CWA Communications Workers of America
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A Sampling of U.S. Companies that Send Call Center Work Offshore

Many U.S. companies that receive significant government support in the form of contracts, subsidies, loans, and tax incentives have shuttered U.S. call centers and sent the work and jobs overseas. Some of these companies have also been found guilty of consumer fraud perpetrated from offshore call centers. The list below is just a sampling of companies that have benefited from government assistance only to turn their backs on U.S. workers and communities by shipping call center work offshore.

"Too-Big-to-Fail" Banks

Many of the banks that received federal government bail-outs during the financial crisis are among the largest companies sending U.S. call center jobs offshore.

CAPITAL ONE

- At the beginning of the financial crisis in 2008, Capital One received $3.56 billion from federal bailout programs, which was later repaid with interest.[1] Despite the critical role the federal government played in Capitol One's return to profitability, the bank has closed U.S. call centers and sent jobs overseas.
- Capital One in October 2013 announced the development of a call center and customer service training program with a Philippine partner. The firm is expected to employ 2,200 new associates in a business process outsourcing (BPO) facility in the Philippines. The company's booming overseas business comes in the wake of an announcement that it would lay off more than 300 employees in Tigard, Oregon.[2]
- In July of 2012, the federal Consumer Financial Protection Bureau (CFPB) levied its first-ever fine against Capital One for $210 million. The CFPB found Capitol One guilty of slamming nearly two million customers with unrequested or misrepresented services. Capital One's offshore contracted call center was the source of the misconduct.[3]

JP MORGAN CHASE

- At the beginning of the financial crisis in 2008, JP Morgan Chase received $25 billion through bailout programs, which was later repaid with interest.[4] Despite the critical role the federal government played in JP Morgan Chase's return to profitability, the bank has closed U.S. call centers and sent jobs overseas.
- In September 2013, federal bank regulators fined JP-Morgan Chase $80 million and ordered the bank to repay $309 million to customers for slamming nearly 2.1 million customers with unrequested or misrepresented services. A third party vendor was the source of the misconduct, but it is unclear whether the vendor's call center was located overseas.[5]
- JPMorgan Chase operates call centers in the Philippines and India.[6]
- JPMorgan Chase laid-off approximately 850 workers from its Florence, SC call center in the spring 2013.[7]

— The U.S. Department of Labor is investigating whether the workers are eligible for Trade Adjustment Assistance (as of 10/30/2013). Trade Adjustment Assistance is a federal program that provides extended unemployment benefits, retraining, and other help to workers who have lost their jobs because their employer moved the work overseas.

- The U.S. Department of Labor authorized Trade Adjustment Assistance for 145 former JP Morgan Commercial Loan Servicing workers in Louisville, KY who lost their jobs when the work was offshored to India in July 2013. (TAA certified 4/5/2013)
- JPMorgan Chase closed an Albion, NY call center in September 2013, laying off 400 workers.

  — Senator Charles Schumer (D-NY) wrote JP Morgan a letter of concern, urging the company to find solutions to avoid the lay-offs.[8]
- JPMorgan Chase closed its Columbus, OH area call center in September 2013, laying off 440 workers.[9]
- In October of 2013, JP Morgan Chase agreed to pay $13 billion to settle a case brought by the U.S. Justice Department for bad mortgages issued just before the financial crisis.[10]

WELLS FARGO

- The banking giant received more than $25 billion in bailout funds from the U.S. Treasury, which was later repaid with interest. Despite the critical role the federal government played in Wells Fargo's return to profitability, the bank is tripling the number of its Filipino employees and has asked some U.S. employees to train their own replacements[11]
- Wells Fargo laid-off hundreds of employees and moved operations to the Philippines, leaving workers in Florida, California, and Pennsylvania jobless.

BANK OF AMERICA

- Bank of America received $45 billion in bailout funds from the U.S. Treasury, which was later repaid with interest.[12] Despite the critical role the federal government played in Bank of America's return to profitability, the bank has closed U.S. call centers and sent jobs overseas.
- Bank of America offshored 450 customer service jobs from Concord, CA in May of 2012. The work was moved to Costa Rica, Mexico, and the Philippines. The workers at the Concord call center received their certification for Trade Adjustment Assistance on September 9, 2013.
- In 2013, Ohio lost more than 1,100 jobs when Bank of America closed a large customer service mortgage center in Cleveland and two smaller centers in Independence and Cincinnati.
- Bank of America also closed a center in Upper St. Clair, Pennsylvania, laying off 209 workers.
- Bank of America closed its Wichita, KS call center in July of 2011 laying off 310 workers. Bank of America received $72,111 in state grants for this location.
- Bank of America closed a Fresno, California center, laying off 500 workers in July of 2013.

  — The Department of Labor is investigating whether their jobs were offshored and the workers are eligible for Trade Adjustment Assistance.[13]
- In October of 2013, a federal court found Bank of America guilty of fraud for mortgages issued by its Countrywide unit before and during the financial crisis.[14]

CITIGROUP

- CitiGroup received $45 billion in bailout funds from the U.S. Treasury, which was later repaid with interest. Despite the critical role the federal government played in CitiGroup's return to profitability, the bank has closed U.S. call centers and sent jobs overseas.
- The U.S. Department of Labor authorized the payment of Trade Adjustment Assistance as a result of CitiGroup offshoring of the following jobs at these locations:

  — 82 IT jobs in New York City and Irving, TX that were moved to Budapest and London in March 2012. (TAA certified 4/17/2013)

  — 20 Financial Analysts and Banking Services jobs in New York City and Tampa, FL that CitiGroup moved to Costa Rica and India in 2012. (TAA certified 4/5/2012)
- CitiGroup laid off 120 workers in Danville, IL in July 2013, even as it continues to operate call centers overseas.[15]

Companies that Receive Federal Contracts, State and Local Subsidies

Companies that receive lucrative federal government contracts to provide call center services are among the leading exporters of call center work to overseas locations, eliminating good jobs at home.

HEWLETT PACKARD

- Hewlett Packard's services division, HP Enterprises, has a $220 million federal contract to operate call centers for the U.S. Customs and Immigration Service. The company also has a $16 million General Services Administration call center contract.
- In July 2013, Hewlett Packard eliminated 500 call center jobs in Conway, Arkansas, even though it received $43 million in state and local incentives to support that call center.[16]

  — HP's call center locations now include Costa Rica and India.

  — The U.S. Department of Labor authorized Trade Adjustment Assistance for the laid-off HP workers in Conway Arkansas on July 19, 2013.
- In addition, laid-off former HP workers at the following locations received Trade Adjustment Assistance:

  — HP's Omaha, NE call center offshored customer service jobs in 2012. (certified 9/12/2013)

  — Andover, MA lost 50 software R&D jobs when HP offshored the work to India in 2012. (certified 8/23/2013)

SYKES ENTERPRISES

- Sykes Enterprises, a company that handles support and technical calls, holds a $23 million federal contract to operate call centers for the Federal Citizen Information Center of the General Services Administration.
- Sykes received millions of dollars in loans and tax breaks from small towns in Oregon, Maine, and Florida to locate call centers. Just a few years later, Sykes relocated operations to Asia.[17]
- Sykes received $2 million from Florida in 2000 to help start its call center business.[18]
- The U.S. Department of Labor approved Trade Adjustment Assistance in recent years for former Sykes workers in these locations:

  — Spokane Valley, WA lost 328 customer service jobs in 2012 when Sykes offshored the work to Canada and India. (certified 7/25/2013 and 5/9/2012)

  — Langhorne, PA lost over 100 customer service jobs when Sykes moved the work to the Philippines. (certified 9/18/2012)

  — Morganfield, KY lost 93 customer service jobs when Sykes moved the work to Mexico. (certified 8/2/2011)

CONVERGYS

- Convergys holds a $27 million federal contract to operate call centers for the Corporation for National Community Service.
- In March of 2010, Convergys offshored its Albuquerque call center laying off 677 IT support workers.[19]

  — The U.S. Department of Labor certified these workers to receive Trade Adjustment Assistance. (certified 9/17/2010)

  — The company received $894,580 in state training subsidies for call center workers over its three years of operation.

Companies that Receive Taxpayer Subsidies

State and local governments use tax incentives and subsidies to encourage job growth. Economic development agencies often target call centers for these incentives because they can hire hundreds of entry-level workers in a short timeframe. In some cases, companies accept these incentives only to close down their call centers a few years later, leaving workers unemployed and communities with even smaller tax bases.

T-MOBILE

- In 2012, T-Mobile closed seven U.S. call centers—putting 3,300 employees out of work—after accepting $61 million in state and local subsidies.[20] T-Mobile opted to shutter U.S. workplaces and move jobs to Honduras and the Philippines. The company denied any of the work was moved overseas. In July 2012, the Communications Workers of America won Trade Adjustment Assistance benefits for these workers after documenting that their work had, in fact, been offshored.[20]

— The seven shuttered closed call centers and the number of displaced workers: Frisco, TX (615 workers), Redmond, OR (359 workers), Allentown, PA (600 workers), Lenexa, KS (400 workers), Thorton, CO (440 workers), Brownsvile, TX (473 workers), Ft. Lauderdale, FL (500 workers).

PRUDENTIAL FINANCIAL

- In August 2013, a Prudential Annuities office offshored 40 call center and administrative assistants' jobs in Shelton, CT.[22]

  — The workers that lost their jobs received Trade Adjustment Assistance (certified September 17, 2010)

  — This location received $12.6 million in state and local tax credits and subsidies [23]

Endnotes

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[13] "Bank of America: Thanks for the Bailout, We'll Create Some Jobs . . . In the Philippines," *AllGov News*, May 31, 2012 (http://www.allgov.com/news/us-and-the-world/bank-of-america-thanks-for-the-bailoutwell-create-some-jobs-in-the-philippines?news=844554); Thomas Olson, "Bank of America to Lay Off 209 in Upper St. Clair," TribTotalMedia, Aug. 6, 2013 (http://triblive.com/business/headlines/4487394-74/bank-america-209#axzz2b5sGD5w6); Juanita Stevenson, "Valley Works: Bank of America Employees Expect Layoffs," KSFN TV online, Jul. 28, 2013 (http://abclocal.go.com/kfsn/story?section=news/business&id=9184582).

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[15] http://www.wandtv.com/story/22880206/citi-group-closing-call-center-in-danville

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