



WILLIAM WILBERFORCE TRAFFICKING VICTIMS PROTECTION REAUTHORIZATION ACT OF 2008

**U.S. Agency for International Development
Office of Inspector General
Report to Congress**



January 15, 2010

Cover photo: The Baan Kredtrakarn shelter in Bangkok, Thailand, houses victims of trafficking and other forms of abuse and provides them with counseling and vocational training in crafts such as basket-weaving. Photo courtesy of Kay Chernush for the U.S. State Department.

Introduction

We prepared this report pursuant to the reporting requirements set forth in subtitle D, section 232, of the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008 (act). This act became Public Law 110–457 on December 23, 2008, and it requires the Office of Inspector General (OIG) to provide specified congressional committees with a summary of our investigative and audit activities over the previous year that involved trafficking in persons. We originally transmitted the information in this report to congressional committees on January 15, 2010.

Summary of OIG Activities

Under the act, OIG is required to examine a sample of contracts containing a heightened risk that a contractor may engage in acts related to trafficking in persons. We examined U.S. Agency for International Development (USAID) contracts in Afghanistan and Iraq that we deemed to be at heightened risk because they relied on low-skilled or unskilled workers and employed a significant proportion of third-country nationals and women. In Afghanistan we reviewed two primary contracts and two subcontracts on which USAID had expended \$322 million during fiscal year 2009, and in Iraq we reviewed contracts with two firms totaling \$8.7 million. We examined program materials, interviewed managers and employees, and inspected living conditions in both countries. We found no instances of trafficking in persons, and we concluded that contractors and subcontractors had generally instituted appropriate anti-trafficking-in-person controls. However, we determined that one USAID contractor in Iraq could do more to notify employees of the U.S. Government’s zero-tolerance policy related to trafficking in persons. As a result of our review, USAID/Iraq required this contractor to strengthen its procedures in this regard.

We also conducted a survey of Millennium Challenge Corporation (MCC) policies and procedures related to trafficking in persons and reviewed nine MCC contracts in five countries totaling more than \$221 million. We found that MCC had instituted processes to identify, address, and guard against forced labor, child labor, and other forms of trafficking in persons and noted that MCC contracts included clauses that would allow the contracts to be terminated if trafficking in persons occurred. However, we believe that MCC should establish written policies and procedures to improve its practices in this area. According to MCC officials, its funds are not subject to the Trafficking Victims Protection Act of 2000, as amended, but MCC is complying with the spirit of the legislation. However, MCC has not developed policies and procedures regarding actions it plans to take when countries are included on the Special Watch list under the act. We documented this observation in a letter to the MCC Chief Executive Officer, and MCC informally concurred with our assessment. We expect to publish our final report on the subject later this month and anticipate that our related recommendations will help MCC strengthen its controls in this area.

We performed one additional audit related to trafficking in persons during the previous year. In December 2009, we completed a performance [audit of USAID’s Counter Trafficking in Persons Project in Cambodia](#). The USAID Mission in Cambodia’s \$7.3 million Counter Trafficking in Persons Project is intended to protect human trafficking victims, increase prosecution of human traffickers, coordinate targeted prevention and awareness-raising activities, and assist with the reintegration of trafficking victims into Cambodian society. We determined that the project had completed or substantially completed 32 of 37 intended activities, such as hosting provincial forums to promote awareness of trafficking and increase awareness of other economic opportunities available to vulnerable populations, and developing training for Cambodian law

enforcement officials on human trafficking and sexual exploitation law. However, because needed data had not been gathered or used by the Agency, we could not establish whether project activities had been appropriately targeted or implemented in an efficient or effective way, or whether the project was on track to achieve its goals.

Neither the cooperative agreement recipient nor the mission had used baseline data on the scope or distribution of human trafficking in Cambodia to shape project activities. Nor had they established results-oriented targets or indicators to assess program progress. Moreover, although the project aims to increase prosecution of human traffickers, Cambodia experienced a significant drop in the number of reported prosecutions and convictions of this kind in the past year. While declines in these areas may be attributable to data tracking and reporting limitations, they contributed to the Department of State's downgrading of Cambodia from Tier 2 to Tier 2 Watch List country status in its annual [Trafficking in Persons report](#). We made three recommendations to address these issues:

- Implement a national data collection system to establish baseline data on trafficking victims
- Develop indicators and targets to measure progress toward project goals
- Develop and implement a plan to improve trafficking case arrest, prosecution, and conviction tracking

The USAID Mission in Cambodia generally agreed with our recommendations and was in the process of implementing them when our report issued.

We did not refer any cases for prosecution for trafficking-in-persons violations in 2009, nor did USAID or MCC terminate any grants, contracts, or cooperative agreements during the year as a result of our trafficking-in-persons assessments.

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