

RELEASE IN PART B6

From: Mills, Cheryl D <MillsCD@state.gov>
Sent: Friday, October 21, 2011 5:57 AM
To: H
Subject: Fw: Lois's piece

Caitlin was very engaged on this

----- Original Message -----

From: Caitlin Klevorick [mailto:]
Sent: Friday, October 21, 2011 05:32 AM
To: Mills, Cheryl D
Cc: Klevorick, Caitlin B
Subject: Lois's piece

B6

Feds Bust Student Exchange Program

Oct 20, 2011 8:45 PM EDT

After complaints of labor abuses, Hillary Clinton concludes the State Department's venerable exchange plan isn't working.

Lois Romano on how a well-intentioned program spun out of control.

The State Department's summer cultural-exchange program is supposed to be a uniting exercise in public diplomacy, bringing 100,000 eager foreign students here to work in fun jobs, and use their earnings to travel to fun places. In theory, at least, they return home with gauzy thoughts and memories of the United States.

It was quite embarrassing, therefore, when 200 students walked off their factory jobs at a Pennsylvania Hershey plant in August, protesting exploitative working conditions. The protest, which U.S. labor unions were delighted to support, generated global media coverage about the struggling foreigners who paid upward of \$4,000 for the privilege of packing and lifting heaving boxes of chocolate. The fiasco also caught the eye of congressional oversight committees.

"Obviously, we fell short of addressing some of the problems with the program," says a senior State Department official, who asked not be named commenting on an ongoing investigation. "However, the situation brought to light several issues we are looking at and implementing reforms around."

Secretary of State Hillary Clinton has, in fact, decided the 50-year program no longer works in its current form. She has ordered an intensive review of its practices, as well as an investigation of its approximately 50 sponsors. These are the outside organizations that must apply to participate and which facilitate travel, job placement and housing, among other things, for the students. Several sources said that they expect some sponsors to be terminated or sanctioned as a result.

Staffers concede the program is desperate for a retooling.

"Essentially, it has been sitting dusty on a shelf," the department official said.

Launched in 1963 as way of thawing Cold War tensions, the Summer Work Travel program (PDF) is largely self-sustaining, using few taxpayer dollars. The idea was that students would front the money with the promise of earning it back at interesting jobs—and then use what's left to travel during their last month.

As the program has grown, it has faced a number of bumps and challenges, especially in recent years. "We did look at its value,"

said department spokesman Michael Hanna. "After consultations, we concluded that at its core it's a valuable tool for public diplomacy...and provides personal contact that is critical."

Hanna added that "it is still highly valued by our embassies and other nations as a way to reach out and engage young people."

Among the likely reforms, according to Rick Ruth, who oversees the program: requiring that students be told exactly what jobs they will get when they arrive; capping the number of students who enter the program; limiting the genre of jobs provided; making it mandatory for host employers to provide cultural activities for the students, and ensuring they are exposed to other Americans.

"We are looking at what is suitable employment for this program. We can't have the labor experience overwhelm the cultural experience," said Ruth. "It was a wake-up call."

In Palmyra, Pa., some 400 students were placed at the Hershey plant by one sponsor—the Council for Educational Travel USA (CETUSA), which is now being investigated. The students said they felt isolated, that the work was more strenuous than they had been led to believe, and that an unfair number of deductions were taken from their checks, thereby making it impossible for them to travel.

According to The New York Times, one student emailed State in June, begging for help because his back hurt from the stress of lifting boxes. Department officials said they moved to relocate that student—but admit they did little to check out the overall work conditions subsequently.

The remaining students ultimately reached out to the National Guestworker Alliance, a labor group that offers help to visiting foreign workers. The students claimed CETUSA threatened to send them home if they complained to federal authorities.

"The jury is still out on State," said Saket Soni, NGA's executive director. "Anything the State Department does now short of shutting CETUSA down...sends the signal to students that they can continue to expect strong-arm tactics and retaliation from sponsors if they come forward."

One State Department source who is privy to the investigation said CETUSA is likely to be sanctioned for a number of reasons because "there was a lot of bad stuff going on at that plant... the kids were really isolated." (A sanction could be anything from reducing to terminating participation.)

Rick Anaya, the organization's chief executive, told The Daily Beast:

"I fully expected that the State Department would do an investigation under these circumstances. I expect the State Department will be fair.... My hope is they will determine that we haven't done anything wrong." He added that "it's very important to explain to the public that we did not force these kids to go. They selected Hershey's as an employer."

Last year, the State Department conducted a similar investigation of the private-sector organizations that run international high school exchange programs, and as a result nearly one third of the organizations were sanctioned and two were shut down.

This week, department officials also were called up to brief congressional committees, which oversee funding and operations of the programs, on the status of reforms and the investigation.

Officials concede they routinely get about 200 complaints a year about bad jobs, insufficient salary, and inadequate housing.

In recent years, the department has increased its capacity to monitor program sponsors; the compliance staff has grown to 18 from a staff of four in 2005, and a further expansion is planned. Stricter guidelines for sponsors were implemented in July—but in light of the Palmyra debacle, officials concluded they didn't go far enough.

In fairness, the majority of participants have a good experience in the United States—working at amusement parks, beach resorts and other resort venues. State cites as an example of best practices the program in Ocean City, Md., which developed a community-based approach to the Summer Work Travel program. The city council formed a task force whose focus is to integrate Summer Work Travel participants into the community.

And if Shefki Dulovi of Macedonia is any example, the kids do all right. The 21-year-old worked in Napoli's Italian restaurant in Garden City, Kan. last summer.

"My opinion for these three months is that I really get more experience," he wrote in an email. "It was my dream to work for Italian restaurant. I learned what it means to work, and what it means being tired from the work and earn money. I have improved English a lot...and for that I'm grateful to our customers, so I must tell them thank you...so with all that experience that I get here in Garden City, and all that experience that I have in USA I have already told to the friends."