

By Franco Ordoñez

Wednesday, Aug. 12, 2009

RAEFORD, N.C.

During a break at a House of Raeford Farms plant in eastern North Carolina, dozens of workers in hairnets and rubber boots mingled outside the large gray factory among scattered turkey feathers.

It was a typical sight except for one thing: Most of the poultry processing workers were African American – not Latino, as they have been for much of the past decade.

House of Raeford, one of the nation's top chicken and turkey producers, appears to be transforming its workforce amid a court fight over federal charges that a subsidiary knowingly hired illegal immigrants.

Current and former workers at the company's main plant in Raeford say the firm stopped hiring immigrants in recent months and let hundreds more go for using fake documents.

Once more than 80 percent Latino, the production floor at the Raeford plant is now up to 70 percent African American, workers said.

“Before there were hardly any African Americans,” said Rashida Grace, 19, a line worker who has been at the plant over a year. “Now there are only a few Latinos.”

In July, a federal grand jury charged Columbia Farms, a company owned by House of Raeford, with knowingly hiring illegal immigrants at its Greenville, S.C., plant.

N.C. workers told the Observer that the company appears to be going down a list of Hispanic employees and firing them in small numbers, so as not to interrupt production. Human resources officials also have been given “immigration training” on how to comply with the law, according to a union representative.

Peter Anderson, a Charlotte attorney and former federal prosecutor, said the company appears to be trying to seek favor with federal prosecutors. Executives could be looking to reduce the charges against them, limit liability if found guilty and possibly prevent the case from going to court.

“It's a smart decision for the company – even though they've been indicted – to do whatever they can ... to comply with the law,” said Anderson, a candidate for U.S. Attorney in western North Carolina. “It sends the right message, that they've gotten the wake-up call.”

House of Raeford has not, however, signed up for a free federal program, known as E-Verify, that allows companies to verify applicants' Social Security numbers, according to the Department of Homeland Security.

The government's 50-count indictment charges that Columbia Farms employed undocumented workers at the Greenville plant from 2000 until October 2008, when U.S. Immigration and Customs Enforcement agents detained more than 300 workers in a plant raid.

The investigation has also resulted in charges against Greenville plant manager Barry Cronic, human resources manager Elaine Crump and about a dozen supervisors.

Since the initial arrests, hundreds of workers have left their jobs and the company has turned to state prisons to help fill production lines in North and South Carolina plants.

House of Raeford declined to comment on recent questions about how its workforce has changed. But the company said prisoners make up less than 1/2 of 1 percent of its N.C. workforce – and slightly more in South Carolina.

Company executives have previously said Columbia Farms has cooperated with the federal government in every step of the investigation and “looks forward to vindicating the company’s position in a court of law.”

House of Raeford, a family-run business, has operations in the Carolinas and Louisiana, 6,000 employees and nearly \$600 million in annual sales.

Marvin Johnson, 82, who launched the private company, is the chairman. His son, Bob, is the chief executive officer.

In a February 2008 series on workplace safety in the poultry industry, the Observer reported that some House of Raeford managers knowingly employed illegal immigrants. Current and former supervisors said the plants preferred undocumented workers because they were less likely to question working conditions for fear of being fired.

Hispanics being fired

Isabel Hernandez said she was fired on April 21 for working with fake documents. Hernandez and others described what she saw as an organized effort to push illegal immigrants out of the plant – a few at a time – so as not to draw much attention or disrupt operations.

“It was very regular,” said Hernandez, who worked under another name. “Every seven days they’d let a few go.”

The shortage of workers has curtailed production, current workers said. One of the Raeford factories, an older plant, has cut operations to four days a week, workers said. Last year, House of Raeford announced it would begin reducing the number of birds it processed by 5 percent.

Raeford Mayor John McNeill said he was unaware of changes in the workforce, but welcomed them if it meant more jobs for Raeford citizens.

“If that’s happening, that’s good,” he said. “With our unemployment numbers, we need local jobs.”

The unemployment rate in Hoke County is 8.9 percent, up from 6.3 percent in 2005, according to the Bureau of Labor Statistics.

In the 1980s and early 1990s, most poultry workers were African American. Later, more immigrants began taking the jobs that poultry companies said Americans no longer wanted.

House of Raeford previously said the change was the result of supply and demand, not discrimination.

"We can only hire those who apply to work for us, and at the moment between 85 percent and 90 percent of our job applicants are Latino," Cronin, the Greenville complex manager, wrote in a 2007 letter to the Observer.

But now, with unemployment so high, more Americans are seeking jobs they previously avoided. American-born workers in Raeford say there's no excuse for the company to rely on undocumented labor.

Lamar McCoy, 25, called the changes long overdue. He said several friends and relatives have gotten jobs recently at the plant, including his brother.

"It's been good for the town, especially black minorities," said McCoy, who worked at the plant about nine months until this summer. "There are lots of poor black men with not many opportunities.... In a small town like Raeford, there are not many jobs."

10 former employees sue

Despite the changes, some contend the company still isn't treating workers fairly. Ten current and former employees of the Greenville plant – some of them prisoners participating in a work-release program – recently sued Columbia Farms, alleging it required employees to work hours without pay. Among the tasks for which the employees weren't paid: donning and removing safety gear.

In an answer to the suit, Columbia Farms has denied wrongdoing.

After an indictment, some companies may resist making specific changes because executives don't want the action to be construed as an admission of guilt.

But Anderson, the former prosecutor, said doing nothing could inflame a prosecutor who may see such behavior as showing a lack of responsibility or remorse.

"That is almost like giving the proverbial finger to the government."