Testimony by Former Siemens Technology Employee on L-1 Visas

My name is Pat Fluno. I'm a computer programmer from Orlando, Florida. My co-workers and I lost our jobs to visa holders from India. I'd like to begin by reading excerpts from a letter I wrote to Representative John Mica in August of 2002 asking for help.

We are employees in the data processing department (IT) of Siemens ICN, at both the Lake Mary and Boca Raton sites. We are all US citizens and full time salaried computer programmers and analysts ranging in age from 33 to 56.

Approximately 15 employees have letters dated April 19, 2002, indicating a layoff date 'in conjunction with the restructuring of I.T.' At that time, employee meetings were held informing us that the department would be outsourced. During the months of May and June, management had meetings with outsourcing companies on site. We were interviewed by several of those companies and all expressed surprise that we had already been given definitive layoff dates. During the last week of June, the outsourcing company was announced as Tata Consulting Services of India. People from TCS were on site July 1, 2002. They immediately began interviewing us on how to do our jobs.

Layoffs of Americans began on July 15 and were scheduled to continue through August 30.

We are being laid off and TCS personnel are taking our jobs. Siemens management has told us to "transition" our work to TCS and show them how to continue the development and support work already begun by Americans.

My letter to Representative Mica ends by asking for help to prevent this injustice. We lost our jobs AND we had to train our replacements so there would be little interruption to Siemens. This was the most humiliating experience of my life.

Our visa-holders replacements are sitting at our old desks, answering our old phones, and working on the same systems and programs we did… but for one-third the cost. This is what a manager at Siemens told me. Fifteen people were laid off. At an average high-tech salary of $75,000 each, that's over $1.1 million of gross wages lost to Federal and State income taxes…from just 15 people. The visa holders do not pay income taxes.

Representatives of TCS will tell you that their programmers make $36,000 per year, which is just under the average salary range for American programmers. But what's the breakdown of that money? $24,000 of that is non-taxable living expenses for working 'out of town'. That leaves just $12,000 of real salary paid to them in equivalent Indian rupees. $12,000 – close to the US minimum wage. An American having an income of $36,000 would have to pay taxes, but not these visa holders. There are no salary rules for L1 visas.

How can they come to the US so easily? The L1 states that they must be a "specialized knowledge worker familiar with the products and services of the company". There are many legitimate uses of the L1 to transfer employees from one company subsidiary to another. But, transferring a worker from Tata India to Tata US for work at Siemens is NOT what was intended by the L1 visa . They are not working on Tata's computer systems, but on those of Siemens. In our particular case, Tata knew Americans were being laid off, so they didn't use H1-B visas. Instead they fraudulently used the L1. There are no regulations regarding the misuse of L1's, and only limited penalties for H1-B abuse. Where is the INS ? Where is the DOL ? There are hundreds of thousands of L1 and H1-B workers in the United States taking jobs that Americans can do and that Americans want to do. Every H1-B and L1 visa given to outsourcing companies like Tata is a job an American should have.

What is happening here? In a time when our national security is paramount, we are making ourselves dependent on third world nations for our computer technology. We are giving these countries the ability to access, modify and break the very computer systems that run the US economic infrastructure.

Yet, we have an even greater parasite on our economy and it comes from American companies. US corporations are taking entire departments and relocating them to an Indian subsidiary. Hundreds of data processing, payables, and call center jobs are lost at one time. Ask Microsoft. Ask IBM. Ask Cigna. Ask almost any large US corporation and you'll find they have sent jobs off-shore. The term "off-shore" is just a euphemism for American jobs that are lost and will never return.   What is the economic impact of this? In the short term, these companies say they are cutting costs, but in the long term they are undermining their consumer base. Where will our children find jobs?   In marketing perhaps? Marketing to whom?

We need incentives to keep jobs in the US. We need monitoring of visa holders. We need fines for abuse and punitive damages for affected American workers.   Current H1B penalties only apply to certain types of companies.

Misuse is misuse – it MUST apply to all situations equally.   We need to enforce the laws we already have. Why can a company like Tata, operating in the United States, mock our equal opportunity and ethnic diversity laws. Where is the EEOC?

I have one question to ask of all the CIO's and CEO's who have laid off US citizens in favor of cheap labor: How does it feel to know you have personally contributed to the decline of the American economy?

HOW DOES IT FEEL ?