

ARE U.S. JOBS VULNERABLE TO WORKERS WITH H-1B VISAS?

"60 Minutes" investigates how some businesses have fired American workers and replaced them with cheaper labor: temporary, foreign workers with H-1B visas

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The following is a script from "You're Fired," which aired on March 19, 2017. Bill Whitaker is the correspondent. Sam Hornblower and Ira Rosen, producers.

Protecting American jobs was a signature theme of President Donald Trump's "Make America Great Again" campaign. A frequent target of candidate Trump was the H-1B visa program. The program, created more than 25 years ago, allows American companies to fill gaps in the workforce from overseas with highly skilled employees, who can't be found in the U.S. Many businesses use the program as intended, but we discovered more and more are taking advantage of loopholes in the law to fire American workers and replace them with younger, cheaper, temporary foreign workers with H-1B visas. But before the American workers walk out the door they often face the humiliating prospect of having to train the people taking their jobs.

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Displaced American workers protest outside the UCSF Medical Center. / CBS NEWS

Last October, Robert Harrison, a senior telecom engineer at the University of California San Francisco Medical Center, was called to a meeting at the university with about 80 of his IT co-workers.

"IT'S GONNA BE A MATTER OF TIME BEFORE EVERYBODY ELSE FEELS THE SAME BURDEN, THE SAME PINCH, THE SAME HURT THAT WE'RE FEELING RIGHT HERE AT UCSF. IT'S A MATTER OF TIME." ROBERT HARRISON

Bill Whitaker: What did they say to you?

Robert Harrison: We are sorry to inform you that as of Feb. 28, you'll no longer have a job. We're going to outsource your position to this company in India.

Bill Whitaker: To a company in India.

Robert Harrison: Yes, sir.



Robert Harrison / CBS NEWS

Harrison was told he could stay on the job, get paid for four more months, and get a bonus if he trained his replacement.

Robert Harrison: And now I'm being told that I h-- not only gonna lose my job, but also have to train these people to take my job.

Bill Whitaker: Are you angry?

Robert Harrison: Pissed. That exceeds angry. I'm really not a violent guy. I love people. But I've envisioned myself just backhanding the guy as he's sitting next to me, trying to learn

what I know. And I was like, God, please don't let them send anybody to sit next to me, to shadow me. I don't want to do this. I really don't.

"I THINK, FOR ONCE, WE'RE GONNA STAND UP AS AMERICANS AND SAY ENOUGH IS ENOUGH. WE'RE NOT GONNA TAKE IT ANYMORE." KURT HO

Harrison and his colleagues staged a protest outside the Medical Center. His fellow worker, senior systems administrator Kurt Ho is losing his job too. He had just trained his replacement from India.

Kurt Ho: I think, for once, we're gonna stand up as Americans and say enough is enough. We're not gonna take it anymore.

Sara Blackwell: Thank you for standing up for what you believe in.

Their rally was organized by this woman: Florida attorney Sara Blackwell.

Sara Blackwell: This is about the companies making the decision that you are worthless to them.

She represents hundreds of U.S. workers who were fired and replaced by foreign workers with H-1B visas.

Sara Blackwell: When you tell someone their real reason for getting rid of these jobs is for cheap foreign labor that should offend everyone.

Bill Whitaker: They have to train the worker who's going to take their job?

Sara Blackwell: Right. They are told by their company: if you don't train this person in a way that we approve of them being trained, then you don't get your severance.

The UCSF Medical Center is a highly regarded state-run institution. Administrators say outsourcing the IT jobs could save \$30 million taxpayer over the next five years. That's a fraction of the university's \$5.8 billion annual budget, but to Robert Harrison, it's his job.

Robert Harrison: I can't wrap my mind around training somebody to take my position. You know, it's my livelihood. How am I supposed to feel?

Bill Whitaker: I've heard some workers say this is like digging your own grave. Is that what it feels like?

Robert Harrison: It feels worse than that. It feels like not only am I digging the grave, but I'm getting ready to stab myself in the gut and fall into the grave.



Loophole in H-1B a "travesty"

When the H-1B visa was created in 1990, it was intended to help the U.S. attract and hold onto the best and brightest foreign graduates – like engineers and scientists – and provide a pathway to citizenship. At the time, members of Congress promised U.S. workers would be protected.

(On the floor of the House in 1990) Bruce Morrison: This legislation protects American jobs.

Former Congressman Bruce Morrison, then Chairman of the Immigration Committee, authored the bill.

"THE H-1B HAS BEEN HIJACKED, AS THE MAIN HIGHWAY TO BRING PEOPLE FROM ABROAD AND DISPLACE AMERICANS." BRUCE MORRISON

Bill Whitaker: You came up with this legislation. What do you think of what it has become?

Bruce Morrison: I'm outraged.

Bruce Morrison: The H-1B has been hijacked, as the main highway to bring people from abroad and displace Americans.

Businesses insist the visas are absolutely necessary to compete for the best global talent and that even more H-1B workers are needed to fill job shortages. Nearly every major high-tech company, including Apple, Google, Facebook, has employees here on H-1B visas. Media companies too, including CBS.

Bill Whitaker: The argument you hear from the high tech firms is that they can't find enough qualified American workers.



The early days of H-1B abuse

Bruce Morrison: Well, there are a lot of qualified American workers, but the companies will do better financially if they hire the foreign worker rather than the American.

Bill Whitaker: The American workers are just as skilled as you are? Perhaps even more skilled?

Rajesh: Yes. That's true --

Rajesh works at a major Wall Street bank on an H-1B visa. To protect his job, and personal safety, he asked that we change his appearance and name.

He was placed at the bank by one of the growing number of outsourcing companies. Most of these global staffing firms are based in India, they've become multibillion dollar enterprises supplying American companies with H-1B workers, like Rajesh, to replace American workers. Rajesh said he was never told in India he'd be taking Americans' jobs.

Rajesh (Translator): I have to take all of their knowledge in -- basically I have to steal it. That's my job description.

Bill Whitaker: And the American worker is let go?

Rajesh (Translator): Yeah. The American workers -- lose their job and -- they also -- cry while leaving the job.

Bill Whitaker: They cry?

Rajesh (Translator): They've been working there for 20 years, and suddenly I have taken their job. If I lose a job I can go back to India. But where can they go?

Bill Whitaker: You must know that when most native-born Americans see this going on, they blame you.

Rajesh (Translator): Yes, but I am not the enemy. The main villains are the Indian companies and their American Corporate clients. They are exploiting us.

Bill Whitaker: Why can't we just say we're going to give jobs to Americans first?

Bruce Morrison: Well, that's what the statute says, but --

Bill Whitaker: But?

Bruce Morrison: They put in a loophole. And the loophole says, "If ya pay over \$60,000, ya can do that." And besides that, you don't have to try to find Americans. Well, \$60,000 is not high pay for this kind of work. People doing this work today easily make \$120,000-140,000.

Bill Whitaker: Who put in that loophole?

Bruce Morrison: Well, the-- it was done by Congress. But obviously the industry lobbied for it. It's really a travesty that should never have been allowed to happen.

Craig Diangelo: It wasn't called "training your replacement" -- it was called "knowledge transfer."

Craig Diangelo worked for Northeast Utilities -- now called Eversource -- and was one of 220 IT workers replaced by H-1B visa employees. Diangelo says his replacement, a worker from India, told him he was making half Diangelo's salary with no benefits.

Craig Diangelo: I didn't get laid off for lack of work. I got laid off because somebody cheaper could do my job.

Bill Whitaker: So, to anyone who would say, "You're anti-immigrant."

Dawn Collins: No!

Jay Palmer: That's a lie.

Craig Diangelo: That's a lie. You don't want to have any animosity toward them, because they're looking for a better way of life.



60 Minutes interviewed a group of American workers who all had to train replacements. / CBS NEWS

We met with this group of workers, who all had to train replacements.

Leo Perrero had just received high-performance reviews from Disney. When he was called into a personnel meeting, he expected a raise and a promotion.

Bill Whitaker: And instead --

Leo Perrero: I was given the news that in 90 days my job was over and I had to train my replacement.

Leo Perrero: Never in my life did I imagine until this happened at Disney that I could be sitting at my desk and somebody would be flown in from another country --

Dawn Collins: Right.

Leo Perrero: Sit at my same desk and chair and take over what I was doing.

Leo Perrero: It was the most humiliating and demoralizing thing I've ever gone through in my life.

The issue was getting little notice until it caught the attention of the Trump campaign.

Trump: Love you, Thank you...

Mr. Trump himself had hired foreign fashion models on H-1b visas for his New York modeling agency. But when he saw how the theme of protecting American jobs resonated with his followers, he put Sara Blackwell and fired workers, like Leo Perrero on center stage.

"IT WAS THE MOST HUMILIATING AND DEMORALIZING THING I'VE EVER GONE THROUGH IN MY LIFE." LEO PERRERO

Trump Rally: Feb. 28 – Madison Alabama

Sara Blackwell: And there's two reasons - there's two words of why this is happening: corporate greed.

Attacking the H-1B visa program fit perfectly with Mr. Trump's message and tapped into America's simmering anger at the corporate and political status quo.

Trump: Can you believe that? You get laid off and they won't give them severance pay unless they train the people that are replacing you. I mean that's, that's actually demeaning maybe more than anything else.

Bill Whitaker: What are these H-1B visa workers bringing to the table?

Mukesh Aghi: I think they're bringing a much different skill level.

Mukesh Aghi is president of the U.S.-India Business Council. He has been an executive at India-based outsourcing companies and he was president of IBM India. About 70 percent of the 85,000 H-1B visas given out each year go to workers from India. He says the H-1B visa is just one part of a burgeoning U.S.-India trade relationship that benefits both countries.

Mukesh Aghi: India has become a buyer of U.S. Defense equipment. It's a two-way trade which is taking place. So, we can't look at H-1B in isolation itself.

Bill Whitaker: You really believe that the Indian workers are better educated, better skilled, have skills workers do not have?

Mukesh Aghi: No. No. I'm not saying that. I have all the respect to the U.S. worker --

Bill Whitaker: So why are they getting the jobs and the Americans are losing them? Why are they not being done by American workers?

Mukesh Aghi: Well, I think you have to ask the-- the companies who are taking those decisions.

Bill Whitaker: 'Cause it's cheaper.

Mukesh Aghi: That's one factor. Every company is out there to make money with the cheapest possible way itself.

Bill Whitaker: And that's what's happening.

Mukesh Aghi: Well, I would say so.

Bruce Morrison: The workers being brought in don't know anything more than the workers they're replacing. They know less. And that's why they have to be retrained or trained by the American workers who are being laid off. This is not about skills, this is about costs.

But saving money on labor was not the law's intended purpose. Robert Harrison says the money saved can't replace the dedication of his IT team.

Robert Harrison: So our jobs, they're not menial jobs. They're very important. Somebody's child is laying in the Children's Hospital fighting for their life, and they depend on us. I see parents laying up all night long in the room with their child who's fighting for their life. And you're gonna bring somebody in here that has no clue, has no sympathy, don't know the urgency to make sure that everything those people need is supplied? Right now? It's not going to happen.

Craig Diangelo says at Northeast Utilities the fired workers pressured to stay and train their replacements launched a quiet protest.

Craig Diangelo: Every one of us that would be let go had an American flag sticking out the cubicles row after row after row. As we were let go--those flags were taken down. I was the last person let go. I went in and I took the last picture. There were no more flags left. You have a queasiness in your stomach when you look around and you're saying, "This-- this-- this can't be possible. This didn't happen."

But it did happen, to Craig and Dawn and Leo and workers at hundreds of companies across the country. Former head of Homeland Security Janet Napolitano, now president of the University of California, faced a huge public outcry when she got rid of those 80 IT jobs at the Medical Center. She declined to give us an on camera interview, but stated publicly that the university, quote "didn't use the H-1B process in the right way." She instructed the Indian-outsourcing company to stop using H-1B workers.

But that comes too late for Kurt Ho and Robert Harrison. Three weeks ago they packed up -- their final day at the Medical Center.

Robert Harrison: It's gonna be a matter of time before everybody else feels the same burden, the same pinch, the same hurt that we're feeling right here at UCSF. It's a matter of time.

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