

US tech firm fined for underpaying Indian workers

October 23 2014, by Michael Liedtke

A Silicon Valley company is paying more than \$43,000 in back wages and penalties after labor regulators found eight employees brought from India were grossly underpaid and overworked while assigned to a special project in the U.S.

The probe announced this week by the U.S Department of Labor uncovered several egregious violations at Electronics for Imaging Inc., a printing technology specialist that generated revenue of \$728 million last year, when the misconduct occurred.

Among other things, Electronics for Imaging paid the eight workers far below California's required minimum wage—\$8 per hour at the time—while they helped the company move its headquarters from Foster City, California, to Fremont, California, during a three-month period, according to the Labor Department.

While assigned to the project, some of the Indian workers logged as many as 122 hours in a week without being paid overtime. As result, they received as little as \$1.21 per hour.

Electronics for Imaging says it "unintentionally overlooked" U.S. laws requiring foreign workers to be paid at least minimum wage, with overtime for more than 40 weekly hours on the job. Instead, the company gave the Indians unspecified bonuses while paying the transferred workers the same wages they normally received in their normal jobs in Bangalore, India. The workers were even paid in rupees

while in the U.S.

Michael Eastwood, a Department of Labor assistant district director, said the abuses at Electronics for Imaging were among the most outrageous he had ever seen—even worse than problems he had seen at garment factories in southern California.

"This is worse than anything that I ever saw in any of those Los Angeles sweatshops," Eastwood said Thursday.

The Electronics for Imaging case serves as a reminder of the economic divide between high-tech workforces in the U.S. and less-developed countries. While engineers and other technology employees are paid more than \$100,000 salaries and lucrative stock incentives, workers handling other jobs for the same employer often receive paltry pay if they are based in countries such as India, China and Mexico.

Although it is not among Silicon Valley's high-profile companies, Electronics for Imaging is successful. The company earned \$109 million last year and awarded CEO Guy Gecht with a pay package valued at nearly \$6 million, including more than \$1.2 million in salary and bonuses.

Electronics for Imaging is paying more than \$40,000 in back wages and damages to the eight Indian workers and a \$3,520 fine.

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