

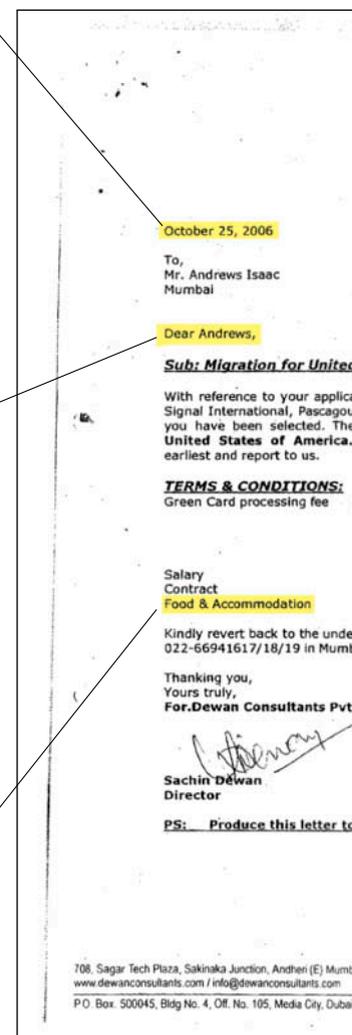
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The false promises of
By Vanessa

About a year after Hurricane Katrina struck the Gulf Coast, hundreds of Indian workers received letters offering jobs and legal residency in southern Mississippi. Signal International, a company that constructed and repaired oil rigs and ships, had persuaded the federal government that it needed foreign labor. Seventeen percent of Mississippi evacuees still hadn't returned to their devastated communities, and Signal, which was based at that time in Pascagoula, argued that few skilled workers were available for hire. So the company contracted with three business partners—Michael Pol, a labor recruiter; Malvern Burnett, a New Orleans immigration attorney; and Sachin Dewan, a recruiter in Mumbai—to bring pipe fitters and welders from India to the United States on H-2B temporary-guest-worker visas. It was a clever solution. As direct hires, the workers would earn about \$18 an hour, wages that were far less than the \$33 an hour charged by contract-labor agencies, the traditional source for temporary workers in the industry. Signal calculated that it saved \$1 million every nine months for every hundred Indians it hired. And the partnership cost the company nothing: Pol, Burnett, and Dewan earned their cut by charging their recruits.

Pol, Burnett, and Dewan had collaborated since the late 1990s, and they had an existing pool of overseas workers to draw from. One of these was Andrews Padavettiyil. The son of poor Christian farmers in the southwestern state of Kerala, Padavettiyil was a welder who had shuttled back and forth between India and the oil fields of Bahrain, Qatar, and the United Arab Emirates. His remittances supported his parents, his four siblings, his wife, and their two sons. Padavettiyil first met Pol, Burnett, and Dewan in Dubai in 2004. He says they promised that within two years they could get him a job with an American subcontracting firm and a green card. In exchange, they asked Padavettiyil to pay 500,000 rupees, or approximately \$11,000. To raise the money, Padavettiyil's father sold his son's share of the family farm, a nearly two-acre plot. Although the sale would cause the family's income to plummet, father and son figured that they could repurchase the land later. But two years passed with no news. Padavettiyil watched nervously as the value of his ancestral land rose; by 2006, he couldn't buy it back even if the recruiters were to give him a refund. That summer, Dewan finally appeared, with a slightly different plan. The welder could go to America on an H-2B visa and work for Signal, which would then sponsor him for permanent residency. Padavettiyil was uneasy about deviating from the initial deal, but he felt powerless to object. His land was gone. He had quit his job in Dubai. And his family had outstanding debts. In mid-October, his visa was approved, and within days, he was on a plane to the United States. "I was waiting for such a long time for this opportunity," he recalled. "Now I had it."

In Pascagoula, Padavettiyil's optimism faltered. He and twenty-three other men were assigned to a trailer crammed with bunk beds. Situated within earshot of the shipyard's ceaseless machinery, the "man camp" was reserved exclusively for Signal's Indian employees, who were contractually obligated to pay more than a thousand dollars a month for company food and lodging whether they lived on-site or not. Employees who broke the rules, such as those who brought visitors or moved furniture, faced fines. Problems emerged quickly. "Our Indians have been dropping with sickness like flies," a camp manager wrote in his diary after the first workers arrived. Signal said later that it felt obligated to build the facility because Katrina had decimated the city's housing. But the company also considered the camp a source of profit. A post-Katrina tax break allowed Signal to write off about half its construction costs as depreciation. In 2007, at the man camp's peak occupancy of around 290 men, the room-and-board fees paid by the workers generated \$521,000 in profits for their employer.

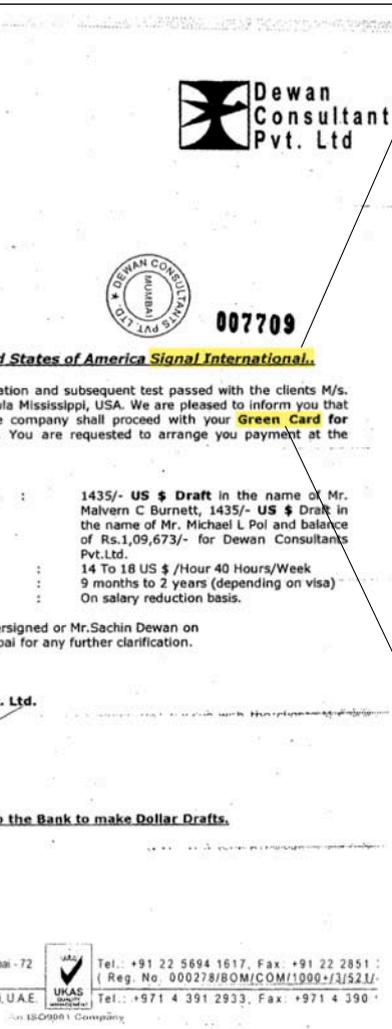


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LOTTERY

foreign-labor recruiters
by Vanessa Gregory



The Indian workers couldn't easily quit, because their H-2B visas bound them to a single employer. Quitting meant going back to India, a ruinous outcome for men who had borrowed from loan sharks or hocked family jewelry to pay recruiting fees as high as \$20,000. There is evidence that junior employees at Signal knew about the exorbitant fees within days of the first workers' arrival in late October 2006; by November, the company's general manager and senior vice president, Ronald Schnoor, had learned about them as well, according to a deposition. Signal executives fired Pol for lying about how much the workers had been charged. As he later told a federal jury, however, Schnoor kept working with Burnett and Dewan because neither had lied directly to Signal, and because he wanted the workers. He did nothing to stop the influx, or to improve the company's practices. Nearly 500 workers would eventually come to Signal's Texas and Mississippi shipyards. They may have hoped to stay in the United States, but the company appeared uninterested in sponsoring them for green cards. In 2007, executives learned that some workers had met with labor organizers and lawyers from the Southern Poverty Law Center. Signal retaliated by threatening to stop processing H-2B extensions and by firing eight workers, at least two of whom had been advocating for better work and living conditions. One of the fired men slashed his wrist in response. The events frightened Padavettiyil, who, along with many co-workers, went quietly back to work while the company reaped record profits. By 2008, Signal had secured a major contract from Northrop Grumman Ship Systems and was considering going public. The company was worth an estimated \$200 million.

In March 2008, around 120 Indian workers marched out of the man camp, tossing their hard hats in the air and carrying placards reading I AM A MAN and DIGNITY. They filed a class-action lawsuit, which was denied. But small groups of employees persisted and eventually filed twelve lawsuits; the Equal Employment Opportunity Commission also sued on their behalf. In the first and only case to reach trial, last year, a jury awarded \$14 million in damages to Padavettiyil and four of his co-workers, finding that Signal and its agents had engaged in fraud, racketeering, discrimination, and violations of the Trafficking Victims Protection Act. The company filed for Chapter 11 bankruptcy. As part of that process, it settled the remaining lawsuits. Padavettiyil and his co-plaintiffs will likely share around \$20 million with as many of the 500 workers as presented claims. Richard Marler, Signal's CEO and president, wrote a letter apologizing for the living conditions, for firing workers, and for failing to treat them "with the dignity and respect they deserved." He did not apologize for the recruiting fees that drove workers into debt or for breaking the recruiters' green-card promises. In 2012, the Department of Labor introduced rules to better protect H-2B workers, who are especially vulnerable to exploitation, but it has faced court rulings challenging the agency's jurisdiction. As for Padavettiyil, whose location and immigration status are protected by a court order, he regrets coming to the United States and misses his wife. His father died six years ago. "I have nothing in my life right now," he said. "I am living by myself and am fifty-five years old." He hopes that the payout will allow him to finally buy back the farm he sold in Kerala. "That's a big piece of land that we all loved so much. It was for ages part of our family, and because of me we lost it."

Vanessa Gregory is an assistant professor of journalism at the University of Mississippi and a recipient of the Literary Arts Fellowship from the Mississippi Arts Commission. Her article "Surviving a Failed Pregnancy" appeared in the June 2015 issue of Harper's Magazine.