2) by imposing a waiting period before granting immigrant status, if such status was established while an illegal alien.

If the Congress wishes to eliminate the preferential treatment accorded to aliens who acquire qualifications for entitlement to immigrant status while in violation of immigration laws, then the Congress should enact legislation to:

- Impose a mandatory waiting period before allowing such aliens to immigrate, if the

basis for such status was acquired while the alien was in violation of immigration laws.

- Remove the labor certification exemptions now accorded by the act to Western Hemisphere immigrants who are parents of a child, under the age of 21, born in the United States. (See p. 51.)

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548



B-125051

To the Chairman and the
Ranking Minority Member
Committee on the Budget
United States Senate

This report is in response to your letter of July 29, 1977. In your letter, you expressed the Committee's concern over the effect a large number of illegal aliens may be having on our public assistance programs and, consequently, on the Federal budget. You asked us to analyze:

- The impact illegal aliens have on public assistance programs.
- The extent to which these benefit payments to illegal aliens may be flowing from the United States to other countries.
- The degree to which our public assistance programs provide an incentive to aliens to immigrate illegally to this country.
- The degree to which these programs provide a disincentive to aliens to return to their home countries.

During discussions with your Committee, it was agreed that we would also comment on the impact the administration's proposed legislation regarding illegal aliens and welfare reform might have on the above areas of concern, if passed.

In making our analysis, we reviewed numerous studies, reports, and articles prepared by private and government researchers on illegal aliens. Because of time constraints, we made no value judgments on the methods used or relative validity of the data presented in this research. We talked with Federal, State, and local officials in California and New York (the States with the largest estimated illegal alien populations) and in Washington, D.C. We also interviewed 120 apprehended illegal aliens at five locations across the country.

Unfortunately, the information obtained has limited usefulness in determining the nationwide impact of illegal aliens on public assistance expenditures. Although a number of studies have produced significant

insight into the activities and impact of illegal aliens, we know of none that is truly comprehensive. Nevertheless, we believe they can be used to gain at least some perception of the nature and magnitude of the illegal alien problem.

Most studies are limited to local or regional areas, deal with only certain segments of the illegal alien population, and are based on assumptions unsupported by hard data. Where illegal aliens were interviewed, the possibility of untruthful answers exists. Where samples were taken, they were often too small to produce statistically sound results. This also applies to our own studies and interviews.

A national study is now being made, however, which should add valuable data on illegal aliens. The Immigration and Naturalization Service has contracted with J. A. Reyes Associates to make a residential survey of illegal aliens in the 12 most populous States. The survey is to estimate the number of illegal aliens in the country and their social and economic impact. The study results are expected in the summer of 1978.

In a July 31, 1973, report, "More Needs To Be Done To Reduce the Number and Adverse Impact of Illegal Aliens in the United States," we stated that "illegal aliens are receiving welfare payments under programs funded by the Federal and State Governments" and that "no estimates of the number of illegal aliens on welfare are available." This is still true.

Our findings and conclusions, presented in greater detail in the appendixes, are summarized as follows:

- Illegal aliens are collecting public assistance, but insufficient data exist to estimate the extent of use or financial impact on a nationwide basis.
- Medical assistance, unemployment insurance, and public education may be the programs most used by illegal aliens.
- Public assistance used by illegal aliens may place a greater financial burden on State and local governments than on the Federal Government.
- The indirect burden placed on public assistance programs by illegal aliens (such as displacing citizens in jobs, thus causing them to seek public assistance) may be greater than that caused by direct participation in the programs.
- Access to public assistance programs by illegal aliens can be obtained through (1) use of illicit documents, (2) absence of statutory or regulatory denial, (3) administrative error, or (4) court order.

- Illegal aliens contribute to our welfare system by paying taxes. Whether these payments are sufficient to offset benefits received is unknown.
- Public assistance benefit payments flowing from the United States to other countries do not appear to be significant.
- Public assistance programs do not appear to be a significant determinant of whether a person comes to or remains in the United States illegally.

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At your request, we did not take the additional time needed to obtain written agency comments. The matters covered in the report, however, were informally discussed with agency officials and their comments are incorporated where appropriate.

As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.


Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

NUMBER OF NEWLY ARRIVED
ALIENS WHO RECEIVE
SUPPLEMENTAL SECURITY INCOME
NEEDS TO BE REDUCED

D I G E S T

About 37,500 newly arrived aliens (those in the United States for 5 years or less) in five States annually receive about \$72 million in Supplemental Security Income benefits. About \$16 million of this is paid to refugees. (See ch. 2.)

The Immigration and Nationality Act provides that aliens likely to require public assistance for their support are to be denied admission into the United States. The act also states that aliens who become public charges within 5 years of entry from causes arising before entry may be subject to deportation. These provisions are generally not applied to refugees. (See p. 5.)

The Supplemental Security Income program authorized in the Social Security Act does not have a residency requirement for aliens. Newly arrived aliens need only be admitted for permanent residency or be refugees. (See p. 3.)

The Department of State and the Immigration and Naturalization Service obtain affidavits of support from persons willing to sponsor aliens who lack sufficient means to support themselves when applying for permanent residency in the United States. These are used as evidence that the alien is not likely to become a public charge. State Department and Immigration Service officials do not have information on the number of affidavits accepted. However, one Department official said many aged and disabled aliens appear likely to become public charges and cannot qualify to immigrate without these affidavits.

Most newly arrived aliens identified in our review who received Supplemental Security Income had been sponsored with affidavits of support. Their sponsors, who agreed to provide necessary support and guaranteed that the aliens would not become public charges, did not fulfill their promises.

Sponsors cannot be held liable because courts have ruled their promises are not legally binding. (See ch. 3.)

Newly arrived aliens are seldom deported as public charges even though many receive public assistance for causes that arose before entry. Because of court rulings and Department of Justice decisions, aliens are deportable as public charges only if they fail to repay public assistance upon demand. However, repayment is not required under the Supplemental Security Income program and other public assistance programs. (See p. 12.)

Better screening of visa applications, use of more stringent income criteria for judging sponsors' ability to provide support, and increased coordination between the Immigration Service and Social Security on aliens' overseas assets may prevent some newly arrived aliens from receiving Supplemental Security Income. Social Security is reviewing whether the asset information should be routinely obtained from the Immigration Service. (See ch. 4.)

GAO believes legislation is needed before any significant reduction in public assistance to newly arrived aliens will be realized. Several bills introduced in the 95th Congress would strengthen the Government's ability to prevent many newly arrived aliens from receiving public assistance. (See p. 17.)

RECOMMENDATIONS TO THE
SECRETARIES OF STATE AND
HEALTH, EDUCATION, AND WELFARE

GAO recommends that the Secretary of State:

- In cooperation with the Secretary of Health, Education, and Welfare, develop more stringent income criteria for judging the ability of a sponsor to support a visa applicant.
- Emphasize to consular officers the importance of screening aliens who may apply for public assistance.

GAO recommends that the Secretary of Health, Education, and Welfare direct the Commissioner of Social Security to report to the Congress the results of its review on obtaining aliens' overseas asset information from the Immigration Service for reducing aliens' eligibility for Supplemental Security Income benefits.

RECOMMENDATIONS TO THE CONGRESS

GAO recommends that the Congress:

- Establish a residency requirement to prevent assistance payments to newly arrived aliens, if the condition upon which eligibility is established existed before entry.
- Make the affidavit of support legally binding on the sponsor.
- Make aliens subject to deportation if they receive Federal, State, or local public assistance because of conditions existing before entering the United States.