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The Issues Behind the Abramoff Scandal Started in 1957



A reader of one of my previous American Chronicle articles recently contacted me to see if I might be interested in some data for a future article about the current Republican leaders and some of their questionable past and current political connections. After checking out the background of the reader, I readily agreed to look over the data that he had compiled. The provider of this data is Dr. Gene A. Nelson, Ph.D. Dr. Nelson has been passionately involved in workforce issues for decades, including being called on to give testimony to the US House of Representatives in 1998 and again in 1999. He assisted in organizing demonstrations against H-1B visa program abusers including: Microsoft, Bank of America, EDS, Perot Systems, Texas Instruments and IBM. He is currently writing a book titled: ***An American Scam: How Social Interests Undermine National Security***. He has also learned and written about the key individuals that have been the architects for the past years of destruction of the American, Science and Engineering Enterprise. For background, see his 2005 article "*Career Destruction Sites - What U.S. Colleges Have Become*" at <http://www.thesocialcontact.com/>

The following is an attempt at a slice of a mini-expose' that should impress even the most dubious or questioning readers. It will also point out that the connection of the current Republican administration and undesirable, big money lobbying activity has been very active since the mid 90's..

Background Starts in 1950's:

The beginning of the story goes back to the Soviet 1957 launch of the Sputnik satellite and President Kennedy's 1961 goal to put a man on the moon before 1970. From that time forward, the federal budget for R&D spending was steadily increased from 3.4%

in 1957 to over 11% in 1964. The key Demographer of the time was Landon Jones. It was in his popular 1980 book where he had stated that all US citizens born after 1946 and before 1964 were to be known as the "*Baby Boomer*" generation. This increase in "Boomers" and the increase in the federal R&D budget was anticipated by the government as a way for the colleges to expand and for the increased number of Boomers to attain a college degree. This would allow employers to fill the growing demand for well educated and technically capable workers. Once all the major employers of that time had eventually become accustomed to the high profit margins brought on by this new injection of educated Boomers, they wanted to hold on to their new prize.

However, later in the 1970's, when the R&D budgets had shrunk back to a more normal 4% level, the cost of staffing the expanded college campuses with instructors and researchers had increased substantially. At this point, the schools began looking elsewhere for new staff members. In 1976, Representative Joshua Eilberg, in the House Immigration Subcommittee, utilized some obscure parliamentary tactics to sneak through a change in the US Immigration Law. The change granted colleges and universities the right to import unlimited numbers of qualified professors and researchers. This change quickly began harming the employment rights of thousands of qualified American citizens. When the private sector employers also found out about this "*sweetheart deal*" for the higher education facilities, they also wanted to share in this same pool of reduced cost , highly skilled labor. From that point on, companies such as Motorola, Raytheon, Intel, Dupont, Microsoft, HP and IBM began manipulating the levers of power and eventually accomplished that same goal.

In the 1980's:

Now you might ask; "So what has this got to do with the current Republican leaders?" OK, stay with me on this.

In the 1980's, reports were published through the National Science Foundation (NSF) about the "looming shortage of scientists and engineers". The majority of these reports emanated from a single division of the foundation called the Policy Research and Analysis (PRA) division and it was lead by a controversial Director; Peter House. A key PRA report in 1982 projected that, due to the shortage of trained personnel, researcher's wages would double between 1982 and 2000. Based on this report, strong government intervention was proposed by the NSF. Due to this report, highly skilled foreign nationals would now be imported in large numbers, mostly from "third world nations". Artificially low wages would be offered in exchange for potential US permanent legal residency. These individuals would immediately go to the head of the "*green card*" line instead of being subjected to the normal, longer waiting periods. The obvious consequence was a lowering or stagnating of all wages in the areas of science, engineering and technology. This began in 1999 and the wages in these areas are still an issue today.

In 1998 and Beyond:

The key visa that is involved with the imported, technical worker is the coveted H-1B visa. It has obviously been very profitable for major US companies to hire as many foreign workers as possible with valid H-1B visas. Unfortunately for these employers, up until 1998, there has been a limit on how many H-1B visa could be issued. For this reason, in the middle 1990's, large companies that depend on these foreign workers

decided to hire some Washington lobbyists for getting these visa limits increased. Now enters Microsoft and the Washington lobbyist, Jack Abramoff.

In 1998, Microsoft initially paid Jack Abramoff \$60,000 per month to lobby for the H-1B visa increases. Abramoff's lobbying totals for all of 1998, just for his efforts on behalf of Microsoft to increase the H-1B visas, was \$700,000. Abramoff's initial lobbying effort was focused on the Majority Whip, Tom Delay and his Deputy - Chief of Staff, William Jarrell. The final results were that Congress passed the first H-1B increase bill in October 1998.

In 1999, the Abramoff Network fees for lobbying for even more increases in the H-1B visas totaled \$560,000 and the Abramoff Network totals for lobbying those H-1B visa issues in 2000 was an additional \$480,000. Again the results were that the second H-1B visa increase was passed in Congress in October 2000.

The total dollars paid to the Abramoff Network for lobbying for ALL of the various Microsoft issues (*not jus H-1B visas*) for 1998 through 2000 was a staggering \$21.07 Million. It now appears that this was a well placed small investment of Microsoft's huge profits.

The following list of Senators and Representatives are the list of leaders in the 109th Congress that were associated, directly or indirectly, with the Abramoff Network. Unfortunately for them, they were either voted out of office or have been forced to resign their positions in Congress. All of these individuals helped to pass the H-1B visa increases through the efforts of the lobbying of the Jack Abramoff Network. They will however, NOT be part of the 110th Congress. They are: Rep. Tom Delay (R-Texas), Rep. Bob Ney (R-OH), Rep. Richard Pombo (R-CA), Rep. J.D.Hayworth (R-AZ), Rep. E. Sweeney (R-NY), Sen. Conrad Burns (R-MT) & Sen. Mike DeWine (R-OH).

After a long trial ended in November, 2006, Jack Abramoff was sent to jail for 9 years when he had admitted to conspiracy and wire fraud in preparing a counterfeit \$23 million wire transfer to fraudulently obtain a \$60 million loan. When the Abramoff Network had collapsed, the H-1B visa increases that Microsoft had pursued for both 2005 and 2006 subsequently failed.

Summary:

All of the above information is available to the public through various avenues, most are readily available through the Internet. Unfortunately, the number of registered lobbyists, mostly located on "*K Street*" in Washington DC, has doubled to more than 34,500 since 2000. Our freedoms are in constant trouble as special interest money talks big in this town, and the "*K Street Gang*" has more money than anyone could ever comprehend.