



PREVENTING TRAFFICKING BY UPDATING GOVERNMENT PROCUREMENT POLICIES

NEED FOR ACTION

Forced labor is found in virtually all industries and for decades has plagued supply chains and tainted the products they help create. According to the Bureau of International Labor Affairs (ILAB) at least 204 categories of goods from 82 countries sold in the United States are produced with forced labor in violation of international standards.¹ This number increased from the ILAB's previous report in 2022 stating 155 categories of goods from 78 countries sold in the U.S. were produced with forced labor.² The increase of identified goods that were produced with forced labor or in violation of other international standards highlights the need for better regulations to address this growing problem.

The California government with its almost 300 billion budget is one of the only economies situated to affect the working conditions of those globally and across the United States by updating its current government procurement policies to ensure goods purchased by our state are not made through forced labor, human trafficking or child labor.

Public procurement represents an average of 13– 20% of global GDP.³ From 2022-23, the State of California spent \$18.98 billion on purchasing and contracts.⁴ California's vast purchasing power has notably increased overtime.⁵ Companies and businesses in the U.S. and globally should not have to compete with unscrupulous and fraudulent supply chain producers that undercut the well-being of working families by using exploited labor. California has the possibility of catalyzing companies around the globe to better monitor their own supply chains and the subcontractors within them.

¹ Bureau of Int'l Labor Affairs (ILAB), "List of Goods Produced by Child Labor or Forced Labor," U.S. DEPT. OF LABOR, (2024) *available at* https://www.dol.gov/sites/dolgov/files/ilab/child_labor_reports/tda2023/2024-tvpra-list-of-goods.pdf

² Bureau of Int'l Labor Affairs (ILAB) "2022 Findings on the Worst Forms of Child Labor," U.S. DEPT. OF LABOR, (2022), *available at* https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2022/2022-Findings-on-the-Worst-Forms-of-Child-Labor.pdf

³ World Bank, Global Public Procurement Database: Share, Compare, Improve! (March 23, 2020)

In 2016, the Federal government adopted more detailed measures to prevent human trafficking, force labor and commercial sex in its own procurement policies. The time for California to enact these increased protections against human trafficking in its supply chains is long-overdue.

GOALS

As the 5th largest economy in the world, it is time for California to adopt specific and detailed guidance for businesses to prevent human trafficking. The goal of this legislation will be to update existing statutory authority in California – which was last updated in 2007- to be consistent with measures that have been required Federally for the last 8 years. [Many companies and vendors](#) which are already in compliance with the Federal regulations also have public contracts with the state. By adopting Federal standards for California's procurement processes, the state can impact trafficking globally as well as in our own [backyard](#).

HOW UPDATING PROCUREMENT POLICIES PREVENT HUMAN TRAFFICKING

- Creates clear definitions of what constitutes human trafficking and/or forced labor, recruitment fees (often used to entrap workers in forced labor), and who qualifies as a subcontractor. While California currently prohibits human trafficking, forced labor, and child labor the state has not provided any additional guidance to companies or California procurement agencies on how to prevent these abuses from occurring.
- Provides further guidance on prohibited actions that involve fraud and misrepresentation for government solicitations and contracts including failing to provide key terms of employment in a worker's native language, charging recruitment

⁴ Department of General Services (DGS), Consolidated Annual Report 2022-2023, *available at* <https://www.dgs.ca.gov/-/media/Divisions/PD/OSDS/Certification/CAR/Final-FY2223-Consolidated-Annual-Report22924.pdf>

⁵ Exceptions have occurred in years of emergency or special events. For example, in 2020-2021 CA spent \$21.23 billion due to the COVID-19 pandemic, wildfires and drought. See Department of General Services (DGS), Consolidated Annual Report 2020-21, *available at* <https://www.dgs.ca.gov/-/media/Divisions/PD/OSDS/Certification/CAR/FY20-21AnnualReport.pdf>

- fees, and failing to provide a means of returning to their home country.
- Requires a California 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.

Impact of Federal Procurement Regulations and How Adopting Similar Measures Will Benefit California

This proposed legislation, provides clear guidance for companies on how to prevent trafficking in their supply chains. Companies must certify that they have taken proactive steps to prevent trafficking before contracting with the California government. Further provisions mandate if trafficking or forced labor is identified by a company, they must take proactive steps to correct these abuses. Information compiled from the 2017 To 2024 trafficking in persons report (TIP Report) shows the effectiveness of these provisions at the federal level:

- In the 180+ investigations described in the 2017-2024 TIP Reports, companies have taken corrective steps to ensure human trafficking and forced labor does not continue to occur in their supply chains by issuing cure notices and/ or terminating certain personnel.⁶
- Only 1 Federal contract was terminated, and 1 entity was debarred from conducting further business with the Federal Government based on human trafficking procurement violations in 8 years, the remaining companies were able to take the corrective steps required.⁷
- Between 2017 to present the cost of Federal procurement administration has not increased but decreased since the enactment of Federal Acquisition Regulations (FAR) 22.17.⁸
- The federal regulations were implemented with no additional resources.⁹

- No evidence to show that time-sensitive goods or services have been delayed or jeopardized in the 8 years in the 8 years that the Federal regulations have been implemented.¹⁰

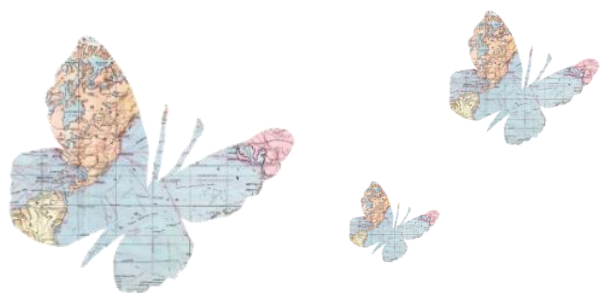
Additional information compiled from the TIP Reports regarding the impact of Federal procurement regulations can be reviewed [here](#).

Legislative History & Implementation Costs for Procurement Legislation

This legislation was formerly introduced as AB 964 (Rodriguez) in 2023 and SB 1157 (Hurtado) in 2024. Full bill language as amended can be found [here](#).

Both bills received overwhelming support from the policy committees it was assigned to in each respective year – The Accountability & Administrative Review Committee in 2023 and the Labor, Public Employment & Retirement as well as the Governmental Organizations Committees in 2024- with no members in any committee voting against this legislation.

In 2023, the appropriations committee stated that AB 964 would have a fiscal cost of just about \$100,000 to implement and unknown speculative additional costs.¹¹ In 2024, implementation costs were significantly inflated with limited to no reasons given for this increase. A full response to the 2023 & 2024 fiscal analyses and the speculative potential costs can be found [here](#).



⁶ See U.S. DEPT OF STATE, Trafficking in Persons Report (2018-2024), available at <https://www.state.gov/trafficking-in-persons-report/>

⁷ For a Full Summary of the impact Federal Procurement Legislation please refer to this document [here](#). The 2019 TIP Report stated that a contract was terminated after an investigation into forced labor. See <https://www.state.gov/wp-content/uploads/2019/06/2019Trafficking-in-Persons-Report.pdf>. 165031222.2 ; The 2023 TIP report stated that one individual was debarred from conducting business with the Federal government for violating contracting prohibitions related to human trafficking. See <https://www.state.gov/reports/2023-trafficking-in-persons-report/united-states>.

⁸ See U.S. Government Accountability Office, A Snapshot of Government-wide Contracting for FY 2021, <https://www.gao.gov/blog/snapshot-government-wide-contracting-fy-2021-interactive-dashboard>

⁹ Anna Fraser, Deputy Senior Coordinator for Intergovernmental Affairs at The Office to Monitor and Combat Trafficking in Persons, U.S. Department of State; Suzanne S. Balson, Senior Supply Chains Advisor, Office to Monitor and Combat Trafficking in Persons, U.S. Department of State; and Porter Glock, Procurement Analyst at the Office of Federal Procurement Policy. Meeting Regarding Costs of Implementing Federal Regulations FAR 22.17 (December 15, 2023).

¹⁰ *Id.* at Note 7.

¹¹ *Id.* at Note 7.

Supporters of this Legislation

Supporters of this legislation include NGOs that work with survivors of trafficking and those communities that are vulnerable to commercial exploitation as well as organizations which advocate for ethical and responsible business practices.

3 Strands Global Foundation
U.S. Department of State, Office of Trafficking in Persons, [5 Former U.S. Ambassadors](#) of the Office to Monitor and Combat Trafficking in Persons
AFSCME
Asian Americans Advancing Justice, Southern CA
CA Catholic Conference
CA Labor Federation, AFL-CIO
CA Rural Legal Assistance Foundation, INC.
CA State Council of Service Employees Int'l Union (SEIU CA)
Center for Human Rights and Constitutional Law
Central Valley Justice Coalition
Community Legal Services of East Palo Alto
CSA San Diego County
Dolores Street Community Services
Freedom Network USA
Int'l Corporate Accountability Roundtable (ICAR)
Int'l Rescue Committee - Oakland
Loyola Immigration Justice Clinic, Loyola Law School
National Consumer League & Child Labor Coalition
Public Counsel
Reformed Church of Highland Park Affordable Housing Corp.
Safe Place for Youth
Sunita Jain Anti-Trafficking Initiative, Loyola Law School (Co-Sponsor)
Still Waters Anti-Trafficking Program
Thai Community Development Center
Verite
Waymakers
Worksafe: Safety, Health and Justice for Workers
Western Center on Law & Poverty (Co-Sponsor)

ABOUT THE SUNITA JAIN ANTI-TRAFFICKING INITIATIVE

Sunita Jain Anti-Trafficking Policy Initiative (SJI) is an evidence-based and survivor-informed think tank based out of Loyola Law School. SJI intentionally works towards systemic change and filling the gaps in human trafficking prevention by focusing its policy advocacy on the intersectionality of 5 pillars: Government Accountability, Racial Justice, Immigrant Justice, Climate Justice and Economic Justice.

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