



LEGAL UPDATES

U.S. Immigration Enforcement and Its Impact on Business – Midyear Update

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As we cross the halfway point of 2025, federal immigration policy and enforcement continue to evolve significantly and rapidly. Legislative, regulatory and executive actions implemented this year are swiftly reshaping compliance expectations, enforcement, workforce dynamics and risk exposure for employers across many industries.

Current Policy and Enforcement Trends

As promised on the campaign trail, the Trump administration has prioritized swift immigration reform and enforcement as a central policy area of focus. During the first six months of this year, new legislation has been passed that mandates federal detention of certain noncitizens charged with specific crimes, regardless of conviction, and a litany of executive actions have focused on streamlining removal processes and increased cooperation between federal and local enforcement, allowing local police to enforce federal civil immigration laws.

Federal funding for immigration enforcement has also expanded significantly. The U.S. Department of Homeland Security and U.S. Immigration and Customs Enforcement have received major increases in resources to support detention capacity, deportation operations, and worksite audits and enforcement. While this expanded enforcement has been met with legal challenges, political protests and intense public scrutiny (both positive and negative), what is clear is that these developments signal a broader enforcement footprint by the current administration – impacting business operations across most sectors.

With no indication that current immigration enforcement practices will let up any time soon, businesses should carefully audit and analyze their internal policies and practices to ensure they are identifying, mitigating and eliminating uncalculated risks within their organization.

Industry Impact

Businesses in the agriculture, construction, hospitality, food service, manufacturing, technology and healthcare industries are just some of those experiencing direct impacts from the increased scrutiny and enforcement by federal agencies. Some employers have reported a shortage in staffing that may be attributable, in part, to stepped-up immigration enforcement and uncertainty among immigrant workers.

Compliance and Operational Risks

Many employers in a variety of sectors are anticipating an increase in I-9 audits and experiencing surprise inspections and document requests from federal agencies. Penalties for violations, including noncompliant (or nonexistent) paperwork, remain substantial and can range from several hundred to thousands of dollars per violation, depending on the severity and frequency of the noncompliance.

Businesses should work with experienced legal counsel to establish or refresh protocols for responding to any immigration enforcement action, including site visits, and to train managers on how to interact with enforcement agents lawfully and professionally. An audit of all related documentation, record keeping and onboarding workflows should also be undertaken to determine if current practices need updating to align with the latest federal forms, requirements and verification procedures.

Action Steps for Legal and HR Teams

To minimize disruption and ensure compliance, HR and in-house legal professionals should consider the following:

- **Review and update I-9 and E-Verify procedures** to reflect current federal standards, including digital system integration and remote document review protocols.

- **Create or refine enforcement response protocols** for handling government site visits, including legal review, document handling and staff communication procedures.
- **Provide training for supervisors and staff** on lawful response practices, employee rights, and how to distinguish between different types of warrants and requests.
- **Track policy updates** at the federal and state level that may affect hiring, verification practices or employment eligibility.
- **Plan for potential labor disruptions** by evaluating alternative staffing models, reskilling initiatives or business continuity measures in affected departments.

Conclusion

The U.S. immigration policy landscape in 2025 is undergoing active changes, driven by expanded enforcement priorities. Employers must be informed and proactive to manage legal risk, protect employee rights and maintain operational continuity. A strategic partnership between legal and HR functions is essential in navigating the evolving environment.

Lathrop GPM is closely monitoring federal immigration policy and enforcement developments, and we will provide updates as they become available. In the meantime, if you have questions about the potential impacts on your business, please contact [Michael Manoukian](#) or [Gizie Hirsh](#), or your regular Lathrop GPM attorney.