

Pennsylvania House Labor and Industry Committee

**Public hearing on Construction Industry Misclassification:
Verification of Employee Work Authorization and Misclassification Task
Force**

Testimony submitted on behalf of Knouse Foods Cooperative, Inc.

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Chairman Cox, Chairman Harkins and members of the Committee, my name is Scott Briggs and I am Vice President of Human Resources & Communications for Knouse Foods Cooperative, Inc. With me is my colleague Vikki Rauch, who serves as Human Resources Manager. Thank you for the opportunity to testify today regarding our company's utilization of E-verify.

Established in 1949, Knouse Foods is a Grower-owned Cooperative headquartered in Adams County PA. As a fruit processor, our products are sold throughout the United States, and exported to countries throughout the world. In addition to our Branded and private-label retail products, we are one of the largest producers of fruit products for the Food Service industry in the US, and provider of processed fruit products to the Federal Government. We have 5 Manufacturing facilities located in south-central

PA, and one in Paw Paw, MI, with approximately 1,100 employees.

Historically, we were a very seasonal employer, as we would receive harvested fruit, quickly process it into a can or jar, and then go about trying to sell it. With advances in fruit storage technology and capabilities, over the last 15-20 years we have become a nearly year-round operation, processing our products as well as co-packing for other businesses. We hire throughout the year as necessary, with increased hiring activity in August/September of each year in order to handle the receipt of harvested apples delivered by our Growers.

Knouse Foods began using the E-verify system in 2009. In the years proceeding, we experienced on a somewhat regular basis, the receipt of letters from government agencies advising of SS# discrepancies with some of our employees. When investigating these matters and/or confronting our employees with this news, often the result was that the employee ended up no longer working with our Company. With the E-verify system, we felt it would provide a tool (in addition to the review of I-9 Forms) to help us ensure that that our entire workforce is legally available for employment.

Upon being hired, candidates will complete the I-9 Form (within the first 72 hours of employment) which is then entered via computer portal by our HR offices into

the E-verify system. Once entered and submitted, the system will then verify information for employment authorization within minutes.

In the event of a discrepancy, the system will prompt the employer to print a Further Action Notice and present it to the Candidate to resolve any discrepancies with the information submitted. If a data entry error would occur then that case can be closed and a new one created. Discrepancies are infrequent, but not uncommon. Employees who are referred to SSA regarding Tentative Nonconfirmation (TNC) may continue to work up to 30 days to resolve the discrepancy, in addition to obtaining documentation from SSA stating the issue is resolved and the employee is authorized to work. In our experience, the majority of those individuals do not return after given the Further Action Notice.

The E-verify system is not complicated and is pretty user friendly. It typically takes 5 minutes to enter required information and submit it. The only drawback we've experienced since implementing the system has been that in the event of a Federal Government Shutdown, the verification process has been slowed or interrupted, thus creating a back log, and delaying the final approval for the employee.

We make it known as part of our recruiting and hiring process that we are an "E-verify Employer", and thus our observation over the years has been that E-verify

has most likely helped to ‘filter out’ employment candidates that would not meet employment eligibility requirements – thus they don’t come through our doors. As mentioned earlier, it is an additional, and for-the-most-part helpful tool for ensuring our employees are legally employable.

Thanks again for the opportunity to testify. We are happy to answer any questions.