

## CASE STUDY

# U.S. HOTELS BOOST BACKGROUND CHECKS – WHY IT MATTERS

## THE CONTEXT

In the first half of 2025, U.S. hotel hiring managers requested **36% more background checks** compared to the same period in 2024. This was a direct response to heightened immigration enforcement and policy reversals by DHS, especially regarding workplace raids at hotels.

Foreign-born workers make up a significant portion of hospitality staff (about 34% of housekeepers and 24% of cooks), making these roles especially sensitive amid tightened enforcement.

### INDUSTRY:

Hospitality

### TRIGGER:

Immigration policy shifts and enforcement ramp-up in early 2025

### KEY INSIGHT:

Hotel background checks **jumped 36%** year-over-year amid increased scrutiny of foreign-born workers

*[Reuters Business Standard](#)*

## RISKS HOTELS FACE WITHOUT SCREENING

- Civil fines up to \$16,000 per unauthorized employee, depending on the violation tier
- Criminal charges if there's evidence of a pattern of violations or intentional fraud
- Loss of government contracts or licenses, especially in cities with strict labor compliance laws
- Costly legal fees, settlements, and ongoing audits if investigated by DHS or ICE
- Operational disruption when staff are suddenly removed or contracts revoked
- Reputational damage tied to accusations of hiring laxity or noncompliance
- Staff shortages and turnover, particularly in roles difficult to fill like housekeeping and kitchen staff

## MORE EXAMPLES

### ICE Denver Levies Over \$8 Million in Fines on Local Businesses for Employment Violations

In April 2025, ICE fined three Denver-area businesses over \$8 million in civil penalties, including a cleaning firm and a commercial cleaning company, after audits found widespread employment violations and dozens of unauthorized workers.



### Utah Luxury Hotel Chain Forfeits Nearly \$2 Million for Hiring Illegal Workers

In 2014, Grand America Hotels & Resorts, a luxury chain in Utah, forfeited nearly \$2 million after knowingly hiring undocumented workers and failing to maintain I-9 compliance.



## SUDDEN OPERATIONAL DISRUPTIONS

ICE raids and audits can result in immediate detainment or dismissal of undocumented staff, often housekeeping, kitchen, or service teams, causing major staffing shortages.

## WHAT COULD HAVE PREVENTED IT

A **proactive, structured screening program** built into hiring protocols would:

- Validate employment eligibility and immigration status reliably via I9 verifications (a service that costs \$5 with Sure Check and usually delivers results within minutes)
- Identify red flags early, before undocumented or non-compliant hires enter the system
- Ensure consistent compliance with evolving regulations
- Signal to stakeholders (both internal and external) that the hotel upholds labor and legal standards

## THE BUSINESS IMPACT

Failing to properly screen employees doesn't just invite legal trouble—it puts your entire business on the line.

### PROTECT YOUR BOTTOM LINE

Civil penalties for hiring unauthorized workers can reach up to \$16,000 per violation, not including legal fees or potential forfeiture of revenue. One misstep can wipe out a quarter's profit.

### STAY OPERATIONAL UNDER PRESSURE

When enforcement hits, you don't get a warning. Without verified hires, you risk losing entire shifts or your entire workforce overnight. Drastic changes like this result in crippling service, forfeited revenue, and overloading the remaining staff.

### SAFEGUARD YOUR BRAND

A single ICE raid or noncompliance report can dominate headlines, damage public trust, and cost you contracts with vendors, event organizers, or franchise partners.

### BUILD AN AUDIT-PROOF HIRING PROCESS

With a structured screening system in place, you don't panic when auditors show up, you pass with confidence. It's not just about compliance. It's about resilience.

## TAKEAWAY

Hotels are at the eye of regulatory storms, especially with a staffing model heavily reliant on foreign-born labor. A consistent and comprehensive screening strategy is the best risk management strategy.

**Ready to turn immigration uncertainty into hiring strength?**



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