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Guest Worker Visa Troubles Visit McDonald's

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For Argentine college student Jorge Rios, a U.S. government cultural-exchange program had huge appeal: He would earn money and use it to explore the country. But after spending \$3,000 to participate, Mr. Rios said he found himself at the mercy of a [McDonald's](#) Corp. [MCD -0.30%](#) franchisee who was his employer and landlord.

This week, he and 14 other foreign students demonstrated outside a McDonald's after filing complaints with the State Department and Labor Department saying they were exploited at fast-food outlets in the Harrisburg, Penn., area and housed in substandard conditions. The students were on a three-month J-1 visa for work and travel.

Reached on his cellphone on Thursday, Andy Cheung, the owner of the Harrisburg McDonald's locations, said he was too busy to comment. A McDonald's spokeswoman said the Oak Brook, Ill., chain is looking into the claims and, on behalf of Mr. Cheung, added, "The well-being of my employees is a top priority. The employees that are working in my restaurants as part of a guest worker program are no exception."

As Congress debates an immigration overhaul, the controversy in Pennsylvania highlights the challenges of creating and managing any new visa program, particularly for temporary workers. Arizona Sen. [John McCain](#) said this week that working with labor to revamp visa programs has emerged as one of the toughest issues in discussions over a framework to provide legal status with a pathway to citizenship for the 11 million immigrants living in the U.S. illegally.

It also illustrates the challenges that employers, especially in businesses that rely on low-skilled labor, face as they struggle to fill jobs amid a crackdown on those that hire illegal immigrants.

The Harrisburg students arrived in the U.S. under the auspices of the Summer Work Travel Program, which the State Department's website says provides the opportunity "to experience and to be exposed to the people and way of life in the United States." In recent years, however, critics say it has served to supply low-wage labor for ski resorts, car washes and fast-food outlets from Colorado to North Dakota and New England.

"This is a cheap-labor program, nothing more," said Carl Shusterman, a Los Angeles immigration attorney and former Immigration and Naturalization Service official. "Since when is flipping burgers a cultural exchange?"

Immigration attorneys said the J-1 visa program doesn't face the same oversight as other temporary-worker programs, such as the H-1B, commonly used to bring in skilled workers, or

the H-2A, for seasonal agricultural laborers. About 109,000 students came to the U.S. on the Summer Work Travel Program in 2011.

Charles Kuck, president of the Alliance of Business Immigration Lawyers, says "employers of less-skilled workers are between a rock and a hard place. So they are using a program like the J-1 for an unintended purpose."

The McDonald's spokeswoman said the company knows of franchisees in seasonal or low-population areas that use guest workers but said the company doesn't know how many workers are recruited each year overall.

The students in Harrisburg, including those from Malaysia, China, Peru and Chile, said they were attracted by ads on their university bulletin boards and websites, such as one by a company called Out of the Box Personal Development in Kuala Lumpur, touting "a unique opportunity to live life in the USA—up close and personal!"

Lee Siew Yeen, a director for Out of the Box, said she was surprised by the complaints and would reach out to the students. "There was a housing issue. Other than that they weren't going through anything that was different from other students," she said. "They were pretty happy."

On arrival, the university students were assigned to one of three McDonald's in the Harrisburg area. Some said they were given so few hours that they hardly earned any money after their boss and landlord deducted rent from their paychecks. Others said they were forced to work shifts as long as 25 hours straight without being paid for overtime.

"Since I got to the States, I have been working just to pay to live in a basement," says Mr. Rios, who arrived in mid-December and shares the one-room space with five other foreigners who work at the same outlet. He said he worked about 25 hours a week earning \$7.25 an hour and Mr. Cheung, his boss, deducted weekly rent of \$75 from his pay.

A work agreement provided to him by Geovisions, a New Hampshire firm accredited by the State Department to place students identified by foreign agencies like Out of the Box, states that Cheung Enterprises would employ him for an estimated 40 hours each week. The form, which was reviewed by The Wall Street Journal, said hours could be reduced by factors such as business needs, weather and performance.

In their complaint with the State Department, the students allege they were paid less than the minimum wage, lived in substandard housing and were threatened with termination or deportation after they voiced concerns.

Kah Inn Lee, a 23-year-old student from Malaysia, said a curtain separated the men's and women's beds in the tiny basement she shared with seven other students in a house owned by Mr. Cheung's son. Earning about \$250 a week, she calculates she is in the red after paying for housing and food. To travel after completing her assignment at McDonald's, which ends this weekend, she has asked relatives to wire her money.

Kevin Morgan, Geovisions' chief executive, said the complaints are the first related to Mr. Cheung's company that he is aware of in at least four years of working with the franchisee.

"It has been an unfortunate circumstance," Mr. Morgan said of the students in Harrisburg. "We'll take a look and see what the causes are. We can't be putting students into a situation where they're just uncomfortable, where they're not going to achieve the cultural goal of the program."

State Department officials interviewed the students on Thursday. "We will take appropriate action once our investigation has been completed," a spokeswoman said.

Ana Avendano, head of the AFL-CIO's immigration and community action program, said the Harrisburg situation will prompt the federation to address the J-1 visa in negotiations for an immigration overhaul. "These folks are buying a job that often turns out to be in substandard conditions," she said.

The program, created by Congress in 1961 "to strengthen the ties which unite us with other nations," has faced scrutiny before. In May 2012, the State Department tightened rules, saying "cultural exposure that is solely work-based is insufficient."

The students, many of whom are visiting the U.S. for the first time, say they have been locked out of the basements. Since the ordeal began, says Mr. Rios, he has seen friends break down in tears. "Everyone just wants to return home and forget this terrible experience," he said.

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