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Federal complaint: Filipino teachers held in 'servitude'

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BATON ROUGE — It has been more than two years since Ingrid Cruz ached a middle-of-the-night video interview in [Manila](#), borrowed \$10,000 from her parents and flew halfway around the world to take a job here teaching middle school science.

She was seeking that most American of dreams: a new life, and opportunities she couldn't approach back home. But along the way, Cruz says she has endured intimidation, humiliation, extortion and a long, painful separation from her young daughters.

Cruz is one of more than 300 teachers imported to [Louisiana](#) from the Philippines since 2007, a group of educators who say collectively they paid millions of dollars in cash to a Filipino recruiting firm, PARS International Placement Agency, and its sister company, Los Angeles-based Universal Placement International Inc.

Cases like those of Cruz and others prompted the [American Federation of Teachers](#) and its state affiliate, the Louisiana Federation of Teachers, to file a complaint on Sept. 30 with the state Workforce Commission and attorney general. On Oct. 20, AFT filed a lengthier complaint with the [U.S. Department of Labor](#). The unions allege the companies kept the teachers in "virtual servitude" by holding onto their U.S. work visas unless they kept paying inflated fees, commissions and rents.

Teachers paid upward of \$16,000 apiece — about four times what they could earn annually as teachers in the Philippines — to get and keep jobs with public schools here.

USA TODAY was unsuccessful in repeated attempts since Oct. 16 to get a response to the allegations from Lourdes "Lulu" Navarro, the owner of Universal, or a spokesperson.

The situation underscores the vulnerabilities of a small but growing corner of teacher recruitment: the H-1B visa program, which last year brought an estimated 6,000 teachers to the USA to fill hard-to-staff jobs in subjects such as math, foreign languages and special education. An estimated 19,000 migrant teachers work in U.S. schools, according to AFT, which last month warned of "widespread and egregious" abuses of imported teachers.

"I'm very concerned that there are more places like this," says American Federation of Teachers President [Randi Weingarten](#). "Even if it was an isolated incident, it would be horrible, but my hunch right now is that it's not isolated."

H-1Bs are reserved for skilled professionals. The law overseeing them relies heavily on employers to protect against fraud and abuse. In this case, critics contend that several Louisiana school districts — including East Baton Rouge, Jefferson, Caddo and the state-controlled Recovery School District (RSD) in New Orleans — at best were negligent in not looking out for the best interests of teachers.

"At some point there was an issue of vetting that was not done," says LFT President Steve Monaghan.

If they violated state or federal labor laws, the districts could face substantial penalties: Federal law says they could be on the hook for millions in fees. Already, the Caddo Parish school district

in northwestern Louisiana has agreed to pay \$1,660 to each of the district's 43 teachers recruited by Universal — and has reserved \$400,000 for "reimbursement for any potential claims sustained" by teachers.

Before they set foot on a plane in the Philippines, most of the teachers put down cash for a placement fee set at 20% of their expected first-year salary in Louisiana. In a few districts, the teachers stood to earn \$40,000.

Federal law prohibits charging most fees to H-1B workers — employers are supposed to pay them. If they charge any fees, employers aren't allowed to collect them until workers draw their first paycheck in the USA.

Hard to say no

The teachers interviewed say they knew they were being charged an excessive amount. But for the possibility of earning nearly \$40,000 a year — most of which they hoped to send back to their families — they scrambled to sell cars, mortgage homes, borrow from friends and family and, in a few cases, take out bank loans at inflated interest rates. One teacher sold a steer from his family farm.

"Here's an opportunity for you to grow and pursue your dreams, get a better profession and a better opportunity for your kids," says Cruz, 30, one of a few of the teachers willing to speak on the record about the case. "It would be impractical *not* to go for it."

High school math teacher Ian Cainglet remembers a wave of fees that just kept coming and coming: a \$1,000 "marketing fee," then, a week later, a \$3,920 "processing fee." A week later came a \$595 "evaluation and transcript" fee, then \$100 for a classroom management seminar in Manila that Cainglet thought was useless.

"You would just find a way to produce that money," he says.

"We're thinking, 'If we go to America, it's going to end there,' " says teacher Bernard Pagusara.

It didn't.

In interviews and sworn statements, dozens of teachers say things deteriorated once they landed at Los Angeles International Airport.

After a series of flights lasting up to 16 hours, they say, Universal's president Navarro and her employees met the teachers at LAX and took them to get Social Security cards and U.S. checking accounts.

Then Navarro, herself a Filipino, presented them with a second contract — this time for Universal's share of their placement. It usually amounted to 10% of both their first- and second-year salaries. They'd already paid PARS, run by Navarro's brother, Emilio Villarba, 20% of their first year's salary in cash before leaving the Philippines. Now they were asked to give Navarro more, payable in back-dated monthly checks — due immediately.

Anyone who didn't sign was threatened with instant deportation, Cruz and others say in their statements.

Teachers say they repeatedly were forced to weigh two unacceptable options: Move forward and pay more in hopes of getting a good job — or refuse, go back to the Philippines and face a mountain of debt with no job.

"We were already in deep, deep trouble with debts because we were paying all these people," says Luzellene Perez, a teacher in Jefferson Parish, near New Orleans.

All of them boarded their flights to Louisiana on schedule.

Crossing the line

For the East Baton Rouge Parish teachers, Navarro signed leases on their behalf for shared apartments at a run-down complex known as the Savoy. On a recent visit to one unit, roaches dotted tile shower stalls and scattered inside a kitchen cabinet when a teacher opened it.

The complex advertises two-bedroom apartments starting at \$815 a month. The teachers say Navarro collected \$310 monthly from each teacher — four of them sharing a two-bedroom apartment paid a total of \$1,240.

At the height of its commitment to Universal last year, the complex housed 160 teachers.

Meanwhile, teachers over the past two years have devoted much of their salary to debt payments. For Cainglet, they eat up nearly his entire take-home paycheck of \$2,100 a month: After \$1,950 in loan payments and rent, he's left with \$150. "And I've still got to send money home to my family."

Most H-1B visa-holders keep the visas for three years, with a chance to renew for another three. And unless a broker is paying the worker's salary, the law requires the employer to pay any fees and ensure that a worker's visa is renewed, says lawyer John Miano, a fellow at the Washington, D.C.-based Center for Immigration Studies.

In the Louisiana teachers' case, allowing Navarro to apply for the visas may have crossed the line "from questionable to illegal," he says.

In most cases, Universal served as a free recruiter. It also apparently paid for officials from at least two districts to fly to Manila to meet prospective teachers.

East Baton Rouge schools' general counsel Domoine Rutledge says the district "does not have any formal relationship" with Universal, but records in the case show that the company in 2007 wrote a \$20,241.90 check to the district that equaled the cost of sending seven district officials to Manila. Rutledge calls it an unrelated, "unconditional donation" to the district. He also says East Baton Rouge severed its ties to Universal after learning about the teachers' poor treatment. "We in no way want to be complicit in the ill treatment of anybody."

In Northwest Louisiana's Caddo Parish, home to Shreveport public schools, Universal reimbursed the district \$8,362 for a June 2008 trip by three officials. It produced 43 teacher hires in hard-to-staff areas, but parish school board members say they didn't know about the trip until two months after it happened.

East Baton Rouge officials defended their arrangement with Universal last year even after a federal agent with the U.S. State Department in Manila wrote to the district with suspicions about the company. And documents in the LFT complaint show that they actually revoked a job offer of a prospective teacher who complained about Universal's fees.

They also apparently didn't balk when Navarro secured not three-year but one-year visas for teachers — charging each one \$1,745 for renewal at the end of the year. The usual fee: \$320.

East Baton Rouge spokesman Chris Trahan says the district routinely seeks one-year visas for untenured foreign teachers. "There's no mandate" to get them three-year visas, he says.

Cruz recalls confronting Navarro over the fee, telling her an outside attorney might charge less. She says Navarro shot back, "What if I make an example out of you and sue one of the teachers, just to give you a lesson?"

After that, Cruz says, "everybody got a one-year visa except me — I got six months."

She eventually got another renewal, but the move had its intended effect. "Everybody was so scared after that," she says.

And since Navarro controlled their visas, Cruz and others believed they couldn't leave the USA or bring their families over. Cruz didn't see her two daughters, ages 7 and 8, for two years. As she speaks about it, her anger dissolves into tears.

Then, on Nov. 2, 2008, a few teachers began posting to a new blog called Pinoy Teachers Hub. ("Pinoy" is an informal term of pride for Filipinos, the equivalent of "Yankee" for a New Englander.) Within days it compiled more than a year's worth of grievances against Navarro.

The blog and both the federal and state complaints also allege that she was a convicted felon — charges confirmed by legal records, which show that Navarro, 50, admitted defrauding California's Medi-Cal program of more than \$1 million in 2000. She also was convicted of money laundering in New Jersey in 2003 and served two years of probation. That should have raised a red flag had Navarro applied for a Louisiana "employment service" license — but she never did, the union says.

Teachers say that within two weeks after the blog began, Navarro lowered their rent at the Savoy and cut their visa renewal fee in half.

Easily the most outspoken of the teachers, Cruz says she had nothing to do with the blog.

But Navarro accused Cruz of starting it and sued her for libel in a lawsuit that eventually was dismissed. Navarro has appealed, but it caught the attention of LFT, which began investigating teachers' complaints.

Cruz hopes it stops what she and others call the mistreatment of a new wave of Filipino teachers. "Somebody needs to speak up and tell their story because we can't keep on," she says. "If she was just threatening us over small things and we're done with her in two years, then no problem with that. But lives are being destroyed."

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