



Written by [Brian Koenig](#) on October 24, 2011

## Stimulus Project in Oregon Hired Only Foreign Workers

An investigation by the Labor Department's Office of Inspector General (OIG) has confirmed that more than seven million dollars in federal stimulus money went to an Oregon forestry project that generated not a single U.S. job. Instead, precisely \$7,140,782 from the American Recovery and Reinvestment Act (ARRA), President Obama's 2009 economic stimulus plan, was siphoned off to four Oregon forestry services to pay wages for 254 foreign workers.



In 2009, when the programs contracts were approved, Oregon was home to the nation's third-highest unemployment rate (11.1 percent), with joblessness in many rural areas surpassing 15 percent. In addressing the state's economic woes, the Obama administration said that the funds were aimed to produce hundreds of forest clean-up jobs in central Oregon. But despite severe job shortages, contractors professed that they wrestled to attract local workers in the area, and did so "unsuccessfully."

However, the OIG [reported](#):

Only two Oregonians were listed on the employer recruitment reports, indicating that workers in Oregon were likely unaware these job opportunities were available. In fact, although 146 U.S. workers were contacted by the three employers regarding possible employment, none were [sic] hired. Instead, 254 foreign workers were brought into the country for these jobs.

Workers in the area notified federal investigators that they "spoke with two workers who reported that the employer used discouraging language, such as references to age and the ability to speak another language, which are not valid conditions of employment." [Reported](#) *The Oregonian*,

The federal investigation looked at 14 contracts to clear federal forests in central Oregon. The contracts were controlled by four Oregon companies: Medford Cutting Edge Forestry, Summitt Forestry, Ponderosa Reforestations, and G.E. Forestry. All hired foreign workers, according to the report, though they didn't all handle hiring in the same way.

The contractors applied for H-2B visas allowing them to hire workers for seasonal jobs, according to the report. In order to get clearance, contractors must prove the jobs can't be filled with local residents and that pay won't dilute local prevailing wages.

Federal rules dictated that job listings must be offered only where the job "originates," but although the bulk of the labor was performed in Oregon, many jobs originated in other states. Thus a loophole was created for contractors to legally enlist foreign labor.



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According to the *Bend Bulletin*, which unveiled the debacle in a series of reports last year, contractors advertised job listings in small, local newspapers in California and Washington State for only a few days. “Employers were not required to recruit U.S. workers in Oregon, and we were provided no evidence that they did,” asserted OIG investigators.

Contractors deployed another scheme to weaken job responses from U.S. workers, by administering all the hiring four months before the work started. Naturally, unemployed workers, who were pressed for immediate income, were hesitant to pursue temporary jobs that wouldnt begin until months later. Of the prospective applicants, the report noted, “We verified with the employers that none of these workers actually began employment with them.”

The OIGs investigation stirred bipartisan resentment, as both Republicans and Democrats were outraged over the blatant misuse of taxpayers dollars. Rep. Peter DeFazio (D-Ore., pictured above), who called for the investigation, expressed his indignation, saying it is “obscene that U.S. companies were rewarded for abusing our American workers and immigration laws to undercut competition and squeeze more profits out of contracts.” DeFazio [expounded](#):

Oregonians have been logging for over a century, our workforce is one of the best in the world, and these contracts should have been awarded to companies that hire Oregon loggers. This report confirms that federal and state agencies failed to properly oversee the contracts and the companies investigated exploited federal loopholes to avoid hiring American workers. The Department of Labor must address the failings identified in the IGs report.

Although DeFazios assertion that the projects funds were wrongfully allocated may be merited, the Oregon Congressman neglected to note that such taxpayer abuse would never have occurred if the ARRA was not passed in the first place. But DeFazio is an ultra-leftist who staunchly advocates government-induced “job creation” (although he surprisingly [opposed](#) the ARRA). But as countless other stimulus horror stories materialize, as they also do with federal infrastructure spending the congressmans bread and butter the big-government ideology of DeFazio and his Democratic colleagues backfires yet again.



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