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House Foreign Affairs Committee

“Out of the Shadows: Global Human Trafficking”

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Good morning, I am Lou CdeBaca. I am the Ambassador charged with directing the U.S. Department of State’s efforts to combat human trafficking and coordinating the Obama Administration’s interagency response to this global phenomenon. I would like to thank Chairman Berman, Ranking Member Ros-Lehtinen, and the Members of the House Foreign Affairs Committee for convening this critical hearing on human trafficking. Thank you for inviting me to speak on our efforts to address modern slavery over the last decade, and particularly in the last year.

As we all know, modern slavery comes in many forms. People are held in involuntary servitude in factories, farms, and homes; bought and sold in prostitution; and captured to serve as child soldiers. This is a crime that impairs human rights, degrades public health, corrupts government officials, and weakens rule of law. Modern slavery is a fluid phenomenon that responds to market demand and operates in zones of impunity that are created by vulnerabilities in laws, weak penalties, natural disasters, and economic instability. It is a crime that is not limited to one gender, faith, or geographic area but impacts individuals and societies across the globe. And the universality of this crime is reflected in the bipartisan consensus around this issue.

This is not a new crime. What is new is our ability to recognize it, and our determination to wage a sustained fight against it. Since the passage of the Trafficking Victims Protection Act (TVPA) of 2000 a decade ago, we have seen both appreciable progress and new trends. For instance, we have come to understand that men comprise a significant number of trafficking victims. Yet, we have also seen the feminization of modern slavery, with women making up a majority of those trapped in commercial sex as well as in forced labor situations.

We have found women held in modern slavery through deceit and force, picking cotton, mining conflict minerals, harvesting rice, toiling as domestic workers, dancing in nightclubs, exploited for pornography, and offered for commercial sex. We have come to understand the unique vulnerabilities of those who work in the home, with many countries not offering adequate legal protection to domestic workers. This feminization of modern slavery has been aided by growing numbers of women migrating for work and the increasingly unscrupulous and coercive nature of recruiting.

Such fraudulent recruitment practices affect both female and male workers. These practices include: work offers that misrepresent conditions, excessive recruitment fees, written contracts that workers cannot understand, and the switching of terms of employment after the original contract has been signed. In the so-called sex industry, recruiters do not merely make promises of a better life; they weave a tale of love and glamour that is quickly replaced by dependency and the abuse of what has been called “seasoning” – a term that is itself as offensive as the practice it describes. Traffickers are also changing their methods of control: they are using more female recruiters, more subtle forms of exploitation, and greater psychological abuse. And these

techniques demonstrate how interconnected sex and labor trafficking are, as more and more cases are being brought around the world involving the sexual abuse – both in prostitution and by their bosses – of women who migrated on domestic worker visas. These migrant women have been raped and threatened with harm by supervisors who control their work environment.

At the same time as these insights have been gained, much progress has been made since the passage of the TVPA and promulgation of the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children (the “Palermo Protocol”). Such progress has been stimulated and promoted through the U.S. Government’s leadership and active engagement, where we have partnered with foreign governments and international and civil society to develop and implement strategies, policies, and programs to confront modern slavery. Indeed, there is now a global consensus that all acts of trafficking in persons and all its component parts should be criminalized, including forced labor, slavery, and certain slavery-like practices, even if the crime happened wholly within the country’s borders. The three “P” paradigm of prevention, protection, and prosecution is recognized worldwide.

One hundred and forty countries have become parties to the Palermo Protocol and 116 countries have enacted legislation prohibiting all forms of trafficking in persons. In the last year alone, 33 countries have enacted or updated anti-trafficking legislation. As a result, there has been a global increase in rescues and perpetrators brought to justice, with convictions for sex and labor trafficking up from 2,983 in 2008 to 4,166 in 2009 with labor trafficking convictions increasing significantly. New analysis of victim identification data also shows a 59 percent increase over the 30,961 victims identified in 2008.

Since 2001, the number of countries ranked in the State Department’s annual Trafficking in Persons (TIP) Report has more than doubled to include 177 countries, including – for the first time in the 2010 TIP Report – the United States. The advent of the Report’s ranking of the United States, supported by a frank analysis of our strengths and weaknesses at home, has been welcomed by anti-trafficking advocates and foreign governments alike. The TIP Report remains the U.S. Government’s principal diplomatic tool to engage foreign governments on human trafficking and the world’s most comprehensive resource on governmental anti-trafficking efforts. It has inspired and prompted legislation, national action plans, and implementation of policies and programs.

We have seen, for example, a steady increase in sex trafficking prosecutions and shelters for victims in some Gulf states; greater efforts to address the forced begging of Koranic students in West Africa; passage of a law and formation of a national task force in Swaziland; cross-border cooperation with Mexico; a significant uptick in victim identification in Albania and Montenegro; the naming of the first TIP “Czar” in Malta; and greater anti-trafficking collaboration by the Malaysian government with the U.S. Government and NGOs, leading to new trafficking investigations and prosecutions. Bosnia and Herzegovina also stands out as a particular success story. Bosnia was on Tier 3 for many years as a war-torn nation plagued by sex traffickers, but the government in recent years changed course and aggressively tackled the crime. After a decade of hard work, spurred by the TIP Report and supported by the United States, Europe, and the Organization for Security and Cooperation in Europe (OSCE), Bosnia is now a Tier 1 country with strong penalties for convicted traffickers and victim protection partnerships with NGOs.

Over the last decade, the Trafficking Office has been a leader in counter-trafficking programs out in the field – over 450 projects to combat modern slavery in 109 countries. At present, we have nearly 200 active projects in 65 countries totaling \$54 million, and this year, we will award approximately \$21.262 million. Our federal funds are awarded to international and nongovernmental organizations to support programs that address issues or deficiencies identified in the TIP Report. The Office’s foreign assistance and programming is strategically targeted to countries ranked in the TIP Report on Tier 3 and Tier 2 Watch List as well as selected Tier 2 countries.

Our support and funding is making a difference. It has established, for example, model programs for comprehensive services for child victims for both short-term assessment and treatment and long-term placement. Our assistance has supported TIP trainings that bring labor inspectors, police, prosecutors, and NGOs together – in some countries, the first time they have ever met. We have funded specialized Police TIP Units for investigation of TIP cases and victim assistance coordinators to make it clear that victim protection is a governmental responsibility not solely to be outsourced to NGO partners. We have documented both short- and long-term medical needs of victims and survivors. These are but a few examples of the successes possible with targeted programming.

As mentioned above, the inclusion of the United States in this year’s report is a testament to Secretary Clinton’s insistence on partnership – to hold ourselves accountable to the same TVPA standards we expect of our foreign counterparts. Evaluating U.S. efforts to combat trafficking in persons provided an opportunity for self-assessment and growth, and was made possible by the structures that Congress set forth in the TVPA. The TVPA recognized that this was not just a foreign policy imperative but also a domestic law enforcement priority, requiring coordination and expertise across agency lines. Thus, the President’s Interagency Task Force on Trafficking in Persons (PITF) and its working group, the Senior Policy Operating Group (SPOG), were created to coordinate emerging interagency policy, programs, and planning issues. Today, these groups include senior representatives from all major agencies. In the last year we have expanded SPOG to include members from the U.S. Department of Agriculture, the Equal Employment Opportunity Commission, and the Department of Interior.

It is worth noting that coordination among agencies is only as strong as each individual agency’s commitment to a whole-of-government approach to combating trafficking. Indeed, EO 13257 expressly preserves each agency’s or department’s independence. President Obama has appointed numerous senior level personnel with not just a commitment to this issue, but also a background in combating human trafficking. With SPOG representatives who have experience investigating cases, publishing cutting-edge research, and advocating before Congress, our interagency coordination is stronger and more productive than ever before.

In 2010, the SPOG reconstituted the Grantmaking Committee, bringing together TIP programming agencies (including those with domestic grants) to share program information and address key areas for collaboration, such as evaluation and evidence-based practices. SPOG staff has received and circulated for SPOG review grant proposals from DOS, USAID, DOL, DOJ, and HHS, as well as requests for proposals for informational purposes. In the Trafficking Office, we have improved our own grant process and successfully eliminated the lengthy delays (as much as 20 months) in the review of applications and award of grants that existed until 2009. Most grants are now awarded in the same fiscal year, even as the number of applications

submitted has skyrocketed. This year, 531 applications were received from 323 organizations, requesting a total of \$288.4 million – not including the 38 additional applications for anti-trafficking programs in Haiti that followed the much-needed emergency appropriation following the earthquake.

All across agencies, committed civil servants are working to make progress in an area where reliable data is scarce. As such, our implementation of the TVPA and its reauthorizations has been steadily progressing – improving not only our understanding of this crime, but our responses to it. Among them:

Responding to Congressional concerns about guest worker abuse, the State Department, with the Departments of Homeland Security, Justice, and Labor, and in consultation with non-governmental organizations, developed an information pamphlet on the legal rights and resources available to aliens applying for employment- or education-based nonimmigrant visas. The pamphlet is available in multiple languages, including Spanish, Arabic, Ukrainian, Creole, and Portuguese, in keeping with the mandate to translate the pamphlet into languages spoken by the greatest concentration of employment- or education-based nonimmigrant visa applicants. Over the past year since the pamphlet was issued, the National Human Trafficking Resource Center has reported 148 calls to the hotline as a direct result of the TVPRA of 2008 legal rights pamphlet.

In the TVPRA of 2008, Congress also expressed concern about the treatment of domestic workers by diplomats in the United States, and the State Department worked closely with civil society organizations to establish a mechanism to report such cases directly to our Office of Protocol. We continue to work closely with DOJ as such cases arise. We have implemented measures intended to protect foreign domestic workers from abuse including, most notably, a new requirement that all domestic servants be paid by check or electronic funds transferred directly into a bank account so that salary payments can be verified. Other measures include pre-notification of application for A-3 and G-5 visas, proof of an employer's ability to pay prevailing or minimum wage, whichever is higher, and contracts spelling out a domestic worker's duties and remuneration, provided in a language he or she understands and kept on file with the Department of State. The Departments of State and Justice worked collaboratively to brief the foreign diplomatic corps on new procedures for registering domestic workers of foreign mission personnel, and a diplomatic note was circulated to all embassies, consulates, and international organizations emphasizing the importance of these new procedures. We also practice what we preach – the Department has revised the Foreign Affairs Manual to make it clear that abuse of domestic workers by U.S. diplomats will not be tolerated in our missions abroad. Additionally, we are beginning to consult with other host countries in order to develop international protection standards. The Department also meets with NGO representatives regularly to share these new procedures and to address any lingering concerns they may have, and in June 2009, submitted a preliminary report to Congress on the issue.

Per the TVPRA of 2008, the 2010 TIP Report also reflected new indicia for the fourth Minimum Standard, on whether a country makes “serious and sustained efforts to eliminate severe forms of trafficking in persons” with a focus on addressing the vulnerability of indigenous populations lacking documentation, and the use of suspended sentences for convicted trafficking offenders. The TIP Report continues to assess, per a fourth Minimum Standard indicator added by the 2005 TVPRA, foreign governments' efforts to reduce the demand for commercial sex acts. These

indicia have been incorporated into the rankings, and are found within relevant country narratives. In addition to the TIP Report, we are engaging diplomatically on these issues, and have seen increased attention paid to them by our international partners, especially those related to demand and the severity of sentences.

Since 2001, USAID has dedicated more than \$145 million to fight human trafficking in more than 70 countries through a mix of activities and programs that have focused on prevention, protection, and prosecution. A decade of experience in implementing USAID-supported anti-trafficking programs as part of the USG whole-of-government approach to human trafficking has provided a wealth of knowledge. Recent accomplishments include a synthesis of more than 30 TIP programs in eight Asian countries, the development of a training workshop for mission staff on trafficking in persons and gender-based violence, and a report that analyzed USAID's evaluation frameworks in TIP prevention and protection programs.

The Justice Department is vigorously using the criminal tools provided by the TVPRA of 2008, with record levels of federal activity and is supporting police and prosecutor training as state laws are passed to provide such tools. Additionally, DOJ is continuing to develop a model state anti-pimping and pandering law, based on the District of Columbia Code, as required by the TVPRA. The FBI is also continuing its anti-trafficking work, serving on 70 anti-trafficking task forces, providing services to victims through its victim-witness advocates, and training both U.S. and foreign law enforcement officers in the latest anti-trafficking investigative tactics.

The Department of Justice's Office for Victims of Crime (OVC) expanded the scope of its human trafficking initiative in FY 2009 by awarding funding to victim service organizations to develop comprehensive victim service models for U.S. citizens and legal permanent residents under the age of 18 in order to identify promising practices in the delivery of services to such minors. OVC also made grants to several other programs to directly provide services and case management for U.S. citizen child victims of sex trafficking.

As required by the TVPRA of 2005, the Justice Department's Bureau of Justice Statistics and National Institute of Justice used available data to conduct a "Comprehensive Research and Statistical Review and Analysis of Severe Forms of Trafficking, Sex Trafficking and Unlawful Commercial Sex Acts in the United States." This was a first attempt to gather and analyze data on TIP in the United States. Unfortunately, much data desired for the study could not be obtained, so DOJ and the SPOG research committee plan to build on this information.

The Department of Labor submitted its List of Goods Produced by Child Labor or Forced Labor to Congress in September 2009. The report describes the range of actions undertaken by DOL in response to the TVPRA mandates, and contains a list of 122 goods from 58 countries that DOL's Bureau of International Labor Affairs has reason to believe are produced by forced or child labor in violation of international standards. The report also describes the range of actions undertaken by DOL in response to the TVPRA mandates. One such activity is a contract with the Center for Reflection, Education and Action (CREA) to compile private sector good practices to combat child labor and forced labor in supply chains. This project will produce a compendium of good practices that can be used by businesses and other actors, and will be available to any interested party.

With the Inspectors General of the Departments of State and Defense, the Trafficking Office has been working to examine the federal footprint. The DOD Inspector General conducted an evaluation of a sample of contracts within the U.S. Pacific Command area of responsibility and released their report January 15, 2010. They reviewed 99 contracts and interviewed representatives from 39 prime contractors. They are scheduled to conduct an evaluation of contracts in Iraq sometime this spring. The DOS IG submitted its report to Congress on January 15, 2010, and has identified areas for potential future audit and investigative work. USAID's IG offices in Iraq and Afghanistan completed a review of a sample of four high-risk contracts in 2009. The SPOG continues to work pro-actively and across agencies to innovate and implement preventative measures in procurement, training, and contracting policies, through a procurement working group headed by DHS and the EEOC.

This admittedly long recitation of actions taken to implement the TVPA and its reauthorizations should answer any questions as to the activity that we have seen from SPOG agencies. But as always, there is more to be done. As we celebrate 10 years of progress and learning, we will not be complacent or satisfy ourselves with mere symbolic activity. Rather, we will draw on the courage, strength, and tenacity of trafficking survivors to inspire our actions.

The Office to Monitor and Combat Trafficking in Persons will continue to work with our SPOG partners and foreign governments alike to develop comprehensive anti-trafficking legislation, strengthen existing laws, and train criminal justice officials. This will lead to increased numbers of convictions for traffickers and complicit government officials, including military personnel. We will strengthen trafficking victims' protection and assistance by encouraging cooperation between governments and NGOs, and enhancing the capacity of civil society organizations so they might provide comprehensive services that fully address the needs of victims. We will support evidence-based research to evaluate the impact of our programs and fill core data gaps. We will partner with the private sector to leverage resources and expertise to develop innovative solutions to this age old problem.

Mindful of those who have suffered and died in bondage and heeding President Obama's call this January for a recommitment to this ongoing struggle, we will continue to promote a global movement to abolish modern slavery.

Thank you for your important support of this issue. I look forward to your questions.