

Greedy Gates Immigration Gambit

Revisiting the visa scandal that displaces American workers and harms U.S. national interests

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Introduction

The harmful legislation and policies that are the topic of this article are an example of Garrett Hardin's Ph.D. "Tragedy of the Commons."¹ Valuable resources that belong to the nation, held in common, are being economically exploited by economic elites, who have procured legislation that permits them to reap unprecedented economic benefits — and kick back a tiny fraction of their ill-gotten gains to further influence the political leaders. Overpopulation-stoked workforce gluts drive down wages, while the resultant population increase bids up the prices of the necessities of life. Both trends benefit the "one-percenters." In summary, *overpopulation is profitable* for amoral economic elites.

Greedy special interests have produced multi-billionaires by dollarizing immigrant's desires to work in the United States under the authority of "bad law" — the controversial H-1B Visa and the even-more-controversial OPT extension to the F-1 Visa. While the immigrants typically experiences an increase in income from the level they would have earned in their nation of origin (typically from the developing world), the result for middle class Americans has been an importation of massive amounts of poverty. Myriad harms have resulted from these "bad laws," including the following:

1. Owners of technology firms have learned in many cases that they cannot cost-effectively control core business processes that are conducted offshore. The work visa programs were designed with extremely large loopholes that in almost all cases guarantee a cost advantage to hiring younger foreign labor via these bad

laws. Free-market advocate and Nobel economics laureate Milton Friedman was quoted in a 2002 article as saying the H-1B Visa program was a "government subsidy" program as it allowed employers access to higher-skilled workers at below-market wages.

Given the bloated size of these programs, they have morphed into de facto government-sanctioned foreign hiring preference programs. STEM workers from the developing world are imported to the U.S. via H-1B Visas and the OPT extension to F-1 (student) Visas. The foreign higher-skilled workers labor under conditions akin to indentured servitude, as the employer-interest-designed work visa programs are conditioned upon the foreign worker being continuously employed. Once the foreign workers have their job cut, they are subject to almost immediate deportation. (Many immigrants elect to become illegal aliens once their positions are eliminated.²) The small fraction that eventually are naturalized have the "carrot" of eventual U.S. citizenship dangled in front of them. The permanent labor certification (PLC) process is intentionally drawn out to immobilize the foreigner. Simultaneously, loopholes were designed into the PLC process that permit the employer to obtain the permanent labor certification without considering equally or better-qualified American citizens. Consider the infamous video series prepared by the immigration attorneys at Cohen and Grigsby in 2007.³

Here are the bloated admission totals for just five work visa programs.⁴

FY 1975–FY 2010 Admissions: 37,160,129
Estimated Direct Salary and Benefit
Avoidances: \$1.115 Trillion

Given the huge numbers involved, the indirect effects on almost all American wage earners are far larger and lead to this author's estimate that the total salary and benefit avoidance arising from the substitution of imported labor for Americans during the period is approximately \$10 trillion. The admission numbers continue to grow rapidly as a consequence of the approximately 1 million annual legal immigrant admissions to

Gene Nelson, a contributor to The Social Contract, has testified twice before the U.S. House of Representatives and twice before the National Academy of Sciences (NAS) regarding the harms to American citizens of the controversial H-1B Visa program.

the U.S. While the passage of S. 744 is unlikely, S. 744 would have given legal status to the illegal aliens already present in the U.S. — and doubled the legal immigrant flow to approximately twice the current level.⁵

When the amounts necessary to procure the passage of S. 744 in the U.S. Senate a year ago are included, the economic elites have expended roughly \$2 billion in politically connected expenditures since the collapse of the last immigration amnesty push in 2007,⁶ there has been strong rejection of the S. 744 proposal by middle-class American citizens. Perhaps the goal of the backers of S. 744 was a form of share-bargaining. Perhaps, their real goal was to protect the immigration policy status quo that was procured via the passage of the Immigration Act of 1990 — despite the U.S. economic collapse that was accelerated about six years ago. This just-released study analyzes the massive cost of the 1990 immigration policies in terms of dramatic increases since 2000 in unemployment and underemployment of Americans, independent of their level of educational attainment. Particularly hard-hit are those Americans above age 50.⁷

2. Young Americans are discouraged from entering the STEM fields as they observe the artificially shortened careers of their parents' generation. This diversion of talent bodes poorly for the future economic and national security of the U.S. As an example, decisive victories in World War II hinged on technology that was developed in the U.S. such as RADAR, antibiotics, and nuclear weapons. Historically, wars are fought for access to resources. This author recalls learning of the existence of a group within the Communist Chinese military establishment that considers the North American continent to be the solution to the Chinese overpopulation problem. In the event of a military conflict with the most populous nation, the U.S. will enter World War III largely bereft of technological advantages. Many dual-use technologies have been provided to Communist China for little or no cost.⁸ As a U.S. military adversary, China largely controls key strategic resources, such as rare elements required for rare-earth magnets.⁹

3. The careers of experienced American citizen technical professionals are artificially shortened as they are forced to train their H-1B Visa holding replace-

ment as a condition for receiving their meager outplacement benefit. This employer conduct is perfectly legal, as a consequence of the wide loopholes that lobbyists inserted into the legislation. In many cases, the American has a difficult time obtaining employment in the field they have trained and worked in. Professor Norm Matloff has termed this a historically unprecedented “internal brain drain.”¹⁰ This process also makes a shambles of U.S. fair employment laws that forbid employment discrimination on the basis of age, gender, national origin, or disability status.

4. Good middle class STEM careers are being exported to the developing world, where the positions are filled by workers in those countries. Kamal Nath, Commerce Minister of India, termed the H-1B Visa the “outsourcing visa” in 2007.¹¹ This exportation has facilitated the loss of millions of American industrial positions in the U.S. as the goods are now manufactured in the developing world to maximize the profits of multinational firms. Only a small fraction of the reduced manufacturing cost benefits American consumers in the form of reduced prices. Most of the value added via offshore research and development (R&D) and manufacturing is retained by economic elites who are the owner class of these multinational firms. A complementary policy goal of the economic elites was to dismantle the U.S. tariff system that served to protect U.S. industries and careers from being undercut by cutthroat foreign competition, which tends to control costs by ignoring regulations that protect the environment and U.S. employment civil rights policies.

Made in China

5. U.S. intellectual property is being stolen by these imported workers and taken to the developing world. Nations such as India and Communist China fail to honor U.S. patents and intellectual property laws. In most cases, U.S. Customs fails to intercept the goods destined for the U.S. that have been developed via intellectual property theft, conferring a price advantage to the foreign manufacturer that steals the intellectual property. (It is far cheaper to steal technology than it is to pay for the research and development costs to develop the intellectual property.) The ongoing trade practices are one of



Global Support Centre Employee of the Month
(Image courtesy of <http://paulrepair.com/blog/wp-content/uploads/2009/03/microsoft-tech-support.jpg>)

the causes of the historically unprecedented trade deficits, which act to weaken U.S. economic strength.

6. Intellectual property related to U.S. strategic and military security is also being stolen. This weakens the military strength of the United States. In the not-too-distant future the unipolar world that resulted from the collapse of the “Iron Curtain” in 1990 will become a bipolar world with Communist China becoming a stronger economic and military adversary each day. As an example of this intellectual property theft, the Cox Commission revealed that according to a CIA analysis, China likely detonated its first W-88 warhead in 1992.¹² The W-88 was designed at Los Alamos National Laboratory (LANL). The Brookings Institution recently estimated that the cost of the U.S. nuclear weapons program was about \$6 trillion (in current dollars). Clearly, it was much less expensive for the Chinese Communists to steal such valuable designs as the W-88.

The author’s connection with this nuclear weapons proliferation story is that near the end of his Ph.D. research, he was invited to LANL to present the results of his research in radiation biophysics during a week-long visit in April 1981. LANL scientists were interested in his work and invited him to begin preparation of a postdoctoral research proposal. About six weeks after his visit, he received a phone call that the postdoctoral program was being defunded, despite the fact that the former LANL director George Keyworth was named as President Reagan’s Science Advisor in early 1981.



The photograph of a full-size re-entry body model for a W-88 warhead (left) was taken by the author in 2012 at Vandenberg Air Force Base in California. Up to twelve of these re-entry bodies could be carried as the payload of the MX MIRV ICBM. The W-88 is an ultra-compact fission-fusion-fission weapon with a yield of up to 475 kilotons, about 40 times the yield of the nuclear weapon that destroyed Hiroshima, Japan, at the end of World War II. This re-entry body is about 14 inches wide at the base and stands about six feet tall. The W-88 is contained within the ablative heat shield and insulation of the re-entry body. While the W-88’s weight is classified, a likely upper bound is about 800 pounds.

Later, the author learned that planeloads of Chinese physicists were being hired at LANL instead of American citizens. As a consequence of the 1976 “Eilberg Amendment,” these imported physicists offered short-term costs savings via H-1B Visas.¹³ However, the Communist regime knew how to motivate those Chinese physicists to do the bidding of the People’s Liberation Army. Their families were held as hostages in Communist China. Failure to follow instructions would lead to potentially lethal consequences for their families. As a result, there was massive intellectual property theft, leading to China moving from very heavy first-generation Russian nuclear weapon design to the ultra-modern compact and lightweight designs such as the W-88 in about a decade. The author noted the woeful lack of U.S. counterintelligence resources during his 1999 testimony before the U.S. House of Representatives.¹⁴ Note that China has the world’s largest standing army and is developing a nuclear submarine fleet, likely armed with the Chinese Communist version of the LANL W-88.

7. The concept of the U.S. having a legal foundation that does not unfairly advantage economic elites is being rapidly eroded. Economic elites have largely co-opted the two U.S. political parties. Now both the Republican Party and the Democratic Party are extensions of the “Plutocrat Party.” Any third-party political movements have been rapidly taken over by economic elites as well. Economic elites have also exerted control over the Judicial Branch, which now routinely “rubber stamps” policies that provide huge economic benefits to the economic elites, while disadvantaging the dwindling American middle-class. Furthermore, the RICO statutes that were enacted to preclude the provision of “things of value” in exchange for “legislative acts” are now rarely enforced. Jack Abramoff admitted that he was a Microsoft lobbyist in his 2011 book, *Capitol Punishment*. I believe that certain things in the book were written to protect Abramoff, or past members of “Team Abramoff,” such as Ralph Reed or Grover Norquist.

Despite my personal correspondence with Abramoff prior to his sentencing hearing, Abramoff failed to disclose how much money Team Abramoff earned via the Microsoft account — or the total extent of their lobbying activities regarding H-1B. As my 110-page legal filing in the case *U.S. v Abramoff* documents, the team was very busy regarding H-1B Visa program advocacy.¹⁵

Michael Teitelbaum mentions Jack Abramoff and his lobbying team in his new book about the proclamation of “looming shortages” to both lure young people into STEM fields and increase funding for government agencies such as the National Science Foundation. Teitelbaum does not appear to note that it is far less expensive to raise false claims of a “shortage” than it is to improve salaries and benefits. Inflation-corrected STEM



Former Microsoft Chief Executive Bill Gates testified before the House Science and Technology Committee on March 12, 2008. Gates, whose net worth is listed at \$79.2 billion, urged lawmakers to issue more green cards to high tech foreign workers and falsely claimed that high tech firms could not find qualified Americans to fill research positions. "There are plenty of [Americans] out there to hire," said Rep. Dana Rohrabacher (R-CA), "but people want to have top quality people from India and China and elsewhere, and they're willing to let ... American computer programmers just go unemployed." Photos provided by the author.

salaries and benefits have remained flat since prior to 2000. Clearly, this is an economic benefit to the elites such as Bill Gates, III. Gates was recently named the "World's Wealthiest Man" again by *Forbes* Magazine, with an estimated net worth of \$76,000,000,000.00. I continue to hold that Gates accumulated a large part of his wealth by exploiting U.S. immigration law since the H-1B Visa program was created in 1990.

Curiously, the U.S. economic elites have a false sense of security. Apparently, they feel that their private security forces and gated communities will protect them from the consequences of the destruction of America. As one counterpoint, consider the bankers that were meeting at the restaurant at the top of the North Tower of the New York World Trade Center on the morning of September 11, 2001. None of them survived the terrorist act that was a consequence of the intentional non-enforcement of U.S. immigration law that tended to benefit the economic elites.

For these seven reasons cited above, the H-1B Visa program and the OPT Extension to the F-1 visa should be immediately terminated as "bad law" that harms the national interest while providing short-term benefits to special interests. Enforcement of existing immigration laws that protect the employment rights of American citizens needs to be augmented. Immediate passage of a nationwide enhanced E-Verify system, applicable to all



employers, as was mandated by the 1986 immigration amnesty legislation, is almost three decades overdue. Furthermore, the passage of the nationwide enhanced E-Verify legislation should not be conditioned upon provision of another immigration amnesty. ■

Endnotes

1. Hardin, Garrett; "The Tragedy of the Commons," *Science*, December 13, 1968. Article text available at: http://www.garretthardinsociety.org/articles/art_tragedy_of_the_commons.html
2. "2.4 lakh (240,000) illegal Indian immigrants living in US: Report" *Economic Times of India*, March 24, 2012. <http://economictimes.indiatimes.com/news/nri/visa-and-immigration/2-4-lakh-illegal-indian-immigrants-living-in-us-report/articleshow/12390426.cms>
3. Excerpts presented by the Programmers Guild. <https://www.youtube.com/watch?v=TCbFEgFajGU> Uploaded on Jun 16, 2007 4 minutes, 50 seconds. 451,024 views as of June 30, 2014.

Immigration attorneys from Cohen and Grigsby explains how they assist employers in running classified ads with the goal of NOT finding any qualified applicants, and the steps they go through to disqualify even the most qualified Americans in order to secure

green cards for H-1B workers. See what Bush and Congress really mean by a “shortage of skilled U.S. workers.” Microsoft, Oracle, Hewlett-Packard, and thousands of other companies are running fake ads in Sunday newspapers across the country each week.

4. Nelson, Gene; “How Record Immigration Levels Robbed American High-Tech Workers of \$10 Trillion,” *The Social Contract*, Spring 2012. <http://tinyurl.com/10-Trillion-Lost>. Note that the total cumulative admissions in these five work visa programs rapidly increased from the 25,172,533 tabulated five years earlier in, Nelson, Gene; “The Greedy Gates Immigration Gambit,” *The Social Contract*, Fall 2007. <http://tinyurl.com/J-Abramoff-Visa>

5. Dennis, Steven; “Immigration Bill Officially Dead: Boehner Tells Obama No Vote This Year,” *Roll Call Blogs*, June 30, 2014. <http://blogs.rollcall.com/whitehouse/immigration-bill-officially-dead-boehner-tells-obama-no-vote-this-year/>

6. Note the photographs of billionaires found on the “Our Supporters” page of FWD.us, a lobbying organization advocating passage of S. 744, founded by Mark Zuckerberg. http://www.fwd.us/our_supporters See also Drutman, Lee and Furnas, Alexander, “Untangling the webs of immigration lobbying,” Sunlight Foundation Blog, March 25, 2013. <http://sunlightfoundation.com/blog/2013/03/25/immigration/> Quoting from the report, “And in the five years (2008-2012) since the reform last died on the Senate floor, we count 6,712 quarterly lobbying reports filed by 678 lobbying organizations in 170 sectors mentioning 987 unique bills, associated with more than \$1.5 billion in lobbying spending..”

7. Camarota, Steven A. and Karen Zeigler; “All Employment Growth Since 2000 Went to Immigrants - Number of U.S. born not working grew by 17 million,” Center for Immigration Studies Government Policy Analysis, June, 2014. <http://cis.org/sites/cis.org/files/camarota-employment.pdf>

8. Pillsbury, Michael; “Security Issues: Strategic Perceptions,” Testimony U.S. China Security Review Commission, August 3, 2001, pages 439-440 (55-56 of 115), http://www.uscc.gov/hearings/2001_02hearings/transcripts/01_08_03tran.pdf

...It is that science and technology from the outside is the prime force of production, the prime way out for China of its poverty and its weakness. Now, the National Science Foundation of the United States and other parts of the U.S. Government have 13 agreements where we essentially provide science and technology almost for free to the Chinese sci-

entific community. Our corporations, if you visit—when the Commission visits Beijing and Tianjing and so forth, you’ll find these massive laboratories set up by, for example, AT&T/Lucent, fiber optics, the latest photonic switches, and not controlled in any way.

If the U.S. began to crack down on Deng Xiaoping’s formula for China becoming a great power and eliminating poverty by just monitoring what science and technology is going over there, what a lever we would have. We don’t do this, and I’m not advocating that we should, but from a Chinese perception point of view, this is a very big nightmare for them.....

9. Galyen, John; “China’s Monopoly on Rare Earths: Implications for U.S. Foreign and Security Policy,” Hearing before the House Subcommittee on Asia and the Pacific, September 21, 2011. <http://archives.republicans.foreignaffairs.house.gov/112/gal092111.pdf>

10. Matloff, Norm; “Ten-Minute Summary of the H-1B Work Visa.” <http://heather.cs.ucdavis.edu/h1b10min.html>

The world’s ‘best and brightest’ should be welcomed, but *only a tiny percentage of H-1Bs are in that league*. Even among the former foreign students now in the workforce — the group the industry claims are especially talented — the immigrants on average produce fewer patents per capita, are less likely to work in R&D, and have their U.S. degrees from lower-ranked schools than Americans of the same education, age, and so on.

Meanwhile, the H-1B program results in many of our own best and brightest U.S. citizens and permanent residents being squeezed out of the market once they accumulate 10 years or so of experience, and worse, many top college students are discouraged by H-1B and offshoring from pursuing the field in the first place.

In other words, *H-1B is causing an internal brain drain of the best and brightest American talents*. This has been explicitly recognized by UC Berkeley researchers, and as noted earlier, by a blue ribbon commission in the National Institutes of Health. The latter focused on the PhD level.

11. Lohr, Steve; “Parsing the Truths About Visas for Tech Workers,” *The New York Times*, April 15, 2007. <http://www.nytimes.com/2007/04/15/business/yourmoney/15view.html>. Conducting a Google search on both phrases “Kamal Nath” and “Outsourcing Visa”

site:nytimes.com shows three references on different dates.

12. Design details of the W-88 warhead are found here: <http://en.wikipedia.org/wiki/W88>. Chapter 2 of the 1999 Cox Committee Report, “PRC Theft of U.S. Thermonuclear Warhead Design Information” is found here: <http://www.house.gov/coxreport/pdf/ch2.pdf> “W-88 is mentioned 24 times in this chapter. A timeline on page 17 reveals that Communist China tests a series of smaller, lighter warheads between 1992–1996. Finally, Albright, David; “Swiss Smugglers Had Advanced Nuclear Weapons Designs,” ISIS Report, June 16, 2008. http://isis-online.org/uploads/isis-reports/documents/Advanced_Bomb_16June2008.pdf provides information about how the Tinnens, a Swiss family, had obtained advanced Chinese nuclear weapons designs (likely based on LANL designs) in a heavily-encrypted laptop. The Tinnens were collaborating with the A.Q. Khan nuclear weapons proliferation organization.

13. Nelson, Gene; “Career Destruction Sites — What American colleges have become,” *The Social Contract*, Spring, 2005. <http://tinyurl.com/nn28sp>

14. Note the draft of the author’s 5 August 1999 Oral Testimony critical of the controversial H-1B visa program before the House Immigration and Claims Subcommittee, in particular the final two paragraphs. <http://judiciary.house.gov/Legacy/nels0805.htm>

15. Author’s note: I appreciate that Abramoff

acknowledges his role as a Microsoft lobbyist in his 2011 book, *Capitol Punishment*. The Microsoft account remains lucrative. I was able to get “on the record” in the case *U.S. v Abramoff*. I attended Jack Abramoff’s sentencing hearing on 4 September 2008 at the DC District Courthouse. My 110-page “Victim Impact Statement” is document #40 in the Court docket in PDF format. <http://www.cwalocal4250.org/outsourcing/binarydata/Abramoff.pdf>

Jack Abramoff served as a Microsoft lobbyist — and also directed “Team Abramoff.” The team likely helped Microsoft steer about \$100 million in politically connected expenses by Microsoft and its proxies from 1995–2000. During the same period, Microsoft was able to procure 3 “Microsoft-friendly” changes to H-1B Visa legislation. The cumulative financial benefit to the firm has been over \$5 billion dollars in profits. An original member of “Team Abramoff,” Michael Smith, is now a VP at Cornerstone Government Affairs. I believe that he manages the Microsoft account, which continues to lobby for more H-1B Visas.

Millions of American citizen technical professionals have been harmed by having their careers destroyed since the H-1B Visa was created by employer lobbying in 1990. Corruption is likely involved. In my view, H-1B Visa and similar work visa legislation law, including the OPT extension to the F-1 Visa created by the second Bush administration (and never passed by Congress), should be repealed as “Bad Laws,” initiated and expanded via political corruption.

FACEBOOK’S SHERYL SANDBERG

It should come as no surprise that Facebook’s Chief Operating Officer, Sheryl Kara Sandberg (born August 28, 1969), is a leading proponent for increasing immigration. Educated at Harvard, she served as chief of staff to Bill Clinton’s Treasury Secretary Larry Summers. She then went on to become Vice President of Global Online Sales & Operations at Google, Inc. In March 2008, Facebook co-founder and CEO Mark Zuckerberg announced that she was leaving Google to become COO at his company.

Sandberg has taken an active role in the campaign to grant amnesty to illegal and make it easier for foreign-born workers to come to the U.S. In 2011, she told the U.S. Business Editor of the *London Daily Telegraph* that “America must radically reform its immigration policies” and handout more visas to foreign high-tech workers as well as “staple a visa to every high-tech diploma” of foreign students in the U.S., sentiments she has repeated in various mass media interviews, such as with FOX television on April 27, 2014. Along with Zuckerberg, she personally supported Eric Cantor’s Congressional re-election campaign.

According to news reports, Sandberg holds approximately \$1.5 billion on stock holdings in Facebook and other companies. She has been named in *Time* magazine’s annual list of the 100 most influential people in the world. ■

—Wayne Lutton