America's 'National Suicide'

The U.S. needs this man. But it won't let him in. The Orwellian tale of an immigration ordeal.

by Edward AldenApril 10, 2011

Thomas Haugersveen / Agence VU for Newsweek

Lakshminarayana Ganti, 33, who has been denied a U.S. visa, checks his visa status online daily.

Lakshminarayana Ganti reached out to me in the spring of 2009, long after he had exhausted every other option. Sixteen months earlier he had been a young man on the rise, living in a waterfront Boston apartment, driving a new BMW, and working long hours for a startup bond-trading firm. By the time he contacted me, he was sleeping in the spare bedroom of his sister's house in a New Delhi suburb, trying to fill his time with cricket and odd consulting jobs.

He had found my name through a Facebook group set up by young Indian and Chinese scientists and engineers who had built their lives in America only to find themselves involuntarily exiled in their home countries. I had joined the Facebook group in connection with research into visa delays in the aftermath of 9/11.

Hi Ted, he wrote. My case has been pending since Dec 18 '07…Nope thats not a typing error…For a few months I was ok with the delay, and in my mind justified it as—greater good—national security/safety procedures…but 15+ months of background checks…on someone who has a clean record? Impossible to rationalise…Regards, Ganti.

Ganti, 33, is from a successful family near Kolkata, part of the rapidly growing, educated elite modernizing India's economy. The youngest of three children, he spent a year studying electrical engineering at the Indian Institutes of Technology. But rather than stay in India, at the university where his father taught for more than three decades, he went to the U.S., winning a scholarship to Purdue University in Indiana in 1996.

As it has for generations of immigrants before him, America opened new possibilities. After finishing his M.B.A., Ganti was courted by Irving Oil and EMC, a top technology firm. Again, he chose a less traditional path, joining Sharpridge Capital Management, a startup fund launched by Kevin Grant, who had been a star bond trader at Fidelity but had left to try Everest for a second time. Ganti was the company's seventh employee, brought on at a critical time when Sharpridge was building toward an initial public offering of shares. A promising career, it seemed, had begun. After working a year at Sharpridge, Ganti decided to visit his family in India. But what should have been a quick trip became an extended ordeal—a bureaucratic nightmare that would cost him his job, his car, and his life in the United States.

Ganti's experience at the hands of U.S. immigration officials is just one of many dismal stories I have heard in the course of my research from people desperate to return to wives and children and interrupted American lives. I have heard from a senior scientist at a San Francisco Bay Area company, an award-winning engineer from the University of Texas who helped design Intel's latest generation of memory chips, and a young woman whose entry into a Ph.D. program in chemical engineering was jeopardized by six months of bureaucratic delays—and many, many others. Taken together, they offer this troubling conclusion: the United States, a country built by generations of ambitious, hardworking newcomers, no longer wants to attract skilled immigrants. "We educate the best and brightest from around the world, and then we tell our companies that they can't hire them," New York Mayor Michael Bloomberg has said, describing current immigration policy as "a form of national suicide." "We ship them home, where they can take what they learned here and use it to create companies and products that compete with ours. The rest of the world is thanking us. They're doing everything they can to attract those very people—and we're doing our best to help them."

One of the ways in which the U.S. is committing "national suicide" is through its vast, opaque system of visa checks, which affects several hundred thousand people every year—even though government officials acknowledge that fewer than 1 percent of those screened raise any legitimate security concerns. Because of the names associated with these reviews—Condor, Donkey, and Mantis—government officials refer to system as "the Animal Farm," adding an Orwellian sobriquet to an Orwellian process. Another way the U.S. is doing itself in is through the quota on temporary work visas for skilled foreigners, which is less than half what it was a decade ago. And although a growing

educated population in Asia and Latin America has hugely expanded the pool of qualified applicants, skilled migrants are limited to only one third of the roughly 400,000 permanent-resident green cards handed out every year. Some skilled immigrants from India face waits of up to 35 years for a green card; even those with the most advanced university degrees wait between four and 15 years, says Prakash Khatri, former ombudsman for U.S. Citizenship and Immigration Services.

While there has been much debate about how to secure the southern border against illegal immigration, the deterioration of the system for attracting and retaining skilled immigrants has received scant notice, though the consequences for the U.S. economy are far more significant. Since much manufacturing and back-office work has been sent overseas, what the United States has left is its brains and still-unmatched ability to design and market the next big thing. In a country where economic success depends largely on innovation, it is worth noting that foreign-born researchers account for a quarter of all patents earned by American companies, and that nearly half the Ph.D. scientists and engineers working in the U.S. were born abroad. Furthermore, between 1995 and 2005 more than a quarter of the technology companies launched in the United States had a key founder who was foreign-born; in Silicon Valley that number was more than half. At General Electric, 64 percent of researchers weren't born in America; at Qualcomm, the figure is close to 72 percent.

Technology executives including Microsoft's Bill Gates and Intel's Paul Otellini have warned for years that restrictions on skilled immigration are forcing companies to expand in other countries where laws make it easier to hire a global workforce. Rather than enlarge its campus in Washington state, Microsoft opened a big software-development facility in Vancouver in 2007. The Canadian facility, Microsoft said in a statement, would "allow the company to continue to recruit and retain highly-skilled people affected by immigration issues in the U.S."

Not surprisingly, many young would-be immigrants are turning their backs on the U.S. Vivek Wadhwa, a Duke University professor, and AnnaLee Saxenian, from the University of California, Berkeley, interviewed more than 1,000 foreign students at American universities in 2008. The results were alarming. Only 6 percent of the Indians and 10 percent of the Chinese said they planned to remain in the U.S. Three quarters of those surveyed said they feared they could not obtain a visa. "The United States," Wadhwa concluded, "is experiencing a brain drain for the first time in its history, yet its leaders do not appear to be aware of this."

Ganti was hired by Sharpridge in December 2006 to help build the proprietary mathematical models at the core of the company's business. He was able to start under a program known as Optional Practical Training, which allows foreign students to work in the U.S. for a short time following graduation. "It was really tough to find the skills that we needed," says Grant, the CEO. "This is the world of financial rocket science. We needed somebody who understood that stuff. It's hard to find people, even out of graduate schools, who really have the skills." Importantly, Grant says, Ganti "had that fire in his belly. He really wanted to be with a small startup."

To remain at Sharpridge after his training period was over, Ganti needed a work visa known as an H-1B. Created by Congress in 1990, the H-1B is the primary visa for skilled foreign workers who lack family ties in America. Securing an H-1B, which is valid only for three years, requires a job offer, with wages and benefits comparable to what skilled Americans would get. Ganti's application was submitted on April 1, 2007, the day the quota opened. On that day alone, American companies filed more than 150,000 applications for 85,000 slots, and a lottery was drawn. Ganti was in luck, and in July 2007 the government awarded him an H-1B.

While that would allow him to live and work in America, coming back would still require a stamp in his passport and an interview with a State Department official at an embassy or consulate overseas. With his new work visa in hand, however, Ganti assumed it was safe to return home for the first time in three years. After visiting his family in December 2007, he went to the American Consulate in Chennai for permission to return to the U.S. The visa officer reviewed his application and told Ganti that he had no problem issuing a visa, Ganti later told Sharpridge's lawyers. There was just one hitch. The officer handed him a pink sheet of paper, telling him that final approval required additional scrutiny. For some reason, despite Ganti's years as a student in the United States and his employment with a reputable firm in Boston, his application had raised a red flag.

Still, officials at the consulate assured him the process would take no more than eight weeks. And Ganti had no reason to suspect a problem. The Department of Homeland Security, after all, had only that summer given him permission to remain in the U.S., and he had been approved twice before for a student visa. But as the weeks dragged on, it became hard for him to decipher what was happening. Visa applicants facing what is euphemistically called "administrative processing" are never told exactly why their application has been delayed. They are given a case number and told to check a website, but the only information on the site is whether their visa has been approved or is still "Pending Process."

To this day Ganti has no idea why his passport was flagged, although he has spent countless hours pondering his life's trajectory, trying to figure out what might have triggered the U.S. government's reaction. Perhaps it was because his father had worked as an engineer in Abu Dhabi, which, while friendly to the United States, is part of the United Arab Emirates, home to two of the 9/11 hijackers. Perhaps it was the slight misspelling of his name on his Indian passport, which records him as Lakshmi Narayana Ganti rather than Lakshminarayana Ganti. Or perhaps he had been caught in the Visas Condor program, a post-9/11 initiative under which nationals from a handful of countries thought to be associated with terrorist activity get special screening. For Saudi and Pakistani men trying to get into the U.S., a Condor review is a near certainty. But as an Indian, Ganti didn't seem to fit the Condor criteria. Another possibility was that it was a Visas Donkey review, triggered when a name is registered as a "hit" somewhere on a State Department watch list. The vast majority of hits are false positives—similar names but different individuals. A "Mohammed Khan" would almost certainly hit against the list. But again, Ganti's name didn't make him an obvious candidate.

In all likelihood, he was flagged for a Visas Mantis review, because of his training in electrical engineering. After 9/11 the U.S. government began to aggressively scrutinize visa applications from anyone with scientific or technical skills that could conceivably be used militarily. Before the 2001 attacks, such reviews averaged about 1,000 per year. Recently the number has been closer to 60,000 per year. Sharpridge tried to intervene, seeking the help of Massachusetts Sen. Edward Kennedy, at the time the most influential lawmaker in Congress on immigration issues. Ganti's "skills are advanced and highly specialized," the company's chief operating officer, Rick Cleary, wrote to a Kennedy staffer, and his absence "has had a significant and detrimental effect on our business." But the company never heard back from the senator's office.

Meanwhile, the company was feeling the effects of the worsening economy. It badly needed Ganti or a similarly qualified quantitative analyst on staff. But Ganti wasn't able to tell his employers if or when his visa might be approved. Still, the company kept paying his salary and health insurance even though his Bloomberg terminal, at $1,500 a month, was sitting idle. Ganti himself had bills to pay: $1,750 a month for rent on his apartment, $550 a month for his rented car, and $260 for parking. But by the time he contacted me, his friends in Boston had turned in the keys to the car, packed up his apartment, and put his belongings in storage.

In early 2009, more than a year after Ganti's ordeal began, senior officials from the State Department and Department of Homeland Security initiated a review of the system, focusing on Mantis. According to current and former officials, the review concluded the long delays were mostly the result of bureaucratic caution—junior officials waiting for their bosses' approval. The task force devised a more streamlined process, implemented in May 2009. Mantis checks would be completed in no more than 10 business days, unless an agency discovered troubling information. The State Department also began going through a backlog of Mantis-related cases; at least 7,000 people were cleared almost immediately.

Perhaps coincidentally, on May 22, 2009, the website notice on Ganti's case switched from "Pending Process" to "Send PPT," which meant the approval had finally come through. But for Ganti it was too late. A few weeks earlier he had received a letter from Sharpridge terminating his employment. "We were a small, private company that borrowed a lot of money from Wall Street, and Wall Street lenders were failing left and right," says Grant. "Our bandwidth to work on an immigration issue was pretty limited because we were scrapping for survival."

The company, though, pulled through, and in September 2009 it finally went public, listing its shares under the name Cypress Sharpridge Investments. On Sept. 3, every one of the company's employees stood on the floor of the New York Stock Exchange and rang the opening bell. "Ganti missed that IPO, and it crushes me that he missed it," says Grant. "And it's the State Department's fault." He still hasn't found a quantitative analyst but isn't prepared to take another chance on Ganti—or any other foreign hire. "We're not hiring anyone unless they've got a green card or a U.S. passport. It's just too expensive for a small company."

Since one of the requirements of the H-1B is that the visa holder has a job, Ganti was unable to return to the United States, so he took a variety of consulting jobs in India, offering his business-analytics skills to Aon, the insurance brokerage, and to smaller startups and consulting firms as well.

Then, on Dec. 2 of last year, I received an email from Ganti, who was still trying to return to America. He told me he had finally gotten a job offer, as a business analyst for a software-consulting firm in the Washington, D.C., area. That morning, he said, he had gone for an appointment at the U.S. Embassy in New Delhi, believing that after the lengthy background check he had already endured, the visa stamp would be routine this time around. It wasn't. Again he was told he would face "administrative processing." "I was looking forward to writing and calling you with good news," he said. "But it hasn't worked out that way."

That was more than four months ago. Ganti is still waiting.

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