



Forced Labor and Forced Child Labor

February 22, 2018

Fiscal Year 2017 Report to Congress



**Homeland
Security**

U.S. Immigration and Customs Enforcement

Message from the Deputy Director and Senior Official Performing the Duties of the Director

February 22, 2018

I am pleased to present the following report, "Forced Labor and Forced Child Labor," which has been prepared by U.S. Immigration and Customs Enforcement (ICE).

This report was compiled pursuant to the Joint Explanatory Statement accompanying the Fiscal Year 2017 Department of Homeland Security Appropriations Act (P.L. 115-31).

Pursuant to congressional guidelines, this report is being provided to the following Members of Congress:



The Honorable John R. Carter
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Boozman
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jon Tester
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries related to this report may be directed to me at (202) 732-3000 or to the Department's Acting Chief Financial Officer, Stacy Marcott, at (202) 447-5751.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Homan", written over a horizontal line.

Thomas D. Homan
Deputy Director and Senior Official Performing the Duties
of the Director
U.S. Immigration and Customs Enforcement



Forced Labor and Forced Child Labor

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I. Legislative Requirement

This report was compiled in response to legislative language in the Joint Explanatory Statement that accompanies the Fiscal Year (FY) 2017 Department of Homeland Security (DHS) Appropriations Act (P.L. 115-31).

The Joint Explanatory Statement accompanying P.L. 115-31 states:

... and not less than \$15,770,000 is for investigations of forced labor violations, to include forced child labor. ICE is directed to submit an annual report on expenditures and performance metrics associated with forced labor law enforcement activities.

II. Background

U.S. Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI) is a critical U.S. law enforcement asset, responsible for disrupting and dismantling transnational criminal organizations engaged in crossborder criminal activities that seek to exploit America's legitimate trade, travel, financial, and immigration systems for illicit purposes. As the largest and principal criminal investigative component in DHS and the second largest in the U.S. Government, HSI has the authority to investigate and enforce violations of hundreds of criminal laws and regulations that threaten our borders, national security, and public safety.

The ICE HSI Forced Labor Program coordinates investigations into the manufacturing or production of goods overseas with the use of forced labor, to include forced child labor, as well as allegations in the United States of forced labor, including forced child labor. These crimes include overseas manufacturing or production of goods that are imported into the United States, labor in the United States that results from coercion, debt bondage/indentured labor, and other nonvoluntary means of forcing an individual to provide work or a service.



Products manufactured or produced with forced or indentured labor may not differ in appearance from products made by legitimate labor. Forced labor investigations often require coordination with other U.S. Government agencies and departments; with state, local, tribal, and territorial law enforcement agencies; or with nongovernmental organizations and victim assistance personnel. ICE cooperates with the U.S. Departments of Labor, Justice, and State, as well as with U.S. Customs and Border Protection, to share information and participate in efforts to combat forced labor. In addition, the ICE Forced Labor Program meets frequently with nongovernmental organizations, civil society organizations, corporate officers, trade associations, and foreign governments with an interest in this area to strategize about ways to work together to end forced labor worldwide.

Forced labor activity may be identified as a result of worksite investigations, and involves children and/or adults being forced to provide labor, or occurs simply because of cultural norms that are practiced in countries around the world (such as individuals being leased or sold into indentured servitude or made to work as a result of the debt bondage of their families).

ICE HSI dedicates both domestic and international law enforcement resources to investigating crimes related to forced labor. Overseas, HSI resources are also available to assist host country law enforcement with their forced labor investigations.

The ICE Forced Labor Program is committed to identifying importers and foreign manufacturers that are seeking to import merchandise illegally into the United States in violation of 19 U.S.C. § 1307, which prohibits the importation of goods produced by convict, forced, or indentured

labor under penal sanction, including forced or indentured child labor. U.S. importers, foreign manufacturers, and criminal organizations that are responsible for facilitating forced labor may be subject to criminal prosecution, and to the seizure and forfeiture of their merchandise through civil enforcement processes, if found to be involved in using forced labor. Forced child labor is a particularly heinous issue because international standards severely restrict the work that a child (defined, in most cases, as an individual under the age of 15) may perform.

HSI investigations often overlap multiple operational and strategic program areas. Therefore, HSI also may investigate forced labor under §18 U.S.C. 1589, including instances in factories, and in hospitality, agriculture, and domestic work here in the United States.

III. Results¹

A. Expenditures

The Joint Explanatory Statement accompanying P.L. 115-31 directed ICE HSI to allocate not less than \$15.77 million for domestic investigations of forced labor, to include forced child labor. The DHS Appropriations Act provides that \$6 million (no-year funding) shall be available for investigation of forced child labor by either HSI International Operations or HSI Domestic Investigations. The amounts expended are reported separately for International Operations and Domestic Investigations because of differing account tracking methods. This is due to the nature of the investigative work that each program undertakes. As explained further below, expenditures for International Operations are reported using actual expenses for payroll, operating expenses, and general agency overhead, while expenditures for Domestic Operations are reported using an activity-based accounting method. Because investigative work in HSI's investigative areas often overlaps, a clear distinction in reporting cannot always be drawn between investigative categories, or between domestic and international investigations. For example, cases that are categorized as forced labor investigations in this report also may include forced child labor, or other illicit criminal activities.

ICE HSI International Operations

ICE HSI International Operations has identified attaché offices (most recently, Bangkok, Brasília, Buenos Aires, Dakar, Manila, New Delhi, Panama City, Pretoria, Seoul, and Phnom Penh) with responsibility for geographic regions with a high concentration of forced child labor risks. In these locations, the international forced child labor investigations budget includes expenses such as payroll, operating expenses, and general agency overheads. For FY 2017, ICE spent \$12,682,597 on international forced child labor-related investigations.

ICE HSI Domestic Operations

ICE uses a different methodology for tracking its Domestic Operations forced labor budget. ICE Domestic Operations has more than 6,000 special agents who can work forced labor cases, including forced child labor cases, on the basis of the local criminal threat and active cases in the region. As a result, the investigative area on which special agents' specific casework focuses (e.g., forced labor, financial investigations) can vary day to day. Thus, ICE uses an activity-based accounting methodology to track resources to investigative areas, including forced labor, rather than assigning specific positions or employees and their supporting resources (e.g., vehicles, equipment purchased) in the financial management system. As such, analysis of budget expenditures is derived on the basis of the percentage of domestic investigative hours for forced labor against the ICE domestic budget. For FY 2017, ICE domestic agents logged 121,540 case hours in support of forced labor investigations, of which 92,393 case hours were in support of

¹ Investigations and cases take years to develop, and arrests and convictions take even longer. In FY 2018, HSI will be placing a priority on forced labor and forced child labor investigations, strengthening its forced labor program, expanding the program to 21 attaché offices, and refining its forced labor reporting.

forced child labor investigations, which computes to more than \$21.92 million of financial support in total, of which \$16.66 million was for forced child labor investigations.²

In addition, \$300,000 of Domestic Operations' forced labor funds and \$50,000 of International Operations' forced labor funds were spent on direct support of investigations that involve allegations of forced labor, either in the United States or abroad. These funds are allocated on a case-by-case basis for investigative expenses such as travel to interview victims or witnesses, for case coordination meetings with domestic or foreign law enforcement officials, and to obtain translation or interpreter services for victims and witnesses.

B. Measures

The Joint Explanatory Statement accompanying P.L. 115-31 directs ICE HSI to submit an annual report on expenditures and performance metrics associated with forced labor law enforcement activities. Therefore, ICE HSI is reporting on forced labor violations to include forced child labor, and then separately on forced child labor. The measures³ include cases initiated, enforcement statistics (arrests, indictments, and convictions),⁴ and seizures.⁵

CASES INITIATED		
Fiscal Year 2017		
	Domestic	International
Forced Labor	97	54
Forced Child Labor	62	53

² The ICE enforcement data/statistics are based on an estimated "snapshot" of the data in the respective ICE Law Enforcement System (LES) at the time that the report was compiled by the Executive Information Reporting Unit. ICE enforcement data within the ICE LES may be modified at any given time by authorized personnel owning the data, which may result in an increase or decrease of ICE data/statistics previously reported.

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⁴ Readers are reminded that cases take years to develop and investigate. Arrests and convictions may take even longer.

⁵ Seizures include drugs, general merchandise, guns, computers, counterfeit goods, vehicles, real estate, and prohibited items such as drug paraphernalia.

ENFORCEMENT STATISTICS		
Fiscal Year 2017		
	Domestic	International
ARRESTS		
Forced Labor	245	66
Forced Child Labor	150	66
INDICTMENTS		
Forced Labor	159	2
Forced Child Labor	120	2
CONVICTIONS		
Forced Labor	83	0
Forced Child Labor	73	0

SEIZURES	
Fiscal Year 2017	
	Domestic and International
QUANTITY SEIZED	
Forced Labor	4,397
Forced Child Labor	3,788
DOLLARS SEIZED	
Forced Labor	\$1,141,196
Forced Child Labor	\$626,327