

AB 381

Preventing Trafficking through Public Procurement



ASSEMBLYMEMBER _____ DISTRICT 19

Catherine Stefani

SUMMARY

Forced labor continues to plague supply chains across a wide swath of industries. California is known to procure goods that are a high risk of being produced with human trafficking, forced labor, and/or child labor. Despite spending almost \$19 billion on purchasing and contracts, the state has not updated its procurement policies since 2007. This bill would align state law with the federal standards set forth in 2016 that adopt more specific and detailed guidance for businesses who sell to or contract with the state to prevent human trafficking and mitigate exploitation.

BACKGROUND

Public procurement represents an average of 13-20% of global GDP.¹ From 2022-2023, California spent nearly \$19 billion on purchasing and contracts, and its vast purchasing power has increased over time.² Companies and businesses in the U.S. and globally should not have to compete with unethical and fraudulent supply chain producers that utilize exploited labor. California's purchasing and economic power creates the opportunity to catalyze companies around the globe to better monitor their own supply chains and the contractors within them.

In 2016, the federal government adopted detailed measures to prevent human trafficking and forced labor in its own procurement policies. California has not updated its own policies since 2007. Adopting new standards in California's procurement processes will allow the state to leverage its economic strength to incentivize companies to use humane labor

practices in their supply chains and ensure that no taxpayer money contributes to forced labor.

THIS BILL

AB 381, The Human Trafficking Procurement Prevention Act, would do the following:

- Provide clear definitions of what constitutes human trafficking and/or forced labor, recruitment fees, and who qualifies as a subcontractor.
- Provides guidance to subcontractors on prohibited actions that include fraud and misinterpretation for government solicitations and contracts, including failing to provide key terms of employment in a native worker's language, charging recruitment fees, and failing to provide a means of returning to their home country.
- Requires a state government contractor to certify a compliance plan for itself and all its subcontractors.
- Details actions companies must take if they identify potential human trafficking, forced labor, or child labor issues in their supply chains.

SUPPORTERS

Sunita Jain Anti-Trafficking Initiative at Loyola Law School (Sponsor)

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¹ World Bank, Global Public Procurement Database: Share, Compare, Improve! (March 23, 2020)

² Department of General Services (DGS), [Consolidated Annual Report 2022-2023](#).