

# **NEWS RELEASE**

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## **Guest Workers Charge Racial Exploitation, File Federal Suit Against Luxury Hotel Chain in New Orleans**

### ***One Year After Katrina, Guest Workers Expose Hotelier's Scheme To Profit From Immigrant Labor While Excluding African Americans***

New Orleans – Latin American workers brought a federal lawsuit today against one of New Orleans' wealthiest hotel owners, who lured them through false promises and charged them thousands of dollars in fees to fill jobs held by New Orleanians prior to Hurricane Katrina.

Eighty-two guest workers allege that Decatur Hotels, LLC and its president, F. Patrick Quinn III, violated the Fair Labor Standards Act when the company failed to reimburse them for the exorbitant fees paid to aggressive labor recruiters working as agents of the hotel chain. Decatur owns about a dozen luxury hotels in New Orleans and is one of the largest locally owned hotel chains in Louisiana.

To pay labor recruiters in their home countries, workers from Peru, Bolivia and the Dominican Republic plunged their families into debt. Recruiters charged between \$3,500 and \$5,000 to bring workers to New Orleans under the federal government's H-2B "guest worker" program.

"Four thousand dollars is a lot of money in Peru," said Humberto Jimenez, one of the hotel workers. "I mortgaged my house to work for Patrick Quinn. I came here to make enough money to see my child through college. If I had known the truth I would never have come."

Recruiters under Quinn's employ promised workers 40 hours of work per week and plenty of overtime. Instead they found themselves working about 25 hours a week, sometimes far less. "They told me I would find the American dream. I found no dream here. All I have here is debt and nightmares," said one worker, holding a pay stub. "I earned \$18.08 in two weeks. What kind of dream is that?"

Under current immigration law these guest workers are bound to their employer and unable to legally work for anyone else. "They're on a dead-end road," said Mary Bauer, attorney for the Immigrant Justice Project of the Southern Poverty Law Center. "Their profound debt makes them desperate to work – but Decatur doesn't give them enough hours. And if they switch jobs, they're breaking the law. In effect, they are captive workers in a situation of virtual debt peonage."

Said Teresa Ortiz, another worker, "It's modern-day slavery. What are my options? I go home to Bolivia, poorer than when I got here and deeper in debt. Or I break the law to find another job."

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Tracie Washington, a local civil rights attorney, said, “This guest worker program is a continuation of the racial exploitation that began with slavery in this country. It’s corporate-driven. Decatur profits from it. And it’s state-sponsored. The Department of Labor signs off on it.”

To recruit these guest workers, Decatur had to certify to the U.S. government that it could not find U.S. workers to fill these jobs. Indeed, in its request for labor certification, Decatur claims to “have offered work to hurricane evacuees” but that “no one applied.” In a recent meeting with Quinn, guest workers asked for proof that Decatur recruited among African American Katrina evacuees. “He said he would not give us proof,” said Luis Chavez. “He has none. When I started work I said to my manager. ‘This is New Orleans – why are there no Black people working here?’ The manager said, ‘Because Black people don’t like to work.’ ”

“Guest worker programs are wedge policies that divide African Americans and immigrants,” said Saket Soni of the New Orleans Worker Justice Coalition. “At a time when the unemployment rate in the New Orleans metro area is 7.2 percent these guest workers are lured here and locked into exploitation. Meanwhile African American survivors are locked out of the hotel industry even as they struggle to return home and regain their lives a year after Katrina.”

This competition over jobs is being fueled by employers like Decatur and the government agencies that have failed to enforce labor laws. “These courageous workers are exposing guest worker programs as an opportunity for predatory employers to seek out and exploit cheap labor,” said Marielena Hincapie, Director of Programs at the National Immigration Law Center. As guest worker programs are increasingly seen as the answer to future migration, Hincapie cautioned against expansion of a historically flawed system.

“The solution is for all workers to be afforded decent work opportunities with a living wage in the just reconstruction of the Gulf South,” said Tracie Washington.

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