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## technology

# America's servants

The USA meets its enormous need for IT workers with tens of thousands of engineers from India. The hope of fair wages lures them to the States. Intermediaries mercilessly exploit this situation.

By Antje Windmann

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Kumar sits at his desk in a basement apartment in New Jersey. He wears a checked shirt, baggy jeans, no stockings. The Indian engineer rubs his face over and over again; he looks tired, drained.

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[America's servants](#)

A map of the United States hangs on the wall. Maryland, Pennsylvania, Montana, North Carolina, Massachusetts. The 42-year-old has worked in many states, and now Kumar is back on the east coast, where it all began seven years ago.

He landed in Newark in July 2008 with one red and one blue suitcase, exhausted from three days of travel and at the same time electrified, because his greatest dream had come true: the dream of a life in America, the birthplace of the digital revolution, home of the largest IT corporations in the world, for which only the "future" era applies. The dream of a life in that country where everyone can achieve something, including himself.

Little did Kumar know that he was at the beginning of a nightmare.

He is now rummaging through a pen box. He wants to illustrate a fraudulent system that keeps him prisoner to this day: "This is me," says Kumar, picking up a pencil. "This is an American company." He's holding up a highlighter. "And this here," Kumar puts three more pens between the pencil and the highlighter in his hand, "these are the job agencies who earn more from my work than I do."

What Kumar describes in five pens is no exception. Doing business with foreign IT experts in the USA has long been part of the everyday life of the Internet boom and shows its shady side, especially that of the dazzling Silicon Valley with its colorful company headquarters. Hundreds of thousands of people lead the lives of modern servants in this shadow. Many of them are Indian.

Two-thirds of all foreign experts with a US temporary work visa are from India. Some may dream of becoming head of Google like Sundar Pichai; others from quick wealth. The majority, however, are hoping for something seemingly banal: human working conditions, fair wages and a perspective far removed from the problems in their home country.

The USA issues 65,000 temporary work visas for certain occupational groups each year, more than half of which go to IT staff. The industry, especially the Silicon Valley giants

Google, Apple and Facebook, is calling for the number to be increased significantly. Otherwise, the US would not remain competitive, they say.

The issue has reached the election campaign. Both Democrats and Republicans feel called upon to act. Some are in favor of expanding the visa volume, others fear the eruption of the labor market, because not only have tens of thousands of jobs been outsourced to India, but many Americans in the USA have been replaced by mostly young Indians.

What rarely comes up in the discussions, however, are the greatest beneficiaries of this development: the recruiters, with whom the companies cooperate more or less directly. Many of the job brokers have their headquarters in India, only branches in America. They rake in billions of dollars from their compatriots' exports.

Before leaving for the USA, Kumar worked as a systems engineer in the Indian tech metropolis of Hyderabad; six days a week, up to 14 hours a day, for the equivalent of a dollar an hour.

He therefore looked for jobs in America on online exchanges such as Dice, Monster and Naukri. He got a job from a recruitment agency in New Jersey who was looking for an internal system administrator. The Indian company provides engineers on a project basis to US companies and also has an office south of San Francisco. "They advertised a guesthouse. I didn't even have to pay anything for the visa. A lot of brokers are asking for \$ 6,000," says Kumar.

But it turned out differently.

The so-called guesthouse turned out to be a dump that Kumar had to share with seven other men. Worst of all, there was no job for him at all. "I was paralyzed," remembers Kumar, "I

couldn't deal with it all that quickly." His account was empty and he was in dire need of work.

The manager tried to build Kumar. After all, there are tricks to improve one's job opportunities on the labor market. "Before I knew it, he typed on my résumé that I had already worked for Microsoft in Boston." Kumar protested, the man parried: It's like that in the USA, you have to arouse interest first. And after all, he wants work, doesn't he?

From then on, Kumar wrote applications around the clock. He took buses to job interviews, often for days. He was not reimbursed for the travel expenses. Kumar says his father sent him money. It was actually planned the other way around.

It was only after six months, in January 2009, that Kumar found a job. That leads him to Silver Spring, Maryland, to a branch of a California health insurer. He receives his salary for the first time after 45 days. "I was shocked how little that was. On the other hand, I was happy to have a job at all," says Kumar.

The job is limited to four months, after which companies from other states will book it. During the day, Kumar manages operating systems; at night he sleeps in tiny rooms with American families. Kumar always gets good references. If he doesn't have a project, he doesn't make any money.

His American colleagues say people like him are taking their jobs away from them. And that, although they are more expensive: well over a hundred dollars an hour, you have to earn that first. For a long time, Kumar thinks the talk is mood-raising, after all, he knows his paychecks. But at some point he starts to ask questions. And realizes that he has been the victim of a greedy business that misuses his dreams to meet the needs of American businesses.

Kumar learns that these usually only apply for visas directly for top IT professionals. If you assign jobs that do not require extraordinary expertise or creativity, such as his, hire IT service providers with names like Tata Consultancy, Infosys or Wipro: all Indian companies that are among the top sponsors of the so-called H-1B visas.

If they do not have enough suitable candidates, they pass the job on to medium-sized agents and these in turn to smaller ones. If a candidate is found in the end, everyone involved enriches himself with his wages. A term has now become established for the business model: "body shopping".

The fact that the bodyshopper business is booming is also due to the coveted work visas being awarded. H-1B visas are only awarded once a year by lottery and can only be applied for once a year. But very few companies plan so long-term. In order to still be able to satisfy their needs, the intermediaries must ensure that they permanently have enough skilled workers in the country. Even if that means that they have to bunker them in some apartments.

It is forbidden to bring someone to the States on a temporary work visa for whom there is no real job. But legends are quickly made up on paper, as Kumar's case shows. According to the regulations, the agents must also pay the local wages. But that is hardly checked.

Basic employee rights such as paid overtime and paid vacation cannot be taken for granted. Many agency contracts contain adventurous clauses: "Due to the dynamic environment, the terms of the contract can be changed at any time, with or without notice," it says.

Such contracts come as little surprise to labor lawyer John McIntyre. His law firm in San José, California, has represented several Indian engineers against their unscrupulous agents.

California, home of Silicon Valley, holds by far the largest number of H-1B visas.

"They treat people like dirt," says McIntyre. And tells of a software expert who worked in Silicon Valley for router manufacturer Cisco Systems, with annual sales of around 50 billion dollars. Cisco had outsourced the job to the Indian IT service provider Tata, the agent IDC, the agency Ascent - Kumars Stifteprinzip. After months of unpaid the engineer, he was dissolved in McIntyre's office. "Fortunately, he was able to show how much he worked," says McIntyre. "The case was solved quickly and he got his money." Nobody wants bad press.

The problem, according to McIntyre, is that few have the courage to report their exploiters. A statement that the US Department of Labor also confirms. "We are only allowed to take action if someone concerned complains to us," says a spokesman.

Kumar shrugs helplessly at his desk in New Jersey. "The fear of being fired is just too great," he explains. Without a paid job, he has to leave the country within a few weeks. Because not he owns the visa, but his employer. "This makes us all dependent on our mediators," says Kumar, "they can push us back and forth like cattle."

The political scientist Ron Hira compares the guest workers with servants. "You live in a precarious situation that invites exploitation," says the professor from Howard University in Washington. "And it's getting worse and worse because, against their better judgment, politics remains inactive."

In the spring of 2011, three years after his arrival, Kumar was hired for the first time for a long-term project at an agency in New Jersey. He can finally bring his wife and two children to join him.

They move into the basement apartment west of Newark where Kumar is now sitting. It belongs to a barrack-like complex, in which mainly Indian guest workers live. The two rooms with battered walls and leaky windows cost \$ 1,500 a month. "More is not possible," says Kumar. Neighbors gave them the brown sofas in the living room.

Kumar holds up his pens again, three brokers are currently earning from him. Kumar estimates that the US authorities are paying him more than a hundred dollars an hour. He can't check it exactly, nobody lets him see the documents. One thing is certain: he doesn't even end up with \$ 30 in his pocket. Taxes, social security contributions and health insurance costs are also deducted from his salary. He only gets paid overtime at the whims of his boss.

In the end, he has around \$ 5,000 a month left. That doesn't sound like that little. But then Kumar shows an Excel table of his monthly costs: In addition to the rent, there is 400 dollars for the health insurance of his wife and children, almost 540 dollars for leasing fees and insurance for the car, gasoline costs, school fees, groceries - in the end his expenses add up to more than \$ 5,000. The only recognizable luxury a month is \$ 90 for Indian cinema.

The dimensions of what people like Kumar experience in the USA are revealed by Internet forums like that of Glassdoor or Goolti, which Harshal Vaidya, a software engineer from Hyderabad, runs. He himself worked in the USA and was confronted with "the mafia of middlemen", as he calls it. With his website he wants to shed light on their dark businesses.

Vaidya says there are "Indian female students who sleep with men for a visa. And people who have been beaten up for complaining." Another popular leverage is to take away the import workers' travel documents.

One September evening in Fremont, California, Tarik (\*), 40, steps out of an old white Honda; a thin man in jeans and flip-flops. His handshake is powerless. The software engineer comes from a farming family in southern India. His whole family toiled for his studies. He paid \$ 2,300 for his visa, under the table.

No job, no money, a two-room dump with ten people: Tarik experienced that too. "The typical," he says.

When his son was born in 2009, Tarik asked his agent for a vacation, but he was refused. "And I couldn't just leave like that: my boss had my papers," says Tarik. For months he begs to be allowed to fly to India; in vain.

When Tarik's father also becomes seriously ill, his family begs him to come home. Someone has pity, helps them to find their documents in a roundabout way. Tarik barely makes it to his father's funeral. His son was already nine months old at this point.

Although the agent has fired him, Tarik flies back to the United States to report him to the Department of Labor. The mediator is questioned, but only reprimanded in the end. "As far as I know, he's still doing well," says Tarik, who is now employed by a tech company and earns \$ 120,000 a year. "The jackpot," he says.

The stories of Kumar and Tarik are exemplary. The US Department of Labor continues to investigate recruitment agencies. Last year, 120 employers did not transfer wages on time, so they had to pay \$ 7.8 million.

The Californian company Electronics for Imaging paid Indian IT workers what is probably the lowest hourly wage: \$ 1.21. Just like in India.

The Indian IT service provider Infosys had to pay the highest sum for visa fraud so far: 34 million dollars.



Competitor Tata is said to have not passed on tax refunds to the employees. To avert a lawsuit in a California court, the company paid just under \$ 30 million.

If one of the smaller agents is arrested, the wife or a friend usually takes over the business. Or rather: the shops. It is not uncommon for several companies to run on one agent.

A large number of dubious intermediaries are now also swarming around the Indian students in the USA. Especially those of the so-called STEM subjects: Science, Technology, Engineering and Mathematics. In addition to the 65,000 regular visas, 20,000 are issued each year to foreigners who have obtained a doctorate or master's degree from a US university.

Student Amit (\*), born in Hyderabad, looks around several times when he steps into a café in Mountain View, Silicon Valley. He wears colorful sneakers, jeans and a polo shirt; he seems to have adapted to the lifestyle of his American fellow students. The 29-year-old is currently doing his master's degree at a university whose name he does not want to mention. He wants to work as a business analyst afterwards, because you make good money.

"The recruitment agencies speak to you on campus," says Amit. "They lure us with visas, jobs on Ebay and free training in programming languages that you have to be able to do these days, but not always learn during your studies." In the end, he chose the agent who made the most professional impression. The fact that he was also Indian made him doubly trustworthy, says Amit.

A short time later, Amit was sitting with nine other Indian students in an office building in Campbell, Silicon Valley. But instead of learning the Java programming language, he should work as a business analyst. What he cannot do, he just has to teach himself.

Amit bowed to the situation - for one reason only: the agent had promised to apply for an H-1B visa for him. Amit urgently needs it as his student visa is expiring. After five months, however, he learned that the boss had lied to him. "He just pretended to have submitted the papers for me," says Amit. The annual application deadline had expired.

Amit's current visa expires in January 2016, after which he has to leave the country. "I don't know what to do next," he says, "I'm finished."

Kumar also feels at the end of his tether in New Jersey. His agent wants him to look for a new project - because he earns too little from Kumar. "They put me under massive pressure," he says.

Therefore, whenever he is not working, Kumar writes applications again. He really wants to stay nearby because of his children's school and the cheap apartment. So far, only one potential employer has sounded promising: the United Nations in New York.

Somehow he hoped, says Kumar, that they would ask him about his working conditions. And that, with a lot of luck, he might get a direct job. "The United Nations has the wellbeing of the people in mind," thought Kumar.

Instead of the hoped-for question, it came to the realization that five intermediaries would earn money with the job: an American, an Indian in India, an Indian in Texas, one in Michigan and his boss. "It's insane," says Kumar.

Every day, he says, he therefore toyed with the idea of returning to India. Also because his parents are getting older. When he was over 80, his father was still on the rice field every day. But then Kumar thinks: What if I leave and my green card comes a day later?

H-1B visas are initially valid for three years, but can be extended several times. Especially if a green card, an unlimited residence permit, has been applied for for the employee. Five years ago, Kumar's employer submitted these documents. He wants \$ 5,000 for it, and Kumar has already paid off \$ 3,000; cash, without a receipt. "It shouldn't be long now," he says. "And then I would be free."

In addition, Kumar sees that things are not going well even for Americans because import engineers like him do their job.

So far, Walt Disney has caused the biggest scandal. The media giant had laid off 250 IT experts last autumn, before they had to train their replacements from India for 90 days. Those who refused risked their severance pay. The same thing happened to 500 employees of the Southern California Edison power company and thousands of Microsoft employees. Foreign IT workers are revising the California unemployment insurance system.

The Californian chip manufacturer Intel ranks 14th on the list of the largest Visa sponsors in 2014. How the company has changed thanks to the Indian IT people was seen by two men: engineers Jeff Lauruhn, 58, and Onyegbule Agiriga, 64. They worked for Intel for more than 20 years. They estimate that 50 percent of the staff are now of Indian descent. "In the canteen you could think you are in Bangalore," says Lauruhn, and Agiriga nods.

"I was always in favor of hiring engineers from abroad," says Lauruhn, who at times even took part in the selection interviews. "At some point, however, things went wrong: Whenever we advertised a position, it was an Indian applicant." When he mentioned this, he heard that there were no suitable American applicants. Which, however, did not coincide with Jeff's experience. Because at home was his wife, of South American origin, an engineer with first-class

certificates - and looking for a job. "She only received rejections, including from Intel. And she wasn't the only one."

The arrival of the Indian employees has changed the work culture a lot, says Lauruhn. "Criticism is hardly possible, there is no more arguing about the best solution." This is one of the reasons why he quit last summer and switched to another company. "I now have two Indian engineers doing my job," says Lauruhn. Then he laughs. "Funnily enough, my wife now works at Intel. When they were asked to publish the numbers of how many African American, Hispanic and women they employ, they found: far too few. My wife's phone rang shortly afterwards."

The claim that there are not enough eligible Americans persists. Especially on the part of IT companies who want to expand their business with foreign specialists.

Agiriga, Lauruhn's former colleague, worked with hundreds of engineers at Intel. The talk that there are not enough qualified



university to discourage students from quitting their engineering studies. Many drop out for fear of not getting a job." , he says.

But American resistance is growing. High-tech companies, including Google, have to stand trial for age discrimination. At the same time, there are lawsuits in the courts from Americans who see themselves at a disadvantage because of the guest workers.

There have already been hearings in the US Congress. The minutes document ardent speeches by senators, trade unionists and academics. They rail against business with cheap labor and social dumping in their own country. And they are calling for the wages of migrant workers to be raised and controlled, and to ensure that Americans have priority when it comes to assigning jobs.

The companies, on the other hand, are lobbying, above all

Abo

year: without a smart immigration reform they see America's future as a digital world power in danger.

Meanwhile, Kumar is plagued by very specific concerns about the future. He is unemployed. In order to earn more from him, his boss had referred him to an energy supplier - without Kumar knowing about it. The project ended after two weeks, and to this day Kumar has not been paid for his work.

He is now looking for a new job in a panic. His blood pressure is so high that he has to take medication. "I need money, our rent is due soon," he says. His voice almost cracks.

According to the law, the agent must pay Kumar until he can get back to work. But laws have never interested him.

Mail: [antje.windmann@spiegel.de](mailto:antje.windmann@spiegel.de) **S**

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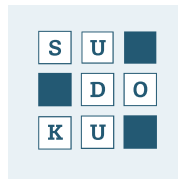
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