

# Signal International apologizes to hundreds of exploited Indian guest workers

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The SPLC's \$14 million verdict against the company this year led to a settlement of 11 remaining suits.

A marine services company that reached a \$20 million settlement agreement earlier this year to resolve labor trafficking [lawsuits](#) brought on behalf of hundreds of former Indian guest workers has issued an unprecedented apology as part of the agreement.

Signal International acknowledged it was “wrong in failing to ensure that the guest workers were treated with the respect and dignity they deserved” as they worked for the company repairing damaged oil rigs and related Gulf Coast facilities in the aftermath of hurricanes Katrina and Rita.

The apology to the workers recruited through the federal H-2B guest worker program was signed by Richard L. Marler, Signal chief executive and president.

“We appreciate that the executives at Signal who led the company when it engaged in the actions at the heart of this case have publicly apologized for those actions, and we hope that this will help deter other companies from exploiting guest workers, or any workers,” said attorney Alan Howard, SPLC board chair and a partner in Crowell & Moring's New York office.

Howard led a legal team that won a \$14 million judgment for five Indian guest workers represented by the SPLC in a New Orleans federal trial in February. The lawsuit, filed in 2008, was the first of 12 lawsuits against Signal spearheaded by the SPLC. The cases brought on behalf of workers who worked for Signal in Mississippi and Texas comprised one of the largest labor trafficking cases in U.S. history.

After the New Orleans verdict – and facing 11 other similar lawsuits – the company publicly stated its intention to file for bankruptcy. The Chapter 11 bankruptcy filing included a \$20 million settlement for all 12 lawsuits, and the settlement has been approved by the bankruptcy court.

“This apology is meaningful to workers who Signal has previously treated with callous indifference,” said David Turetsky of the law firm Skadden Arps, who represents some of the workers and led the bankruptcy and settlement negotiations. “Signal's conduct was not just bad business, it was simply not a humane way to treat people. We address business issues in the bankruptcy process all the time; it's gratifying to be able to directly address that human component as well.”

Signal also apologized for overcrowded workers' quarters and a pre-dawn raid on the quarters in Pascagoula, Mississippi. The March 2007 raid was an attempt to deport guest workers in retaliation for complaining to workers' rights advocates about the abuses they faced. One worker was so distraught he attempted suicide.

"Signal deeply regrets the living conditions the guest workers were subjected to, and is sorry for its actions on March 9, 2007," the company stated. "Signal knows this treatment caused hardship to the guest workers, and in many cases, their families."

"This sort of apology is unprecedented in labor trafficking cases," said Jim Knoepp, SPLC deputy legal director. "This is a significant gesture by Signal International. Their apology is evidence of the reforms desperately needed within the federal H-2B guest worker program. While the apology is unique, this sort of misconduct is not."

The guest workers each paid the labor recruiters and a lawyer between \$10,000 and \$20,000 or more in recruitment fees and other costs after recruiters promised good jobs, green cards and permanent U.S. residency for them and their families. Most sold property or plunged their families deeply into debt to pay the fees.

When the men arrived at Signal shipyards in Pascagoula and Orange, Texas beginning in 2006, they discovered that they wouldn't receive the green cards or permanent residency that had been promised. The company also forced them each to pay \$1,050 a month to live in isolated, guarded labor camps where as many as 24 men shared a space the size of a double-wide trailer. None of the company's non-Indian workers were required to live in the company housing.

Under the guest worker program, workers are not allowed to change jobs if they are abused but face the loss of their investment if they are fired or quit.

The SPLC has documented the widespread abuses within the nation's broken H-2B guest worker program and the need for reform in its report [\*Close to Slavery\*](#).

In addition to the firms mentioned above, attorneys with Fredrikson & Byron PA; Latham & Watkins LLP; McDermott Will & Emery LLP; Kilpatrick Townsend & Stockton, LLP; Equal Justice Center (Texas); American Civil Liberties Union; Sutherland, Asbill & Brennan LLP; DLA Piper LLP; Manatt, Phelps & Phillips LLP; Kaye Scholer LLP; Covington & Burling LLP; and Gordon, Arata, McCollam, Duplantis & Eagan LLC also represented groups of former guest workers awaiting trial.

CohnReznick LLP drove the financial analysis that helped push the case towards a settlement. All of the firms worked on these cases on a pro bono basis.