

RELEASE IN PART B6

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**From:** Mills, Cheryl D <MillsCD@state.gov>  
**Sent:** Tuesday, January 31, 2012 8:38 PM  
**To:** H  
**Subject:** FW: Updated AP Story

FYI

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**From:** Sergent, Talley R  
**Sent:** Tuesday, January 31, 2012 8:03 PM  
**To:** Sergent, Talley R; Noyes, Julieta Valls; Schinnerer, Karen P; Ruth, Rick A; Satterfield, Lee; Scott, Marianne C; Klevorick, Caitlin B; Ereli, Joseph A; Peay, T Michael; McCarthy, Nancy H  
**Cc:** Maughan, Chelsea V; Whitaker, Elizabeth A; McCartney, Daniel J; Masonis, Melinda J; Ribeiro-Yemofio, Yvonne Y (PACE); Stock, Ann  
**Subject:** Updated AP Story

Full story is posted as of now:

## AP: Changes ahead for foreign exchange students

Associated Press

JACKSON, Miss. — The U.S. State Department is proposing what it calls "significant and controversial" changes to a foreign exchange program that has been exploited by unscrupulous labor brokers and organized criminals in the sex industry, said an internal memo obtained Tuesday by The Associated Press.

The Jan. 18 memo comes more than a year after an AP investigation uncovered widespread abuses in the J-1 Summer Work Travel program, which annually allows more than 100,000 foreign college students to work in the U.S. for up to four months. It came from Adam Ereli, assistant secretary for the State Department's Bureau of Educational and Cultural Affairs, and was addressed to Assistant Secretary of State Ann Stock.

"The reforms we are undertaking will significantly reduce the opportunities for wrongdoing and catch it much more quickly when it does occur," the memo said.

Some of the most significant changes would be to ban jobs in factories, warehouses and other places like seafood packing plants. The agency also plans on "re-emphasizing the adult entertainment industry prohibition by specifically prohibiting jobs with escort services, adult book/video stores, massage parlors, and strip clubs."

It would require sponsors to "use particular prudence and caution when dealing with jobs that offer legitimate employment but also have been known to be associated with human trafficking, such as janitorial service, housekeeping and modeling agencies."

There's also a provision aimed at protecting American workers, "such as a more precise definition of temporary seasonal employment and a bar against SWT job placements during layoffs or lockouts."

The memo said the rules would be made public around March.

The companies the State Department designated as official sponsors — which charge up to several thousand dollars to arrange visas and jobs for the participants — objected to less significant changes made last year and to the anticipated new restrictions.

"They have told us they are taking these complaints to Congress, though we have yet to see any indication of congressional support for their position," the memo said. "Notwithstanding these potential criticisms, we think a solid case can be made that these changes are needed and that some are needed urgently.

U.S. Secretary of State Hillary Rodham Clinton last year ordered a thorough review of the program, and her department had already made several changes since the AP investigation uncovered living and working conditions that some participants compared to indentured servitude. In November it had temporarily stopped accepting any new sponsors and will limit the number of future participants to this year's level, or about 109,000 students. The State Department also revised its rules to require more oversight by its 53 designated sponsors.

But not all of last year's changes have been fully implemented, according to the memo because some students will be "grandfathered" in.

"While this will mean that some participants are treated differently than others for a brief at time, to do otherwise, however, would create major problems for our embassies and consulates as placements are cancelled — and possibly visas revoked — for students who paid their fees and made their summer plans in good faith....," the memo said.

In one of the worst cases of abuse, a woman told the AP she was beaten, raped and forced to work as a stripper in Detroit after being promised a job as a waitress in Virginia.

In August 2011, dozens of workers protested conditions at a candy factory that packs chocolates at the famous company in Hershey, Pa., complaining of hard physical labor and pay deductions for rent that often left them with little money. Then in December, a federal indictment accused the mafia of using the cultural exchange program to bring Eastern European women to work in New York strip clubs.

The program was created in 1963 to allow college students from other countries to spend their summer breaks living, working and traveling in the U.S. all in the name of fostering cultural understanding and showcasing what is great about America.

Most of the abuses over the years have been blamed on unregulated, third-party labor brokers who work with the students. Critics say the students have gotten little help from sponsor companies.

Danielle Grijalalva, executive director of the Committee for Safety of Foreign Exchange Students, says she was outraged that the State Department has known about serious problems, but has done little to address the problem.

"This is a memo about problems we've been telling them for years," Grijalva said. "They should never have been working in warehouse and factories. They told us they were going to make changes. But they didn't. This is just wrong."

And she was appalled that some groups may be grandfathered in.

"The State Department keeps promoting the program. What they should do is fix it so no more children will be hurt," she said.

Under the J-1 program, foreign students often land jobs at hotels, resorts and restaurants. But they have also worked in places like fish factories and strip clubs. Many of the students end up in resort towns, and in places in the Florida Panhandle the abuse has been so bad that it helped inspire state legislation.

Rep. Matt Gaetz, R-Shalimar, said he has pushed for stronger state laws after hearing horror stories about the exploitation of J-1 students.

"It's an abject failure on the part of the federal government to the point of recklessness," Gaetz said.


Participation has boomed from about 20,000 students in 1996 to a peak of more than 150,000 in 2008, and roughly 1 million foreign students have taken part in the past decade. The students come from around the world, with some of the top participating countries being Russia, Brazil, Ukraine, Thailand, Ireland, Bulgaria, Peru, Moldova and Poland.

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Associated Press Writer Mitch Weiss contributed to this report from Charlotte, N.C.

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**From:** Sargent, Talley R  
**Sent:** Tuesday, January 31, 2012 6:52 PM  
**To:** Noyes, Julieta Valls; Schinnerer, Karen P; Ruth, Rick A; Satterfield, Lee; Scott, Marianne C; Klevorick, Caitlin B; Erel, Joseph A; Peay, T Michael; McCarthy, Nancy H  
**Cc:** Maughan, Chelsea V; Whitaker, Elizabeth A; McCartney, Daniel J; Masonis, Melinda J; Ribeiro-Yemofio, Yvonne Y

(PACE)


**Subject:** RE: End of Day Round-Up

All –

The Associated Press Story is out:

## **APNewsBreak: Changes coming for foreign exchange**



HOLBROOK MOHR | January 31, 2012 06:37 PM EST | 

JACKSON, Miss. — A U.S. State Department memo reveals the agency is pushing major changes to a foreign exchange program that's been exploited by unscrupulous labor brokers and criminals in the sex industry.


The Jan. 18 memo obtained by The Associated Press is from Adam Ereli, who is assistant secretary for the department's Bureau of Educational and Cultural Affairs.

It comes more than a year after an AP investigation uncovered widespread abuses in the J-1 Summer Work Travel program. The program annually allows about 100,000 foreign college students to work in the U.S. for four months.

The changes would ban jobs in factories and warehouses, where there have been complaints of hard labor and pay deductions. The memo says the State Department will re-emphasize the prohibition against working in the adult entertainment industry.

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B6

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**From:** Noyes, Julieta Valls

**Sent:** Tuesday, January 31, 2012 6:41 PM

**To:** Schinnerer, Karen P; Sergent, Talley R; Ruth, Rick A; Satterfield, Lee; Scott, Marianne C; Klevorick, Caitlin B; Ereli, Joseph A; Peay, T Michael; McCarthy, Nancy H

**Cc:** Maughan, Chelsea V; Whitaker, Elizabeth A; McCartney, Daniel J; Masonis, Melinda J; Ribeiro-Yemofio, Yvonne Y  
(PACE)

**Subject:** SWT: End of Day Round-Up

Colleagues:

I'm writing to get a status check on the various actions we discussed at our meeting today, since there were a lot of moving pieces and actions in one area may affect another. Specifically, it would be great to know where we stand on the following items:

- Press Guidance/Talking Points – Has everyone cleared? Do we need to add anything? Can ECA distribute the final version once it is done, please?
- Plans to Call the Hill – Are H and ECA linked up, and have times been set for calls to key players?

- Follow-up with Julia Preston – Did PA connect with her and is she okay with waiting until tomorrow for her exclusive. Is there a time for this call?
- AP Follow-up – Did anyone figure out what they wanted? Was it SWT-related?
- Alaska Students – ECA, did/will the six kids get out of Sands Point today?
- Heads up to Australia – Did CA let the Australia desk know about the change, to prepare them for questions from host government?

Thanks for Ann's email to Cheryl and others.

Do any of you need help from S/ES to follow up on the items above? Thanks,

**Julieta Valls Noyes**  
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