



## California Labor Federation | AFL-CIO

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### **Schwarzenegger Sides With Corporations: Send the Jobs Offshore**

**SACRAMENTO** – Today Governor Arnold Schwarzenegger vetoed several bills that would have limited the offshoring of jobs in California. His actions angered laid-off workers and consumer protection groups concerned about the growing threat posed by offshoring.

According to Art Pulaski, Executive Secretary-Treasurer of the California Labor Federation, the sponsor of the bills, “Governor Schwarzenegger has said that ‘there are few things as important as working to ensure the safety of our state’ and yet he has vetoed that bill. He has said he would create ‘fantastic jobs’ for Californians and then vetoed a bill that would keep those good jobs in the state. Special interests won the day. Offshoring corporations are among Schwarzenegger’s biggest contributors, but today it was California workers who paid the real price.”

Numerous offshoring companies have made large campaign contributions to the Governor – companies that stand to benefit from the veto of offshoring legislation. Corporate contributor Hewlett Packard is a leader in offshoring. HP has donated \$584,800 to the Governor’s campaign committees.

Other corporate contributors known for their offshoring practices include CGI-AMS, which donated \$25,000 to Schwarzenegger committees, Deloitte & Touche, which gave \$82,400 and ACS State & Local Solutions, which gave \$150,000. J.P. Morgan Chase, which has donated \$25,000, has a nine-year, \$451 million contract to handle the state's food stamp program and uses foreign call centers to handle questions from beneficiaries.

Governor Schwarzenegger vetoed AB 1829, SB 888 and SB 1492 Wednesday evening. AB 1829 (Liu) would have guaranteed that taxpayer dollars were used to create jobs in the U.S. instead of in other countries. SB 888 (Dunn) would have ensured that no work related to homeland security could be done offshore. Californians have recently learned that engineering work on the state’s electrical grid and inspection of port containers have been done offshore. SB 1492 (Dunn) would have required companies to disclose that private medical records are sent offshore and receive the patient’s consent before offshoring records.

Consumer groups are also unhappy about the veto of SB 1492 because of privacy concerns. “Private medical information is now being shared with businesses around the globe,” said Richard Holober, Executive Director of the Consumer Federation of California. “When your medical information is

sent offshore for processing by foreign workers, the legal protection we have here in the U.S. no longer applies. The Consumer Federation is very concerned that because of Governor Schwarzenegger's veto, patients' confidential medical information will continue to be at risk," Holober added.

Studies by UC Berkeley report that 14 million service sector jobs are at risk of going offshore over the next decade. A recent study by INPUT Research, a market research firm in Reston, VA, projects that offshoring of state and local government technology contracts will grow from \$10 billion in 2003 to \$23 billion in 2008.

Angie Wei, Legislative Director for the Labor Federation, confirmed that the issue of offshoring will not disappear any time soon. "Offshoring puts our jobs, our safety and our privacy at risk, and the problem is only going to grow," said Wei.

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