

114TH CONGRESS
1ST SESSION

H. R. 400

To require the Secretary of State and the Administrator of the United States Agency for International Development to submit reports on definitions of placement and recruitment fees for purposes of enabling compliance with the Trafficking Victims Protection Act of 2000, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2015

Mr. ROYCE (for himself and Mr. ENGEL) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To require the Secretary of State and the Administrator of the United States Agency for International Development to submit reports on definitions of placement and recruitment fees for purposes of enabling compliance with the Trafficking Victims Protection Act of 2000, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This bill may be referred to as the “Trafficking Pre-
5 vention in Foreign Affairs Contracting Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) The Department of State and the United
4 States Agency for International Development
5 (USAID) rely on contractors to provide various serv-
6 ices in foreign countries such as construction, secu-
7 rity, and facilities maintenance.

8 (2) In certain cases, such as where the employ-
9 ment of local labor is impractical or poses security
10 risks, Department of State and USAID contractors
11 sometimes employ foreign workers who are citizens
12 neither of the United States nor of the host country
13 and are recruited from developing countries where
14 low wages and recruitment methods often make
15 them vulnerable to a variety of trafficking-related
16 abuses.

17 (3) A January 2011 report of the Office of the
18 Inspector General for the Department of State,
19 while it found no evidence of direct coercion by con-
20 tractors, found that a significant majority of their
21 foreign workers in certain Middle East countries re-
22 ported paying substantial fees to recruiters that, ac-
23 cording to the Inspector General, “effectively re-
24 sulted in debt bondage at their destinations”. Ap-
25 proximately one-half of the workers were charged re-
26 cruitment fees equaling more than six months’ sal-

1 ary. More than a quarter of the workers reported
2 fees greater than one year's salary and, in some of
3 those cases, fees that could not be paid off in two
4 years, the standard length of a contract.

5 (4) A November 2014 report of the United
6 States Government Accountability Office (GAO-15-
7 102) found that the Department of State, USAID,
8 and the Defense Department need to strengthen
9 their oversight of contractors' use of foreign workers
10 in high-risk environments in order to better protect
11 against trafficking in persons.

12 (5) The GAO report recommended that those
13 agencies should develop more precise definitions of
14 recruitment fees, and that they should better ensure
15 that contracting officials include prevention of traf-
16 ficking in persons in contract monitoring plans and
17 processes, especially in areas where the risk of traf-
18 ficking in persons is high.

19 (6) Of the three agencies addressed in the GAO
20 report, only the Department of Defense expressly
21 concurred with GAO's definitional recommendation
22 and committed to defining recruitment fees and to
23 incorporating that definition in its acquisition regu-
24 lations as necessary.

1 (7) In formal comments to GAO, the Depart-
2 ment of State stated that it forbids the charging of
3 any recruitment fees by contractors, and both the
4 Department of State and USAID noted a proposed
5 Federal Acquisition Regulation (FAR) rule that pro-
6 hibits charging any recruitment fees to employees.

7 (8) However, according to GAO, neither the
8 Department of State nor USAID specifically defines
9 what constitutes a prohibited recruitment fee: “Con-
10 tracting officers and agency officials with monitoring
11 responsibilities currently rely on policy and guidance
12 regarding recruitment fees that are ambiguous.
13 Without an explicit definition of the components of
14 recruitment fees, prohibited fees may be renamed
15 and passed on to foreign workers, increasing the risk
16 of debt bondage and other conditions that contribute
17 to trafficking.”.

18 (9) GAO found that, although Department of
19 State and USAID guidance requires their respective
20 contracting officials to monitor compliance with traf-
21 ficking in persons requirements, they did not con-
22 sistently have specific processes in place to do so in
23 all of the contracts that GAO sampled.

1 **SEC. 3. REPORTS ON DEFINITION OF PLACEMENT AND RE-**
2 **CRUITMENT FEES AND ENHANCEMENT OF**
3 **CONTRACT MONITORING TO PREVENT TRAF-**
4 **FICKING IN PERSONS.**

5 (a) DEPARTMENT OF STATE REPORT.—Not later
6 than 180 days after the date of the enactment of this Act,
7 the Secretary of State shall submit to the appropriate
8 committees of Congress a report that includes the matters
9 described in subsection (c) with respect to the Department
10 of State.

11 (b) USAID REPORT.—Not later than 180 days after
12 the date of the enactment of this Act, the Administrator
13 of the United States Agency for International Develop-
14 ment (USAID) shall submit to the appropriate committees
15 of Congress a report that includes the matters described
16 in subsection (c) with respect to USAID.

17 (c) MATTERS TO BE INCLUDED.—The matters de-
18 scribed in this subsection are the following:

19 (1) A proposed definition of placement and re-
20 cruitment fees for purposes of complying with sec-
21 tion 106(g)(iv)(IV) of the Trafficking Victims Pro-
22 tection Act of 2000 (22 U.S.C. 7104(g)(iv)(IV)), in-
23 cluding a description of what fee components and
24 amounts are prohibited or are permissible for con-
25 tractors or their agents to charge workers under
26 such section.

1 (2) An explanation of how the definition de-
2 scribed in paragraph (1) will be incorporated into
3 grants, contracts, cooperative agreements, and con-
4 tracting practices, so as to apply to the actions of
5 grantees, subgrantees, contractors, subcontractors,
6 labor recruiters, brokers, or other agents, as speci-
7 fied in section 106(g) of the Trafficking Victims
8 Protection Act of 2000 (22 U.S.C. 7104(g)).

9 (3) A description of actions taken during the
10 180-day period preceding the date of submission of
11 the report and planned to be taken during the one-
12 year period following the date of submission of the
13 report to better ensure that officials responsible for
14 grants, contracts, and cooperative agreements and
15 contracting practices include the prevention of traf-
16 ficking in persons in plans and processes to monitor
17 such grants, contracts, and cooperative agreements
18 and contracting practices, particularly as such agree-
19 ments and contracting practices relate to areas of
20 the world in which the risk of trafficking in persons
21 is high.

22 (d) APPROPRIATE COMMITTEES OF CONGRESS.—In
23 this section, the term “appropriate committees of Con-
24 gress” means the Committee on Foreign Affairs of the

1 House of Representatives and the Committee on Foreign
2 Relations of the Senate.

3 **SEC. 4. DEFINITION.**

4 In this Act, the term “trafficking in persons” has the
5 meaning given the term in section 103(9) of the Traf-
6 ficking Victims Protection Act of 2000 (22 U.S.C.
7 7102(9)).

○