

For Banks Getting US Aid, Visa Flap Is Another Government Headache

Jeanne Branthover, Managing Director of Boyden New York quoted on CNNMoney.com speaking on how financial services will not share in the good fortune of the \$787 billion stimulus plan.

By Brett Philbin, Of Dow Jones Newswires

NEW YORK - (Dow Jones) - The Obama administration expects the \$787 billion stimulus plan to create or save more than 3 million jobs, but some foreign workers in financial services won't share in the good fortune.

Language in the legislation places greater scrutiny on the hiring of skilled employees with H-1B visas by financial institutions, such as Bank of America Corp. (BAC), that received funds from the federal government's Troubled Asset Relief Program, or TARP. Bank of America recently rescinded more than 50 job offers to foreign MBA graduates.

H1-B visas were created in 1990 to allow U.S. companies to sponsor highly educated foreigners to work in the U.S. for at least three years.

For many of the country's biggest banks that have received capital from the U.S. government, being unable to hire skilled foreign workers for U.S. jobs is a small but irritating problem. Even the biggest financial services firms file for only a couple hundred foreign workers requiring new H-1B visas, and some hire less than 10.

In contrast, technology companies apply for thousands of H-1B visas every year; Infosys Technologies Ltd. (INFY) applied for 4,559 in 2008, and Microsoft Corp. (MSFT) applied for 1,037. Microsoft founder Bill Gates has criticized the growing difficulty of getting skilled foreign workers; the legislation now bedeviling banks only applies to companies receiving money from TARP.

But for financial firms, the restrictions are one more reason to be unhappy about having received government aid.

While other big banks and universities have yet to disclose that they have also withdrawn offers of jobs, immigration lawyers and recruiters say such steps are likely given the new government regulations and number of new hires sought from countries abroad each year.

"We're getting calls from financial institutions we represent and from employees. Companies want to know how this affects the H-1B workers they are laying off and the H-1B workers want to know where they are going from here," says Jeff Goldman, immigration section manager, with law firm Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., in Boston.

Demetrios G. Papademetriou, president of the Migration Policy Institute, an independent Washington-based think tank, says, "What this legislation may have managed to do is simply intimidate a lot of these banks and make them say 'I don't want to go through this process.'"

Typically, Congress allows new H-1B visas for about 65,000 skilled foreign workers with bachelor's degrees and 20,000 with master's degrees each year.

To add these professionals, employers must file labor condition applications with the U.S. Department of Labor and then submit H-1B petitions with the U.S. Citizens and Immigration Services. The Department of State then issues the visas.

According to data from USCIS, petition approvals for banks in fiscal 2008 included Goldman Sachs Group Inc. (GS), which received 211, JPMorgan Chase & Co. (JPM) 150, Morgan Stanley (MS) 125, Citigroup Inc. (C) 210, Bank of America Corp. 33, and Wells Fargo & Co. (WFC) 9. The banks probably hired people for most of those petitions.

A Bank of America spokeswoman said, "the decision to rescind offers is specific to students requiring H-1B visas," which represent a "very small percentage, less than 1%," of the bank's global work force. "This does not otherwise impact our recruiting efforts."

Bank of America only withdrew job offers for people who had not started working as of Feb. 17 - the day that President Barack Obama signed the stimulus bill into law.

A Citi spokesman said the bank is "complying with the new H-1B law and we are exploring

potential opportunities in our non-U.S. global operations for those who may be affected by the law."

A representative from Wells Fargo said the company has "less than 0.04% of our team members under H-1B sponsorships. So, this bill would have little if any effect on our hiring."

A Goldman Sachs spokesman declined to address the bill, but stressed that the bank is a "global firm," adding that "we seek to hire the best people for each job."

Morgan Stanley declined to comment. JPMorgan didn't immediately return a phone call request for comment.

Jeanne Branthover, head of the global financial services practice at Boyden Global Executive Search, says a withdrawal of job offers is another indication that a company has "realized how severely hit they were by the crisis."

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