

RELEASE IN
PART B5,B6

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Friday, May 4, 2012 5:15 PM
To: H
Subject: FW: AP story?

From: Klevorick, Caitlin B
Sent: Friday, May 04, 2012 5:01 PM
To: Mills, Cheryl D; Kennedy, Patrick F
Subject: Fw: AP story?

This is a great piece

[Redacted]

From: Miranda, Luis [mailto: [Redacted]]
Sent: Friday, May 04, 2012 04:42 PM
To: Ribeiro-Yemofio, Yvonne Y (PACE); Sergeant. Talley R; Klevorick, Caitlin B; Masonis, Melinda J
Cc: Smith, Jamie < [Redacted] >
Subject: RE: AP story?

[Redacted]

US revamps student work-visa program after abuses

By HOLBROOK MOHR, Associated Press –

JACKSON, Miss. (AP) — The State Department announced major changes Friday to one of its premier cultural-exchange programs following an investigation by The Associated Press that found widespread abuses.

The agency issued new rules for the J-1 Summer Work and Travel Program, which brings more than 100,000 foreign college students to the United States each year.

The changes are the latest in a series of steps the State Department has taken to fix the program since the 2010 AP investigation. The investigation found that some participants were working in strip clubs, not always willingly, while others were put in living and working conditions they compared to indentured servitude.

The J-1 Summer Work and Travel Program, created under the Fulbright-Hays Act of 1961, allows foreign college students to spend up to four months living and working in the United States. It was meant to foster cultural understanding, but has become a booming, multimillion-dollar international business.

"In recent years, the work component has too often overshadowed the core cultural component necessary for the Summer Work Travel Program to be consistent with the intent of the Fulbright-Hays Act," the State Department said in announcing the new rules.

"Also, the Department learned that criminal organizations were involving participants in incidents relating to the illegal transfer of cash, the creation of fraudulent businesses, and violations of immigration law."

The new rules are meant to ensure that students are treated properly and that they get jobs where there will be interaction with Americans and exposure to U.S. culture.

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Some of the rules are effective immediately, while others will take effect in November, including a significant one that would prohibit participants from working in "goods-producing" industries such as manufacturing, construction and agriculture. The rules also ban participants from working in jobs in which the primary hours are between 10 p.m. and 6 a.m.

"The new reforms for the Summer Work Travel program focus on strengthening protections for the health, safety and welfare of the participants, and on bringing the program back to its primary purpose, which is to provide a cultural experience for international students," Robin Lerner, a deputy assistant secretary for the State Department, said in a statement Friday.

"This is a valuable people-to-people diplomacy program and the changes allow us to improve the unique qualities of the program by providing clarity for participants, their sponsors and employers on what is and is not appropriate."

George Collins, an inspector with the Okaloosa County Sheriff's Department in the Florida Panhandle who has investigated abuses in the program for nearly a decade, said he is pleased with the changes.

"While I might have preferred stronger requirements here or there, I think the new regulations go a long way to help protect workers from the kinds of abuse we have seen routinely," Collins said. "We intend to check implementation in the field, and will notify the State Department of any activities we believe violate these rules."

The visa program is aimed at allowing students of modest means to work in seasonal or temporary jobs as a way of offsetting the costs of their travel to the U.S. More than 1 million students have participated.

Most participants enjoy their time in the U.S., establishing lifelong memories and friendships. But for some, the program is a frightening experience that leaves them with a bad impression of the country.

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. A federal indictment last year in New York charged that members of the Gambino and Bonnano mafia families and the Russian mob were using fraudulent job offers to help Eastern European women come to the U.S. to work in strip clubs.

More common than sex-trade abuses have been reports of shabby housing, scarce work hours and paltry pay, alleged conditions that led dozens of workers to protest last year at a candy factory that packs Hershey chocolates in Hershey, Pa. Those workers complained of hard physical labor and pay deductions for rent that often left them with little money. The company that sponsored those students lost its State Department certification.

Some of the new rules are aimed at the 49 companies the State Department designates as official "sponsors," whose job is to help the students obtain visas and other documents, find jobs and housing, and make sure the participants are treated properly. The new rules prohibit sponsors from paying host employers to accept participants and require them to provide itemized lists of all student fees.

"A core presumption underlies the Department's renewed focus on the cultural component of the Summer Work Travel Program," the State Department said, adding that only sponsors who can show their students are being exposed to the culture outside of work will be given the two-year contracts that are issued.

In a previous round of changes, the State Department said it had temporarily stopped accepting any new sponsors and limited the number of future participants to about 109,000 students annually. The program peaked with about 153,000 participants in 2008.

There also are three new rules meant to protect American workers, including prohibiting from the program companies that have had layoffs in the previous 120 days or whose workers are on strike.

The State Department says it wants to ensure the jobs are really seasonal or temporary and won't displace U.S. workers.

The program requires participants to come to the U.S. during their summer breaks, which fall at different times in different parts of the world. In the past, that had allowed companies to fill what were actually permanent jobs with a series of student workers.

Businesses that hire a foreign student over an American can save 8 percent because they don't have to pay Medicare, Social Security and unemployment taxes. Also, the foreigners must have their own health insurance.

From: Ribeiro-Yemofio, Yvonne Y (PACE) [<mailto:Ribeiro-YemofioYY@state.gov>]
Sent: Friday, May 04, 2012 4:13 PM
To: Sergent, Talley R; Miranda, Luis; Klevorick, Caitlin B; Masonis, Melinda J
Cc: Smith, Jamie
Subject: RE: AP story?

Here is a quick readout.

Robin spoke, separately, with Holbrook "Bert" Mohr (AP) and Julia Preston (NYT) today on the new SWT rules. In both interviews she drilled in our key message of protecting the "health, safety, and welfare," of the participants and bringing the program back to its core purpose. I think both interviews went well and we should see the AP and NYT story posted online this evening. (AP story attached)

Both interviews were on background with negotiated quotes.

AP

Bert seemed to be surprised at the amount of changes in the IFR. His questions were focused on the changes in general and he really gave Robin the opportunity to expound on the IFR and discuss with him some of the changes that would impact the program.

He focused on:

- What we see as the most significant changes.
- What changes have we noticed already since July. Robin mentioned that the type of applicants we are now receiving has improved, specifically the applicants' English proficiency.
- State taking responsibility and realizing that the program was flawed. (Bert has been critical of State in the past but he views the new rules as State stepping up and doing what is right.)

We gave Bert this quote to use, attributed to Robin:

"The new reforms for the Summer Work Travel program focus on strengthening protections for the health, safety and welfare of the participants, and on bringing the program back to its primary purpose, which is to provide a cultural experience for international students. This is a valuable people-to-people diplomacy program and the changes allow us to improve the unique qualities of the program by providing clarity for participants, their sponsors and employers on what is and is not appropriate."

NYT

Julia went more into the weeds of SWT. She focused on hard facts:

- What positions are considered hazardous to youth and why. (we sent her the Labor list of occupations that are hazardous to youth)
- How is State going to assure that employers don't displace American workers?
- Will plants in Alaska (seafood processing industry) be impacted under the new rules?
- Any follow-up or criminal action against CETUSA?
- What percentage of jobs last year are now prohibited under the new SWT rules?

Julia plans on using this quote for the NYT story:

"Robin Lerner, deputy assistant secretary of state for private sector exchange, said the department's goal with the revised rules was "to bring the program back to its core cultural purposes."

I will keep an eye out for the NYT article.

Yvonne

From: Sergent, Talley R [mailto:SergentRT@state.gov]
Sent: Friday, May 04, 2012 3:30 PM
To: Luis A. Miranda [redacted] Klevorick, Caitlin B; Ribeiro-Yemofio, Yvonne Y (PACE); Masonis, Melinda J
Cc: Jamie E Smith [redacted]
Subject: Re: AP story?

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Looping.

From: Miranda, Luis [mailto:[redacted]]
Sent: Friday, May 04, 2012 03:28 PM
To: Sergent, Talley R; Klevorick, Caitlin B
Cc: Smith, Jamie <[redacted]>
Subject: AP story?

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