

# WSU may face more scrutiny despite deal on federal visa investigation

The school must pay \$1 million over two years and use outside counsel to audit H1-B program.

6 hours ago

A \$1 million settlement ended a three-year federal investigation into visa fraud at Wright State University, but the school and its leaders will continue to face strict scrutiny from the Department of Justice, a Dayton Daily News examination of the deal shows.

Under the agreement signed by president Cheryl Schrader and board chairman Doug Fecher, Wright State avoids prosecution in the matter for any crimes committed by the school or its employees between 2010 and 2015, including for perjury, money laundering “fraud and misuse of visas, permits and other documents,” and “conspiracy to defraud the United States.”

Wright State must pay \$1 million in three installments over the next two years and use outside counsel to audit its H-1B visa process.

However, the school’s leaders will be under the watchful eye of the Department of Justice for years to come, and the school could be open to prosecution if any of the terms are violated.

Schrader has declined to comment on the deal and Fecher said he wouldn’t comment directly on the agreement itself.

“It’s my fervent hope that that chapter for Wright State can be closed and we can move on to rebuilding enrollment and rebuilding this university for the future,” Fecher said.

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### **Ongoing probe**

Investigations into the visa fraud that occurred at Wright State remain ongoing, said Jennifer Thornton, spokeswoman for the U.S. Attorney's Office for the Southern District of Ohio. Thornton said she could not comment further since the probe is continuing.

As part of its non-prosecution deal, Wright State has agreed to help the Department of Justice with any investigations stemming from the visa probe. Four area companies, including Lexis/Nexis, UES, Inc., Universal Technology Corporation and Web Yoga, were all linked to WSU in the probe.

Thornton wouldn't say whether they are still the subject of an ongoing investigation.

The Daily News revealed in 2015 that Wright State sponsored 19 foreign workers who came to the U.S. to work at an area information technology staffing company that paid the workers less than what local graduates typically make for similar IT work. Immigration experts have said the arrangement likely violated immigration laws designed to prevent staffing agencies from trafficking in cheap labor from overseas.

Fecher said the university has tightened its policies since the visa scandal came to light.

Wright State now has a compliance department that can report directly to the president and can even go straight to the board of trustees. The board of trustees no longer "sits idly by" and it "is substantially stronger" than it was at the time visa violations were committed, Fecher said.

"From the very minute the board became aware of it, the decision was made to cooperate fully," he said. "That meant taking actions to make sure this really never happened again."

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**‘A warning’**

The Department of Justice is hoping the sanction — the largest by the Homeland Security Investigations office for a visa fraud case in Ohio’s history — makes an example out of Wright State for its visa misuse.

“This outcome should serve as a warning to entities who may be seeking to exploit the U.S. visa process,” Steve Francis, special agent in charge for HSI in Michigan and Ohio, said in a prepared statement.

The agreement shows that fraud in the administration of H-1B visas “leads to consequences,” said Ben Glassman, U.S. Attorney for the Southern District of Ohio, said in announcing the deal.

When the federal visa investigation came to light in 2015, it led to four administrators being suspended: university researcher Phani Kidambi, general counsel Gwen Mattison, provost Sundaram Narayanan and senior advisor to the provost Ryan Fendley.

Mattison agreed to retire in August 2015 with a \$301,331 separation payment, Kidambi resigned in August 2017, and the university fired Narayanan and Fendley.

Glassman credited Wright State’s board of trustees for taking action to address the school’s visa misuse after being notified by federal investigators. The non-prosecution agreement took into consideration the school’s remediation and the well being of the student body, he said.

“Visa fraud in higher education undermines the integrity of our immigration laws,” Glassman said. “Today’s agreement ensures that will not happen again at Wright State.”

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### **‘Cost of doing business’**

Neither Wright State nor any of the companies implicated in the scheme have been barred from continuing to apply for H-1B visas, or were listed by the U.S. Department of Labor as “willful violators” of the H-1B program, which would put them under additional oversight when seeking H-1B visas.

And as the federal investigation continued, the agencies and companies involved continued to get green lit for H-1B visas.

Federal data analyzed by the Daily News shows Web Yoga received preliminary federal approval for 47 H-1B visas from October 2017 to September 2018, allowing the Dayton company to place foreign workers all over the country. LexisNexis companies received approval for 153 H-1B Visas. Wright State received approval for six.

The H-1B visa program has been in existence for decades and was created to provide a pool of foreign workers for hard-to-fill jobs in the United States. The federal government allows 85,000 new H1-B visas each year.

The outcome of the case will likely cause universities to be more cautious with how they handle visas under the program, but it doesn’t send much of a message to companies looking for loopholes to exploit, said Ron Hira, an immigration expert and associate professor of public policy at Howard University.

“If you just have to pay a fine, it’s just the cost of doing business,” Hira said.

The H-1B program lacks proper compliance oversight, according to Hira, such as routine auditing that would spot abuses. Investigations like the one involving Wright State only happen when someone files a complaint with federal authorities, he said.

“The only way these kinds of things work is if you have a punishment that is strong enough to change behavior, and it’s not just changing the behavior of the violator but sending a signal to other employers,” Hira said. “The penalty is so small on these kinds of things when there’s a violation, (so as) to really not change behavior.”

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