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From: Mills, Cheryl D <MillsCD@state.gov>
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To: H
Subject: Fw: NYT piece on CETUSA

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From: Hammer, Michael A
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To: Mills, Cheryl D; Klevorick, Caitlin B; Ruth, Rick A; Stock, Ann; Adams, David S
Subject: NYT piece on CETUSA

Solid piece - great work by Rick.

Company Banned in Effort to Protect Foreign Students From Exploitation

New York Times

February 1, 2012 11:05 PM EST

By JULIA PRESTON

Signaling a sharp change of course in the country's largest international cultural exchange program, the State Department has banned a leading sponsor company from bringing foreign students to the United States for summer jobs and will add new restrictions to protect students from labor abuse, officials said Wednesday.

The removal of the sponsor, the Council for Educational Travel, USA, was intended to send a powerful message to dozens of private companies participating in the State Department's summer work program that they will have to monitor foreign students far more closely and ensure that participants are not exploited as cheap workers by employers.

The council, which is known as Cetusa, has been one of the biggest sponsors in the summer program and was responsible for placing about 400 foreign students last summer in a Pennsylvania plant packing Hershey's chocolates. In August, hundreds of those program participants staged a boisterous walkout from the plant to protest low pay and dangerous job conditions.

The students' demonstrations set off an investigation of Cetusa by the State Department and accelerated a review of the entire summer program, ordered by Secretary of State Hillary Rodham Clinton in 2010. Critics on many sides said the program had become a vast source of temporary foreign workers at a time of high joblessness for Americans and had lost some of its purpose as a source of positive cultural exposure to the United States for foreign university students.

Rick Ruth, acting deputy assistant secretary of state, said the department would issue new regulations in coming months to expand the list of occupations prohibited for foreign summer workers. The list will include most jobs in construction and roofing, he said, and others shown statistically to be the most hazardous.

We want to make sure that sponsors are not putting the labor aspect in the primary position, when it should be the cultural aspect," Mr. Ruth said in an interview Wednesday.

The department will tighten rules requiring sponsors to protect the health and safety of students and to prevent too many of them from working in the same place — a situation that could rob them of opportunities to interact with Americans. State Department officials said they were also considering a ban on most factory and industrial jobs for the students.

Over the past decade, about one million foreign university students came to the United States through the popular Summer Work Travel program.

Mr. Ruth said the department had decided to ban Cetusa, a measure that took effect on Monday, after the five-month investigation revealed a “scope and severity and pattern of noncompliance.” The lapses he cited echoed the complaints of the foreign students at the plant in Palmyra, Pa., who found themselves forced to work grueling night shifts lifting heavy boxes of Hershey’s candies for take-home pay so low they sometimes went hungry.

State Department officials found “an almost complete lack of cultural activities” for the students sent by Cetusa to the plant, and a “laxness” about their health and safety. The strains of the packing jobs and injuries that resulted were ignored by the company, officials said.

Students’ complaints were routinely ignored and in some cases were met with “unacceptable threats and intimidation” that their visas could be canceled, officials said. The investigation also raised questions about whether the students had been overcharged by Cetusa for housing, the officials said.

Rick Anaya, the president of Cetusa, which is based in California, did not respond to requests for comment by telephone and e-mail.

Although a nonprofit, Cetusa, which sponsored more than 5,000 students last year, stands to lose at least \$5 million in annual fees for the summer program. The company also created businesses providing health insurance to the students. State Department officials are reviewing Cetusa’s participation in three other academic exchanges. Under formal rules, the company could reapply after two years, but a return in that time appeared unlikely.

Several foreign students who worked at the packing plant, now back in their home countries, said they were excited to learn of the impact of their outcry.

“I hope this sends a clear message to other recruiters like Cetusa, that we will not be your captive workers,” said Harika Duygu Ozer, a medical student who spoke via Skype on Wednesday from Istanbul. For many students, their experience last summer in the United States turned into a disturbing immersion in the realities of the American workplace but also an eye-opening lesson in the possibilities of public protest.

Under the summer program, which was started in 1963, about 103,000 foreign university students, using a visa known as J-1, came to this country last year for up to four months to work in mainly unskilled jobs and then to travel. Most come from China and from former Soviet-bloc nations in Eastern Europe, with some from Latin America. The State Department prizes the program as a way to reach young people abroad who may not be able to afford travel to the United States without work here to defray costs.

Mr. Ruth said the department would increase its oversight staff for the program, currently about 40 people, by about 15 employees. Most of the new rules will be unveiled in coming weeks and in place for this year’s summer season, he said.

The ban of Cetusa was hailed as a victory by the National Guestworker Alliance, a labor group that helped organize the Palmyra protest and demanded that the State Department take action against the sponsor.

Saket Soni, director of the alliance, said the decision was “a blow against a larger trend of labor recruiters using guest workers to hollow out industries and undercut wages all over America.” The alliance has continued protests against the

Hershey Company, demanding to be allowed to organize foreign students employed at its amusement park in Pennsylvania.

Mr. Soni and other critics remained skeptical that the State Department would make deep changes in the program.

"The fundamental problem is that it provides a basket of incentives for employers to ignore American kids and hire foreign kids instead," said Jerry Kammer, a senior research fellow at the Center for Immigration Studies in Washington, a group that favors reduced immigration.

In a study in December, Mr. Kammer calculated that sponsors in the program earn more than \$100 million in fees annually. He said it was governed by a "flabby regulatory regime" that required no effort to recruit Americans and no test of employers' claims to need foreign workers.

"As we review the program," Mr. Ruth said, "we are very much keeping in mind the impact it might have on American employment."