

March,7-2013

http://money.msn.com/now/post.aspx?post=08e865ae-d502-41c9-9434-2e4c0c05d8b7

Is McDonald's exploiting exchange students?

A labor group says some restaurants are abusing a popular program by effectively paying workers less than the minimum wage.

By Aimee Picchi 18 hours ago



McDonald's (MCD 0.00%) is known for minimum-wage jobs, but a labor group says some restaurants are going even lower than that.

Students from Asia and Latin America paid as much as \$3,000 each to come to the U.S. on a J-1 visa, but didn't exactly get what they thought they had paid for, the National Guestworker Alliance claims.

Instead of the cultural exchange and "good work" they expected, they became "exploited workers at McDonald's restaurants in Pennsylvania," Argentinean exchange student <u>Jorge Rios wrote in a letter</u> to McDonald's CEO Don Thompson. Rather than having a summer filled with enriching cultural experiences, they suffered grease burns and poor housing conditions, the letter notes.

"We could not quit because we knew that if we did, our visas would be cancelled. One manager told us, 'You better remember, all we have to do is make one phone call and we can deport you back to your country at any time," Rios wrote. His letter singles out McDonald's franchises near Harrisburg, Pa., where the workers <u>held a strike on Wednesday</u>.

The claims are reminiscent of similar complaints against another Pennsylvania company, **Hershey** (<u>HSY</u> 0.00%). In that case, where workers were also championed by the National Guestworker Alliance, the chocolate maker <u>agreed to pay \$200,000</u> in back wages after foreign students claimed they worked under harsh conditions.

A manager at one of the McDonald's restaurants referred questions to McDonald's corporate headquarters, which didn't immediately respond to a request for comments, <u>according to the Huffington</u> <u>Post</u>.

While McDonald's paid the students minimum wage of \$7.25 an hour, their employer charged them \$300 per month to live in crowded basement apartments, where as "many as eight of us lived in a single basement," Rios wrote. Because of what the labor group calls "<u>exorbitant housing deductions</u>," their pay was brought to below minimum wage.

The J-1 Summer Work Travel Program is designed for college students to travel to the U.S. and "to live and work in the United States during their summer vacation," <u>according to the State Department's</u> <u>website</u>.

While Rios wrote that he expected 40 hours of work a week, he was given as little as four hours. "The employer knew we were desperate for more hours, and he kept us on call to come in with 30 minutes' notice all day and night. I didn't even have time to visit the public library," he wrote.

Rios and the National Guestworkers Alliance are asking that McDonald's refund the students' money, including unpaid overtime and housing overcharges, and offer full-time work to its U.S. workers, whom they claim are "struggling with too few hours." They're also asking McDonald's to reveal how many of its restaurants employ exchange students.

"This is not the America we believed in," Rios wrote. "We believe America is a beautiful country, where everyone can have respect and fair treatment at work."