



Forced Labor and Forced Child Labor

June 26, 2020

Fiscal Year 2019 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

June 26, 2020

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 language in the Joint Explanatory Statement and Senate Report 115-283, both accompanying the Fiscal Year 2019 Department of Homeland Security Appropriations Act (P.L. 116-6).

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
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) 732-3037.

Sincerely,

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

Matthew T. Albence
Deputy Director and
Senior Official Performing the Duties of the Director
U.S. Immigration and Customs Enforcement



Forced Labor and Forced Child Labor

Table of Contents

I.	Legislative Language.....	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 Language

This report was compiled in response to legislative language in the Joint Explanatory Statement and Senate Report 115-283, which both accompany the Fiscal Year (FY) 2019 Department of Homeland Security (DHS) Appropriations Act (P.L. 116-6).

The Joint Explanatory Statement states:

ICE is directed to continue to submit an annual report on expenditures and performance metrics associated with forced labor law enforcement activities.

Senate Report 115-283 states:

Forced Child Labor.—The recommendation includes not less than \$15,770,000 for investigations and other activities related to forced labor law violations, to include forced child labor. ICE shall submit to the Committee an annual report on the 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 HSI Forced Labor Program and International Operations coordinate investigations into the manufacture or production, with the use of forced labor to include forced child labor, of goods overseas that are or may be introduced into the commerce of the United States. The HSI Human Trafficking Unit and Domestic Operations coordinate investigations into allegations of forced labor in the United States to include forced child labor 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 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, nongovernmental organizations, corporate personnel and trade associations, and foreign government personnel. HSI forced labor investigations frequently involve sharing and seeking information from the U.S. Departments of Labor, Justice, and State, as well as with U.S. Customs and Border Protection.

In addition, the 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, as enforcement actions by U.S. Government agencies alone will not end forced labor, nor the unfair economic advantage that it brings to foreign corporations using forced labor as a cost-cutting measure, thereby undercutting domestic corporate supply chains not using forced labor.

Forced labor investigations may begin with information developed or received by HSI, or forced labor indicators may be identified during worksite or other types of investigations. This 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 debt bondage of their families.

HSI dedicates both domestic and international law enforcement resources to investigating crimes related to forced labor. Overseas, HSI resources also are 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, or prosecutions of others with knowledge of and benefit derived from these goods being brought into the United States. Examining financial flows and export records may indicate potential avenues for the U.S. prosecutions.

The HSI Forced Labor Program is committed to identifying individuals, corporations, and criminal organizations that seek 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, and 18 U.S.C. § 1761, which provides criminal penalties for the transportation or importation of merchandise made by prisoners or convicts. Entities found to be benefitting from, and which had knowledge of, forced labor or exploiting forced labor for profit, such as U.S.-based importers or consignees and their corporate officials, may be subject to criminal prosecution under 18 U.S.C. § 1589, and the seizure and forfeiture of their merchandise through civil enforcement processes, if found to be produced using forced labor. Forced child labor is a particularly heinous issue; international standards severely restrict the work that a child may perform (aiming to prevent children from work that is, for example, hazardous or interferes with schooling), to prevent the exploitation of these particularly vulnerable individuals.

The 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; domestic and foreign law enforcement training; and partnering with the DHS Blue Campaign to raise public awareness of human trafficking and to generate leads.

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, hospitality, agriculture, and domestic work in the United States, or potentially use that same statute to prosecute importers of those prohibited goods, or others deriving benefit from, and having knowledge of, forced labor in their corporate supply chains.

III. Results¹

A. Expenditures

The Joint Explanatory Statement and Senate Report 115-283 accompanying P.L. 116-6 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 investigations of forced labor law violations, to include forced child labor. In FY 2019, as directed by the legislation, HSI expended \$305,000 for promoting the tip line, and at least \$15.77 million for investigating violations of forced labor law.

The FY 2019 DHS Appropriations Act (P.L. 116-6) 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 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. Because HSI's investigative areas often overlap, a clear distinction in reporting always cannot 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.

HSI International Operations

HSI International Operations has identified attaché offices, including offices such as Bangkok, Brasilia, 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 2019, HSI expended \$16,721,341 on international forced labor-related investigations.

HSI International Operations has launched an aggressive outreach campaign to raise the level of awareness, both domestically and internationally, on the negative effects of forced labor on both societies and trade. This strategy seeks to enable partnerships with foreign government officials,

¹ Investigations and cases take years to develop, and arrests and convictions take even longer. In FY 2019, HSI placed a priority on forced labor and forced child labor investigations, and specifically named these investigations as an HSI priority.

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 with a nexus to the United States. This concept, Forced Labor Outreach and Targeting Initiative (Operation FLORA), leverages 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 exporting and selling their products in the United States.

HSI's Operation FLORA provides training and increased communication and collaboration to organizations that have a unique role in combatting forced labor worldwide. Additionally, HSI special agents stationed overseas work with their international law enforcement counterparts to investigate and prosecute forced labor allegations with a nexus to the United States. HSI also shares information on new trends, techniques, methods, and the consequences of forced labor practices with interested parties, as appropriate. This sharing of information continues to open lines of communication and to strengthen communities of interest against forced labor practices in worldwide supply chains.

HSI Domestic Operations

HSI uses a different methodology for tracking its Domestic Operations forced labor budget. HSI Domestic Operations has more than 6,000 special agents who can work forced labor cases, including forced child labor cases based on 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, HSI 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 HSI domestic budget.

For FY 2019, HSI domestic special agents logged 155,749 case hours in support of forced labor investigations, of which 113,011 case hours were in support of forced child labor investigations, which compute to more than \$23.65 million of financial support in total, of which \$17.16 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 expended on direct support of investigations that involve allegations of forced labor, either in the United States or abroad. These funds are allocated case by case for: investigative expenses such as travel to interview victims or witnesses, case coordination meetings with domestic or foreign law enforcement officials, obtaining translation or interpreter services for victims and witnesses, and facilitating prosecutions and evidence collection.

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.

B. Measures

The Joint Explanatory Statement accompanying P.L. 116-6 directs HSI to submit an annual report on expenditures and performance metrics associated with forced labor law enforcement activities. Therefore, HSI is reporting on forced labor violations to include forced child labor. The measures³ include cases initiated and enforcement statistics (arrests, indictments, and convictions).⁴

CASES INITIATED		
Fiscal Year 2019		
	Domestic	International
Forced Labor (stats. for Forced Child Labor included)	191	97

ENFORCEMENT STATISTICS		
Fiscal Year 2019		
	Domestic	International
CRIMINAL ARRESTS		
Forced Labor (stats. for Forced Child Labor included)	91	307
INDICTMENTS		
Forced Labor (stats. for Forced Child Labor included)	75	22
CONVICTIONS		
Forced Labor (stats. for Forced Child Labor included)	63	1

³ 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.

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