



# INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

501 3<sup>rd</sup> Street, NW, Suite 701, Washington, DC 20001  
202-239-4880 • FAX 202-239-4881 • [www.ifpte.org](http://www.ifpte.org)

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Contact: Faraz Khan  
(202) 239-4892

## EPI Report on Massive Wage Theft from H-1B Workers and Preferential Hiring Highlights the Urgent Need for Oversight, Enforcement, and Reform of H-1B Visa Program

### *IFPTE Executive Officers Continue the Call for Administrative Actions and Legislative Reforms of High-Skill Visa Program*

WASHINGTON, DC – The executive officers of the International Federation of Professional and Technical Engineers (IFPTE), a labor union representing upwards of 90,000 professionals in high skilled occupations, responded to the revelations in the Economic Policy Institute's (EPI) latest report on widespread underpayment of H-1B workers and the misuse of the H-1B visa program by employers seeking to lower labor costs, in violation of the H-1B statute.

The EPI report, "[New Evidence of Widespread Wage Theft in the H-1B Visa Program](#)," authored by Ron Hira and Daniel Costa, analyses an internal document from India-based IT staffing firm HCL Technologies and reveals an offshore-outsourcing model that abuses the H-1B program to hire foreign guestworkers at wages below what U.S. workers are paid. The HCL document shows H-1B workers at the firm were underpaid at least \$95 million in just one year.

IFPTE President Matthew Biggs commented:

"The EPI report shows how the H-1B program has incentivized a business strategy that lowers wages for American workers and vastly underpays foreign workers. This perpetuates an offshore-outsourcing model that lowers labor standards, results in fissured workplaces in STEM fields, and hinders union organizing. Employers' abuse of the program and our government's failure to remedy the flaws has created a dysfunctional system of different wage and labor standards for workers in our economy and it hurts all workers. As a labor union that represents and organizes STEM workers and professional employees, IFPTE will continue to advocate for administrative and legislative action to reform this high-skills work visa program so it protects fair wages and labor standards for all working people and is not a barrier to building union power.

IFPTE Secretary-Treasurer Gay Henson remarked:

We know first-hand from workers – including IFPTE members at the Tennessee Valley Authority – who have received layoff notices and had to train replacement H-1B that employers' abuse of the H-1B visa program hurts American workers. The EPI report shows that the H-1B program is being used by employers to undervalue not only the labor of American workers, but that of foreign H-1B workers as well, both of which are contrary to the intended purpose of the program. Any national agenda that seeks to empower workers and remove barriers to worker organizing must include reforming the H-1B program and extending the same rights to all workers.

The H-1B work visa program is intended to allow employers to hire temporary nonimmigrant guestworkers for specialty occupations when the U.S. labor market is unable to provide workers with those skills. With wage levels well below what American workers earn, weak to non-existent enforcement of the “actual wage” rules, and an unenforced employer attestation that H-1B hiring not adversely impact wages and working conditions of similarly employed American workers, H-1B employers have gotten away with underpaying H-1B workers, displacing U.S. workers, and misusing the program to lower labor costs rather than fill skill gaps in the labor market.

IFPTE continues to advocate for legislative action as well as updated rulemaking to reform the H-1B visa program and increased enforcement. Improvements to the H-1B program we support include raising wage levels in the H-1B visa program, replacing the random visa allocation process so that it cannot be gamed by employers filing applications at low-wage and low skill levels, providing H-1B workers with labor mobility, and ensuring that the H-1B visa program does not incentivize and facilitate the third-party placement, offshoring, and the fissuring of work.

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