

COUNTER FORCED LABOR JOURNAL

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Educating corporations and corporate counsels on the business risks associated with forced labor, human trafficking, and modern slavery within supply chains.



Counter Forced Labor Technologies empowers corporations and businesses to mitigate forced labor in their supply chains by providing AI-powered, data driven technology products to manage all aspects of supply chain risk.

Global Risk Assessment Technology™

Our proprietary GRAT™ is the only AI-driven due diligence technology platform for companies that want to accurately demonstrate best efforts to comply with government regulations, ESG standards and identify and mitigate forced labor, slave labor, and human trafficking in their supply chain.

**COUNTER
FORCED LABOR**
TECHNOLOGIES



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Stress on the Supply Chain:
**SHIPPING CONTAINERS
CURBED & COSTS RISE**

When numerous cargo ships are sitting off the Pacific Ocean miles away from their destination port, what does this mean to America, and to the global supply chain community? Who, and what is impacted by this devastating upset on the global supply chain, and how can this be mitigated?

Simply put, the meaning of a megaton cargo ship sitting off the coast of the Los Angeles and Long Beach Port translates into a major disruption and a catastrophic failure in the global supply chain. According to the statistics of the Los Angeles & Long Beach Port Authority, the LA/LB port accounts for over 50% of the nation's goods. This impact has an immediate trickle-down effect to consumer goods, that will be delayed; and eventually will show up as an increase in cost to the consumer and to the suppliers. But more importantly, the overall effect can be disruptive and devastating for businesses, consumers, as well as the domestic and global economy at

SUPPLY CHAIN TRANSPORT MAKES GLOBAL HEADLINES

“World trade waits as operation to shift giant containership takes longer than expected.” This type of headline in the national and global news is exactly the type of situation that must require proactive preparedness and resilience within a supply chain. The very fact that a ship remained sitting in the Suez Canal for weeks, is not predictable, and it’s unfortunate; but that does not mean that supply chains can’t mitigate and prepare for the worst—whether it’s a ship stuck in the Suez Canal or a global pandemic.

Case in point, according to the Wall Street Journal, the giant container ship that blocked the Suez Canal had a trickle-down effect to the nation’s most strategic port in Los Angeles and Long Beach—and across the global supply chain. “On Monday morning, 24 container ships—with a combined maximum carrying capacity nearly 10 times that of the newly freed ship—were anchored off the coast waiting for space at the ports of Los Angeles and Long Beach, according to the Marine Exchange of Southern California, which keeps tabs on vessels and directs ship traffic. The ships are carrying tens of thousands of boxes holding millions of dollars’ worth of washing machines, medical equipment, consumer electronics and other goods that make up global ocean trade, all of it idling in the waters in sight of docks that are jammed with still more containers.”¹ Not only is this a stress on the supply chain, but it is also a precarious and dangerous situation in that goods and supplies needed for health and well-being are being held at bay.

What changed within the supply chain for it to be overly impacted? Essentially due to the pandemic the supply chain has been trying to catch up for over a year, and in the last few months an increase in demand has coupled that dilemma.

“As more Americans get vaccinated, businesses reopen and the economy strengthens, consumers continue to purchase goods at a dizzying pace. The arrival of so much cargo has been straining inbound supply chains fanning out from the ports. The waiting time to load containers on trains out of Los Angeles reached 11 days this week from a normal yearly average of around two days, according to port officials.”²

What are global companies doing to keep up with production demand and the ever-increasing supply chain risks? According to Industry Week the best way to build

resilience is to invest in cutting edge technology programs that can navigate and streamline efficient supply chains. “Global manufacturing players are pushing forward in leveraging digital technology to bring more structure to this environment. IDC predicts that, by the end of 2021, 90% of global manufacturing supply chains will have invested in the technology and business processes that will bring true resiliency to their operations.”³

VISIBILITY IN THE SUPPLY CHAIN IS THE KEY TO FUTURE SUCCESS

Supply chain disruption has been widespread over the course of the last year across the globe, organizations must become more resilient in the face of change and to build visibility into their supply chain. Visibility will provide the ability to have better access to data, and work more efficiently with vendors, suppliers, and stakeholders.

There are a few initiatives that would assist with visibility. One, organizations need to be ready for disruption by being prepared for immediate change. In a recent survey, “Of the 2020 supply chain professionals who responded to the survey, 63% feel only moderately prepared or unprepared for change. What makes this more dire is the fact that 79% of respondents find themselves reacting to change daily or weekly, with challenges such as changes in production quantity, quality defects, and changes in work pattern causing particular stress for organizations.”

Second, disruptions can cause a negative widespread impact. Disruption early in the supply chain process can cause a ripple effect at the consumer level and long term. This impact to a company manifests in the form of additional costs to the consumer and company, and in parallel increases challenges for the overall endpoint for the supply chain.

Lastly, in order for supplier and vendor management to be proactive going forward, there must be an understanding and plan in place for future obstacles—be it a natural or manmade disaster. Regardless of the nature of disruption the supplier and vendor management is the biggest challenge, due to the struggle of visibility into supplier data, process, and productivity.

The solution is real-time visibility into supplier data, contract information, and performance metrics in order to reduce risk and ensure that the procured products are the right quantity and quality.

¹America’s Imports Are Stuck on Ships Floating Just Off Los Angeles, The Wall Street Journal, March 31, 2021

²Ship Logjam at California Ports Is Easing After March Import Deluge, The Wall Street Journal, April 14, 2021

³The Complex Choreography of Supply Chain Resilience, Industry Week, May 7, 2021

TEXTILE INDUSTRY ON A TIGHT ROPE

The global fashion industry relies on quick production and a fast turnaround of goods at a low cost via outsourcing within multitiered global supply chains. This in turn has demanded and allowed forced labor to thrive. Workers' rights, specifically with regards to child labor and slave labor have dwindled and become non-existent; and all the while the major fashion brands profit from the old-world model of using force labor to keep up with global supply and demand needs.

The apparel sector employs over 60 million workers globally according to the World Bank Group.¹ This supply chain is global and made up of millions of variations of sizes of manufactures in every part of the world, all which operate under pressure to keep down costs and deliver goods on time.

Labor abuse has deep roots in the supply chain of apparel giants.

As such, textile cargo shipments within the supply chain continue to roll like the tide into ports around the world, regardless of current guidelines regarding slave labor. Recently the Wall Street Journal reported that there is a "surging enforcement by Customs and Border Protection officers of import bans on products made from forced labor, is producing disputes over halted cargo and complaints from importers about the delays and a lack of transparency."²

U.S. Customs & Border Protection's Influence over Textiles

Overall, enforcement by the U.S. Customs and Border Protection (CBP) agency this past year has increased, especially due to the recent banning of cotton and other products from China's Xinjiang region, where there are mass detentions of Uyghurs by the Chinese government.³ "Effective January 13 at all U.S. ports of entry, U.S. Customs and Border Protection will detain cotton products and tomato products produced in China's Xinjiang Uyghur Autonomous Region."⁴

For example, one textile retailer was recently reported to have been detained due to lack of awareness in tracking their supply chain, "Even many well-intended importers who have good social compliance programs weren't quick tracing back their supply chains far enough to where the risk is," according to the executive director of the CBP's forced labor division.⁵ Specifically, CBP plans to implement a time line of three months from time of shipment to detained to prove products are clean under current laws. Additionally, there will be increase staffing and improve the way cases are handled when working with importers.⁶

"DHS will not tolerate forced labor of any kind in U.S. supply chains. We will continue to protect the American people and investigate credible allegations of forced labor, we will prevent goods made by forced labor from entering our country, and we demand the Chinese close their camps and stop their human rights violations," said Acting DHS Deputy Secretary Ken Cuccinelli.⁷

Notably, where the Chinese government continues to execute a campaign of repression targeting the Uyghur

¹Safer Conditions for Apparel Workers, International Finance Corporation

²Apparel Importers, Like Uniqlo, Tripped Up by U.S. Ban on Forced-Labor Goods From China, The Wall Street Journal, June 28, 2021

³China's Uyghur Camps Swell as Beijing Widens the Dragnet, The Wall Street Journal, August 17, 2018

⁴CBP Issues Region-Wide Withhold Release Order on Products Made by Slave Labor in Xinjiang, U.S. Customs and Border Protection, January 13, 2021

⁵U.S. Bans Cotton, Tomato Imports From China's Xinjiang Region, The Wall Street Journal, January 31, 2021

⁶U.S. Bans Cotton, Tomato Imports From China's Xinjiang Region, The Wall Street Journal, January 31, 2021

⁷CBP Issues Region-Wide Withhold Release Order on Products Made by Slave Labor in Xinjiang, U.S. Customs and Border Protection, January 13, 2021



people and other ethnic and religious minority groups. On December 2, 2020, CBP announced the issuance of a WRO on cotton and cotton products originating from the Xinjiang Production and Construction Corps, an economic and paramilitary organization subordinate to the Chinese Communist Party.

“Since the enactment of Trade Facilitation and Trade Enforcement Act in 2016, U.S. Customs and Border Protection (CBP) has undertaken various actions to enforce the prohibition on forced labor goods. CBP issued an unprecedented 13 WROs in Fiscal Year 2020, detained over \$55 million worth of goods, and issued its first finding in nearly 25 years. CBP is currently enforcing 50 active WROs and eight active forced labor findings.”⁸

CBP recommends that the trade community use the following resources to better understand and address the risks of forced labor in global supply chains:⁹

- The Department of Labor's Comply Chain App;
- The Department of Labor's List of Goods Made by Child Labor or Forced Labor;
- The Department of State's Trafficking in Persons Report;
- The July 2020 Xinjiang Business Advisory.

In addition, please refer to the CBP website for information on responsible business guidance: CBP Responsible Business Practices on Forced Labor and CBP's Informed Compliance Publication on Reasonable Care.¹⁰

Finally, the recommendation to mitigate slave labor in textiles, “CBP encourages importers to implement “social compliance programs” that can identify, mitigate, and remediate forced labor. Remediating forced labor in

supply chains is important; however, CBP will not allow the importation of goods suspected of being mined, produced, or manufactured with forced labor during remediation.”¹¹

China & Slave Labor in Textiles

Unfortunately, to date, the Chinese government has detained and “reeducated” more than 1 million Uyghurs and Muslim ethnic and religious minorities in Xinjiang to secure and control the population. Most would say this is a crime against humanity. “The mass incarceration of Uyghurs is the latest instalment in Xinjiang's history of forced prison labor – its “regular” prisons, which contain up to 800,000 Han Chinese and ethnic minority inmates, have long been home to conglomerate prison enterprises. The evidence file details allegations that not only is prison and forced labor widespread and systematic in East Turkistan (Xinjiang), but it is also intimately linked with the region's cotton industry, which accounts for 84% of the cotton produced by China.”¹²

There is an increasing risk that products made in China that rely at least in part on low-skilled, labor intensive manufacturing could be affected by XUAR-linked forced labor.¹³

Interesting fact, China is the world's biggest yarn producer and exporter, which makes it the world's largest importer of non-retail pure cotton yarn, importing almost five times as much as it exports. The cotton yarn produced in China likely for the most part uses cotton from East Turkistan, from a Uyghur camp.¹⁴

According to the Center for Strategic & International Studies Human Rights Report on addressing the slave labor in China, the movement of laborers to the Xinjiang Production and

⁸Virtual Trade Week: Forced Labor Frequently Asked Questions FAQs

⁹Xinjiang Uyghur Autonomous Region WRO Frequently Asked Questions, U.S. Customs and Border Protection

¹⁰Xinjiang Uyghur Autonomous Region WRO Frequently Asked Questions, U.S. Customs and Border Protection

¹¹US Customs and Border Protection issues FAQs on Forced Labor Reiterating Commitment to Enforcement and Encouraging Companies to Implement Compliance Programs, Global Compliance News, September 13, 2021

¹²UK & US: Halt Forced Prison Labour Goods From China, Global Legal Action Network, February 8, 2021

¹³Beyond the Camps: Beijing's Grand Scheme of Forced Labor, Poverty Alleviation and Social Control in Xinjiang, Journal of Political Risk 7, no. 12, December 2019

¹⁴Beyond the Camps: Beijing's Grand Scheme of Forced Labor, Poverty Alleviation and Social Control in Xinjiang, Journal of Political Risk 7, no. 12, December 2019

Construction Corps (XPCC), has long used prison labor at a large scale, with mostly Han Chinese inmates sent from other parts of China. The XPCC reportedly maintains 36 prison farms. For example, the 8th Division of the XPCC, the largest producer of XPCC cotton, is believed to run 22 prison labor squadrons that work in agriculture and manufacturing.¹⁵

The XUAR is one of the world's largest cotton producers, and China's critical role in apparel production is also well known. The research report revealed several other important factors that should be considered when seeking to understand the sector and identify how to eradicate XUAR-linked forced labor. The first set of findings relates to supply chain structure and dominance. First, China's textile industry combines vertical integration—cotton, yarn, textile, and apparel production all within one country—with significant scale, a combination that other countries do not currently match.¹⁶

Textile, apparel, and footwear supply chains are complex and difficult to trace because of the potential roles of middlemen and commodities traders and the practice of blending cotton and yarn at certain stages. China is the world's largest producer and exporter of textiles. Textile exports from China reached 37.6 percent of the world's total in 2018, a 3.5 percent increase from the previous year. Tracing the textile layer of the supply chain is weak and difficult.¹⁷

Governments and business actors may seek to influence supplier behavior and that of the Chinese government through economic policy. Hopefully, traceability in the supply chain can likely be a growing consumer and supplier demand.

Child Labor & Textiles

Child labor and the textile industry go hand in hand. "Child labor is a particular issue for fashion because much of the supply chain requires low-skilled labor and some tasks are even better suited to children than adults. In cotton picking, employers prefer to hire children for their small fingers, which do not damage the crop. Children are seen as obedient workers who slip under the radar, making them easy to manage"¹⁸

A Look in the Wardrobe—How Might Your Clothing Be Linked to Forced Labor?

From running shoes to yoga pants to the suit for online meetings, the jacket for the cooler evenings, or the dress for the birthday celebration: these and many other apparel and footwear products may be produced with forced labor. A few examples:

			
 Rubber High Risk from one country	SOLES OF FOOTWEAR		
 Cotton High Risk from nine countries	SHOELACES	SLEEVE CUFFS	
 Leather High Risk from five countries	UPPER SHOE	BODY OF JACKET	
 Viscose High Risk from one country		LINING OF JACKET	LINING OF DRESS
 Embellished Textiles High Risk from two countries			EMBELLISHMENTS (BEADS/SEQUINS)

Unfortunately, many of the child labors' work within the fashion supply chain, making textiles and garments to keep up with the demand of global consumers. "Fast fashion has engendered a race to the bottom, pushing companies to find ever-cheaper sources of labor. That cheap labor is freely available to many of the countries where textile and garment production takes place like India and Bangladesh."¹⁹

Children work at all stages of the supply chain in the fashion industry: from the production of cotton seeds in Benin, harvesting in Uzbekistan, yarn spinning in India, right through to the different phases of putting garments together in factories across Bangladesh.²⁰

¹⁵Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region, CSIS Briefs, July 2020

¹⁶Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region, CSIS Briefs, July 2020

¹⁷Addressing Forced Labor in the Xinjiang Uyghur Autonomous Region, CSIS Briefs, July 2020

¹⁸Child labour in the fashion supply chain, Unicef

¹⁹Child labour in the fashion supply chain, Unicef

²⁰Child labour in the fashion supply chain, Unicef

**Bamboo:**

According to the US Department of State, bamboo from Myanmar may be produced using forced labor. Bamboo pulp may be used to produce yarn and fabric.

**Cashmere:**

China is the world's largest producer of cashmere, a material commonly used by luxury brands. A third of China's cashmere is produced in the Xinjiang region, which allegedly uses forced labor of ethnic minorities. Cashmere from China is reportedly imported to Mongolia, where it is then processed.

**Cotton:**

The US Department of Labor lists cotton as at risk of being produced with forced labor in Benin, Burkina Faso, China, India, Kazakhstan, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan. India is the world's largest producer of cotton. Moreover, China is the world's second-largest producer of cotton, and 84% of China's cotton is produced in Xinjiang, a region where it is alleged to be made using forced labor.

**Leather:**

Cattle is associated with risks of forced labor in Bolivia, Brazil, Niger, Paraguay, and South Sudan. Companies also report identifying forced labor risks at the cattle ranching level in their product supply chains. Workers in the leather industry have reported being forced to work overtime and threatened with punishments such as demotion and reduction of allowances if they do not comply.

**Natural Rubber:**

Natural rubber is commonly used by footwear and activewear companies. According to the US Department of Labor, rubber from Myanmar may be produced with forced labor. The United States is one of the world's biggest importers of natural rubber.

**Silk:**

Silk from Uzbekistan is at risk of being produced using forced labor. More than threequarters (77%) of silk produced in Uzbekistan is exported. Silk is used in the products of 51% of the benchmarked companies, many of which are luxury brands.

**Viscose:**

As of 2018, China contributed approximately 65% of the global output of viscose fiber, and some of the largest producers are based in Xinjiang. Viscose is imported by key apparel production countries such as Vietnam, India, and Bangladesh.

**Wool:**

Wool, a material used by 76% of companies in the sector, has been flagged as a high-risk product by the US government.

Forced Labor Risks: Which Materials May be Produced with Forced Labor?

What Can Be Done

Forced labor risks are present across all tiers of the apparel and textile supply chain. As such, regular audits and tracking the supply chain with a registry and technological tracking tools would ensure social responsibility. This is a significant hurdle, but one that must be addressed.

Traditional approaches to product traceability are slow to implement, cumbersome, and often highly imperfect. Yet, new supply chain tracking technologies hold promises to support a more rapid scale-up of traceability, with greater reliability.

Diversification in the supply chain from one country to another or if companies could trace their products back to its origin it could eliminate and solve the links to forced labor.

Companies in the textile industry need to be able to know and show that their supply chains are not tainted, and this means mapping and publishing the names of suppliers they are working with at each sourcing level. Accountability and traceability will provide long-term sustainability.

Ask the Expert:

Jennifer Long

CEO, AEquitas



About Jennifer Long

Jennifer Gentile Long (MGA, JD) currently serves as the Chief Executive Officer of AEquitas, which she co-founded in April 2009 and serves as an expert on issues related to the prosecution of sexual violence and gender-based violence and human trafficking. She began her career as an Assistant District Attorney in Philadelphia where she prosecuted cases involving adult and child physical and sexual abuse and served on a team in the Family Violence and Sexual Assault Unit. After her departure, served as an advocate for victims of domestic violence and child abuse in Bermuda and Philadelphia, respectively.

Jennifer was a Senior Attorney and then was appointed the Director of the National Center for the Prosecution of Violence Against Women at the American Prosecutors Research Institute at NDAA. She promoted meaningful multidisciplinary collaboration and improved prosecution practices through authorship and contribution to numerous articles, publications, resources and curricula and provided assistance to prosecutors and allied professionals.

Jennifer's commitment to the identification, implementation and preservation of innovative, research-informed practices led her to co-found AEquitas, where she continues to work with prosecutors, allied professionals, and policy makers across the United States and internationally. Jennifer serves as an Advisory Committee Member with the American Law Institute, an Editorial Board Member with the Civic Research Institute for the Sexual Assault and Domestic Violence Reports, and an Adjunct Professor at Georgetown University Law Center, where she teaches Prosecuting Sexual Violence: From Research to Practice.

Jennifer graduated from Lehigh University with a Bachelor of Arts in English and East Asian Studies and the University of Pennsylvania Law School and Fels School of Government with a Juris Doctor degree and a Masters in Government Administration. She is a member of the Pennsylvania and New Jersey bars. She enjoys running, walking her dogs and making homemade pancakes for her family.

1

AEquitas is clearly committed to providing a myriad of counter human trafficking initiatives to support government and non-government organizations in the United States and globally. What specifically does AEquitas assist with in the legal system to improve outcomes for survivors?

AEquitas does a number of things to help respond to and advocate for human trafficking survivors. Specifically, we focus on prosecutors in the legal system since they are often referred to as the gatekeepers and they determine whether the “laws-on-the-books” are put into action. They also have unique opportunities to educate the community around the dynamics of human trafficking, the resources available for crime victims, and the priority of their office in seeking justice and safety on behalf of victims. Through their communications and efforts, they ensure that all individuals, including those of the most historically marginalized communities, have access to justice.

AEquitas increases justice for the trafficking victims in four unique ways. First, we provide training to prosecutors on issues ranging from discreet legal strategies to more comprehensive responses to labor and sex trafficking. These trainings range from one-hour webinars to multi-day multidisciplinary trainings that instruct prosecutors not only “how to” prosecute a human trafficking case but “why” it is so important to do so.

A unique aspect of the trainings we provide is how to identify and accurately assess culpability of human trafficking survivors are arrested for crimes. Second, we provide technical assistance, this is responsive to urgent needs from the field. These requests can span from identifying an expert on human trafficking dynamics to preparing and filing an amicus (friend of the court brief) on an issue that impacts survivors’ access to justice. The third form of assistance we provide is targeted technical assistance through our pilot site initiatives, where we are able to work closely with individual jurisdictions to help them improve their practices.

Currently, we are working with 3 pilot sites through our Just Exits from Sexual

Exploitation Pilot Site Initiative which seeks to ensure that sexually exploited women and girls who interact with the criminal justice system receive justice and support necessary for them to exit the life of exploitation versus pushing them deeper into a life of exploitation. We also work to support multidisciplinary human trafficking task forces to ensure that their investigation and prosecution practices are survivor centered, trauma-informed, and effective. Finally, we develop original publications on issues related to the prosecution of human trafficking and related violent crimes, including sexual violence, intimate partner violence, and stalking. Through these publications we seek to connect the legal, scientific, forensic, analytic, and social science research to better protect victims.

One recent example of our assistance was an amicus brief which we wrote with our co-counsel the Women’s Law Project and filed in the Pennsylvania Supreme Court, arguing that to admit a victim’s prior prostitution arrests and convictions as evidence of consent in a sexual assault cases is tantamount to a judicial declaration that individuals in the sex trade cannot be raped. Finding that this evidence was admissible would not only require the court to disregard the expansive body of research around individuals in the sex trade, including human trafficking victims, but to ignore findings that trafficking survivors are routinely arrested and convicted for prostitution-related crimes that they are forced to commit.



"Business owners no matter how small, need to take responsibility & ownership for their business practices"

2

With regards to human trafficking and the ever-evolving legislative landscape what are some specific legislative laws and tools that are being used to address the need for change and progress?

The federal human trafficking statute was enacted over 20 years ago. Generally, the laws are on the books to hold traffickers accountable in the U.S., and the biggest barriers to justice are their lack of implementation. However, there are some exceptions, and the laws should routinely be reviewed to ensure that they are comprehensive enough to hold offenders accountable. The Safe Harbor Laws are important protections for minor victims to ensure they are not criminalized for their own exploitation; however, adult victims too can also benefit from these laws and there are currently movements to expand them to cover adult victims.

Other important tools are those that help prosecutors identify human trafficking survivors, and particularly those that have been charged with a crime, earlier in their interactions with the justice system. Finally, tools that assist in the accurate assessment of culpability for survivors charged or convicted of a crime can help avoid wrongful convictions. Where a survivor has been unjustly convicted of a crime, vacatur and expungement can begin to remedy the harm. Passage of forward-thinking laws can assist survivors with advancing their lives and leaving the life. Our nation is in the process of an important dialogue around criminal justice reform and human trafficking survivors cannot be left out of the conversation.

3

Aequitas provides a variety of platforms for social justice, specifically the Enhancing Law Enforcement Human Trafficking Task Force Initiative, which works with law enforcement agencies as critical partners. What are some current success stories?

We are the prosecution partner on Department of Justice funded grants to Enhanced Collaborative Multidisciplinary Human Trafficking Task Forces. We often work with jurisdictions confidentially, so we don't publicize specific cases, but our assistance has included: Supporting local jurisdictions charging labor trafficking; providing

state-specific support to build cases that don't rely on victim testimony; provided legal support for introducing digital evidence post Backpage, e.g., TellFinder; building capacity for introducing expert testimony; and supporting human trafficking investigations and prosecutions but assisting in understanding how to support organized crime, RICO, and money laundering charges.

4

From your viewpoint and experience in the legal field, how can organizations be more socially responsible to mitigate human trafficking within their workplace and in their supply chain?

Organizations have to understand that they are never too small to think about how their action and inaction impacts human trafficking and the victims that are exploited by this heinous crime. Their supply chain either prevents or facilitates human trafficking and once organizations realize this, they have the opportunity to ensure their activities don't contribute to the problem. Although the process of understanding the numerous tiers of suppliers in one's supply chain can feel daunting for large corporations, it is necessary to understand that there are companies with the methodology, technology, and staff expertise that are able to illuminate risk factors where you operate, identify specific areas in the supply chain that are particularly problematic, or identify the occurrence of human trafficking.

It's just a matter of identifying the right partner to assess your supply chain. For example, the Counter Forced Labor Technologies is a unique firm that is leveraging technology to create sustainable business value within the supply chain.

Overall consumer awareness and education are also incredibly helpful to mitigate slave labor and trafficking in the supply chain. Even a small business owner can have a huge impact by educating themselves on the manufacturing and source of the goods they use or sell, raising awareness among their clients of the harms of human trafficking and slave labor, and demanding their business partners commit to a trafficking-free supply chain. It's not okay to remain ignorant about your business operations just because the alternative, knowing who you do business with, takes more effort. Business owners, no matter how small, need to take responsibility and ownership for their business practices, which include their supply chain. There is no supply chain that is too small or too vast, and it just takes a moment to ask the questions in order to make a huge difference.



In California the AB 262, the Patterson bill regarding human trafficking would provide “**vacatur relief for victims**”. This bill would allow a petition to be made and heard at any time after the person has ceased to be a victim of human trafficking, or at any time after the petitioner has sought services for being a victim of human trafficking.

****This bill was signed and approved by the Governor of California on September 22, 2021.***

New & Noteworthy Legislation

In Texas, “**circuit prostitution**,” might come to a halt, due to groundbreaking legislation that will for the first time in American history make ‘purchasing sex’ a felony by a state. A precedent-setting bill in Texas, HB 1540, signed by Governor Abbott, makes purchasing sex a felony for a first offense. This new law creates a separate offense for buying sex and raises the penalty to a state felony subject to jail time. It expands first-degree felony human trafficking to include certain actions related to obtaining victims from shelters or certain residential facilities. This pioneering policy is novel in that it might be a steppingstone to the path that will eventually deter sex trafficking and decrease the demand of trafficking.

****This bill was signed in June 2021, and made effective on September 1, 2021***

- ▶ Relating to regulation of certain facilities and establishments with respect to, civil remedies for certain criminal activities affecting, and certain criminal offenses involving health, safety, and welfare; creating a criminal offense; increasing criminal penalties.¹

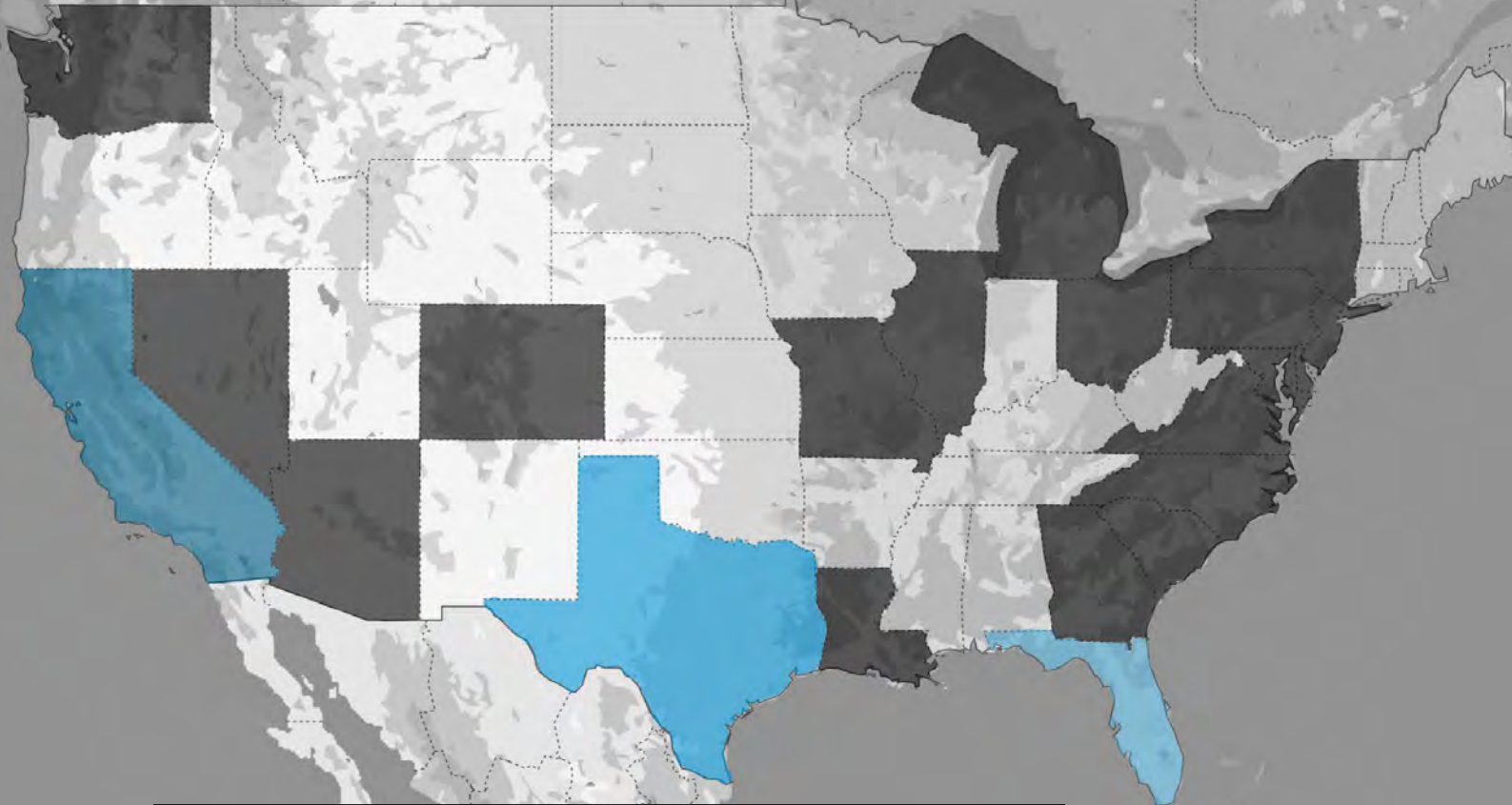
- ▶ Existing law allows a person who was arrested or convicted of a nonviolent offense while they were a victim of human trafficking to petition the court for vacatur relief. Existing law requires the petitioner to establish by clear and convincing evidence that the arrest and conviction were the direct result of being a victim of human trafficking. Existing law requires that a petition be made and heard within a reasonable time after the person has ceased to be a victim of human trafficking, or within a reasonable time after the petitioner has sought services, whichever is later. Existing law allows a petitioner, or the petitioner's attorney, to be excused from appearing in person at a hearing on the petition only if the court finds a compelling reason why the petitioner cannot attend, in which case existing law allows the petitioner to appear by electronic means.
- ▶ This bill would prohibit a court from refusing to hear the petition on the basis of the petitioner's outstanding fines and fees or the petitioner's failure to meet the conditions of probation. With the exception of restitution, the bill would require that the collection of fines imposed as a result of a nonviolent offense that is the subject of the petition be stayed while the petition is pending. This bill would also allow the petitioner to appear at all hearings on the petition by counsel if the petition is unopposed. The bill would allow a petition to be made and heard at any time after the person has ceased to be a victim of human trafficking, or at any time after the petitioner has sought services for being a victim of human trafficking. The bill would specify that the right to petition for relief pursuant to these provisions does not expire with the passage of time.
- ▶ Existing law requires the court, for petitioners who qualify for vacatur relief, to order designated law enforcement agencies to seal their records of the petitioner's arrest and the court order to seal and destroy the records within 3 years from the date of arrest, or within one year after the court order for vacatur relief is granted, whichever is later, and thereafter destroy those records. Existing law requires the court to provide the petitioner with a copy of any court order concerning the destruction of the arrest records.
- ▶ This bill would designate additional agencies required to seal and destroy arrest records and require all designated agencies to seal and destroy the arrest records within one year of the date of arrest, or 90 days from the date the court order for vacatur relief is granted, whichever is later. The bill would also require the court to provide the petitioner and their counsel with a copy of any form the court submits to any agency related to the sealing and destruction of arrest records. The bill would require the department to notify the petitioner and their counsel that the department has complied with the order to seal the arrest records.²

¹Bill Look Up, Texas Legislature member 21, 2021

²AB-262 Human Trafficking: Vacatur Relief for Victims, California Legislative Information, September 22, 2021

Number of Human Trafficking Cases

REPORTED IN 2017 PER STATE



Less than 99

Oregon, Indiana, Montana, Wyoming, Utah, New Mexico, Alaska, Hawaii, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Wisconsin, Indiana, Kentucky, West Virginia, Tennessee, Alabama, Mississippi, Maine, Vermont, New Hampshire, Rhode Island, Connecticut, Massachusetts, and Delaware

100 - 399

Washington, Nevada, Arizona, Colorado, Los Angeles, Missouri, Illinois, Michigan, Georgia, South Carolina, North Carolina, Virginia, Ohio, Pennsylvania, New York, New Jersey, and Maryland

400 - 699

Florida

700 - 999

Texas

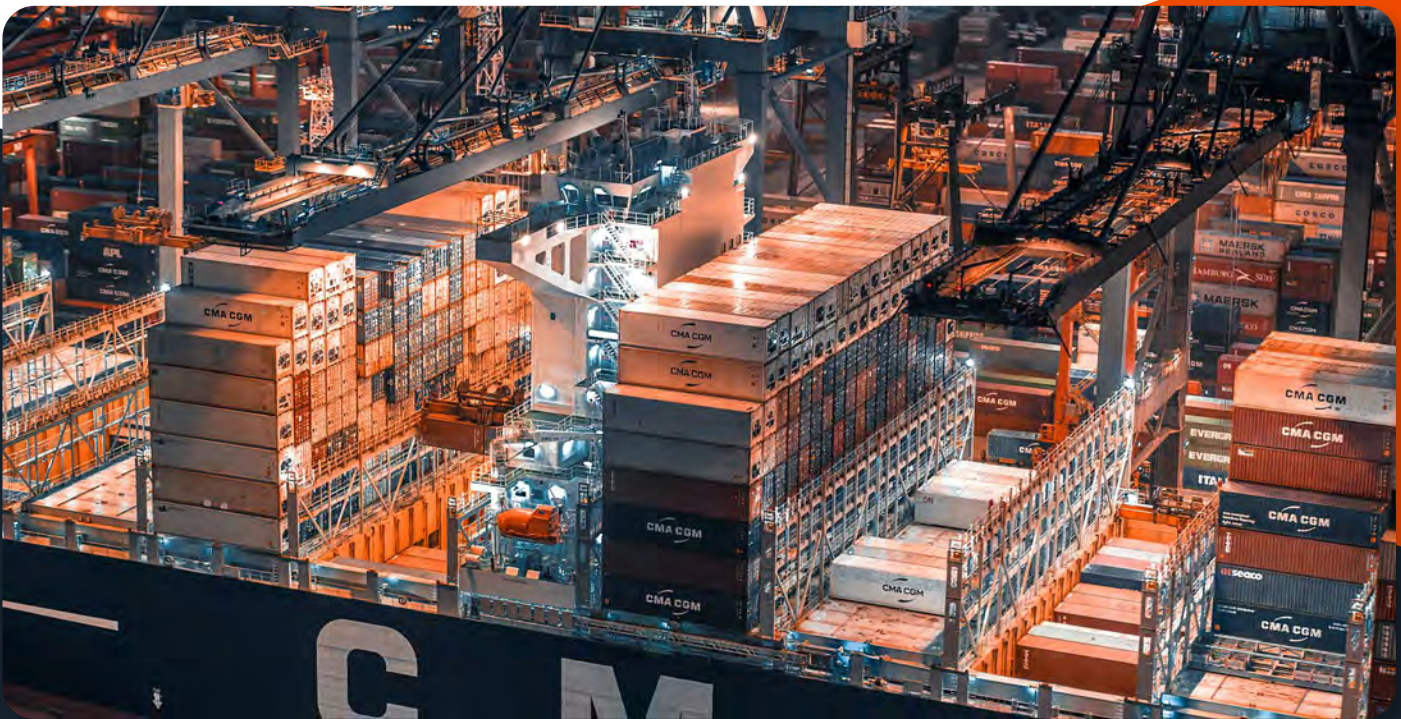
More than 1,000

California

Source: National Human Trafficking Resource Center (NHTRC), 2012-2017

Executive Order by the President on the Supply Chain

On February 24th 2021, President Biden signed Executive Order 14017, the “Executive Order on America’s Supply Chains,” requiring a thorough review of global supply chains that support key U.S. industries in an attempt to improve supply chain security for U.S. companies and the U.S government. The order outlines two types of assessments by government agencies: 1) an initial 100-Day review of the supply chain, which focuses on supply chain risks related to batteries, semiconductors, strategic minerals, and pharmaceuticals; and, 2) the sectoral supply chain assessments in critical business sectors, such as national defense, public health, information and communication technology, energy, transportation, and agriculture. The assessments will require accountability and coordination with various government agencies.



The United States needs resilient, diverse, and secure supply chains to ensure our economic prosperity and national security. Pandemics and other biological threats, cyber-attacks, climate shocks and extreme weather events, terrorist attacks, geopolitical and economic competition, and other conditions can reduce critical manufacturing capacity and the availability and integrity of critical goods, products, and services. Resilient American supply chains will revitalize and rebuild domestic manufacturing capacity, maintain America’s competitive edge in research and development, and create well-paying jobs. They will also support small businesses, promote prosperity, advance the fight against climate change, and encourage economic growth in communities of color and economically distressed areas.

More resilient supply chains are secure and diverse — facilitating greater domestic production, a range of supply, built-in redundancies, adequate stockpiles, safe and secure digital networks, and a world-class American manufacturing base and workforce. Moreover, close cooperation on resilient supply chains with allies and partners who share our values will foster collective economic and national security and strengthen the capacity to respond to international disasters and emergencies.

Therefore, it is the policy of my Administration to strengthen the resilience of America’s supply chains.” (EO 14017)¹

¹ Executive Order on America’s Supply Chains, The White House, February 24, 2021



U.S. Chamber of Commerce

Task Force to Eradicate Human Trafficking Symposium

JULY 30, 2021

The U.S. Chamber of Commerce's Task Force to Eradicate Human Trafficking educates the public about human trafficking, hosts programs with stakeholders, and meets with federal government officials to advocate on behalf of the interests of Chamber members.



U.S. Chamber of Commerce

Task Force to Eradicate Human Trafficking Symposium

As part of the task force's activities, the U.S. Chamber hosted on July 30, 2021, ***Tackling Forced Labor in Supply Chains***, a forum to discuss business stakeholder engagement in managing supply chain risks. Glenn Spencer, senior vice president of the Employment Policy Division at the U.S. Chamber, kicked off the event to commemorate World Day Against Trafficking in Persons.

Stefan Marculewicz, shareholder and co-chair of the Business and Human Rights Practice Group at Littler Mendelson P.C., said that Germany, Canada, and the European Union passed or are considering legislation that requires companies to identify and avert human rights risks and impose monetary penalties for a failure to comply. An approach that penalizes businesses is burdensome because of the diversity of global supply chains, and companies are at the forefront of innovation through technology such as mapping software.

Lt. Col. James Wiley (Ret.), chief operating officer at Counter Forced Labor Technologies, interviewed Jaco Booyens, founder and CEO of the nonprofit SHAREtogethernow.org. Through Counter Forced Labor Technologies' Global Risk Assessment Technology™, Counter Forced Labor Technologies offers business solutions and provides products, services, and intelligence to identify, analyze, and mitigate the risks of human trafficking in supply chains.

During a fireside chat with Wiley, Booyens discussed how his sister's experience as a human trafficking survivor inspired him to be an advocate. He explained that SHAREtogethernow.org partners with Counter Forced Labor Technologies to understand the correlation between sex trafficking and forced labor. He summed up his remarks saying that a holistic approach is needed where businesses and non-governmental organizations collaborate to help law enforcement arrest the perpetrators and rescue victims.

Gabriella Rigg Herzog, vice president of corporate responsibility and labor affairs at the United States Council for International Business (USCIB), interviewed Martha Newton, deputy-director general for policy at the International Labor Organization (ILO), about the ILO's initiatives to combat human trafficking.

Established in 1919, the ILO is the U.N.'s sole tripartite agency representing governments, employers, and workers. It consists of 187 member states. The organization's work comprises setting labor standards, developing policies, and devising programs to promote respectable work around the globe. The ILO examines working conditions to get at the root causes of forced labor through such programs as Alliance 8.7 and the Global Business Network on Forced Labor.

Newton concluded her remarks saying, "The ILO's international labor standards and the fundamental principles and rights at work are benchmarks for addressing forced labor in international law."

Marculewicz led a discussion with federal government agency officials from the departments of State and Homeland Security and the Office of the United States Trade Representative (USTR) on the Biden-Harris administration's framework to combat human trafficking. The administration's priorities include establishing a strong worker rights framework and working with U.S. allies to recognize human rights abuses.

JULY 30, 2021

Dr. Kari Johstone, acting director of the Office to Monitor and Combat Trafficking in Persons at the State Department, summarized the 2021 **Trafficking in Persons Report (TIP)** and the **Updated Xinjiang Supply Chain Business Advisory** issued by the U.S. departments of State, Treasury, Commerce, and Homeland Security.

The TIP Report assesses government efforts to combat trafficking in 188 countries and territories by examining efforts to prosecute traffickers, protect victims, and prevent crime. It identified concerns over forced labor in the fishing sector in 55 countries and the mining sector in 36 countries.

The **Updated Xinjiang Business Advisory** encourages businesses to conduct human rights due diligence in the agricultural, cotton, and solar supply sectors, among others. Johnstone said that businesses may face economic, legal, and reputational risk if they do business in Xinjiang province, and firms located in Xinjiang or source from that region are at heightened risk of acting in violation of U.S. law.

Josh Kagan, acting assistant U.S. Trade Representative for Labor, said that the USTR is committed to working with trade partners to promote a fair, rules-based international trading system. He discussed the USMCA's labor chapter and the World Trade Organization's (WTO's) fisheries subsidies negotiations. The USTR submitted a proposal to the WTO regarding the use of forced labor on fishing vessels.

On June 29, 2021, the USTR and the Department of Labor, along with our Mexican and Canadian counterparts, convened the inaugural meeting of the USMCA's Labor Council. At this intergovernmental meeting, officials engaged in a conversation about compliance with the USMCA's requirement that each party prohibit the importation of goods into its territory from other sources produced in whole or in part by compulsory labor.

Eric Choy, acting deputy assistant secretary for trade at DHS, told the audience that since the release of **DHS' Strategy to Combat Human Trafficking**, the agency opened the Center for Countering Human Trafficking, which integrates

16 different components. Further, U.S. and Customs Border Protection issued additional Withhold Release Orders, and the Blue Campaign worked to educate the public, law enforcement, and other industry partners to recognize human trafficking indicators and how to respond appropriately to possible cases.

Michael Billet, senior manager of policy research at the U.S. Chamber, concluded the forum saying that the organization is leading industrywide efforts to raise awareness to fight this heinous crime. The Chamber produced toolkits with A21 and Truckers Against Trafficking on business engagement strategies regarding how companies can stop forced labor in their supply chains and prevent sex trafficking.





U.S. Chamber of Commerce

Thank You Letter

**CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA**

MICHAEL BILLET
SENIOR MANAGER, POLICY RESEARCH

1615 H STREET, NW
WASHINGTON, D.C. 20062
202-463-5537

August 4, 2021

Lt. Col. J.D. Wiley USMC (Ret.)
Chief Operating Officer
Counter Human Trafficking Compliance Solutions
570 Lexington Ave
Suite 2600
New York, NY 10022

Dear Lt. Col. Wiley (Ret.):

Thank you for speaking at the Tackling Forced Labor in Supply Chains forum on July 30. The U.S. Chamber is grateful for CHTCS' sponsorship of the event.

During your fireside chat with Jaco Booyens, attendees enjoyed hearing an overview of how Global Risk Assessment Technology developed by CHTCS helps businesses examine forced labor in their supply chains. They also learned how CHTCS uses data and analytics to understand how forced labor and sex trafficking intersect.

The U.S. Chamber looks forward to continuing our partnership.

Sincerely,

Michael Billet

Highlight

HONORING WORLD DAY
AGAINST CHILD LABOR

Child Slave Labor Increases Exponentially

DURING THE PANDEMIC

Regardless of a pandemic and world crisis, legislation and law makers have quietly, though maybe not efficiently, been able to keep the pulse on the present situation regarding our current crisis. A world in crisis, might look like a supply chain devastated and collapsed, it might look like being quarantined to your home due to a global pandemic, and it might just look like a double fold increase in human trafficking and child labor. According to the statistics of the Department of Labor (DOL), child slave labor and trafficking have increased significantly during the COVID-19 pandemic.

*The number of children in child labor has risen to **160 million worldwide** – an **increase of 8.4 million** children in the last four years – with millions more at risk due to the impacts of COVID-19, according to a new report by the International Labor Organization (ILO) and UNICEF.¹*

¹ Child labour rises to 160 million – first increase in two decades, International Labour Organization, June 10, 2021

Child Slave Labor Increases Exponentially

DURING THE PANDEMIC

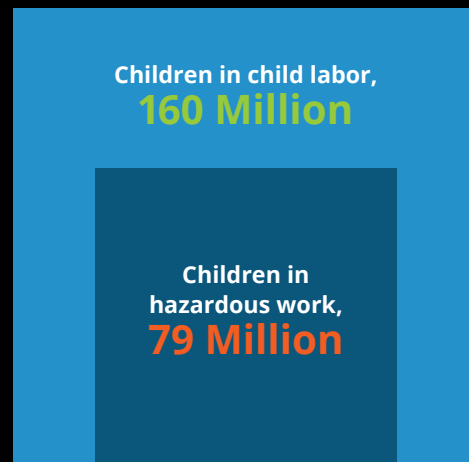
Around 260 million children are in employment around the world,

according to the **International Labor Organization**. Of them, the ILO estimates that 170 million are engaged in child labor, defined by the UN as “work for which the child is either too young – work done below the required minimum age – or work which, because of its detrimental nature or conditions, is altogether considered unacceptable for children and is prohibited.”²

“We are losing ground in the fight against child labor, and the last year has not made that fight any easier,” stated UNICEF Executive Director Henrietta Fore. The report warns that globally, nine million additional children are at risk of being pushed into child labor by the end of 2022 because of the pandemic. A simulation model shows this number could rise to 46 million if they don’t have access to critical social protection coverage.

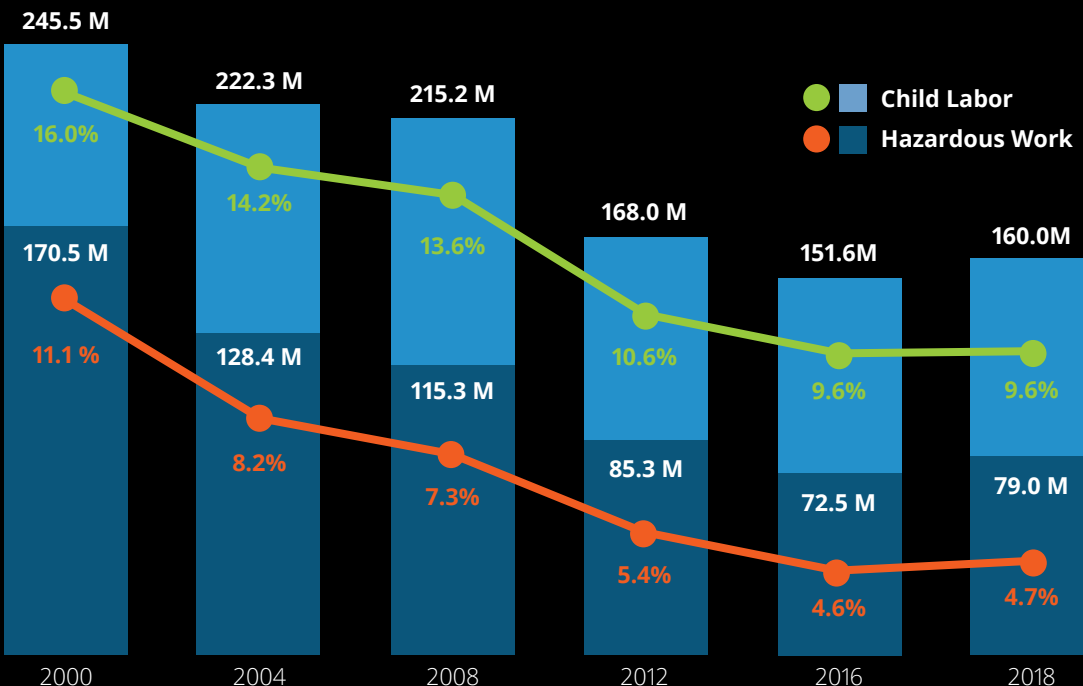
Worldwide, 160 million children are engaged in child labor; 79 million of them are performing hazardous work

Number of children aged 5 to 17 years in child labour and hazardous work



Global progress against child labor has stalled since 2016

Percentage and number of children aged 5 to 17 years in child labor and hazardous work



² Child labour in the fashion supply chain, The Guardian

Highlight

HONORING WORLD DAY
AGAINST CHILD LABOR

What changed that brought about an increase in human trafficking and child labor this year alone. If we think about life in quarantine, and life in a box, we might just understand the place, point, and reality of slave labor. Confinement to our homes is one thing, but confinement to your economic destiny is another. Most of us go to a home, have a car, and might have a job. But for those who are enslaved in child labor or human trafficking, they do not have a place to call home, or literally a place to sit and stay. If you don't have a place to call home, a school to attend, and it is a global pandemic, all is lost. In this situation one would do the next best thing that keeps one alive, keeps them fed and sheltered-work in poor conditions due to unfortunate circumstances. It is of the utmost importance to understand the life of an individual from a labored or trafficked perspective, since that might be the only perspective they have, that of basic primal needs -shelter, care, and food.

It is only fitting that on this recent **World Day Against Child Labor**, that there be a declaration by governments and organizations for the fight against slave, and child slave labor, especially since child labor has risen to 160 million for the first time in two decades. The International Labor Organization and UNICEF have stated that an additional 9 million children are at risk because of the COVID-19 pandemic.³ "The new estimates are a wake-up call. We cannot stand by while a new generation of children is put at risk," stated Director-General Guy Ryder of the International Labor Organization on World Day Against Child Labor, June 12th 2021.

The agricultural sector accounts for the largest share of child labor worldwide

Percentage distribution of children aged 5 to 17 years in child labor, by status at work

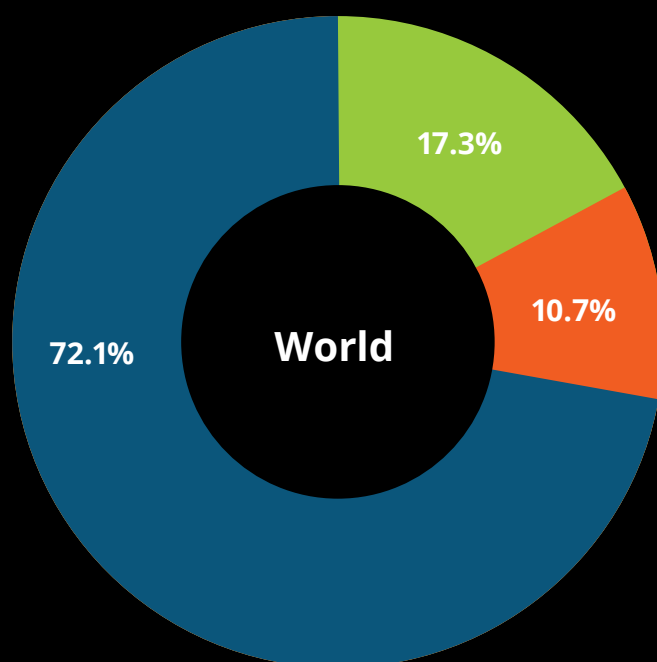
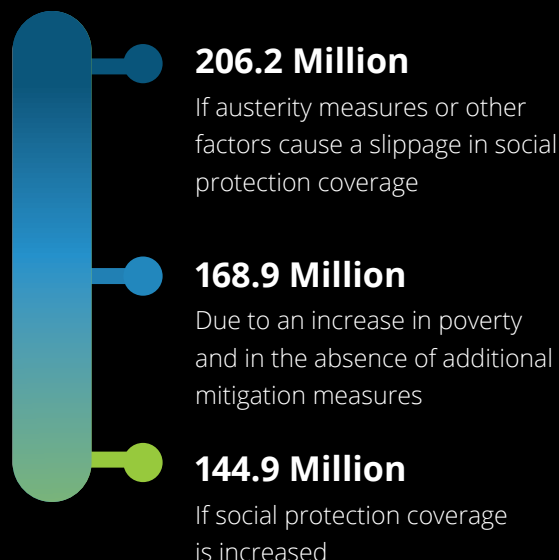
- **Contributing Family Workers**
- **Employees**
- **Own-account Workers**

Note: Due to rounding, figures in percentages do not add up to 100 percent.

Impact of COVID-19

Without mitigation measures, the number of children in child labor could rise from 160 million in 2020 to 168.9 million by the end of 2022

Number of children aged 5 to 17 years in child labor, projected to the end of 2022



³ Child labour rises to 160 million – first increase in two decades, International Labour Organization, June 10, 2021

Child Slave Labor Increases Exponentially

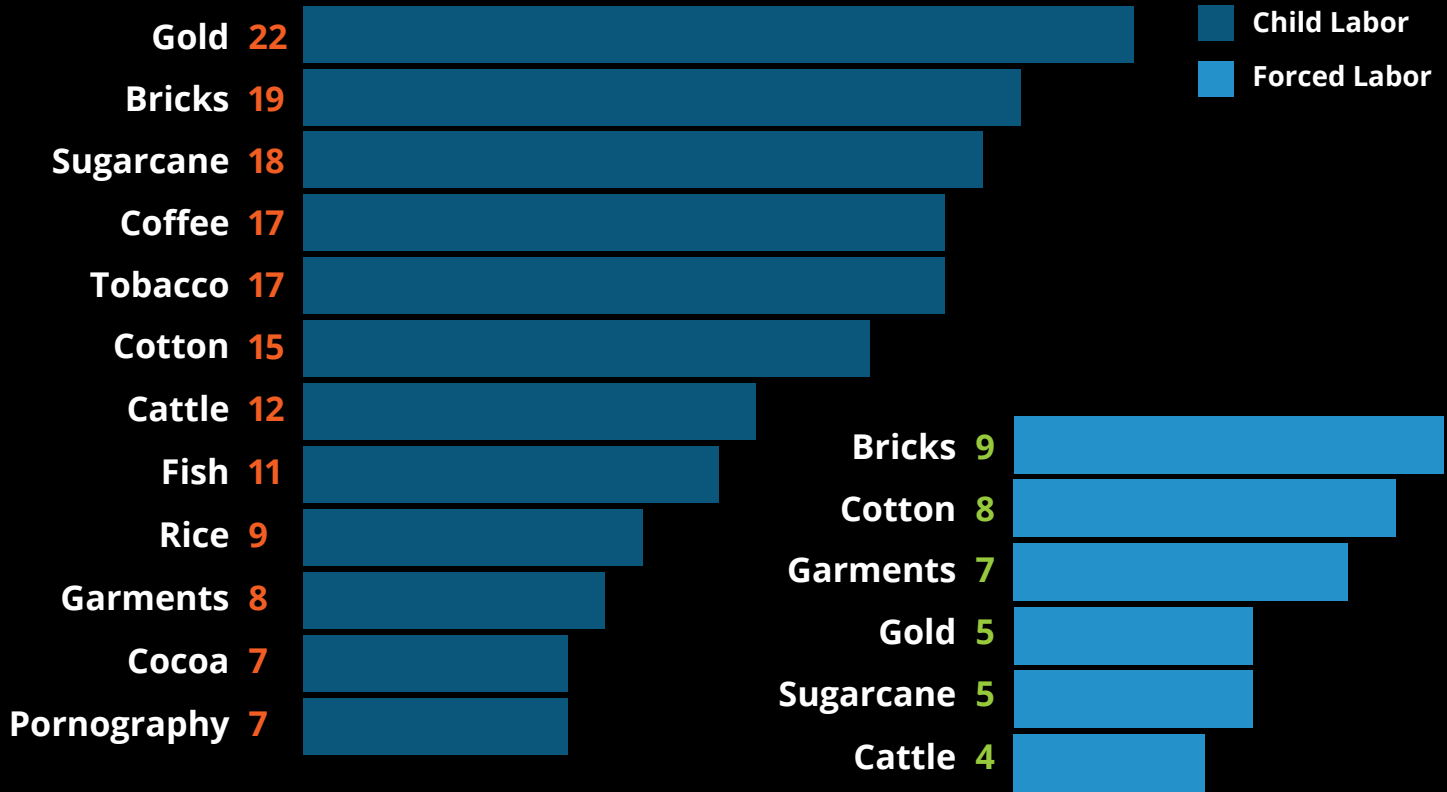
DURING THE PANDEMIC

The List in Numbers

Number of Goods Produced Globally by Production Sector, Disaggregated by Child Labor and Forced Labor



Goods with the Most Child Labor and Forced Labor Listings by Number of Countries



Highlight

HONORING WORLD DAY
AGAINST CHILD LABOR

Key Points from the ILO Report Findings:⁴

- The agriculture sector accounts for **70 percent of children in child labor** (112 million) followed by **20 percent in services** (31.4 million) and 10 per cent in industry (16.5 million).
- **Nearly 28 percent** of children aged 5 to 11 years and 35 per cent of children aged 12 to 14 years in child labor are out of school.
- Child labor is **more prevalent among boys** than girls at every age. When household chores performed for **21 hours or more each week** are considered, the gender gap in child labour narrows.
- The prevalence of **child labor in rural areas (14 per cent)** is close to three times higher than in urban areas (5 per cent).

Children in child labor are at risk of physical and mental harm. Child labor compromises children's education, restricting their rights and limiting their future opportunities, and leads to vicious inter-generational cycles of poverty and child labor.

To reverse the upward trend in child labor, the ILO and UNICEF are calling for:

- Adequate **social protection** for all, including universal child benefits.
- Increased spending on **free and good-quality schooling** and getting all children back into school - including children who were out of school before COVID-19.
- Promotion of **decent work for adults**, so families don't have to resort to children helping to generate family income.
- An **end to harmful gender norms and discrimination** that influence child labor.
- **Investment in child protection systems**, agricultural development, rural public services, infrastructure, and livelihoods.

As part of the **International Year for the Elimination of Child Labour**, the **global partnership Alliance 8.7**, of which UNICEF and ILO are partners, is encouraging member States, business, trade unions, civil society, and regional and international organizations to redouble their efforts in the global fight against child labor by making concrete action pledges.

⁴ Child labour rises to 160 million – first increase in two decades, International Labour Organization, June 10, 2021



Black Swan TECHNOLOGY

Supply chain risk has and always will be a concern to any organization or company. The pandemic of 2020 showcased this concern in tangible forms, from empty shelves in most stores, to ships delayed with cargo at ports of call around the world. And yet, in 2021 the delays in the supply chain as well as the risks associated with it continue to permeate globally.

The question now is **how** to be proactively prepared to mitigate the effects of a black swan event, and how to protect your supply chain.

At Counter Forced Labor Technologies our experts in model and intelligence analysis provide customized strategies and solutions for each organization based on our years of experience in the US Government, military, law enforcement and private sector intelligence. We use our decades of experience in planning and forecasting to develop each Black Swan platform.

Expertise in Supply Chain & Black Swan Technology

with Lt. Col. James Wiley USMC Ret.

Prior to the pandemic, our global intelligence networks were passing critical information indicating a black swan event was coming and companies were going to be affected in everything from day to day operations, availability of supplies, to personnel and shipping."

"With past experience in government intelligence we had the critical skills and resources necessary to develop the information we were receiving into accurate intelligence used for developing our black swan tool. We received reports of a possible virus coming from Asia late in 2019 early 2020 and simultaneously we built the new and unique COVID-19 Black Swan technology."

"Just think, if a year ago an organization could have done contingency planning, employed mitigation policies and procedures, and developed / diversified supply chains and shipping prior to what has been happening over the last year and is happening today. The supply chain today would have been very different. Using our proprietary technology, an organization can get way ahead of shipping delays, and supply chain choke points. With our novel black swan technology we can predicatively look into the future and make strategic and tactical plans to prevent supply chain problems, and provide overall stability for an organization."

It is **never too late to plan**.

Contact us for a demonstration of our cutting edge black swan technology.

Our analysts have resources that utilize networks around the world.

Know who you do business with.

Know that you are prepared, ahead of time.



KNOW WHO YOU DO BUSINESS WITH

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