



# **Forced Labor and Forced Child Labor**

*May 24, 2019*

Fiscal Year 2018 Report to Congress



**Homeland  
Security**

*U.S. Immigration and Customs Enforcement*

# Message from the Acting Director

May 24, 2019

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 and House Report 115-239 accompanying the Fiscal Year 2018 Department of Homeland Security Appropriations Act (P.L. 115-141).

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



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

The Honorable Chuck Fleischmann  
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable Shelley Moore Capito  
Chairwoman, 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) 732-3037.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Albence", written in a cursive style.

Matthew T. Albence  
Acting Director  
U.S. Immigration and Customs Enforcement



# Forced Labor and Forced Child Labor

## Table of Contents

I.	Legislative Requirement .....	1
II.	Background .....	2
III.	Results.....	4
	A. Expenditures .....	4
	ICE HSI International Operations.....	4
	ICE HSI Domestic Offices/Intellectual Property Rights Coordination Center .....	5
	B. Measures .....	6

# I. Legislative Requirement

This report was compiled in response to legislative language in the Joint Explanatory Statement and House Report 115-239, which accompany the Fiscal Year (FY) 2018 Department of Homeland Security (DHS) Appropriations Act (P.L. 115-141).

The Joint Explanatory Statement and House Report 115-239 state:

ICE is directed to continue 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, HSI has the authority to investigate violations of and enforce 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 overseas manufacturing or production of goods with the use of forced labor, to include forced child labor, that are imported into the United States. The ICE HSI Human Trafficking Unit coordinates investigation into allegations in the United States of forced labor, including forced child labor, that result 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 do 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; and with nongovernmental organizations, corporate personnel and trade associations, and foreign governments. ICE coordinates with the U.S. Departments of Labor, Justice, and State, as well as with U.S. Customs and Border Protection and other DHS Components, to share information and participate in efforts to combat forced labor. In addition, the ICE HSI Forced Labor Program and Human Trafficking Unit meet 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 investigations may begin as a result of information developed or received by ICE HSI, or forced labor indicators identified as a result of worksite or other types of investigations. These investigations might involve children and/or adults being forced or coerced to provide labor, or might occur as a result 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 family debt bondage).

ICE HSI dedicates both domestic and international law enforcement resources to investigate crimes related to forced labor. Overseas, ICE HSI resources are also available to assist host country law enforcement with their forced labor investigations by linking these domestic forced labor investigations to potential prosecutions of importers in the United States attempting to

import these prohibited goods. Examining financial flows and export records may indicate potential avenues for the U.S. prosecutions.

ICE HSI proactively identifies, disrupts, and dismantles criminal organizations engaged in forced labor and minimizes the risk that they pose to national security and public safety.

The ICE HSI Forced Labor Program is committed to identifying importers and criminal organizations that are seeking to import merchandise illegally into the United States in violation of 19 U.S.C. § 1307 or 18 U.S.C. § 1761, which prohibit the importation of goods produced by convict, forced, or indentured labor under penal sanction, including forced or indentured child labor. Entities found to be benefitting from, or which had knowledge of, forced labor or for exploiting labor for profit, such as U.S.-based importers or consignees and their corporate officials, 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.

The ICE HSI Human Trafficking Unit supports HSI's mission in investigations of forced labor within the United States through: programmatic and operational support; interagency and intra-agency coordination; providing domestic and foreign law enforcement training; and partnering with the DHS Blue Campaign to raise public awareness of human trafficking and to generate leads.

ICE HSI investigations often overlap multiple operational and strategic program areas. Therefore, ICE HSI also may investigate forced labor under §18 U.S.C. 1589, including instances in manufacturing, hospitality, agriculture, and domestic work here in the United States, or potentially use that same statute to prosecute importers of those prohibited goods.

## III. Results<sup>1</sup>

### A. Expenditures

The Joint Explanatory Statement and House Report 115-239 accompanying P.L. 115-141 direct ICE to allocate not less than \$305,000 for promoting public awareness of the child pornography tip line and not less than \$15.77 million for domestic investigations of forced labor law violations, to include forced child labor. In FY 2018, as directed by the legislation, HSI expended \$305,000 for promoting the tip line, and at least \$15.77 million for domestic investigations of forced labor law.

The FY 2013 DHS Appropriations Act (P.L. 113-6), states in ICE's Salaries and Expenses appropriation that "not less than \$305,000 shall be for the promotion of public awareness of the child pornography tip line and activities to counter child exploitation." P.L. 113-6 also provides that \$6 million (no-year funding) shall be available for the investigation of forced 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. As 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 labor investigations budget includes expenses such as payroll, operating expenses, and general agency overheads.

For FY 2018, ICE spent \$12,444,120 on international forced labor-related investigations.

The Intellectual Property Rights Coordination Center and International Operations have launched an aggressive outreach campaign known as the Forced Labor Outreach and Targeting Initiative (Operation FLORA), to raise the level of awareness both domestically and internationally of the negative effects of forced labor on both societies and trade. This strategy seeks to enable

---

<sup>1</sup> Investigations and cases take years to develop, and arrests and convictions take even longer. In FY 2019, HSI will be placing a priority on forced labor and forced child labor investigations, and specifically naming these investigations as an HSI priority.

partnerships with foreign government officials, civil society organizations, and private industry to identify vulnerabilities systematically and strategically, as well as to disrupt and dismantle organizations engaging in forced labor practices. This concept, Operation FLORA, will leverage HSI's traditional investigative authorities to identify, disrupt, and dismantle organizations and individuals engaging in forced labor practices, as well as those enabling their operations by acquiring, exporting, and selling their products in the United States.

HSI's Operation FLORA will provide training and increased communication and collaboration to organizations that have a unique role in combatting forced labor worldwide. Additionally, HSI Special Agents stationed overseas will work with their international law enforcement counterparts to investigate and prosecute, to the fullest extent of the law, forced labor allegations with a nexus to the United States. HSI also will share information on new trends, techniques, methods, and the consequences of forced labor practices with the interested parties, as appropriate. This sharing of information shall continue to open lines of communication and strengthen a community of interest against forced labor practices.

### **ICE HSI Domestic Offices/Intellectual Property Rights Coordination Center**

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 criminal activity 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 2018, ICE domestic agents logged 133,418 case hours in support of forced labor investigations, of which 99,750 case hours were in support of forced child labor investigations. This computes to more than \$25.04 million of financial support in total, of which \$18.72 million was for forced child labor investigations.<sup>2</sup>

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 to facilitate prosecutions and evidence collection.

---

<sup>2</sup> 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.

## B. Measures

The Joint Explanatory Statement and House Report 115-239 accompanying P.L. 115-141 direct ICE HSI to submit an annual report on expenditures and performance metrics associated with forced labor law enforcement activities. Therefore, ICE is reporting on forced labor violations, including forced child labor. The measures<sup>3</sup> include cases initiated, enforcement statistics (arrests, indictments, and convictions),<sup>4</sup> and seizures.<sup>5</sup>

<b>CASES INITIATED</b>		
<b>Fiscal Year 2018</b>		
	<b>Domestic</b>	<b>International</b>
Forced Labor (stats. for Forced Child Labor included)	142	75

<b>ENFORCEMENT STATISTICS</b>		
<b>Fiscal Year 2018</b>		
	<b>Domestic</b>	<b>International</b>
<b>CRIMINAL ARRESTS</b>		
Forced Labor (stats. for Forced Child Labor included)	119	441
<b>INDICTMENTS</b>		
Forced Labor (stats. for Forced Child Labor included)	80	8
<b>CONVICTIONS</b>		
Forced Labor (stats. for Forced Child Labor included)	91	1

<sup>3</sup> The ICE enforcement data/statistics are based on an estimated “snapshot” of the data in the respective ICE 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.

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

<sup>5</sup> Seizures include drugs, general merchandise, guns, computers, counterfeit goods, vehicles, real estate, and prohibited items such as drug paraphernalia. In most cases, seizure data relate to domestic sex and labor trafficking.

<b>SEIZURES</b>	
<b>Fiscal Year 2018</b>	
	<b>Domestic and International</b>
<b>QUANTITY SEIZED</b>	
Forced Labor (stats. for Forced Child Labor included)	1,275
<b>DOLLARS SEIZED</b>	
Forced Labor (stats. for Forced Child Labor included)	\$1,444,551