H-1B visa: Major tech employer in Silicon Valley committing 'wage theft' against foreign workers, report alleges

December 15 2021, by Ethan Baron

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An outsourcing company accused of committing "wage theft" against foreign citizens on the H-1B visa has received approvals to place

workers at major Silicon Valley technology firms, according to a new report and federal government data.

Internal documents on worker wages at outsourcer HCL Technologies, a leading provider of IT contract workers, are central to the allegations in the report from the left-leaning Economic Policy Institute, based on documents obtained via a federal government whistleblower lawsuit against HCL in a federal court in Connecticut.

"This is the first inside look into the playbook of how to abuse the (H-1B) program and the failures of government and the Department of Labor for not enforcing the law," said Ron Hira, a professor at Howard University who studies the H-1B and co-authored the report.

The report released this week claims that HCL "appears to be stealing at least $95 million per year in wages from its H-1B employees." India-headquartered HCL did not respond to a request for comment emailed Thursday to its U.S. media-relations office.

The report alleged further that, "victims include not only the H-1B workers but also the U.S. workers who are either displaced or whose wages and working conditions degrade when employers are allowed to underpay skilled migrant workers with impunity."

"HCL is not making a product, they're reselling labor," Hira said. "Those customers know what they're getting: They're getting lower cost labor."

The H-1B visa, intended for jobs requiring specialized skills, is heavily used by major tech firms, which employ the foreign workers directly and via outsourcers.

Data from the U.S. Department of Labor show the agency has given HCL approval to place its contract workers at Silicon Valley tech giants

including Google, Facebook, Intel and Cisco. There is no information in the report to indicate that any HCL H-1B workers at those Silicon Valley companies are not paid according to the law, which requires companies directly employing H-1B workers pay them wages equivalent to those of their U.S. workers and green card holders.

Intel spokesperson Penny Bruce said the company was reviewing the report. "We hold our suppliers accountable to the same expectations we have for ourselves," Bruce said.

None of the other three Silicon Valley companies provided answers to questions about the report and its allegations.

Internal HCL documents released through the lawsuit and reproduced in the report indicate that HCL pays U.S. citizens 13% to 64% more than H-1B workers in five areas of IT expertise. Another document reproduced in the report noted that "local hiring" was "significantly more expensive" than hiring H-1Bs.

Of the top 30 H-1B employers, 17 are outsources, according to the institute's report. "Silicon Valley companies are some of the biggest customers of these firms," Hira said. Hira added that he believes "that what HCL practices by paying their H-1B workers lower than paying their non-H-1B workers is probably common practice. We suspect that it's not just HCL that's availing themselves of this but all of the major outsourcers."

According to the report's other author, Daniel Costa, director of immigration law and policy research at the institute, "There are potentially tens of thousands of workers who are being underpaid."

MediaNews Group, Inc.
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Citation: H-1B visa: Major tech employer in Silicon Valley committing 'wage theft' against foreign workers, report alleges (2021, December 15) retrieved 6 May 2024 from https://techxplore.com/news/2021-12-h-1b-visa-major-tech-employer.html

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