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**THE PRICE OF SLAVERY: AN ANALYSIS OF  
HUMAN TRAFFICKING POLICY AND SPENDING  
IN DEPARTMENT OF DEFENSE PROCUREMENT**

Morris, Austin L.; Crouch, Willis C., IV; Peaslee, Kevin P.

Monterey, CA; Naval Postgraduate School

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# NAVAL POSTGRADUATE SCHOOL

MONTEREY, CALIFORNIA

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MBA PROFESSIONAL PROJECT

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## THE PRICE OF SLAVERY: AN ANALYSIS OF HUMAN TRAFFICKING POLICY AND SPENDING IN DEPARTMENT OF DEFENSE PROCUREMENT

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December 2021

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**THE PRICE OF SLAVERY: AN ANALYSIS OF HUMAN TRAFFICKING  
POLICY AND SPENDING IN DEPARTMENT OF DEFENSE PROCUREMENT**

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Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF BUSINESS ADMINISTRATION**

from the

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December 2021**

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# **THE PRICE OF SLAVERY: AN ANALYSIS OF HUMAN TRAFFICKING POLICY AND SPENDING IN DEPARTMENT OF DEFENSE PROCUREMENT**

## **ABSTRACT**

The Department of Defense (DOD) is charged with upholding the U.S. zero-tolerance human trafficking policy in a world of complex, opaque supply chains and constrained human and capital resources. This study explores how the DOD can better leverage its acquisition workforce, sourcing expertise, and data to rigorously uphold U.S. policy of zero-tolerance for human trafficking in such an environment. As part of this analysis a program evaluation of the DOD’s Combating Trafficking in Persons training was conducted for the acquisition workforce. This evaluation categorized the training related to prevention, monitoring, and response to human trafficking. A quantitative analysis of DOD spend was conducted to illuminate the amount of tax dollars spent in categories, based on product and service codes, where trafficking is most prevalent to help the DOD focus its efforts for program improvement. The spend analysis revealed areas that are most at risk. Specifically, the DOD spent \$13.1 billion (2018–2020) in countries that are not making significant efforts to combat human trafficking according to the Department of State. The research provides insight and recommendations on where the DOD should focus attention to address human trafficking in contracts constrained of prevention, monitoring, and response resources. Finally, we provided recommended courses of action to increase participation and enhance the mandatory training for the acquisition workforce.



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## LIST OF ACRONYMS AND ABBREVIATIONS

AAFES	Army and Air Force Exchange Services
AFBIT	Air Force Business Intelligence Tool
AFICC	Air Force Installation Contracting Center
AFICC/KA	Air Force Installation Contracting Center's Strategic Plans & Strategic Communications Division
AGNA	Armor Group North America Inc.
AEG	Amina Enterprise Group
BAF	Bagram Airfield, Afghanistan
BLS	Bureau of Labor and Statistics
CBP	Customs and Border Patrol
CDC	Center for Disease Control and Prevention
CON-IT	Contracting Information Technology
COR	Contracting Officer Representative
COTS	Commercially Available Off-the-Shelf
CSAM	Child sexual abuse material
CTIP	Combating Trafficking in Persons
DOD	Department of Defense
DOS	Department of State
EO	Executive Order
FAR	Federal Acquisition Regulation
FDA	Food and Drug Administration
FHTR	Federal Human Trafficking Report
FPDS-NG	Federal Procurement Data System-Next Generation
FY	Fiscal Year
GAO	Government Accountability Office
GDMA	Glenn Defense Marine Asia
GSA	General Services Administration
ILO	International Labor Organization
IMF	International Monetary Fund
LS&CO	Levi Strauss & Co.



MAJCOMS	Major Commands
MEJA	Military Extraterritorial Jurisdiction Act
NAICS	North American Industry Classification System
NDAA	National Defense Authorization Act
NSPD	National Security Presidential Directive
NSS	National Security Strategy
OCONUS	Outside the Continental United States
OECD	Office of Management and Budget
PITF	President’s Interagency Task Force to Monitor and Combat Trafficking in Persons
PMO	Program Management Office
PPE	personal protective equipment
PMR	Prevention, Monitoring, and Response
PSC	Product and Service Codes
SAPR	Sexual Assault Prevention and Response
SecDef	Secretary of Defense
SPOG	Senior Policy Operating Group
TIP	Trafficking in Persons
TVPA	Trafficking Victims Protection Act
TVPRA	Trafficking Victims Protection Reauthorization Act
USCENCTOM	United States Central Command
USG	United States Government
USINDOPACOM	United States Indo-Pacific Command

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## **I. INTRODUCTION**

“The Department of Defense (DOD) defines human trafficking, also known as trafficking in persons, as an abhorrent crime that is human rights abuse found in the forms of sex trafficking, forced labor, and child soldiering” (DOD CTIP PMO, 2020, p. 1). Moreover, human trafficking falls within modern slavery; it is a moral, ethical, and legal problem that erodes the United States’ foundation of “life, liberty, and the pursuit of happiness” (U.S. Declaration of Independence, 1776, para. 2). Those who engage in human trafficking create a barrier intended to prevent transparency into their unethical business practices, further inhibiting human freedom and basic rights to their victims.

The U.S. government (USG), charged as stewards of the taxpayers’ dollar and the public’s interest, cannot throw aside the bedrock of moral, ethical, and legal decency of individual freedoms. As one of the largest spending organizations in the United States, the DOD is tasked to combat human trafficking through policy, action, and fiscal responsibility to further protect these freedoms and rights. Chapter I introduces human trafficking as it relates to DOD spending and how zero-tolerance is enforced through prevention, monitoring, and response (PMR). The following serves as the opening salvo that sheds light on a horrific and complex global problem, modern slavery.

### **A. PROBLEM STATEMENT**

Human Trafficking erodes personal dignity and destroys the moral fabric of society. It is an affront to humanity that tragically reaches all parts of the world.

—President Donald J. Trump (White House, 2020, p. 1)

According to the U.S. Secretary of State, “Human trafficking is a global threat that requires a global response” (White House, 2020, p. 1). With the largest contract spend portfolio (\$313 billion in 2011) in the USG, the DOD is at significant risk of tax dollars going to human traffickers through contracts (GAO, 2014). To address this risk, the DOD Combating Trafficking in Persons Program Management Office (CTIP PMO) was established in 2006 (Department of Defense [DOD], 2021). Despite the 2020

National Action Plan to Combat Human Trafficking, a DOD Instruction, a designated program office, and federal acquisition policy all condemning the use of forced labor by USG contractors, the department still struggles to meet the policy of “zero-tolerance” put into place by the National Security Presidential Directive (NSPD)–22 (White House, 2002). A mission of the USG “is to fully leverage its authorities and resources to eradicate human trafficking by preventing it from occurring, supporting and empowering survivors, prosecuting traffickers, and strengthening anti-efforts through external partnerships” (White House, 2020, p. 11).

One of the problems is the lack of transparency and insight into the DOD’s spending, specifically in product categories and geographic locations where human trafficking is most prevalent. Furthermore, a lack of standardization across the DOD acquisition community creates gaps in the ability to leverage all resources available. Additionally, the current Federal Acquisition Regulation (FAR) does not support the zero-tolerance policy. The FAR sets a limit on proactive management of this risk by only requires contractors to implement a compliance plan certifying that neither they nor their agents are engaging in human trafficking “when the product or service is greater than \$550,000 when they are operating outside of the United States, and when they are fulfilling contracts for other than commercially available off-the-shelf (COTS) items” (FAR 22.17, 2021). The FAR defines COTS items as “any item of supply that is commercially available, sold in substantial quantities in the commercial marketplace, and offered to the USG in the same form that it is sold in the commercial marketplace” (FAR 2.101, 2021). The results of this research project show that markets traditionally found to have high amounts of human trafficking are those that produce COTS items, and therefore, not required to have a human trafficking compliance plan. Furthermore, current acquisition guidance and practices are counter to the current National Action Plan to Combat Human Trafficking, which states, “Human trafficking poses a grave danger to individual well-being, public health, public safety, national security, economic development, and prosperity” (White House, 2020, p. 5). Given the severity of human trafficking and the risks that human trafficking presents, all processes successful in combating human trafficking within DOD procurements need to be shared and enforced

across the DOD acquisition agencies. There is no such thing as a “conditional zero-tolerance” policy.

## **B. PURPOSE OF THE STUDY**

This study answers the research question, how can the DOD better leverage its acquisition workforce, sourcing expertise, and data to rigorously uphold the U.S. policy of zero-tolerance to human trafficking? Along with performing a DOD spend analysis, we evaluate the DOD’s CTIP training program will be evaluated by categorizing each page of the training into three elements: prevention, monitoring, and response.

## **C. OVERVIEW OF THE STUDY**

The focus of this study is to highlight where the DOD supply chain may be at risk of using forced labor or supporting those who do in the production of goods or services of Product and Service Codes (PSCs) that are introduced in the spend analysis section. This analysis is the first of its kind, yet it is not ideal, as its limited scope may cause vulnerable markets to go unchecked because the DOD’s current system for collecting data—the Federal Procurement Data System–Next Generation (FPDS–NG)—is limited to the prime contractor level. “A prime contractor is the seller who has the complete responsibility of the work” (NCMA, 2019, p. 433). The DOD does not extensively examine data that come from downstream suppliers that collect and work with raw materials.

We conducted a quantitative spend analysis on the number of tax dollars spent in categories, based on PSCs, where trafficking is most prevalent in the global marketplace. The findings of the spend analysis reveal the amount of spending that occurs in markets that are most at risk to human trafficking, according to the International Labor Organization (ILO) and the U.S. Department of State (DOS). We provide insight and recommendations on what categories of spending, areas of operation, and major commands (MAJCOMS) need the most attention to address human trafficking in DOD contracts and courses of action to ensure 100% compliance with the mandatory training for the acquisition workforce. A qualitative analysis was conducted via program evaluation of the DOD CTIP acquisition training. We conducted the program evaluation to show where the emphasis is placed regarding the elements of PMR. (See Table 6 for

PMR definitions and Figure 26 for program evaluation results.) The following sections define human trafficking and illustrate its reach into federal procurement.

#### **D. BACKGROUND INFORMATION ON HUMAN TRAFFICKING**

Human Traffickers are “denying nearly 25 million victims (about the population of Texas) their fundamental right to freedom, forcing them into modern slavery to boost their profit” (Department of State [DOS], 2020, p. 4). ILO estimated “annual global profits from forced labor is \$152.2B” (International Labour Organization [ILO], 2014, p. 13). ILO’s breakdown of global forced labor profit is “\$99B in sexual exploitation, \$7.9B in domestic work, and \$43.4B in non-domestic labor” (ILO, 2014, p. 13).

Human trafficking, also referred to as “trafficking in persons” and “modern slavery” by the USG, is an abuse of human rights and a crime according to most of the world’s governments (Department of Defense Combating Trafficking in Persons Program Management Office [DOD CTIP PMO], 2014). The DOD CTIP PMO outlines three types of human trafficking under the Trafficking Victims Protection Act (TVPA) of 2000 as shown in Table 1 (DOD CTIP PMO, 2020).

Table 1. Human Trafficking Definitions. Source: DOD CTIP PMO (2020, p. 1).

Term	Definition
Sex Trafficking	“The recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act. 22 U.S.C. 7102 (12)” (DOD CTIP PMO, 2020, p. 1).
Labor Trafficking (Forced Labor)	“Involuntary servitude; peonage; debt bondage; and slavery” (DOD CTIP PMO, 2020, p. 1).
Child Soldiering	<p>“Any person under 18 years of age who takes direct part in hostilities as a member of governmental armed forces, police, or other security forces” (DOD CTIP PMO, 2020, p. 1).</p> <p>“Any person under 18 years of age who has been compulsorily recruited into governmental armed forces, police, or other security forces” (DOD CTIP PMO, 2020 p.1).</p> <p>“Any person under 15 years of age who has been voluntarily recruited into governmental armed forces, police, or other security forces” (DOD CTIP PMO, 2020, p. 1).</p> <p>“Any person under 18 years of age who has been recruited or used in hostilities by armed forces distinct from the armed forces of a state. (Child soldiers are forced to fight but also used as: cooks, porters, messengers, medics, guards, spies, and sex slaves)” (DOD CTIP PMO, 2020, p. 1).</p>

Due to the vastness of this problem, this research focuses mostly on labor trafficking; however, some of the findings and research include other forms of trafficking, like sex trafficking. The analysis and findings outlined pave the way for exploration into all areas of human trafficking.



## **E. HUMAN TRAFFICKING IS A NATIONAL SECURITY RISK**

Human trafficking is a severe threat to national security, economic development, and prosperity (White House, 2020). Current and previous presidential administrations have outlined the criticality of addressing human trafficking for promoting fair and free markets and the global supply network. Thus, combating human trafficking must be looked at not only as a moral and ethical responsibility but should be considered as vital to the United States' national security.

President Trump's administration aimed to promote fair and free-market principles, by targeting corporations that do not operate within those principles. President Trump's National Security Strategy (NSS) planned to adopt new trade and investment agreements and modify the current ones to force high standards within the labor environment (White House, 2017). President Biden's NSS depicts the importance of critical supply chains via international economic policies with the intent to join with allies to develop and protect them (White House, 2021b). The Biden administration further illustrated this by mandating a 100-day review under Executive Order (EO) 14017, *Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth* (White House, 2021a). The report's findings highlight global supply chain vulnerability. A significant finding of this report is the extent of global sourcing to low-cost production. Low-cost production is a problem when fair competition is hindered through unfair foreign subsidies and unfair trade practices that adversely impact U.S. manufacturing and supply. Thus, this report recommended monitoring, analyzing, and forecasting supply chain vulnerabilities for labor markets. Additional recommendations included identifying unfair foreign trade practices and strengthening international trade rules (White House, 2021a). Foreign states engaged in human trafficking erode free-market principles of non-discrimination, no corruption, personal and business freedom, and open competition (Miller & Kim, 2015). Furthermore, foreign states engaged in human trafficking monopolize certain sectors of a supply chain as a method of economic warfare, threatening U.S. national security.

## **F. CONCLUSION**

This chapter introduced the research question, how can the DOD better leverage its acquisition workforce, sourcing expertise, and data to rigorously uphold the U.S. policy of zero-tolerance to human trafficking? Additionally, the chapter defined the three classifications of human trafficking according to the DOD CTIP office. With the motivation and research introduced, human trafficking policies, legislation, and other background information are explored in Chapter II.

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## **II. BACKGROUND**

This chapter gives an extensive background and history into the U.S. policy on human trafficking. This chapter provides the foundation for understanding how DOD policy came to be what it is today. The foundation created here is referenced later in recommendations for changes that the research team believes will further the DOD's ability to combat human trafficking. After an overview of the history of human trafficking policy, the information in this chapter is then broken out into the PMR elements. We then introduce other pertinent information to combating human trafficking will be introduced as well as a few case studies showing the severity of human trafficking and the purpose of this research. The information in this chapter is not all-encompassing to human trafficking history and policy but provides a basis for knowledge so others can come join the anti-human trafficking fight.

### **A. HISTORY OF HUMAN TRAFFICKING PREVENTION AND POLICY**

“The 13th Amendment to the U.S. Constitution abolished slavery in 1865” (U.S. Const. amend. XIII, 1865); but it was not until the 2000s that federal combating human trafficking and modern slavery legislation was enacted (TVPA, 2000). Many of the original human trafficking policies established were concentrated on combating sex trafficking of women and children. Later, the United States included verbiage regarding forced labor into policy and legislation.

The USG's anti-human trafficking policies, regulations, and instructions are founded on the TVPA, Trafficking Victims Protection Reauthorization Act (TVPRA), NSPD-22, Military Extraterritorial Jurisdiction Act (MEJA), and National Defense Authorization Act (NDAA) for the Fiscal Year (FY) 2013 (DOD CTIP PMO, 2021).

According to the U.S. Congress, the purpose of the TVPA of 2000 was to “combat trafficking in persons, a contemporary manifestation of slavery whose victims are predominantly women and children, to ensure just and effective punishment of traffickers, and to protect their victims” (TVPA, 2000, sec. 102). Furthermore, in 2000, the U.S. Congress concluded that “as the 21st century begins, the degrading institution of

slavery continues throughout the world. As such, trafficking in persons is a modern form of slavery, and it is the largest manifestation of slavery today” (TVPA, 2000, sec. 102). The TVPA goes on to introduce zero-tolerance and what other governments should be doing.

The TVPA (2000) reenforced the United States’ view that the minimum global standard for trafficking in persons shall be zero-tolerance, and the government of any country should prohibit trafficking in persons and punish those that engage in human trafficking. Whoever knowingly recruits, harbors, transports, provides, or obtains by any means, any person for labor or services shall be fined or imprisoned not more than 20 years, or both. If death results from the violation of this section, or if the violation includes kidnapping or an attempt to kidnap, aggravated sexual abuse, or the attempt to commit aggravated sexual abuse, or an attempt to kill, the defendant shall be fined or imprisoned up to life, or both. (TVPA, 2000, sec. 112)

In 2002, U.S. President George W. Bush signed NSPD–22. The directive established a USG zero-tolerance policy for human trafficking (Government Accountability Office [GAO], 2018). The zero-tolerance directive came into effect for all USG employees and contractors, stateside and abroad (GAO, 2014). The NSPD–22 placed its DOD human trafficking policy under Special Operations and Low-Intensity Conflict.

Then U.S. Secretary of Defense (SecDef) Donald Rumsfeld (2004), penned a memorandum highlighting that “human trafficking is the third-largest criminal activity in the world, enslaving thousands of people, with direct concerns over labor trafficking practices overseas” (Rumsfeld, 2004, p. 1). Additionally, SecDef Rumsfeld affirmed that the DOD shall not tolerate trafficking in persons regardless of DOD affiliation (Rumsfeld, 2004). However, Under SecDef Douglas Feith determined that the Personnel and Readiness Office was better suited for ownership of human trafficking policy, education, and training (Feith, 2004). Thus, the DOD CTIP PMO was established as the lead for CTIP policy. The DOD CTIP PMO “is responsible for overseeing, developing, and providing tools, instructions, and training to all DOD personnel as prescribed by the NSPD–22” (GAO, 2018, p. 11).

The FAR dictates how the USG acquires goods and services. In 2007, FAR 22.17, Combating Trafficking in Persons, was updated to include the zero-tolerance policy verbiage on human trafficking into all USG contracts (GAO, 2014). The verbiage includes provisions that further prohibit contractors and their subcontractors from “engaging in severe forms of trafficking, including recruitment of a person for labor and or services by use of force, fraud, or coercion that would enslave them to debt bondage while working under a USG contract” (FAR 22.17, 2021). The USG is dependent “on contractors that employ foreign workers in countries where those foreign employees may be most vulnerable to abuse or human rights violations” (GAO, 2014, p. 2). The FAR 52.222–50 (2020), Combating Trafficking in Persons, clause prohibits contractors from “engaging in other severe forms of trafficking, including procuring commercial sex acts, or using forced labor during the period of performance of the contract, and requires that any violation must be reported.”

In 2012, President Barack Obama signed EO 13627, *Strengthening Protections Against Trafficking in Persons in Federal Contracts*. EO 13627 was established to deter USG contractors from “denying employees access to their identity documents and failing to pay for their return travel home” (GAO, 2014, p. 6). The EO triggered the U.S. Congress to amend the TVPA, minimizing the risk of human trafficking in USG contracts. This amendment required DOD contracts to include clauses that restricted contractors to holding employee passports only for the intention of administration processing (GAO, 2014).

In 2013, the TVPA was amended to give authority to the USG procurement organizations to “terminate a contract when contractors, subcontractors, labor brokers, or other agents charge unreasonable placement or recruitment fees during the process of getting a contract” (GAO, 2014, p. 13). The USG views unreasonable placement or recruitment fees as a financial burden in which an employee cannot reasonably pay back with their wages or employment (GAO, 2014). However, if the recruitment service is conducted before the contract award, then this clause is not applicable. Additionally, the FAR mandates that USG procurement organizations monitor contract labor practices (GAO, 2014). The FAR requires procurement organizations to conduct “quality

assurance activities to determine if the supplies or services conform to contract requirements and conform to rules, regulations, and policies outlined to monitor and combat human trafficking” (GAO, 2014, p. 21).

These FAR updates coincide with the NDAA of 2013, which incorporated the “Ending Trafficking in Government Contracting” section. The 2013 NDAA stated that any contractor or their subcontractor who uses labor recruiters, brokers, or other agents to support or advance severe forms of human trafficking could have their contracts terminated for default or cause. Additionally, the USG could suspend payments until the contractor has corrected the violation. The USG could also withhold any or all award fees, decline contract options, and push for suspension and debarment (NDAA, 2013).

The NDAA of 2013 classified severe forms of human trafficking as “forced labor and or sex acts that occur during the time of the contract or agreement” (sec. 1702). Furthermore, the NDAA of 2013 stipulated that preventing an employee’s access to their personal and immigration documents is considered an advancement of human trafficking. The NDAA of 2013 also included a provision that “employers must provide return transportation or transportation costs to the employee’s home of origin” (sec. 1702). The NDAA of 2013 also prohibited soliciting prospective employees through false or fraudulent pretenses. Additionally, an employer shall not charge recruitment fees “greater than the employee’s monthly salary, or that violates the laws of the employee’s home country ... and an employer who provides housing must also meet the host country housing and safety standards” (NDAA, 2013, sec. 1702).

One of the other major actions to combat human trafficking in the NDAA of 2013 was the requirement for a contractor CTIP compliance plan and certification on certain contracts.

A USG organization may not enter an agreement for a service worth more than \$500,000 outside of the continental United States unless the recipient of the award certifies they have provided a contractor CTIP compliance plan to the contracting officer and the procurement office. The recipient of the award must recertify their contractor CTIP compliance plan to the contracting officer and procurement office on an annual basis after the award. (NDAA, 2013, sec. 1703)

The threshold for requiring a compliance plan is now \$550,000 (FAR 22.1703, 2021). The recipient's compliance plan must include the preventative actions as outlined in the TVPA. The awardee must implement processes or procedures to prevent and monitor these illicit activities for their organization and any subcontractor or they must terminate those subcontracts with noncompliant partners. An additional requirement posed by the NDAA is that the awardee must acknowledge that neither they, nor any subcontractor, is engaged in any of these illicit activities (NDAA, 2013). "The contractor shall provide a copy of the compliance plan to the contracting officer upon request" (NDAA, 2013, sec. 1703).

## **B. MONITORING**

We define *monitoring* as efforts to identify human trafficking within DOD acquisitions through a standardized process. Just as the United States improved its human trafficking prevention and policy following the 2000 TVPA, the country has also made strides to better monitor trafficking in persons both domestically and internationally. However, monitoring human trafficking is extremely complex due to the synergistic efforts required between government agencies and offices to synchronize reporting and data.

"The President's Interagency Task Force to Monitor and Combat Trafficking in Persons (PITF) was authorized in 2000 with the TVPA, but not established until 2002 by EO 13257" (President's Interagency Task Force [PITF], 2020, p. 1). The task force included the inclusion of many department heads and agencies.

The President appointed the United States Secretary of State to chair and head the PITF and some other members include the Administrator of the United States Agency for International Development, the United States Attorney General, the United States Secretary of Labor, the United States Secretary of Health and Human Services, and the Director of Central Intelligence. (TVPA, 2000, sec. 105)

As of October 2020, "The PITF included the United States Treasury, the United States DOD, Justice, Interior, Agriculture, Commerce, Labor, Transportation, Education, and Homeland Security (DHS)" (PITF, 2020, p. 5). Also involved were



the Office of Management and Budget, the Office of the United States Trade Representative, the Office of the Director of National Intelligence, the National Security Council, the Domestic Policy Council, the Federal Bureau of Investigation, and the United States Equal Employment Opportunity Commission. (PITF, 2020, p. 5)

The PITF carries out the coordinating, measuring, and progress evaluation of the “United States and other countries in human trafficking prevention, protection, and assistance to victims” (PITF, 2020, p. 6). Other tasks for the PITF include the “prosecution and enforcement against traffickers, including the role of public corruption in facilitating trafficking” (TVPA, 2000, sec. 105).

“The DOS is the lead agency for the United States in the global engagement and coordination efforts across the USG in combating trafficking in persons” (GAO, 2018, p. 9). The DOS established the Office to Monitor and Combat Trafficking in Persons in response to the authority given by the TVPA (GAO, 2018). The DOS is the USG’s lead agency responsible for the United States’ “diplomacy, foreign assistance, and public engagement regarding combating trafficking in persons” (GAO, 2018, p. 9). Additionally, the TVPA (2000) outlined “The Director of the DOS’ Office to Monitor and CTIP must ensure the office consults with nongovernmental organizations and multilateral organizations, and with trafficking victims or other affected persons” (sec. 105). The director also has the authority, and the responsibility, “to make or produce the evidence at public hearings or by other means” (sec. 105).

The U.S. DOS’s annual Trafficking in Persons (TIP) report “monitors counter-trafficking efforts of other governments and their countries across the globe” (DOS, 2020, pp. 6–7). The DOS then assigns these governments to tiers based on how they meet the requirements as outlined in TVPA. These activities further help the DOS develop regional strategies and project awards, and provide technical assistance across the globe (GAO, 2018).

Monitoring is one of the DOD CTIP PMO’s strategic goals (DOD CTIP PMO, 2014). The goal is to “ensure implementation of standardized CTIP monitoring and enforcement processes and procedures that enhance compliance and improve incident tracking and reporting” (DOD CTIP PMO, 2014, p. 17). A successful outcome provides

the DOD with stronger “reporting, tracking, and investigating of human trafficking within the United States and abroad” (DOD CTIP PMO, 2014, p. 17).

However, even these efforts towards trying to monitor trafficking in persons are extraordinarily complex; in 2014 the GAO detected that the USG had inconsistent monitoring of labor practices under USG contracts. A contract establishes a relationship between the USG and the prime contractor; therefore, the USG relies on the prime contractor to manage the subcontractor. This limits the visibility of the USG in the activities of subcontractors (GAO, 2014). Thus, the GAO suggests that good labor monitoring practices is one that signals down the supply chain the USG is thorough in oversight and strictly enforces its zero-tolerance human trafficking policy (GAO, 2014).

### **C. RESPONSE**

The TVPA (2000) provided the U.S. president with several tools at their disposal for Combating human trafficking. For example, if a country or government is failing to meet the minimum standards established by the TVPA or to make a significant effort to achieve the standard, the president can stop nonhumanitarian and non-trade-related foreign assistance (TVPA, 2000). Additionally, should a country fail to meet or insufficiently strive to meet the standards, the president can also pull “funding for educational and cultural exchange programs until the country or government gains compliance” (TVPA, 2000, sec. 110). Furthermore, the president can influence “multilateral development banks and the International Monetary Fund to deny any loan or usage of the funds” to any institution of that country until the government or country “complies with the minimum standards or makes significant efforts to bring itself into compliance” (TVPA, 2000, sec. 110). Finally, the president has the right to publicly identify significant violators of human trafficking standards and impose sanctions on those violators (TVPA, 2000). The president’s action does not “prohibit law enforcement and intelligence agencies from apprehending and charging those who violate human trafficking laws both in the United States and overseas” (TVPA, 2000, sec. 111).

Another U.S. response mechanism to combat human trafficking is through anti-trafficking financial assistance and strategic aid. “In 2019, the DOS provided more than

\$158 million to over 80 countries in anti-trafficking assistance” (PITF, 2020, p. 22). Another example, since the enactment of the TVPA, the USG “provided nearly \$375 million in anti-trafficking assistance to foreign governments and non-governmental organizations to combat human trafficking from 2001 to 2005” (GAO, 2006, p. 1). Some of the largest agencies that contributed were the DOS, Department of Labor, and U.S. Agency for International Development (GAO, 2006). Funds from these agencies “supported more than 265 international CTIP programs in nearly 100 countries” (GAO, 2006, pp. 8–9).

#### **D. TRAFFICKING IN PERSONS REPORT**

The TIP report is a federally funded report published by the U.S. DOS that illustrates each country’s policies and actions related to eradicating human trafficking (DOS, 2020). The purpose of the TIP report is not to give foreign countries a “black eye” for their stance on combating human trafficking. Instead, the report serves as a method of raising awareness, spurring action, and issuing a charge to foster a system of accountability by reinforcing anti-trafficking customs (DOS, 2020). Although the TIP report has evolved, it has maintained the same underlying message: “There is no excuse for human trafficking, and governments must address it with bold action” (DOS, 2020, p. 3).

The TIP report has served as a stronghold for sparking change in the international community (DOS, 2020). In 2002, the Food and Drug Administration (FDA) attempted to label cocoa products on whether the cocoa product was supplied through child slave labor (ILO, 2005). The FDA’s initiative failed, but it helped establish the Harkin–Engel Protocol (ILO, 2005). The Harkin–Engel Protocol forces human trafficking accountability in the chocolate industry (ILO, 2005). In 2019, the government of Gambia used the TIP report to partner with multi-sector stakeholders to establish and implement an anti-human trafficking national action plan that included sheltering and rehabilitation of human trafficking victims (DOS, 2020).

The U.S. DOS uses annually submitted data from each country to determine where the country will fall in one of four tiers (TVPA, 2000). “The tiers are based on

how the respective country's government combats human trafficking by meeting the minimum standards set by the TVPA" (DOS, 2020, pp. 2–4). The tiers do not determine the extent or size of human trafficking in the country, meaning a Tier 3 country does not inherently have a significant amount of human trafficking or that a Tier 1 country has a small amount of human trafficking (DOS, 2021).

The Tier 1 countries are "governments that fully comply with the TVPA's minimum standards for the elimination of human trafficking and continue to make these efforts each year" (DOS, 2021, p. 51-52). The Tier 2 countries "do not meet the TVPA minimum standards but are making significant strides towards compliance with the standards" (DOS, 2021, p. 52). The countries on the Tier 2 Watch List have severe forms, occurrence, and risk of human trafficking, or fail to "provide evidence of increasing efforts to combat severe forms of human trafficking from the previous year" (DOS, 2020, p. 40). The increased anti-trafficking efforts include "investigations, prosecution, and convictions of trafficking crimes, increased assistance to victims, and decreasing evidence of complicity in severe forms of human trafficking by government officials" (DOS, 2020, p. 40).

Tier 3 is reserved for "countries that do not meet the minimum TVPA standards and are not making significant efforts to do so or for countries that have been labeled Tier 2 or Tier 2 Watch List for two years" (DOS, 2021, p. 54). The TVPA stated that "the United States shall not provide nonhumanitarian, non-trade-related foreign assistance to any government of a country that is ranked as Tier 3" (DOS, 2020, p. 54). Last, the TVPA permits "the president of the United States to order the U.S. executive director of international financial institutions to deny loans to Tier 3 countries except for humanitarian, trade-related, and certain development-related assistance" (DOS, 2020, p. 42). Table 2 and Figure 1 provide the DOS's current tier system definitions and what tier is assigned to each country.

Table 2. DOS Tier System. Source: DOS (2021, pp. 52–53) and Weber et al. (2019, p. 2).

DOS Tier	Definition
Tier 1	“Countries whose governments fully meet the TVPA’s minimum standards for the elimination of trafficking” (DOS, 2021, p. 52).
Tier 2	“Countries whose governments do not fully meet the TVPA’s minimum standards but are making significant efforts to bring themselves into compliance with those standards” (DOS, 2021, p. 52).
Tier 2 Watch List	“Countries whose governments do not fully meet the TVPA’s minimum standards but are making significant efforts to bring themselves into compliance with those standards. Additionally, the estimated number of victims of severe forms of trafficking is very significant or is significantly increasing and the country is not taking proportional concrete actions; or there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons from the previous year and decreasing evidence of complicity in severe forms of trafficking by government official” (DOS, 2021, p. 52).
Tier 3	“Countries whose governments do not fully meet the TVPA’s minimum standards and are not making significant efforts to meet the minimum standards” (DOS, 2021, p. 53).
Special Case	“Countries were not assigned a tier ranking because of ongoing political instability” (Weber et al., 2019, p. 2).

<b>TIER 1</b>				
ARGENTINA	CANADA	FRANCE	NAMIBIA	SWEDEN
AUSTRALIA	CHILE	GEORGIA	NETHERLANDS	TAIWAN
AUSTRIA	COLOMBIA	GUYANA	PHILIPPINES	UNITED KINGDOM
BAHAMAS, THE	CZECH REPUBLIC	KOREA, SOUTH	SINGAPORE	UNITED STATES OF AMERICA
BAHRAIN	ESTONIA	LITHUANIA	SLOVENIA	
BELGIUM	FINLAND	LUXEMBOURG	SPAIN	
<b>TIER 2</b>				
ALBANIA	ECUADOR	JORDAN	MOZAMBIQUE	SEYCHELLES
ANGOLA	EGYPT	KAZAKHSTAN	NEW ZEALAND	SIERRA LEONE
ANTIGUA AND BARBUDA	EL SALVADOR	KYRGYZ REPUBLIC	NIGER	SLOVAK REPUBLIC
ARMENIA	ESWATINI	KENYA	NIGERIA	SOLOMON ISLANDS
BANGLADESH	FIJI	KOSOVO	NEPAL	SUDAN
BENIN	GABON	KUWAIT	NORTH MACEDONIA	SURINAME
BOLIVIA	GERMANY	LAOS	NORWAY	SWITZERLAND
BOSNIA AND HERZEGOVINA	GHANA	LATVIA	OMAN	TAJKISTAN
BOTSWANA	GREECE	LEBANON	PANAMA	TOGO
BRAZIL	GUATEMALA	MADAGASCAR	PARAGUAY	TUNISIA
BULGARIA	HONDURAS	MALAWI	PERU	TURKEY
CABO VERDE	HUNGARY	MALDIVES	POLAND	UKRAINE
CENTRAL AFRICAN REPUBLIC	ICELAND	MALTA	PORTUGAL	UNITED ARAB EMIRATES
CONGO, REPUBLIC OF THE	INDIA	MAURITIUS	QATAR	URUGUAY
COSTA RICA	INDONESIA	MEXICO	RWANDA	UZBEKISTAN
COTE D'IVOIRE	IRAQ	MICRONESIA	SAINT LUCIA	VANUATU
CROATIA	ISRAEL	MOLDOVA	ST. VINCENT AND THE GRENADINES	
CYPRUS	ITALY	MONGOLIA	SAUDI ARABIA	
DENMARK	JAPAN	MONTENEGRO	SERBIA	
DOMINICAN REPUBLIC	JAMAICA	MOROCCO		
<b>TIER 2 WATCH LIST</b>				
ARUBA	CAMEROON	HAITI	PALAU	TONGA
AZERBAIJAN	CHAD	HONG KONG	PAPUA NEW GUINEA	TRINIDAD AND TOBAGO
BARBADOS	CONGO, DEMOCRATIC REPUBLIC OF THE	IRELAND	ROMANIA	UGANDA
BELARUS	CURAÇAO	LESOTHO	SENEGAL	VIETNAM
BELIZE	DJIBOUTI	LIBERIA	SINT MAARTEN	ZAMBIA
BHUTAN	EQUATORIAL GUINEA	MACAU	SOUTH AFRICA	ZIMBABWE
BRUNEI	ETHIOPIA	MALI	SRI LANKA	
BURKINA FASO	GAMBIA, THE	MARSHALL ISLANDS	TANZANIA	
BURUNDI	GUINEA	MAURITANIA	THAILAND	
CAMBODIA		PAKISTAN	TIMOR-LESTE	
<b>TIER 3</b>				
AFGHANISTAN	COMOROS	IRAN	RUSSIA	VENEZUELA
ALGERIA	CUBA	KOREA, NORTH	SOUTH SUDAN	
BURMA	ERITREA	MALAYSIA	SYRIA	
CHINA	GUINEA-BISSAU	NICARAGUA	TURKMENISTAN	
<b>SPECIAL CASE</b>				
LIBYA	SOMALIA	YEMEN		

Figure 1. Tier Placement and Regional Maps. Source: DOS (2021, p. 67).

## E. FEDERAL HUMAN TRAFFICKING REPORT

“Since 2017, the Human Trafficking Institute has released an annual report titled the *Federal Human Trafficking Report* (FHTR)” (Feehs & Wheeler, 2021, p. 1). The FHTR presents an extensive assessment of all federal criminal and civil cases to provide highlight trends and provide input on the prosecution of human trafficking-related crimes (Feehs & Wheeler, 2021). “The FHTR illustrates where human trafficking occurs within the United States” (Feehs & Wheeler, 2021, p. 3).

In 2020 alone, the “federal courts were backlogged with 561 criminal and civil cases regarding human trafficking from previous years. There were 218 new cases, creating a total of 779 active human trafficking cases for 2020” (Feehs & Wheeler, 2021, p. 17). However, only 6% of the human trafficking prosecution focused on forced labor, while the remaining 94% focused on sex trafficking (Feehs & Wheeler, 2021). A common misconception is that human trafficking cases fall into distinct human trafficking categories, but the FHTR proves that lines of division are blurred. In at least 40 cases, the victim was subject to “both commercial sex trafficking and forced labor” (Feehs & Wheeler, 2021, p. 21).

From a demographic perspective, the FHTR shows that 57% of defendants were male and 43% were female, and the average age of defendants was 44 years old regardless of gender (Feehs & Wheeler, 2021).

In 2020, the top victim vulnerabilities in active cases were substance dependency (38%), having run away from home (28%), undocumented immigration status (17%), homelessness (10%), being in the foster care system (10%), having been previously trafficked (8%), limited English language skills (6%), financial debt (4%), intellectual disabilities (4%), and prior incarceration (2%). (Feehs & Wheeler, 2021, p. 28)

For foreign national victims within the United States, 41% came from Mexico, 14% came from Guatemala, and 11% came from China (Feehs & Wheeler, 2021).

Many of the exploited labor industries involve those that provide staples to everyday life for most Americans. In 2020, the top three industries where forced labor was most prevalent “were domestic work (38%), restaurants or food service (21%), and agriculture (14%)” (Feehs & Wheeler, 2021, p. 56). These top three industry areas made up 73% of the active forced labor cases (Feehs & Wheeler, 2021). “The remaining 27 % of active forced labor cases by industry were made up by beauty services (7%), construction (7%), manufacturing (3%), hospitality (3%) and other (7%)” (Feehs & Wheeler, 2021, p. 56).” The FHTR highlighted that the top preexisting vulnerabilities of victims for forced labor were “undocumented immigration status (51%), intellectual disability (23%), language barriers (15%), and homelessness or having run away from home (21%)” (Feehs & Wheeler, 2021, p. 58). The FHTR further showed that 70% of

victims were manipulated by the “withholding of pay, threats of physical abuse, verbal or emotional abuse ... debt manipulation and withholding of immigration documents” (Feehs & Wheeler, 2021, p. 59). However, when looking at the data over the past 20 years since the TVPA was established, 50% of forced labor cases occurred in the domestic work sector, 11% of cases were in restaurant or food services, and 10% were from agriculture markets (Feehs & Wheeler, 2021).

#### **F. THE ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT GUIDELINES FOR MULTINATIONAL ENTERPRISES**

Article 4 of the International Bill of Human Rights states, “No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms” (United Nations, 1948, p. 2). As of 2010, the Organisation for Economic Co-operation and Development (OECD) guidelines represent the collective principles expressed by 42 countries that participate in international trade and engage in the largest multinational enterprises (OECD, 2011).

[The] OECD Guidelines for Multinational Enterprises are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. The guidelines provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognized standards. The guidelines are the only multilaterally established and comprehensive code of responsible business conduct that governments have pledged to uphold. (Organisation for Economic Co-operation and Development [OECD], 2011, p. 3)

The OECD guidelines were revised in 2011 to include chapters addressing human rights and conscientious supply chains and updates to chapters on employee relations, ethics, and financial disclosure, as well as encouraging enterprises to shift from a reactive stance to a proactive stance when complying with the guidelines (OECD, 2011).

#### **G. ENDING CHILD LABOR, FORCED LABOR, AND HUMAN TRAFFICKING IN GLOBAL SUPPLY CHAINS REPORT**

The *Ending Child Labor, Forced Labor, and Human Trafficking in Global Supply Chains* report was generated by a team composed of members from the ILO, OECD, International Organization for Migration, and United Nations Children’s Fund in



response to the request by the G20 in July of 2017 to generate pitches that would rid the world of “child labor by 2035 and forced labor and human trafficking by 2030” (ILO et al., 2019, p. 1). At the time of this report, there were at least “152 million children in labor and 25 million adults in forced labor” (ILO et al., 2019, p. 5). The report went on to show how vast the problem of human trafficking is and why it is too large of an issue for governments to only focus on direct suppliers (ILO et al., 2019).

Research shows that human trafficking in supply chains can be found where there are gaps in legislation or policy for monitoring and enforcement and cultural norms that allow this behavior. Human trafficking is also found in industries with low barriers to entry for employees (ILO et al., 2019). The report posed that if the focus is only on those indicators, the issues will only be pushed further underground, and governments will be no closer to eradicating *all* forms of human trafficking.

There are at least 168 countries that have legislation against human trafficking, but many of these laws are vague, which makes it hard to prosecute offenders (ILO et al., 2019).

The number of workplaces subject to inspection dwarfs the resources available to inspect them, leading to a situation in which workers are unprotected, violators operate with impunity, and unfair competition for compliant businesses pervades. The growth of non-standard forms of employment, global supply chains, and the introduction of innovative technologies, which enable new business models, may outpace the evolution of the legal authority and enforcement tools available to the labor inspectorate; consequently, its enforcement levers are mismatched to the influences driving noncompliance. (ILO et al., 2019, p. 18)

A pitfall identified during this report is that there are not adequate avenues for employees to report human trafficking to the right authorities (United Nations Office on Drugs and Crime [UNODC], 2018). The ILO et al. report supports that the main red flags for business environments that lead to human trafficking are a lack of business awareness and capacity, downward pressure on wages, delivery time pressures, overtime work, outsourcing of production, and labor subcontracting (ILO et al., 2019).

“Severe cost and price pressures can lead suppliers to lower labor costs in a manner that increases the risk of child labor, forced labor and human trafficking” (ILO et al., 2019, p. 26). LeBaron further describes the actions of vendors external cost pressures.

In the face of these pressures, supplier firms may seek to lower labor costs through underpaying workers, imposing illegal deductions, imposing penalties and fines, or non-payment of wages altogether. If you are a plantation owner, labor is 80 to 85% of your cost of doing business. Now, prices of inputs are going up (machinery, petrol, diesel, and labor). And gardeners are getting paid less for the tea they grow. Margins are tight for growers. (LeBaron, 2018, pp. 26–27)

Another red flag for human trafficking risk is the delayed payment of contractors. If a contractor is not paid in a timely manner, then the employees may not be paid on time, which might lead to them needing to take out a loan from their employer or outside player, which can decrease the employees’ option to quit (ILO et al., 2019). “This can also force families to send their children off to work as a survival strategy, which adds to the child labor issue” (ILO et al., 2019, p. 35). These pressures may lead to subcontracting, which distances investigative agencies further from the performance of the contract (ILO et al., 2019).

## **H. DOD HUMAN TRAFFICKING CASES**

The following cases from the book *Human Trafficking in Conflict: Context, Causes, and the Military* are provided as confirmation and background to human trafficking related to DOD acquisitions.

In 2007, the DOS hired Armor Group North America Inc. (AGNA) to provide armed guard services for the U.S. embassy in Kabul, Afghanistan. Shortly thereafter, AGNA employees were patronizing nearby brothels that were disguised as Chinese restaurants and utilizing sexually exploited victims. In response, AGNA agreed to pay \$7.5 million to settle and resolve all claims including violations of the TVPA. The settlement also absolved AGNA of allegations management knew of the guards’ activities and AGNA’s misrepresentation of work experience of 38 guards it hired to guard the U.S. Embassy. (Muraskiewicz et al., 2020, p. 181)

A comparable situation occurred at Bagram Airfield (BAF) in Afghanistan. Amina Enterprise Group (AEG) recruited women from Fiji to work at the Army and Air Force Exchanges Services’ (AAFES) beauty

salon. They were charged \$700 for their flight to BAF and received \$150 per month to work at the salons. Yet, they were conveniently charged a \$150 per month “rental” fee for the use of the beauty chair used. The only monies they were permitted to keep were tips. In addition, AEG was accused of providing prostitutes to the engineers and contractors at the BAF as a sexual bribe, in hopes of continued contracts with BAF. (Muraszkiewicz et al., 2020, p. 184)

Navy Commander Jose Luis Sanchez, Commander Michael Vannak, and Naval Criminal Investigation Services Supervisory Special Agent John Bertrand were providing information to Leonard Glenn Francis, Chief Executive Officer of Glenn Defense Marine Asia (GDMA), in exchange for money, vacations, and prostitutes. GDMA is a USG contractor set in Singapore that provides “husbanding” services. Specifically, Sanchez received bribes and in return used his authority to recommend to the Navy that it hire GDMA for contracts. Francis hired female escorts for Sanchez and his friends on multiple occasions. Mr. Sanchez would attend meetings with his “wolf pack” and ask for pictures of prostitutes he could disseminate to the “wolf pack” for motivation. Finally, in 2011, Francis contacted Mr. Sanchez and asked him to “swing” business his way, referencing a United States Navy ship that needed to refuel in Thailand. Mr. Sanchez was able to get Francis the contract, costing the Navy an unnecessary \$1 million. (Muraszkiewicz et al., 2020, p. 186)

While these cases are unfortunate, they do not represent the majority of DOD service members and employees who serve honorably. However, these cases do highlight that the DOD is not immune to human trafficking in some capacity and must continue to improve their prevention, monitoring, and response mechanisms to achieve a zero-tolerance to human trafficking.

## **I. CONCLUSION**

This chapter gives an extensive overview of the history of human trafficking and U.S. policy, as well as examples of legislation categorized by PMR elements. Additionally, more background is given to other pertinent aspects of human trafficking, such as reports and case studies that further detail the vastness of the problem not only in the DOD but in the United States and around the globe.

### III. LITERATURE REVIEW

Human trafficking is a complex problem and requires a complex solution. This literature review discusses illicit financial flows, ethical supply chains, and additional research/methods as they relate to prevention, monitoring, and response to human trafficking. *Prevention* is considered as being proactive with policy or behavior to disincentivize the use of human trafficking. Enforcement of the False Claims Act illustrates a way to be proactive and strengthen human trafficking prevention. *Monitoring* focuses on how to intentionally view, examine, or audit the activity of defense contractor firms to create transparency into their supply chains and labor force. The DOD's sexual assault program indicates what is required in manpower to monitor in a zero-tolerance environment. Additionally, Apple Inc. provides insight into what is required to monitor zero-tolerance in terms of technology. The *response* section focuses on actions to take when human trafficking is discovered in a supply chain. For example, the Levi Straus Company found human trafficking-related activity in their supply chain but responded in a way to alleviate these issues and make the labor environment better by educating the employees as opposed to firing them.

#### A. ILLICIT FINANCIAL FLOWS

According to Global Financial Integrity, "Illicit financial flows (IFF) are illegal movements of money or capital from one country to another" (Global Financial Integrity, 2021, p. 1). When funds are "illegally earned, transferred, and/or utilized across an international border they are classified as an illicit financial flow" (Global Financial Integrity, 2021, p. 1). When funds are paid out to contractors for performance on USG contracts, it is expected and required that employees are paid fair wages. A fair wage is determined differently depending on geographic location, but forced labor and human trafficking occur when a fair wage is not met. When a contractor invoices for payment and then does not use the funds received to pay employees fair wages, illicit financial flow begins. Illicit financial flows are difficult to track, but when it happens on DOD contracts, they are actioned with taxpayer funds, so they must be closely watched. The

International Monetary Fund (IMF) discussed how illicit financial flows are not just involved in human trafficking, but include smuggling, tax evasion, and financing of terrorists (IMF, 2021). According to the IMF, there are three global organizations whose purpose is to eradicate these unethical and illegal activities: “the Financial Action Task Force (FATF), the Global Forum on Transparency and Exchange for Tax Purposes, and the Extractive Industry Transparency Initiative” (IMF, 2021, p. 1). Engaging with these agencies should assist the DOD in creating measures to help prevent, monitor, and respond to human trafficking within DOD contracts.

## **B. ETHICAL SUPPLY CHAINS**

A supply chain is “the network of organizations that extend downstream to customers and upstream to the supplier” (National Contract Management [NCMA], 2019, p. 193). The supply chain encompasses manufacturing, packing, distribution, shipping, and delivery of goods or services. Ethical supply chains are those that do not use human trafficking or other atrocities within their manufacturing, packing, distribution, shipping, or delivery of goods or services.

Ethical supply chains are not only vital for humane business operations but essential in creating a strong and resilient supply chain as well. The advancements of information technology make consumers more aware of a company’s business practices and supply chains more transparent. Consumers can influence buying behaviors through boycotts and going to the media about inhumane operations—meaning, unethical behaviors within supply chains could have negative consequences for companies, both in revenue and reputation (Lober, 2012).

The 2017 Business Continuity Institute Report: *Supply Chain Resilience* highlighted that 69% of companies do not have total visibility over their supply chains. The lack of visibility within the supply chains demonstrates how human trafficking or other forms of inhuman operations can come into the supply chains as businesses may be incentivized to the source to the lowest labor suppliers without proper oversight. However, the chief executive officer of the Association for Supply Chain Management argued that, in addition to being unethical, forced labor creates too great of a risk for

companies to ignore. Forced labor is not sustainable and comes with dire consequences (Aschendbrand et al., 2018).

The Association for Supply Chain Management published *Supply Chain Operations Reference for Enterprises*, which analyzed the company's supply chains across ethical, economical, and ecological dimensions—also known as the triple bottom line (Aschendbrand et al., 2018). The triple bottom line looks beyond profits and lowest price technically acceptable source selection. Furthermore, monitoring ethical, economical, and ecological dimensions within a company's supply chain are important because they can affect a company's finances, logistics, and reputation (Resilinc, 2018). Therefore, the elements of the triple bottom line should not be viewed as mutually exclusive dimensions; rather, they should be viewed holistically to create a more ethical and sustainable supply chain.

The DOD must leverage the research and agencies supporting ethical supply chains to take advantage of advancements of technology that provide American taxpayers with transparency into DOD business operations. Therefore, the DOD must be proactive in monitoring their supply chains, as any bad behavior by a prime contractor or subcontractor under a contract could have negative consequences. The DOD should have full visibility in their supply chains and account for the triple bottom line for a more ethical and sustainable supply chain.

### **C. PREVENTION, MONITORING, AND RESPONSE**

The following information has been broken out into the PMR elements. The areas of research presented in this subsection are categorized this way to associate what other practices or policies currently are being recommended or currently exist with the overall theme of this research, PMR. They will entail how governments can respond to human trafficking in their supply chains or policies and practices put into place by private industry. The purpose of this section is to identify areas where the DOD can bolster their mechanisms with respect to PMR.

## 1. Prevention

Prevention measures are put into place to deter entities from engaging in human trafficking. Preventative measures are actions that a DOD contracting officer can put into place before a contract is awarded. For example, a DOD contracting officer can incorporate provisions and clauses into a solicitation and contract. The provisions and clauses outline actions that the DOD will take should a company engage in any type of human trafficking while performance of the contract. The DOD contracting officer's action is preventative, as it should dissuade defense contractor firms from engaging in human trafficking while under DOD contract. Prevention is the primary focus of this section.

The following is an example of a preventative measure from a 2013 article by Caitlin Grimmer titled, *Procuring Protection: Using the False Claims Act to Combat Human Trafficking by Government Contractors*. Grimmer (2013) critiqued the current legislation, guidance, instructions, and processes in place to combat human trafficking in government contracts. The article used a comparison to Greek mythology, where Eurystheus ordered Heracles to slay the Hydra of Lerna. Grimmer compared the Hydra of Lerna to the issue of human trafficking in government contracts, in that the government is cutting off heads but they are just growing back, and the problem is no closer to extinction despite all the effort. The author went on to give a few examples of how trafficking is occurring, how legislation got to where it is today, and how it can be improved by using the False Claims Act. In addition, Grimmer discussed some updates to regulations to incentivize prime contractors to be fully engaged in combatting human trafficking by their subcontractors and suppliers. Grimmer concluded the article by providing a counter argument, stating that without more agents on the ground to monitor, the proposed solution will still not come to fruition.

Grimmer (2013) argued that American tax dollars are going to human trafficking due to the lack of oversight in overseas contracts. She supported this claim by saying, "Regulations requiring that the contractor act only once it becomes aware of a violation motivates the prime contractor to turn a blind eye and utilize subcontracting in order to limit liability" (Grimmer, 2013, p. 4). The author continued by stating, "Arguably federal

regulations create a reverse incentive to avoid awareness of the violations and instead discourage active investigation” (Grimmer, 2013, p. 4).

The commission estimates that, in general, at least \$31 billion, and possibly as much as \$60 billion has been lost to contract waste and fraud in Iraq and Afghanistan and The American Civil Liberties Union (ACLU) explains that a percentage of this general waste and fraud will be pocketed by the subcontractor and recruiters rather than paid to those being trafficked. (Grimmer, 2013, p. 4)

The author suggested using the False Claims Act will prevent defense contractor firms from engaging in human trafficking in performance of their responsibilities on government contracts (Grimmer, 2013). The FAR would need to include language requiring contractors to certify that they will not engage in such activities (Grimmer, 2013). If defense contractor firms are found to have engaged in human trafficking, they would be in violation of the False Claims Act, in addition to the already existing legislation for violating human trafficking. The key sell to the False Claims Act is that it carries a higher monetary punishment. The higher monetary punishment should therefore disincentivize contractors from human trafficking. Last, the False Claims Act would also require contractors to look deeper into their subcontracts and supply chains in order to truthfully certify to the fact that they and their subcontractors are not engaging in human trafficking, since they would be liable at the sub-tier levels of the contract (Grimmer, 2013).

## **2. Monitoring**

The DOD has implemented strong monitoring programs for other ethical issues, such as the robust policies and programs to prevent sexual assault in a zero-tolerance environment. Monitoring with the Sexual Assault Prevention and Response (SAPR) program is particularly essential to measuring the prevalence of sexual assault within the DOD (GAO, 2021). Monitoring improves the program and its policies towards reducing instances of sexual assault within the DOD (Dippold et al., 2016). Ultimately, “The DOD’s goal is a culture free of sexual assault, through an environment of prevention, education, training, response capability, victim support, reporting procedures, and appropriate accountability that enhances the safety and well-being of individuals



employed by all DOD components” (GAO, 2021, p. 56). To achieve this culture free of sexual assault and a zero-tolerance environment, the DOD uses SAPR program managers, sexual assault response coordinators (SARCs), victim advocates, and a headquarters staff member as a monitoring mechanism (GAO, 2021). In 2019, the DOD had 82 full- and part-time SAPR program managers, 1,747 full and part-time SARCs, 3,953 full- and part-time victim advocates, and 72 full- and part-time headquarters staff (GAO, 2021). In all, the DOD had 5,854 part- and full-time employees within the SAPR environment to help monitor sexual assault within the DOD (GAO, 2021). Therefore, achieving adequate monitoring in a zero-tolerance environment, an ample force may be required.

The ability to monitor a zero-tolerance environment may go beyond just having an ample force to complete this task. Technology is a useful tool for monitoring the business sphere so there is no allowance of abhorrent behavior (Nicas, 2021). Thus, companies are leveraging technology to meet U.S. law to enforce a zero-tolerance policy toward unethical behavior. For example, Apple monitors child sexual abuse material (CSAM), also known as child pornography, through sophisticated information technology to spot these types of images on their products and within their cloud space (Nicas, 2021). Apple’s sophisticated technology looks at a photo’s unique numbers as a fingerprint (Nicas, 2021). If an image is identified as possibly having CSAM, the image would be reviewed by an Apple employee (Nicas, 2021). If the Apple employee confirms the photo for CSAM, the photo would be reported to the National Center for Missing and Exploited Children (NCMEC) (Nicas, 2021). The user’s account then would get locked, and U.S. law requires technology companies to report child sexual abuse to the authorities (Nicas, 2021).

While CSAM is not human trafficking, those that engage in CSAM want to keep their involvement hidden, like those that engage in human trafficking. Apple’s technology is an example of how technology can be used to strengthen monitoring and aid in reporting of human trafficking to the proper authorities. The DOD ultimately must have an ample anti-human trafficking workforce and leverage new technology in a way to reveal labor trafficking to pursue a zero-tolerance to all forms of human trafficking.

### **3. Response**

Responding to human trafficking is a delicate situation. There are many stakeholders involved from the responding agency, the victim, the companies involved, and—in the case of the DOD—the American taxpayer. Textile companies require massive supply chains and, like the DOD, the chains often exist outside of the United States. Historically, Levi Strauss & Co. (LS&CO) has suppliers and contracts all over the world. LS&CO and other textile companies rely on suppliers in countries such as Thailand, Pakistan, Bangladesh, Colombia, and others (Donaldson, 1996). The laborers in these countries are more susceptible to child and forced labor, and it is difficult to prevent and monitor these intolerable business practices (DOS, 2021). The problem is firing or eliminating child laborers, since doing so could potentially put these children at even greater risk of exploitation and hardship. Simply concentrating on prevention and monitoring will leave textile companies, and even the DOD, ill-equipped to deal with human trafficking if it is discovered.

An LS&CO human trafficking case study showed how to respond to human trafficking-type incidents (Donaldson, 1996). Due to the lack of birth documentation, LS&CO could not verify the age of the employees in their supply chains. Furthermore, given the need to make money, children would identify at a different age to gain employment (Donaldson, 1996). Instead of firing these children as many other organizations have done, LS&CO created an education system. LS&CO agreed to fund tuition, books, and uniforms while the suppliers would rent spaces for the children to attend class. LS&CO also guaranteed the children work placement after completing their education and continued to pay the children while also educating them (Donaldson, 1996). LS&CO understood that these child laborers families relied on the salaries that they were bringing home. LS&CO, through their business dealings, were able to find a solution that benefitted these children and their families in numerous ways. Instead of being fired and looking for work elsewhere, which could lead to even worse jobs or being trafficked, LS&CO kept them safe in the factories where they gained an education and still earned money for their families. LS&CO—while a big, successful company—understood that they could not survive without working with these suppliers that engaged

in child labor. However, rather than contributing to the exploitation of children, LS&CO found a solution that protected the vulnerable while supporting business practices.

While the employment of children may appear unethical, the U.S. Bureau of Labor Statistics (BLS) estimated that over 4 million children (ages 16–19) in 2020 were employed (U.S. Bureau of Labor Statistics [BLS], 2021). Educating children while putting them to work, while not exactly like the United States, was a move in the right direction for protecting the children while still supporting the families.

A response to human trafficking in supply chains goes far beyond simply eliminating it, both in action and in words. LS&CO realized that they are reliant on suppliers that engage in aspects of human trafficking. Instead of simply developing prevention and monitoring activities, LS&CO went beyond and created programs to respond to human trafficking or forced labor from their suppliers. By responding in a way that benefits the company's image and doing what is best for the victims, companies can clean up their supply chain and set standards for other companies. The DOD must follow LS&CO's lead in responding to human trafficking and forced labor if discovered in their supply chain.

#### **D. CONCLUSION**

In this literature review, three specific areas were examined: illicit financial flows, ethical supply chains, and innovative ways to prevent, monitor, and respond to human trafficking. While the articles and literature reviewed do not explicitly relate to DOD acquisitions, the literature review does relate to the activities that surround human trafficking. We showed how human trafficking impacts finances in illicit financial flows. The DOD has contractors and suppliers that use trafficking as an employment method, which engaged in illicit financial flows. The DOD is a huge global buyer of goods and services, so understanding global economics and how other businesses are managing ethical supply chains could be critical to DOD's success. Furthermore, having a pulse on how businesses, which are subject to corporate social responsibility, are responding to human trafficking in supply chains will allow the DOD to adopt best business practices to keep supply chains ethical. Last, categorizing how to deal with human trafficking by

categorizing activities in PMR allows the DOD to concentrate efforts in better defined areas versus trying to tackle human trafficking as one big problem. Research on what other companies, agencies, and programs are doing to combat human trafficking as they relate to PMR helps equip the DOD and its acquisition workforce with practices that can be adopted to pursue a zero-tolerance environment to human trafficking in DOD supply chains.

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## IV. METHODOLOGY

This research was conducted using a mixed-method approach. First, a quantitative spend analysis was conducted, and second, a qualitative program evaluation of the DOD's CTIP training for acquisitions and contracting was completed. In 2019, the Office of Management and Budget (OMB) introduced a memorandum on *Anti-Trafficking Risk Management Best Practices & Mitigation Considerations* (Weichert, 2019). The memorandum urged federal agencies to conduct spend analyses in high-risk areas of human trafficking. The results of the spend analysis help identify where to establish contract safeguards from high-risk procurements. However, through our research we conducted of scholarly literature and existing methods we were unable to uncover a spend analysis as it relates to the human trafficking framework.

As a result, we developed an exploratory approach in a limited researched area that quantifies DOD spend, contracts, and contract actions in countries and specific goods or services that are tied to high-risk areas for human trafficking. The qualitative portion of the research is a program evaluation of J3TA-US1328-C: CTIP DOD Acquisition Course. The program evaluation categorized the DOD Contracting and Acquisition CTIP computer-based training into the PMR elements that exist within contract management.

The spend analysis method was validated by a third party to provide additional credibility. The third-party validation was from the U.S. Air Force Installation Contracting Center's Business Intelligence Branch.

The Business Intelligence (BI) Branch is part of the Enterprise Innovation Division (KAB) in the Air Force Installation Contracting Center (AFICC). The BI Branch mission is to provide actionable business intelligence to the Air Force through data collection, integration, and deployment of tools and methodologies that enable data-driven decisions in managing cost and increasing mission effectiveness. Our team members have capabilities in data analysis and visualization, machine learning, artificial intelligence, simulation, and application development, and offer contracting data expertise, strategic communication and training. (Air Force Installation Contracting Center Strategic Plans and Strategic Communications Division [AFICC/KA], M. Hauber, IT Specialist, personal communication, October 21, 2021)

However, the AFICC Business Intelligence Branch’s validation of the spend analysis does not negate the limitations stated within the methodology.

## **A. SPEND ANALYSIS**

A spend analysis is useful for strategic sourcing of goods and services (Pandit & Marmanis, 2008). Filtering spend history and spend patterns via data definition and loading, data enrichment, knowledgebase, and spend analytics allows organizations to understand their purchasing habits (Pandit & Marmanis, 2008). A spend analysis gives organizations the ability to visualize and then capitalize on opportunities for spend rationalization. Furthermore, a spend analysis highlights spend controls that are profitable and ones that need improvement. Spend controls enable a firm to curb maverick spending and enforce policy and contract compliance (Pandit & Marmanis, 2008). Given the benefits that a spend analysis provides, we conducted a spend analysis to rationalize the current state of DOD CTIP compliance from an acquisition and contracting perspective.

AFBIT Lite, an Air Force Installation Contracting Center Strategic Plans and Strategic Communications Division (AFICC/KA) application, was used to conduct the analysis. AFBIT Lite is a spend visualization tool that collects contract action report-level contract data from <https://www.USASpending.gov> and <https://SAM.gov>. We used DOD organizational charts, the DOS TIP Report, the General Services Administration FY2020 PSC manual (U.S. General Services Administration Federal Acquisition Services [U.S. GSA FAS], 2020), and the <https://fscpsc.com> tool to provide additional context and structural guidance to further enhance the spend analysis.

We analyzed the DOD outside the continental United States (OCONUS) contracts, contract actions, and spend for FY2019 and FY2020. “Contract” and “contract action” definitions are outlined in FAR 2.101, 4.601, and 5.001. We analyzed DOD contracts, contract actions, and spend in Special Case, Tier 2 Watch List, and Tier 3 countries for FY2018, FY2019, and FY2020. Additionally, the DOS’s 2021 TIP report and the U.S. BLS’s (2020) *Findings on the Worst Forms of Child Labor* showed that personal protective equipment (PPE), construction services, and food and food products are some of the OCONUS goods and services vulnerable to human trafficking. Given the

risk in purchasing PPE, construction services, and food and food products, we focused our analysis on contract, contract actions, and spend within the DOD for FY2019 and FY2020. Additionally, the spend analysis highlighted the branches and agencies that fall under the DOD organization such as but not limited to the Department of the Navy, the Department of the Air Force, the Department of the Army, combatant commands, and the Defense Logistics Agency.

There are limitations to the spend analysis. Such limitations include the reliance on data inputs or entries from multiple systems and databases. All unreported spend was not analyzed. Also, data updates or adjustments—such as requests for equitable adjustments, requisitions, change orders, and other factors—would need to be considered after the data were retrieved and analyzed. Additionally, our spend analysis is reliant on the consistency of a system. The consistency of a system refers to the spend, contract, and contract action; results may differ unless the system has a defect rate of zero and a perfect accounting function. However, the consistency of the system limitation should not impact decisions made based off the analysis, given the results should be directionally true. This means assumptions made would still hold true even though results may vary. However, we recommend considering differing results before implementing policy changes as a result of the analysis.

PSCs also have limitations in a spend analysis. PSCs categorize similar goods and services under individual PSCs. Unfortunately, this limitation cannot be further clarified or distinguished without going into specific contracts and contract line item numbers (CLINs). The quantity of manpower, time, and effort essential to investigate specific contracts and CLINs is a highly arduous task that could not be accomplished as part of this research. However, for this research, it was determined that PSCs contained the highest levels of goods or services for conducting the spend analysis.

### **1. Personal Protective Equipment**

For PPE, the following PSCs were used: 6515 (Medical and Surgical Instruments), 6532 (Hospital and Surgical Clothing and Related Special Items), and 8415 (Clothing, Special Purpose)—as listed in Table 3.



Table 3. PPE PSCs. Adapted from U.S. GSA FAS (2020).

<b>PSC</b>	<b>Description</b>
6515	Medical and Surgical Instruments, Equipment, and Supplies
6532	Hospital and Surgical Clothing and Related Special Items
8415	Clothing, Special Purpose

The PSC manual and the [fspsc.com](https://fspsc.com) tool were used to determine the most correct PSCs. The tool at <https://fspsc.com> is a prediction tool that uses a crowd sourcing algorithm to determine the most accurate PSC as it relates to the market being defined. The PSC prediction tool provides a match quality rating to determine accuracy. The PSC prediction tool provided 14 PSC matches for PPE. To further define which PSCs would be best to analyze, the Center for Disease Control and Prevention’s (CDC’s) 2020 Preferred and Acceptable Alternative PPE Guidance was used. The CDC guidance identified PPE as a face mask—preferably an N95 or higher respirator—a face shield or goggles, a pair of non-sterile gloves, and an isolation gown. The CDC’s PPE guidance cross-referenced with each of the individual PSCs listed in the PSC manual and the <https://fspsc.com> tool led us to using PSCs 6515, 6532, and 8415 in the spend analysis. We recognize the PSCs listed in Table 3 are not all encompassing but are appropriate to draw conclusions for recommendations.

## 2. Construction Services

For construction services, the PSC manual and the <https://fspsc.com> tool produced 23 construction service PSCs relevant to our research, illustrated in Table 4.

Table 4. Construction Services PSCs. Adapted from U.S GSA FAS (2020).

<b>PSC</b>	<b>Description</b>
Y1AA	Construction of Office Buildings
Y1AZ	Construction of Other Administrative Facilities and Service Buildings
Y1CA	Construction of Schools
Y1DA	Construction of Hospitals and Infirmaries
Y1DB	Construction of Laboratories and Clinics

<b>PSC</b>	<b>Description</b>
Y1DZ	Construction of Other Hospital Buildings
Y1EB	Construction of Maintenance Buildings
Y1EZ	Construction of Other Industrial Buildings
Y1JZ	Construction of Miscellaneous Buildings
Y1LB	Construction of Highways, Roads, Streets, Bridges, and Railways
Y1PZ	Construction of Other Non-Building Facilities
Y1QA	Construction of Restoration of Real Property (Public or Private)
Z1AA	Maintenance of Office Buildings
Z1AZ	Maintenance of Other Administrative Facilities and Service Buildings
Z1DA	Maintenance of Hospitals and Infirmaries
Z1JZ	Maintenance of Miscellaneous Buildings
Z2AA	Repair or Alteration of Office Buildings
Z2AZ	Repair or Alteration of Other Administrative Facilities and Service Buildings
Z2DA	Repair or Alteration of Hospitals and Infirmaries
Z2JZ	Repair or Alteration of Miscellaneous Buildings
Z2LB	Repair or Alteration of Highways/Roads/Streets/Bridges/Railways
Z2PZ	Repair or Alteration of Other Non-Building Facilities
Z2QA	Repair or Alteration of Restoration of Real Property (Public or Private)

The <https://fscpsc.com> PSC prediction tool provided 25 matches of PSCs for “construction” or “construction services.” However, C211 (Architect and Engineering—General Landscaping, Interior Layout, and Designing) and C219 (Architect and Engineering—General: Other) were removed due to their association with architecture and engineering versus construction or construction services. It is also important to note that the PSC manual lists several more PSCs in the Y1, Y2, Z1, and Z2 series that may apply to construction or construction services. However, those PSCs were not identified as top matches for “construction” or “construction services.”

### **3. Food and Food Products**

For food and food products, the PSC manual identified the “89” series PSCs. To further identify the most appropriate PSCs, the <https://fscpsc.com> tool was used. Using both PSC research tools, the 11 PSCs outlined in Table 5 were considered as most applicable for a DOD spend analysis.

Table 5. Food and Food Products PSCs. Adapted from U.S. GSA FAS (2020).

<b>PSC</b>	<b>Description</b>
8905	Meat, Poultry, and Fish
8910	Dairy Foods and Eggs
8915	Fruits and Vegetables
8920	Bakery and Cereal Products
8925	Sugar, Confectionary, and Nuts
8930	Jams, Jellies, and Preserves
8935	Soups and Bouillons
8940	Special Dietary Foods and Food Specialty Preparations
8945	Food, Oils, and Fats
8950	Condiments and Related Products
8955	Coffee, Tea, and Cocoa

Originally, the PSC prediction tool found 14 matches for “food” and “food products.” However, seven of those 14 matches included food machinery or food equipment and, therefore, were excluded from the analysis since the focus was on food and not the machinery or equipment used in the food industry.

Additionally, we concluded that PSCs related to food service and food processing would require a separate spend analysis. Additional attention was given to PSCs 8810 (Live Animals, Raised for Food), 8960 (Beverages, Nonalcoholic), 8985 (Beverages, Alcoholic), and PSC 8970 (Composite Food Packages); but it was concluded that they did not meet the desired intent of the analysis of food and food products spend analysis. However, PSC 8955 (Coffee, Tea, and Cocoa) was included in the spend analysis because it was identified as a market at risk to forced labor and met the scope of food-related products. Last, PSC 8810 (Live Animals, Raised for Food) was included into the spend analysis since the PSC met our definition of food and food products.

## **B. PROGRAM EVALUATION**

The DOS uses a “3P” paradigm of “prosecution, protection, and prevention as the foundation used across the globe to combat human trafficking” (DOS, 2021, p. 74). Since the purpose of this research is to leverage DOD acquisition professionals, we adjusted the “3P” paradigm to a more acquisition-specific paradigm. Our paradigm is more applicable

to the acquisition ecosystem, PMR. To define and demonstrate how PMR can be applied into acquisitions, an evaluation of J3TA–US1328–C: CTIP DOD Acquisition Course was completed. The DOD CTIP Acquisition Training is required after initial entry for acquisitions personnel and is required thereafter every 3 years (DOD, 2019). The program evaluation categorized the training, by page, in the elements of PMR to pursue zero-tolerance to human trafficking through DOD acquisitions. The contracting process is generally broken down into three phases: pre-award, award, and post-award/contractor performance. Thus, in the program evaluation, we loosely translate prevention to pre-award/award and monitoring/response to post-award/contractor performance. PMR definitions are displayed in Table 6.

Table 6. PMR Definitions

<b>Term</b>	<b>Definition</b>
PREVENTION (pre-award/award)	How to stop human trafficking from happening within acquisitions
MONITORING (post-award/contractor performance)	How to identify human trafficking within DOD acquisitions, through a standardized process
RESPONSE (post-award/contractor performance)	Who’s responsible and how to respond should human trafficking be discovered on a DOD acquisition

### C. CONCLUSION

To answer the research question of how the DOD can leverage their acquisition workforce to combat human trafficking, a mixed-methodology approach was developed. This chapter outlined how a quantitative spend analysis of DOD spend would be conducted on three high-risk markets: PPE, construction services, and food and food products. Additionally, this chapter explored how a qualitative program evaluation of the DOD CTIP acquisition-specific training course would be used to further categorize the lesson of the training into the PMR elements. The following chapter, Results, will provide the outcomes and findings from the research methods.

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## V. RESULTS

This chapter presents the findings from the methods applied in Chapter IV. The findings highlight areas of the DOD's spending that are at high risk to human trafficking, by the market or geographic location. Specifically, three markets were analyzed and will be illustrated: PPE, construction services, and food and food products. The results of the program evaluation revealed a heavy emphasis placed on prevention from the PMR model. The spend analysis and DOD CTIP training program evaluation applied a targeted approaches to provide a snapshot to the USG, DOD, and DOD CTIP PMO of focus areas in DOD spending and acquisition CTIP training, processes, policies, and operations.

### A. SPEND ANALYSIS

According to the methods described, an analysis of DOD's OCONUS Special Case, Tier 2 Watch List, and Tier 3 countries for fiscal years 2019 and 2020 was conducted. Additionally, DOD spending in PPE, construction services, and food and food products for fiscal years 2019 and 2020 was analyzed. Given the COVID-19 pandemic, we decided to conduct a spend analysis on PPE given the supply shortages and reliance on foreign countries. An analysis of construction services and food and food products was requested by our sponsor, the DOD CTIP PMO. The results, findings, and discussions will be outlined in the subsections of this chapter.

#### 1. DOD OCONUS Special Case, Tier 2 Watch List, and Tier 3 Spend

The DOD awarded 180,068 contract actions valued at \$30.16 billion in OCONUS goods and services procurements during FY2018. In FY2019, the DOD awarded 169,079 contract actions for a total of \$28.9 billion. In FY2020, the awarded 158,496 contract actions totaling \$27.13 billion. In total, for FY2018 through FY2020, the DOD completed 415,547 contracts and 507,643 contract actions for a total spend portfolio of \$86.2 billion, as shown in Figure 2. For those years, the U.S. Central Command (USCENTCOM), the largest area of responsibility, spent the most at \$31.5 billion. The second-largest area of responsibility, the U.S. Indo-Pacific Command (USINDOPACOM), spent \$25.1 billion. The Department of the Army owns the largest

contract spend with \$38.2 billion. The Department of the Navy, the second-largest spender, spent \$16.3 billion. The large circle over the United States in Figure 2 represents approximately \$19.58 billion of DOD’s spending for OCONUS goods and services that were procured domestically. In total, the DOD spent \$66.52 billion in foreign countries in FY2018 through FY2020, visualized in Figure 2.

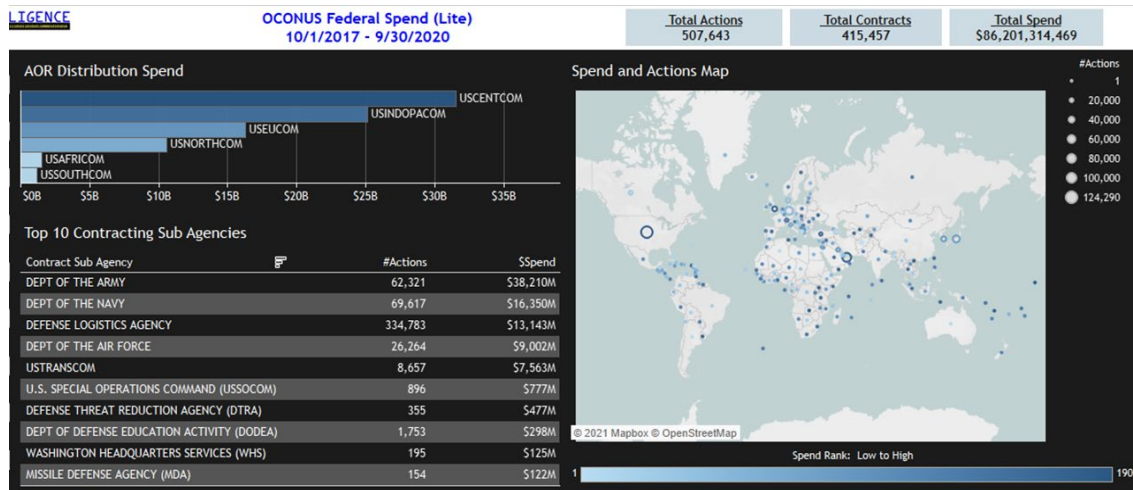


Figure 2. DOD OCONUS Spending. Source: AFICC/KA (2021, p. 1).

In FY2018, the DOD awarded 5,964 contract actions for a total of \$4.37 billion in Special Case, Tier 2 Watch List, and Tier 3 countries. In FY2019, the DOD conducted 6,513 contract actions valued at \$5.19 billion in Special Case, Tier 2 Watch List, and Tier 3 countries. Last, in FY 2020, the DOD awarded 5,667 contract actions for a total of \$3.63 billion in Special Case, Tier 2 Watch List, and Tier 3 countries. In total, for FY2018 through FY2020, Figure 3 illustrates that the DOD awarded 11,141 contracts and conducted 18,144 contract actions totaling \$13.1 billion in Special Case, Tier 2 Watch List, and Tier 3 countries. Figures 4 and 5 illustrate DOD contracts, contract actions, and spending in Tier 2 Watch List and Tier 3 countries for FY2018 through FY2020.

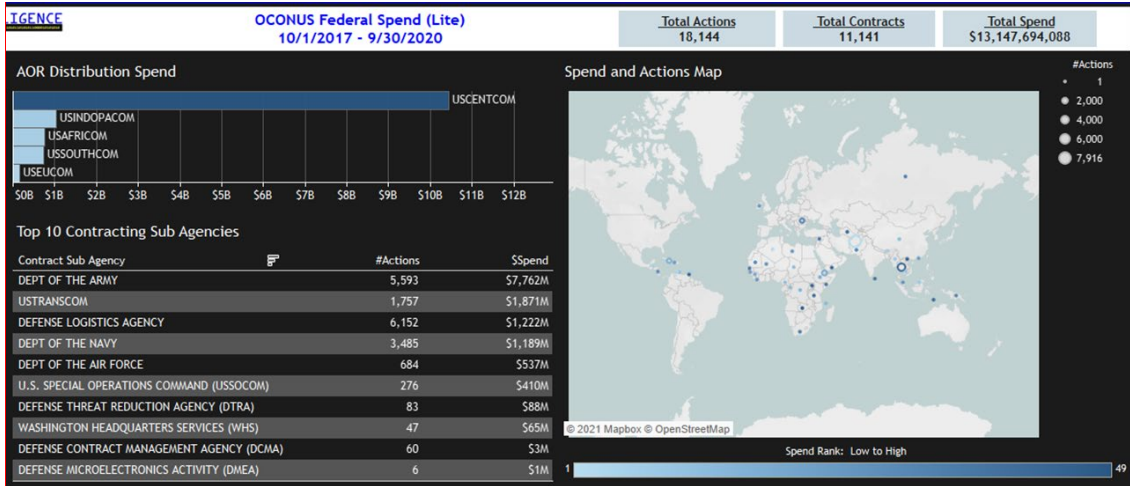


Figure 3. DOD Spend in Special Case, Tier 2 Watch List, and Tier 3 Countries FY 2018–2020. Source: AFICC/KA (2021, p. 1).

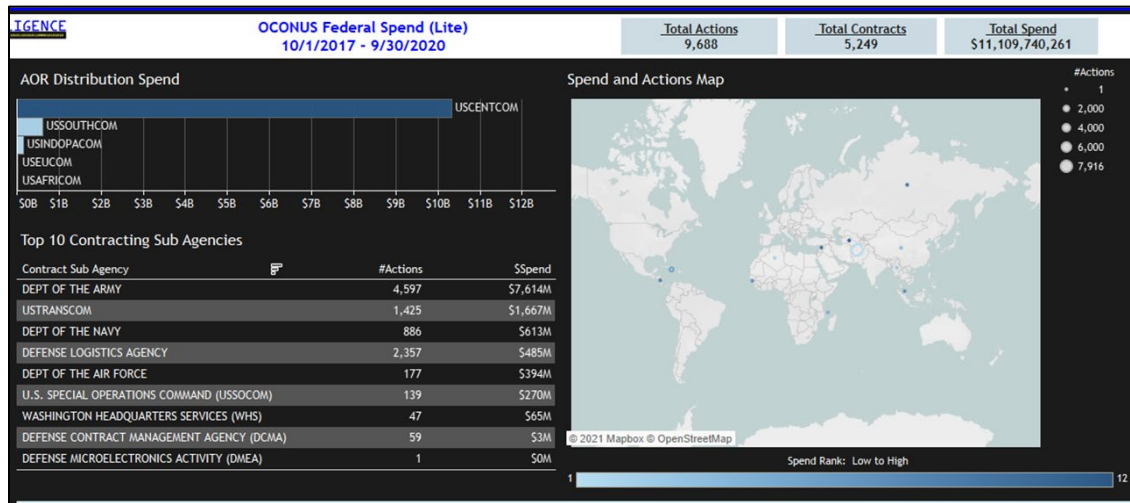


Figure 4. DOD Spend in Tier 3 Countries FY2018–2020. Source: AFICC/KA (2021, p. 1).



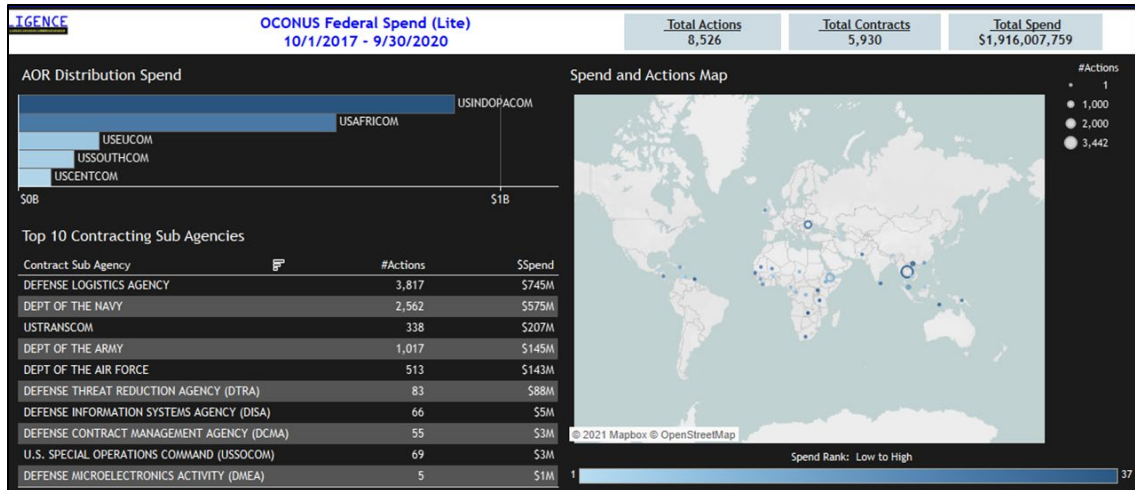


Figure 5. DOD Spend in Tier 2 Watch List Countries FY 2018–2020.  
Source: AFICC/KA (2021, p. 1).

Of the DOD’s \$66.52 billion in foreign spending during FY2018 through FY2020, \$13.1 billion were in Special Case, Tier 2 Watch List, and Tier 3 countries. This indicates that nearly 20% of the DOD’s foreign spending is at risk to human trafficking, given that it was spent in countries the DOS identifies as a higher risk. Furthermore, the analysis revealed that more than \$161million of DOD’s foreign spend was in Special Case countries from FY2018 to FY2020.

## 2. Personal Protective Equipment (PPE)

The reasoning behind analyzing PSCs 6515 (Medical and Surgical Instruments), 6532 (Hospital and Surgical Clothing and Related Special Items), and 8415 (Clothing, Special Purpose) are explained in methodology and identified in Table 3. In FY2019, the DOD awarded 531,550 contracts and completed 532,631 contract actions for a total of \$2.38 billion for PSCs 6515, 6532, and 8415. In FY2020, the DOD awarded 502,380 contracts and completed 503,608 contract actions for PPE, totaling \$4.27 billion. For FY2019 and FY2020, the DOD awarded a total of 1,033,338 contracts and completed 1,036,239 contract actions valued at \$6.66 billion for PPE. To further analyze the DOD spend, Figures 6 and 7 display FY2019 and FY2020 in heat maps, filtered by DOD agencies. Figure 8 illustrates DOD spending by PSC for FY2019 and FY2020. Figure 9 displays DOD spending by small businesses and other than small businesses for FY2019

and FY2020. Figures 10 and 11 reveal the Top 25 vendors (by dollars spent) used by the DOD for PPE in FY2019 and FY2020. Figures 6 through 11 capture the DOD spending environment for PPE in FY2019 and FY2020. All data were pulled from AFICC/KA's (2021) AFBIT Lite tool.

DOD AGENCIES AND ORGANIZATIONS	CONTRACTS	CONTRACT ACTIONS	SPEND
DEFENSE LOGISTICS AGENCY	526,420	526,749	\$ 1,955,235,856.31
DEPT OF THE ARMY	1,986	2,315	\$ 266,437,518.22
DEPT OF THE NAVY	2,017	2,341	\$ 57,547,564.25
DEFENSE HEALTH AGENCY (DHA)	355	397	\$ 54,787,677.81
DEPT OF THE AIR FORCE	701	751	\$ 45,555,374.35
U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)	32	34	\$ 4,229,064.36
WASHINGTON HEADQUARTERS SERVICES (WHS)	12	12	\$ 1,231,511.89
UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES (USUHS)	14	14	\$ 360,252.45
DEFENSE COMMISSARY AGENCY (DECA)	1	1	\$ 30,743.28
MISSILE DEFENSE AGENCY (MDA)	4	4	\$ 16,395.71
DEPT OF DEFENSE EDUCATION ACTIVITY (DODEA)	3	3	\$ (2,700.78)
DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)	5	10	\$ (23,309.60)

Figure 6. DOD FY2019 PPE Spend. Adapted from AFICC/KA (2021).

DOD AGENCIES AND ORGANIZATIONS	CONTRACTS	CONTRACT ACTIONS	SPEND
DEFENSE LOGISTICS AGENCY	498,056	498,581	\$ 3,064,354,054.83
DEPT OF THE ARMY	1,849	2,210	\$ 732,326,335.67
DEPT OF THE AIR FORCE	674	731	\$ 336,745,605.95
DEFENSE HEALTH AGENCY (DHA)	319	357	\$ 71,706,333.12
DEPT OF THE NAVY	1,390	1,624	\$ 64,797,722.44
U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)	48	48	\$ 4,902,745.62
UNIFORMED SERVICES UNIVERSITY OF THE HEALTH SCIENCES (USUHS)	7	7	\$ 512,051.77
DEFENSE COMMISSARY AGENCY (DECA)	3	3	\$ 280,579.70
DEPT OF DEFENSE EDUCATION ACTIVITY (DODEA)	4	5	\$ 172,469.37
DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)	2	3	\$ 70,943.60
MISSILE DEFENSE AGENCY (MDA)	13	13	\$ 27,096.51
WASHINGTON HEADQUARTERS SERVICES (WHS)	7	8	\$ 8,598.08
DEFENSE CONTRACT MANAGEMENT AGENCY (DCMA)	8	18	\$ (27,337.03)

Figure 7. DOD FY2020 PPE Spend. Adapted from AFICC/KA (2021).

PRODUCT AND SERVICE CODES	CONTRACTS	CONTRACT ACTIONS	SPEND
6515   MEDICAL AND SURGICAL INSTRUMENTS, EQUIPMENT, AND SUPPLIES	528,253	529,175	\$ 1,145,850,738.56
6532   HOSPITAL AND SURGICAL CLOTHING AND RELATED SPECIAL PURPOSE ITEMS	339	346	\$ 1,023,927.93
8415   CLOTHING, SPECIAL PURPOSE	2,958	3,110	\$ 1,238,531,281.76
DOD PPE PSC SPEND FY 2020			
PRODUCT AND SERVICE CODES	CONTRACTS	CONTRACT ACTIONS	SPEND
6515   MEDICAL AND SURGICAL INSTRUMENTS, EQUIPMENT, AND SUPPLIES	498,303	499,338	\$ 2,997,813,970.14
6532   HOSPITAL AND SURGICAL CLOTHING AND RELATED SPECIAL PURPOSE ITEMS	798	864	\$ 247,854,938.62
8415   CLOTHING, SPECIAL PURPOSE	3,281	3,406	\$ 1,030,208,290.87

Figure 8. DOD Spend by PPE PSCs FY2019 and FY2020. Adapted from AFICC/KA (2021).

DOD SMALL BUSINESS SPEND	CONTRACTS	CONTRACT ACTIONS	PERCENTAGE OF SPEND	SPEND
OTHER THAN SMALL BUSINESS	506,789	507,509	69%	\$ 1,646,840,503.86
SMALL BUSINESS	24,761	25,122	31%	\$ 738,565,444.39
DOD PPE SPEND BY SMALL BUSINESSES FY 2020				
DOD SMALL BUSINESS SPEND	CONTRACTS	CONTRACT ACTIONS	PERCENTAGE OF SPEND	SPEND
OTHER THAN SMALL BUSINESS	478,606	479,333	46%	\$ 1,981,286,070.87
SMALL BUSINESS	23,779	24,275	54%	\$ 2,294,591,128.76

Figure 9. DOD PPE Spend by Small Business for FY2019 and FY2020.  
Adapted from AFICC/KA (2021).

VENDORS	SPEND
CARDINAL HEALTH 200, LLC	\$ 473,076,900.52
OWENS & MINOR DISTRIBUTION, INC.	\$ 284,911,751.07
AURORA INDUSTRIES, LLC	\$ 106,960,369.78
PECKHAM VOCATIONAL INDUSTRIES, INC.	\$ 102,843,161.90
FEDERAL PRISON INDUSTRIES, INC	\$ 88,990,365.65
AMERISOURCEBERGEN DRUG CORPORATION	\$ 84,406,752.85
BETHEL INDUSTRIES, INC	\$ 78,383,343.47
TENNIER INDUSTRIES, INC.	\$ 58,870,467.74
READYONE INDUSTRIES, INC.	\$ 56,884,488.63
EXCEL GARMENT MANUFACTURING, LTD.	\$ 53,079,596.14
NATIONAL INDUSTRIES FOR THE BLIND	\$ 52,744,012.76
M M MANUFACTURING LLC	\$ 52,118,646.63
WINSTON-SALEM INDUSTRIES FOR THE BLIND, INC.	\$ 48,045,408.41
SAN ANTONIO LIGHTHOUSE FOR THE BLIND	\$ 36,959,731.62
COACHYS AND ASSOCIATES, LLC	\$ 33,733,301.43
SOUTHEASTERN KENTUCKY REHABILITATION INDUSTRIES, INC.	\$ 33,197,140.69
BLUEWATER DEFENSE, INC.	\$ 30,864,930.85
GOODWILL INDUSTRIES OF SOUTH FLORIDA, INC.	\$ 29,717,402.24
AMERICAN APPAREL, INC.	\$ 25,211,920.93
ARKANSAS LIGHTHOUSE FOR THE BLIND, INC., THE	\$ 21,558,173.40
GENTEX CORPORATION	\$ 18,550,088.07
BESTWORK INDUSTRIES FOR THE BLIND INC	\$ 18,395,116.78
PENTAQ MANUFACTURING, CORP.	\$ 18,368,501.14
S N D MANUFACTURING, LTD.	\$ 16,577,063.22
SOURCEAMERICA	\$ 16,380,753.82

Figure 10. Top 25 DOD PPE Vendors FY2019. Adapted from AFICC/KA (2021).

<b>VENDORS</b>	<b>SPEND</b>
FEDERAL RESOURCES SUPPLY COMPANY	\$ 1,048,029,119.70
CARDINAL HEALTH 200, LLC	\$ 517,280,286.87
OWENS & MINOR DISTRIBUTION, INC.	\$ 251,691,871.04
BATTELLE MEMORIAL INSTITUTE	\$ 183,195,011.20
APIJECT SYSTEMS AMERICA, INC.	\$ 138,000,000.00
GOLDBELT SECURITY LLC	\$ 125,050,000.00
AURORA INDUSTRIES, LLC	\$ 98,120,329.84
3M COMPANY	\$ 89,135,296.06
AMERISOURCEBERGEN DRUG CORPORATION	\$ 88,102,262.67
FECHHEIMER BROTHERS COMPANY, THE	\$ 87,703,003.28
W. S. DARLEY & CO.	\$ 81,195,459.63
PECKHAM VOCATIONAL INDUSTRIES, INC.	\$ 76,153,767.23
FEDERAL PRISON INDUSTRIES, INC	\$ 74,318,263.56
DUOPROSS MEDITECH CORPORATION	\$ 57,108,000.00
ATLANTIC DIVING SUPPLY, INC.	\$ 52,953,022.25
TENNIER INDUSTRIES, INC.	\$ 47,684,533.62
NATIONAL INDUSTRIES FOR THE BLIND	\$ 42,584,789.02
BETHEL INDUSTRIES, INC	\$ 36,600,797.76
GOODWILL INDUSTRIES OF SOUTH FLORIDA, INC.	\$ 30,727,094.01
WINSTON-SALEM INDUSTRIES FOR THE BLIND, INC.	\$ 29,351,711.83
READYONE INDUSTRIES, INC.	\$ 27,059,348.70
BLUEWATER DEFENSE, INC.	\$ 23,552,158.98
RENCO CORPORATION	\$ 22,400,000.00
GEN-PROBE INCORPORATED	\$ 22,303,628.86
MOLDEX-METRIC, INC.	\$ 20,128,973.83

Figure 11. Top 25 DOD PPE Vendors FY 2020. Adapted from AFICC/KA (2021).

Table 7 illustrates DOD spend in OCONUS for PPE in FY2019 and FY2020. Tables 8 through 10 visualize DOD spend in Tier 3, Tier 2 Watch List, and Special Case countries, as defined by the DOS. As displayed in Table 8, a conclusion can be made that there is a significant amount of DOD funds that are at risk to human trafficking. An additional note is the significant jump in Tier 3 PPE spend from 2019 and 2020. This is likely due to the COVID-19 pandemic; however, the fact that the increase was in Tier 3 countries is concerning.

Table 7. PPE DOD Spend (OCONUS). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	631	676	\$251.6 million
2020	679	725	\$242.6 million

Table 8. PPE DOD Spend (OCONUS Tier 3 Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	13	14	\$278,885
2020	15	17	\$5.26 million

Table 9. PPE DOD Spend (OCONUS Tier 2 Watch List Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	5	6	\$132,097
2020	16	18	\$626,653

Table 10. PPE DOD Spend (OCONUS Special Case Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	0	0	\$0
2020	4	4	\$136,650

In conclusion, the DOD spent a total of \$6.66 billion for PPE in FY2019 and FY2020. PPE is considered a COTS item, meaning it is *not* covered under the criteria for requiring a CTIP compliance from a defense contractor, which is alarming. Furthermore,

a significant gap in CTIP prevention is created with \$5.26 million spent on PPE in Tier 3 countries. Finally, due to the dramatic increase for PPE created by the COVID-19 pandemic, and a total of \$6.66 billion spent in two fiscal years, recommendations to mitigate the risk of purchasing from businesses that engage in human trafficking are provided in the next chapter. By dissecting spend data, areas that are at higher risk are discovered and can be addressed on an individual basis versus widespread changes.

### **3. Construction Services**

As identified in Table 4, there are 23 construction service PSCs examined in this spend analysis. There are additional construction service-related PSCs in the Y1, Y2, Z1, and Z2 series. Based on a review of the PSC Manual and using the fscpsc.com tool, we determined that those other construction service PSCs were out of the scope of this research.

In 2019, the DOD awarded 15,733 contracts and completed 22,788 contract actions for a total of \$18.59 billion. In 2020, the DOD awarded 16,326 contracts and completed 23,532 contract actions valued at \$23.83 billion. For FY2019 and FY2020, the DOD awarded 32,059 contracts and completed 46,320 contract actions for a total of \$42.42 billion. Figures 12 and 13 display DOD spending in construction services, by agency, for FY2019 and FY2020 in a heat map format. For FY2019 and FY2020, Figures 14 and 15 illustrate DOD spending by construction service PSC in a heat map format. Figure 16 highlights DOD construction service spending by small businesses and other than small businesses for FY2019 and FY2020. Figures 17 and 18 reveal the Top 25 vendors (by dollars spent) used by DOD for construction services in FY2019 and FY2020. Figures 12 through 18 visualize the DOD construction services environment for FY2019 and FY2020. All data were pulled from AFICC/KA's AFBIT Lite tool.

<b>DOD AGENCIES AND ORGANIZATIONS</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>SPEND</b>
DEPT OF THE ARMY	8,218	13,233	\$ 13,089,444,041.93
DEPT OF THE NAVY	4,132	5,398	\$ 3,885,500,021.27
DEPT OF THE AIR FORCE	3,207	3,902	\$ 1,520,950,490.30
WASHINGTON HEADQUARTERS SERVICES (WHS)	42	59	\$ 39,430,784.84
DEFENSE COMMISSARY AGENCY (DECA)	27	59	\$ 33,862,638.73
DEFENSE LOGISTICS AGENCY	87	110	\$ 19,315,835.89
U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)	13	13	\$ 4,029,157.61
DEFENSE INFORMATION SYSTEMS AGENCY (DISA)	1	5	\$ 878,817.60
DEFENSE THREAT REDUCTION AGENCY (DTRA)	3	4	\$ 794,715.31
MISSILE DEFENSE AGENCY (MDA)	1	1	\$ 540,167.22
DEFENSE HEALTH AGENCY (DHA)	1	2	\$ 473,770.36
DEFENSE COUNTERINTELLIGENCE AND SECURITY AGENCY	1	1	\$ 355,743.00
DEFENSE MICROELECTRONICS ACTIVITY (DMEA)	1	1	\$ 18,338.00

Figure 12. DOD FY2019 Construction Services PSC Spend. Adapted from AFICC/KA (2021).

<b>DOD AGENCIES OR ORGANIZATIONS</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>SPEND</b>
DEPT OF THE ARMY	8,346	13,370	\$ 16,256,130,892.28
DEPT OF THE NAVY	4,202	5,512	\$ 5,387,996,428.11
DEPT OF THE AIR FORCE	3,543	4,285	\$ 2,004,365,834.09
DEFENSE COMMISSARY AGENCY (DECA)	47	140	\$ 96,990,727.05
WASHINGTON HEADQUARTERS SERVICES (WHS)	82	96	\$ 59,363,330.83
DEFENSE LOGISTICS AGENCY	70	83	\$ 14,845,960.78
U.S. SPECIAL OPERATIONS COMMAND (USSOCOM)	26	28	\$ 6,128,713.44
DEFENSE THREAT REDUCTION AGENCY (DTRA)	3	4	\$ 5,309,288.91
DEFENSE COUNTERINTELLIGENCE AND SECURITY AGENCY	1	3	\$ 1,096,388.18
DEFENSE MICROELECTRONICS ACTIVITY (DMEA)	1	2	\$ 958,566.00
DEFENSE INFORMATION SYSTEMS AGENCY (DISA)	1	5	\$ 575,817.39
DEFENSE HEALTH AGENCY (DHA)	2	2	\$ 223,330.54
MISSILE DEFENSE AGENCY (MDA)	2	2	\$ 84,519.35

Figure 13. DOD FY 2020 Construction Services PSC Spend. Adapted from AFICC/KA (2021).

PRODUCT AND SERVICE CODES	CONTRACTS	CONTRACT ACTIONS	SPEND
Y1LB   CONSTRUCTION OF HIGHWAYS, ROADS, STREETS, BRIDGES, AND RAILWAYS	411	573	\$ 3,292,474,529.96
Y1JZ   CONSTRUCTION OF MISCELLANEOUS BUILDINGS	1,773	3,062	\$ 3,014,778,900.70
Y1PZ   CONSTRUCTION OF OTHER NON-BUILDING FACILITIES	664	1,297	\$ 2,465,613,750.95
Y1AZ   CONSTRUCTION OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	580	1,163	\$ 1,363,904,225.03
Y1AA   CONSTRUCTION OF OFFICE BUILDINGS	471	782	\$ 1,308,774,167.12
Z2JZ   REPAIR OR ALTERATION OF MISCELLANEOUS BUILDINGS	3,098	3,797	\$ 1,214,179,026.75
Z1JZ   MAINTENANCE OF MISCELLANEOUS BUILDINGS	698	984	\$ 866,939,030.84
Y1QA   CONSTRUCTION OF RESTORATION OF REAL PROPERTY (PUBLIC OR PRIVATE)	611	836	\$ 565,127,012.37
Z2AA   REPAIR OR ALTERATION OF OFFICE BUILDINGS	1,659	2,031	\$ 553,622,123.65
Z2PZ   REPAIR OR ALTERATION OF OTHER NON-BUILDING FACILITIES	625	795	\$ 491,247,905.96
Z2AZ   REPAIR OR ALTERATION OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	1,058	1,367	\$ 456,364,935.06
Y1DA   CONSTRUCTION OF HOSPITALS AND INFIRMARIES	44	211	\$ 383,793,458.77
Z1AZ   MAINTENANCE OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	1,113	1,508	\$ 361,980,199.20
Z1DA   MAINTENANCE OF HOSPITALS AND INFIRMARIES	418	567	\$ 326,176,103.42
Y1EB   CONSTRUCTION OF MAINTENANCE BUILDINGS	99	150	\$ 316,442,573.69
Y1EZ   CONSTRUCTION OF OTHER INDUSTRIAL BUILDINGS	154	297	\$ 285,429,553.29
Z2QA   REPAIR OR ALTERATION OF RESTORATION OF REAL PROPERTY (PUBLIC OR PRIVATE)	435	598	\$ 281,684,655.97
Z1AA   MAINTENANCE OF OFFICE BUILDINGS	903	1,123	\$ 276,803,062.99
Z2LB   REPAIR OR ALTERATION OF HIGHWAYS/ROADS/STREETS/BRIDGES/RAILWAYS	673	778	\$ 274,223,385.36
Y1CA   CONSTRUCTION OF SCHOOLS	90	281	\$ 137,740,075.24
Y1DZ   CONSTRUCTION OF OTHER HOSPITAL BUILDINGS	16	57	\$ 129,280,195.82
Z2DA   REPAIR OR ALTERATION OF HOSPITALS AND INFIRMARIES	160	290	\$ 118,753,088.17
Y1DB   CONSTRUCTION OF LABORATORIES AND CLINICS	44	241	\$ 110,262,561.75

Figure 14. DOD Spend by Construction Services PSCs FY2019. Adapted from AFICC/KA (2021).

PRODUCT AND SERVICE CODES	CONTRACTS	CONTRACT ACTIONS	SPEND
Y1JZ   CONSTRUCTION OF MISCELLANEOUS BUILDINGS	1,769	2,936	\$ 5,352,026,480.99
Y1LB   CONSTRUCTION OF HIGHWAYS, ROADS, STREETS, BRIDGES, AND RAILWAYS	435	679	\$ 4,011,420,016.49
Y1PZ   CONSTRUCTION OF OTHER NON-BUILDING FACILITIES	703	1,215	\$ 2,948,097,463.54
Z2JZ   REPAIR OR ALTERATION OF MISCELLANEOUS BUILDINGS	3,481	4,309	\$ 2,117,187,049.79
Y1AZ   CONSTRUCTION OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	621	1,271	\$ 1,757,308,883.67
Y1AA   CONSTRUCTION OF OFFICE BUILDINGS	391	657	\$ 975,468,939.03
Z2PZ   REPAIR OR ALTERATION OF OTHER NON-BUILDING FACILITIES	715	960	\$ 700,460,514.37
Y1QA   CONSTRUCTION OF RESTORATION OF REAL PROPERTY (PUBLIC OR PRIVATE)	661	894	\$ 625,325,363.42
Z2AA   REPAIR OR ALTERATION OF OFFICE BUILDINGS	1,566	1,862	\$ 590,150,658.45
Z2AZ   REPAIR OR ALTERATION OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	1,180	1,523	\$ 580,829,265.40
Z1JZ   MAINTENANCE OF MISCELLANEOUS BUILDINGS	588	872	\$ 517,626,570.16
Z2QA   REPAIR OR ALTERATION OF RESTORATION OF REAL PROPERTY (PUBLIC OR PRIVATE)	521	689	\$ 414,892,007.78
Z2DA   REPAIR OR ALTERATION OF HOSPITALS AND INFIRMARIES	156	281	\$ 409,076,161.22
Y1DA   CONSTRUCTION OF HOSPITALS AND INFIRMARIES	50	206	\$ 393,849,735.45
Y1EZ   CONSTRUCTION OF OTHER INDUSTRIAL BUILDINGS	186	344	\$ 385,727,596.46
Z1AZ   MAINTENANCE OF OTHER ADMINISTRATIVE FACILITIES AND SERVICE BUILDINGS	1,016	1,468	\$ 352,112,858.28
Z1DA   MAINTENANCE OF HOSPITALS AND INFIRMARIES	311	488	\$ 348,272,331.28
Z1AA   MAINTENANCE OF OFFICE BUILDINGS	1,082	1,288	\$ 298,556,311.11
Y1EB   CONSTRUCTION OF MAINTENANCE BUILDINGS	148	226	\$ 291,596,244.88
Y1DZ   CONSTRUCTION OF OTHER HOSPITAL BUILDINGS	18	162	\$ 232,393,529.65
Y1DB   CONSTRUCTION OF LABORATORIES AND CLINICS	48	195	\$ 219,625,905.07
Z2LB   REPAIR OR ALTERATION OF HIGHWAYS/ROADS/STREETS/BRIDGES/RAILWAYS	623	719	\$ 209,983,012.77
Y1CA   CONSTRUCTION OF SCHOOLS	87	288	\$ 102,082,847.74

Figure 15. DOD Spend by Construction Services PSCs FY2020. Adapted from AFICC/KA (2021).



<b>DOD SMALL BUSINESS SPEND</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>PERCENTAGE OF SPEND</b>	<b>SPEND</b>
OTHER THAN SMALL BUSINESS	3,804	6,992	65%	\$ 12,055,223,583.81
SMALL BUSINESS	11,929	15,796	35%	\$ 6,540,370,938.25
<b>DOD CONSTRUCTION SERVICES PSC SPEND BY SMALL BUSINESSES FY 2020</b>				
<b>DOD SMALL BUSINESS SPEND</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>PERCENTAGE OF SPEND</b>	<b>SPEND</b>
OTHER THAN SMALL BUSINESS	3,817	7,129	69%	\$ 16,438,426,922.09
SMALL BUSINESS	12,510	16,403	31%	\$ 7,395,642,824.91

Figure 16. DOD Construction Services PSC Spend by Small Business.  
Adapted from AFICC/KA (2021).

<b>VENDORS</b>	<b>SPEND</b>
SOUTHWEST VALLEY CONSTRUCTORS CO.	\$ 1,645,275,200.00
SLSCO LTD.	\$ 1,299,213,562.71
ENVIRONMENTAL CHEMICAL CORPORATION	\$ 577,978,787.87
BFBC, LLC	\$ 443,645,401.00
MCCARTHY HITT - NEXT NGA WEST JV	\$ 407,965,869.00
S. J. AMOROSO CONSTRUCTION CO., LLC	\$ 266,105,874.00
KIEWIT INFRASTRUCTURE CO.	\$ 263,530,173.59
WHITING-TURNER CONTRACTING COMPANY, THE	\$ 236,974,090.89
HARPER CONSTRUCTION COMPANY, INC.	\$ 231,232,316.81
POSILICO CIVIL INC COASTAL ENVIRONMENTAL GROUP INC A JOINT VENTURE	\$ 230,437,100.00
BARNARD CONSTRUCTION COMPANY, INCORPORATED	\$ 229,737,033.08
CLARK CONSTRUCTION GROUP, LLC	\$ 183,225,511.00
APTIM FEDERAL SERVICES, LLC	\$ 168,918,494.17
GIBRALTAR-CADDELL A JOINT VENTURE	\$ 155,271,992.00
HENSEL PHELPS CONSTRUCTION CO	\$ 148,779,189.00
BUNDESAMT FÜR BAUWESEN UND RAUMORDNUNG	\$ 137,648,291.24
J & J MAINTENANCE, INC.	\$ 126,831,935.81
J.E. DUNN CONSTRUCTION COMPANY	\$ 126,108,518.56
FEDERAL CONTRACTING, INC.	\$ 122,525,393.00
WESTON SOLUTIONS, INC.	\$ 117,862,376.21
KIEWIT INFRASTRUCTURE WEST CO.	\$ 115,843,899.00
ACC CONSTRUCTION CO., INC.	\$ 107,311,698.08
PERINI MANAGEMENT SERVICES INC	\$ 104,892,990.00
GRUNLEY CONSTRUCTION CO., INC.	\$ 100,258,612.28
RQ CONSTRUCTION, LLC	\$ 99,235,802.57

Figure 17. DOD Top 25 Construction Service Vendors FY 2019. Adapted from AFICC/KA (2021).

VENDORS	SPEND
FISHER SAND & GRAVEL CO.	\$ 2,257,138,259.48
BFBC, LLC	\$ 1,253,149,995.35
SOUTHWEST VALLEY CONSTRUCTORS CO.	\$ 1,111,856,309.06
SLSCO LTD.	\$ 800,802,077.13
BAH - ICM JV	\$ 524,416,900.00
HENSEL PHELPS CONSTRUCTION CO.	\$ 486,856,480.23
WHITING-TURNER CONTRACTING COMPANY, THE	\$ 450,738,639.00
ARCHER WESTERN FEDERAL JV	\$ 415,484,231.60
GILBANE FEDERAL	\$ 371,005,190.20
ENVIRONMENTAL CHEMICAL CORPORATION	\$ 293,593,356.86
POSILICO CIVIL INC COASTAL ENVIRONMENTAL GROUP INC A JOINT VENTURE	\$ 287,972,076.97
J & J MAINTENANCE, INC.	\$ 229,843,035.98
APTIM FEDERAL SERVICES, LLC	\$ 219,894,606.51
CONTRACK ECC LLC	\$ 208,693,090.04
SKE SUPPORT SERVICES GMBH WARBU S A PROJECT SPOLKA JAWNA	\$ 208,310,065.49
RQ CONSTRUCTION, LLC	\$ 207,872,658.93
RQ-DPR JV	\$ 207,570,666.00
MCCARTHY HITT - NEXT NGA WEST JV	\$ 203,347,178.40
RQ-WM JORDAN JV	\$ 191,120,897.00
RANDY KINDER EXCAVATING, INC.	\$ 181,810,289.60
HBP JOINT VENTURE	\$ 176,746,822.27
CLARK CONSTRUCTION GROUP, LLC	\$ 175,951,632.73
PERINI MANAGEMENT SERVICES INC	\$ 168,011,253.13
W. F. MAGANN CORPORATION	\$ 163,650,624.00
AECOM TECHNICAL SERVICES, INC.	\$ 161,945,612.65

Figure 18. DOD Top 25 Construction Vendors FY 2020. Adapted from AFICC/KA (2021).

Table 11 illustrates DOD spending in OCONUS for construction services in FY2019 and FY2020. Tables 12 through 14 provide a visual of DOD spending for construction services in Tier 3, Tier 2 Watch List, and Special Case countries, as defined by the DoS. As displayed in Tables 12 and 13, a conclusion can be made that there is a significant amount of DOD funds that are at risk to human trafficking. Furthermore, the highest spending agencies are the Departments of the Army and Navy, making them ideal candidates for further research. Given this analysis, the Departments of the Army and Navy are at a high risk to contribute to human trafficking through contracts awarded in Tier 3 and Tier 2 Watch List countries.

Table 11. Construction Services DOD Spend (OCONUS). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	3,416	4,710	\$2.87 billion
2020	3,353	4,623	\$2.88 billion

Table 12. Construction Services DOD Spend (OCONUS Tier 3 Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	85	129	\$178.67 million
2020	79	114	\$84.8 million

In FY2019, the Department of the Navy had the largest construction services contract spend at \$102 million, and the Department of the Army had the second largest at \$76.64 million.

In FY2020, the Department of the Army had the largest construction services contract spend at \$67.1 million, and the Department of the Navy had the second largest at \$17.7 million.

Table 13. Construction Services DOD Spend (OCONUS Tier 2 Watch List Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	109	138	\$38.18 million
2020	130	148	\$40 million

In FY2019, the Department of the Navy had the largest construction services contract spend at \$29.18 million, and the Department of the Army had the second largest at \$7.35 million.

In FY2020, the Department of the Navy had the largest construction services contract spend at \$29.67 million, and the Department of the Army had the second largest at \$6.40 million.

Table 14. Construction Services DOD Spend (OCONUS Special Case Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	3	0	\$703,682
2020	10	0	\$1.64 million

In conclusion, the DOD spent \$42.42 billion for construction services in FY2019 and FY2020. In total the DOD spent \$5.37 billion OCONUS on construction services, which fall under the criteria for a defense contractor to submit a CTIP compliance plan. This reveals a \$37.3 billion gap in CTIP prevention and monitoring since those construction services were performed domestically and not covered under the criteria for submitting a CTIP compliance plan. Like PPE, this leaves a significant amount of DOD spend at risk to human trafficking given that the construction services market is at risk.

#### 4. Food and Food Products

Table 5 outlines the 11 PSCs deemed appropriate for the spend analysis. In FY2019, the DOD awarded 733,216 contracts and completed 733,419 contract actions for a total of \$1.58 billion. In FY2020, the DOD awarded 699,897 contracts and completed 700,263 contract actions valued at \$1.71 billion. Thus, for FY2019 and FY2020, the DOD awarded 1,226,709 contracts and completed 1,227,206 contract actions for a total of \$3.29 billion. Figures 19 and 20 display DOD spending on food and food products by agency for FY2019 and FY2020. Figures 21 and 22 depict DOD spending by the food and food product PSCs analyzed for FY2019 and FY2020. Figure 23 illustrates DOD food and food product spending by small businesses and other than small businesses for FY2019 and FY2020. Figures 24 and 25 identify the Top 25 vendors awarded contracts for food and food products for FY2019 and FY2020. Figures 19 through 25 capture the DOD spending environment for food and food products. All data were pulled from AFICC/KA's AFBIT Lite tool.

<b>DOD AGENCIES AND ORGANIZATIONS</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>SPEND</b>
DEFENSE LOGISTICS AGENCY	732,566	732,620	\$ 1,535,833,013.52
DEPT OF THE ARMY	536	653	\$ 33,210,591.67
DEFENSE HEALTH AGENCY (DHA)	4	6	\$ 4,270,000.00
DEPT OF THE NAVY	102	129	\$ 4,249,463.48
WASHINGTON HEADQUARTERS SERVICES (WHS)	4	7	\$ 3,176,515.85
DEPT OF THE AIR FORCE	3	3	\$ 196,828.00
MISSILE DEFENSE AGENCY (MDA)	1	1	\$ 249.60

Figure 19. DOD FY 2019 Food and Food Product Spend. Adapted from AFICC/KA (2021).

<b>DOD AGENCIES AND ORGANIZATIONS</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>SPEND</b>
DEFENSE LOGISTICS AGENCY	699,236	699,374	\$ 1,670,862,315.12
DEPT OF THE ARMY	540	718	\$ 37,263,700.18
DEPT OF THE NAVY	117	166	\$ 3,198,036.27
DEFENSE HEALTH AGENCY (DHA)	2	2	\$ 200,000.00
DEPT OF THE AIR FORCE	2	3	\$ 191,279.26

Figure 20. DOD FY 2020 Food and Food Product Spend. Adapted from AFICC/KA (2021).

<b>PRODUCT AND SERVICE CODES</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>SPEND</b>
8905   MEAT, POULTRY, AND FISH	70,090	70,135	\$ 868,177,916.27
8915   FRUITS AND VEGETABLES	531,867	531,897	\$ 394,238,516.05
8910   DAIRY FOODS AND EGGS	63,708	63,709	\$ 118,952,312.69
8940   SPECIAL DIETARY FOODS AND FOOD SPECIALTY PREPARATIONS	5,706	5,747	\$ 76,010,590.05
8920   BAKERY AND CEREAL PRODUCTS	50,385	50,392	\$ 65,984,415.33
8945   FOOD, OILS AND FATS	1,475	1,523	\$ 19,754,629.94
8955   COFFEE, TEA, AND COCOA	4,409	4,411	\$ 12,363,117.67
8930   JAMS, JELLIES, AND PRESERVES	644	647	\$ 8,506,812.92
8925   SUGAR, CONFECTIONERY, AND NUTS	1,268	1,268	\$ 7,844,480.32
8950   CONDIMENTS AND RELATED PRODUCTS	3,127	3,139	\$ 7,367,075.96
8935   SOUPS AND BOUILLONS	551	551	\$ 1,736,794.92

Figure 21. DOD Spend by Food and Food Product PSCs FY 2019. Adapted from AFICC/KA (2021).

<b>PRODUCT AND SERVICE CODES</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>SPEND</b>
8905   MEAT, POULTRY, AND FISH	65,655	65,698	\$ 933,598,974.93
8915   FRUITS AND VEGETABLES	508,715	508,774	\$ 459,108,865.19
8910   DAIRY FOODS AND EGGS	60,156	60,163	\$ 119,841,027.34
8940   SPECIAL DIETARY FOODS AND FOOD SPECIALTY PREPARATIONS	6,194	6,296	\$ 79,014,371.99
8920   BAKERY AND CEREAL PRODUCTS	47,991	48,003	\$ 68,555,279.90
8945   FOOD, OILS AND FATS	1,357	1,391	\$ 15,753,432.00
8955   COFFEE, TEA, AND COCOA	3,904	3,907	\$ 14,611,176.35
8930   JAMS, JELLIES, AND PRESERVES	799	801	\$ 7,806,972.60
8950   CONDIMENTS AND RELATED PRODUCTS	3,477	3,489	\$ 5,831,801.34
8925   SUGAR, CONFECTIONERY, AND NUTS	1,214	1,216	\$ 4,973,741.58
8935   SOUPS AND BOUILLONS	525	525	\$ 2,619,687.61

Figure 22. DOD Spend by Food and Food Product PSCs FY 2020. Adapted from AFICC/KA (2021).

<b>DOD SMALL BUSINESS SPEND</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>PERCENTAGE OF SPEND</b>	<b>SPEND</b>
OTHER THAN SMALL BUSINESS	190,497	190,594	68%	\$ 1,080,875,330.10
SMALL BUSINESS	542,729	542,825	32%	\$ 500,061,332.02
<b>DOD FOOD AND FOOD PRODUCT SPEND BY SMALL BUSINESSES FY 2020</b>				
<b>DOD SMALL BUSINESS SPEND</b>	<b>CONTRACTS</b>	<b>CONTRACT ACTIONS</b>	<b>PERCENTAGE OF SPEND</b>	<b>SPEND</b>
OTHER THAN SMALL BUSINESS	192,440	192,586	70%	\$ 1,201,339,323.23
SMALL BUSINESS	507,496	507,677	30%	\$ 510,376,007.60

Figure 23. DOD Food and Food Product Spend by Small Business. Adapted from AFICC/KA (2021).

<b>VENDORS</b>	<b>SPEND</b>
US FOODS, INC.	\$ 272,710,812.35
ANHAM FZCO	\$ 236,690,637.78
VALIANT INTEGRATED SERVICES LLC	\$ 72,167,033.05
OCEAN FAIR INTERNATIONAL SHIP CHANDLEING LLC	\$ 59,543,091.65
SYSCO HAMPTON ROADS, INC.	\$ 54,855,490.93
LABATT INSTITUTIONAL SUPPLY COMPANY	\$ 47,418,895.43
EFS EBREX SARL	\$ 42,604,873.96
REINHART FOODSERVICE, L.L.C.	\$ 42,242,947.15
THEODOR WILLE INTERTRADE GMBH	\$ 41,828,757.68
COASTAL PACIFIC FOOD DISTRIBUTORS, INC.	\$ 41,557,586.29
COAST CITRUS DISTRIBUTORS	\$ 39,070,887.56
SYSCO SEATTLE, INC.	\$ 33,859,600.05
USFI, INC.	\$ 31,591,353.01
SYSCO RALEIGH, LLC	\$ 25,635,293.36
FOOD SERVICES, INC.	\$ 23,963,381.17
FORESTWOOD FARM, INC.	\$ 23,580,662.46
PACIFIC UNLIMITED INC	\$ 23,302,536.80
Y. HATA & COMPANY, LIMITED	\$ 20,586,748.41
GARGIULO, FRANK M & SON INC	\$ 19,973,539.06
ROYAL FOOD SERVICE CO., INC.	\$ 19,584,586.13
DNO, INC.	\$ 17,468,999.61
HARTFORD PROVISION COMPANY, THE	\$ 17,319,749.96
AMERIQUAL GROUP, LLC	\$ 16,388,580.00
BROTHERS PRODUCE OF DALLAS, INC.	\$ 15,478,614.92
SYSCO CENTRAL ALABAMA, INC.	\$ 15,171,974.26

Figure 24. DOD Top 25 Food and Food Product Vendors FY 2019. Adapted from AFICC/KA (2021).

<b>VENDORS</b>	<b>SPEND</b>
US FOODS, INC.	\$ 265,181,834.33
ANHAM FZCO	\$ 177,014,972.45
KGL FOOD SERVICES WLL	\$ 110,274,797.24
COASTAL PACIFIC FOOD DISTRIBUTORS, INC.	\$ 87,129,991.51
VALIANT INTEGRATED SERVICES LLC	\$ 80,389,112.26
OCEAN FAIR INTERNATIONAL SHIP CHANDLEING LLC	\$ 67,787,669.23
SYSCO HAMPTON ROADS, INC.	\$ 54,418,855.34
REINHART FOODSERVICE, L.L.C.	\$ 47,511,364.90
LABATT INSTITUTIONAL SUPPLY COMPANY	\$ 47,002,411.77
COAST CITRUS DISTRIBUTORS	\$ 46,367,147.78
PACIFIC UNLIMITED INC	\$ 35,403,039.09
EFS EBREX SARL	\$ 31,866,314.54
USFI, INC.	\$ 31,714,499.27
THEODOR WILLE INTERTRADE GMBH	\$ 31,408,721.06
PREMIER PRODUCE ONE, INC.	\$ 29,957,511.78
SYSCO SEATTLE, INC.	\$ 29,271,412.46
GARGIULO, FRANK M & SON INC	\$ 29,067,622.68
Y. HATA & COMPANY, LIMITED	\$ 25,598,607.19
FOOD SERVICES, INC.	\$ 25,004,467.53
FOSTER-CAVINNESS COMPANY, INC.	\$ 22,699,124.04
HARTFORD PROVISION COMPANY, THE	\$ 19,315,889.40
BROTHERS PRODUCE OF DALLAS, INC.	\$ 18,479,440.76
FORESTWOOD FARM, INC.	\$ 17,388,439.34
SYSCO RALEIGH, LLC	\$ 16,964,415.39
OAKES FARMS FOOD & DISTRIBUTION SERVICES, LLC	\$ 16,563,554.46

Figure 25. DOD Top 25 Food and Food Product Vendors FY 2020. Adapted from AFICC/KA (2021).

An additional analysis of PSC 8810 (Live Animals, Raised for Food) was also conducted. In FY2019 and FY2020 for PSC 8810, the DOD awarded 12 contracts and 15 contract actions for a total of \$180,224. Non-domestically, the DOD awarded five contracts and completed six contract actions for a total of \$49,326 in FY2019 and FY2020. When compared to the 11 food and products analyzed, PSC 8810 spending was insignificant and did not provide additional insight.

Table 15. Food and Food Products DOD Spend (OCONUS). Adapted from AFICC/KA (2021).

<b>Year</b>	<b>Contracts Awarded</b>	<b>Contract Actions</b>	<b>Total Spend</b>
2019	59,589	59,901	\$449.57 million
2020	61,574	61,699	\$505.66 million

Table 16. Food and Food Products DOD Spend (OCONUS Tier 3 Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	6	9	\$689
2020	0	0	\$0

Table 17. Food and Food Products DOD Spend (OCONUS Tier 2 Watch List Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	183	189	\$551,299
2020	197	198	\$247,297

Table 18. Food and Food Products DOD Spend (OCONUS Special Case Countries). Adapted from AFICC/KA (2021).

Year	Contracts Awarded	Contract Actions	Total Spend
2019	0	0	\$0
2020	0	0	\$0

For 2019 and 2020 there was less than \$1 million spent for food and food products in Tier 3, Tier 2 Watch List, and Special Case countries. In total, the DOD spent \$3.29 billion on food and food products in FY2019 and FY2020. In conclusion, like PPE, food and food products are considered COTS items and do not require a CTIP contractor compliance plan according to FAR 22.17 and FAR 52.222–50.

## B. PROGRAM EVALUATION

In addition to a spend analysis, we conducted a program evaluation of the DOD’s CTIP training for acquisitions personnel. The program evaluation categorized elements of the training related to PMR and human trafficking. The DOD CTIP training had a total of



eight pages. Only seven of the pages contained content that could be evaluated. The pages were large in content, and some contained information that fit into multiple categories. The purpose of the program evaluation was not to critique the content of the training. The program evaluation illuminated the areas of training that provided the DOD CTIP PMO a visual of how the training fits into the PMR elements. The final page was a conclusion slide and was not applicable to categorization. The reviewers of the training are the authors of this research. The results are found in Figure 26.

Pages	Categories								
	Reviewer #1			Reviewer #2			Reviewer #3		
	Prevention	Monitoring	Response	Prevention	Monitoring	Response	Prevention	Monitoring	Response
Page 1 of 8	X			X			X		
Page 2 of 8	X			X	X		X		
Page 3 of 8	X			X			X		
Page 4 of 8	X	X		X	X		X		
Page 5 of 8		X			X			X	
Page 6 of 8			X	X		X			X
Page 7 of 8	X	X		X			X		
Page 8 of 8	N/A			N/A			N/A		

Figure 26. Program Evaluation Results

## 1. Prevention

For this research, prevention is defined as stopping human trafficking from happening or arising within DOD acquisitions. These activities take place in the pre-award/award phase of the contracting process. However, prevention takes place in all phases. The CTIP training designed for DOD acquisitions, content-wise, is heavy with prevention, according to our definition. Another way to look at prevention is to be proactive in eliminating human trafficking. The prevention and proactive trend were apparent to all of us as we performed our review. Specifically, supply chains require risk management and being proactive to stop human trafficking before it happens. According to a Reciprocity (2021) article, proactive risk management is not just stopping risks, but also identifying them before occurrence to determine a strategy to avoid the risk. With that said, prevention needs to constantly evolve. Bad actors want to stay hidden, and to do so they will create mechanisms to avoid detection and take actions that preventative

measures cannot detect. Therefore, the DOD must be continuously reassessing prevention activities to disincentivize defense contractor firms from using human trafficking.

## **2. Monitoring**

Monitoring, like prevention, is a proactive approach to combating human trafficking. The monitoring activities take place during the post-award/contractor performance phase of the contract. For this research, monitoring is defined as identifying human trafficking within DOD acquisitions through a standardized process. A key to this definition is the standardized process. Standardization would mitigate confusion across acquisition functions as to what the process is for monitoring human trafficking. As we evaluated the training, two of us revealed less than three pages dedicated to monitoring, and one of us only identified one page as monitoring. Additionally, the two of us that identified three pages for monitoring also found that some of those pages also discussed prevention. We have concluded that prevention and monitoring are very closely linked, since prevention would outline the activities that monitoring would then carry out. For example, if a solicitation outlines what type of labor checks will be happening during the performance of the contract, this would be considered prevention. However, when the spot checks are carried out, it would then be considered monitoring. The same will apply in the following paragraph for response.

## **3. Response**

Response was the least identified element in the training. The training had a hyperlink to a list of contractual responses (e.g., termination, debarment, etc.). The response to human trafficking incidents is reactive, which leads to the importance of the prevention and monitoring elements. However, if prevention and monitoring fail and the response is inadequate or non-existent then the prevention and monitoring activities will lose all credibility. Prevention policy becomes an empty threat when response doesn't follow through with prosecution or other punitive actions. Without a strong response, those already engaged, but not yet discovered, in human trafficking will continue their poor business practices. Even worse, those who were dissuaded by preventative measures

to participate in human trafficking may now get involved since the benefits of human trafficking outweigh the risk of being caught.

## **C. CONCLUSION**

This chapter reviewed the results of the research that was conducted in a mixed-methods approach of a quantitative spend analysis and a qualitative program evaluation review. A top-level spend analysis from DOD-level OCONUS was outlined. The chapter also included a deep dive into the PPE, construction services, and food and food product markets. The purpose of the spend analysis and its results was to provide the DOD CTIP PMO with significant amounts of spending that are not covered under FAR 52.222–50, Combating Trafficking in Persons. Additionally, the CTIP acquisition-specific training was evaluated with a PMR lens to provide the DOD CTIP PMO with greater insight into their training in those categories. Using the results of the research, the recommendations and where to implement them are summarized in Chapter VI.

## **VI. RECOMMENDATIONS AND AREAS OF FUTURE RESEARCH**

The following recommendations are in response to the research question, “how can the DOD better leverage its acquisition workforce, sourcing expertise, and data to rigorously uphold the U.S. policy of zero-tolerance to human trafficking?” The recommendations should be first implemented in areas identified in the spend analysis and program review where the risk of human trafficking is at its highest depending on the market or location. While these recommendations are not intended to be an all-encompassing cure to human trafficking existing in DOD contracts, they are meant to increase awareness of human trafficking and provide additional control measures and tools to the DOD acquisition community. Some recommendations may have benefits outside the DOD and could be incorporated at a federal level to standardize the fight against human trafficking across numerous or even all agencies. Additionally, some recommendations may also require implementation and support above the DOD level. Lastly, as an overarching recommendation to initiate change, it is paramount that time, money, and manpower be dedicated to combating human trafficking. Without time, money, and manpower, human trafficking will continue to be an uphill fight for those committed to ending modern slavery.

The recommendations have been organized by the PMR elements to address areas in need of attention. Some of the recommendations involve changes to acquisition policy, the creation of CTIP Acquisition Representative, a Risk Model to identify where contracting agencies may be at risk to human trafficking, and the Human Trafficking Risk Dashboard prototype. To assist in ease of implementation, the recommendations also include the team’s thoughts on ease of implementation. After the PMR recommendations, we present future recommendations and a closing statement.

### **A. PREVENTION**

The following recommendations are intended to prevent defense contractor firms from engaging in human trafficking. The DOD acquisition community needs to focus on

creating a solid foundation through knowledge and resources pertaining to human trafficking. The recommendations focus on changes that, if implemented into the acquisition process, will force CTIP compliance or require additional action from contractors to fight against human trafficking.

We arrived at a few recommendations, the first being more of a step, that would be easier to implement in the near term based on meetings with the DOD CTIP PMO. First, a review of CTIP resources needs to be conducted to ensure that the most up-to-date policies are incorporated. Second, as of this paper being written, the Air Force myLearning website was absent of the DOD CTIP training for acquisitions. The DOD should add the training to myLearning for the Air Force acquisition community to have easier access to complete the training. Third, the Defense Acquisition University should add CTIP training to their curriculum—specifically, the COR lesson plans. Fourth, the *Defense Contingency Contracting Handbook* requires a refresh related to human trafficking, specifically incorporating a checklist at the back for how to prevent, monitor, and respond to human trafficking. Last, the DOD CTIP PMO should be approved to hire a DOD acquisition professional to solely consult and provide input on how to combat human trafficking through DOD contracts. A snapshot of the prevention recommendations can be seen in Table 19.

Table 19. Synopsis of Prevention Recommendations

Recommendation	Description
FAR 22.17, FAR 52.222–50, CTIP Clause	Removal of certification and compliance plan criteria Incorporating clause by full text into the contract
DOD Human Trafficking Training for Acquisition Personnel	Creating mechanisms to ensure acquisition professionals are current with required training
CTIP Acquisition Representatives	Create human trafficking-specific positions in buying agencies that are identified as high-risk
CTIP General Training Requirements	Reinstate and improve the human trafficking general awareness to all of DOD
Synergy of Efforts Across the Anti-Human Trafficking Ecosystem	Use existing human trafficking agencies as a springboard to collaborate with anti-human trafficking organizations Establish a single resource to collect data, best practices, and information regarding human trafficking

**1. FAR 22.17, FAR 52.222–50, CTIP Clause**

“The DOD in evaluation of human trafficking efforts found the mandatory clause, FAR 52.222–50, Combating Trafficking in Persons, was missing in contracts” (DOD Inspector General, 2019, p. i). FAR 22.1705(a)(1) (2021) mandates that “FAR 52.222–50 be in all solicitations and contracts.” Since the clause is required in all solicitations and contracts, and it has been found to be absent, we recommend all contract writing systems be modified to automate the inclusion of the clause into all solicitations and contracts. Additionally, the contract writing system should have a fail-safe check to ensure the clause is present before approval and release of the solicitation or contract. One final recommendation regarding the mandatory clause is to change the FAR Matrix from the clause being incorporated by reference to being full text in the solicitation or contract. To pursue zero-tolerance, requiring the clause and its content to be written in full text to the contract versus incorporated by reference increases the opportunity for contract stakeholders to read not only the DOD’s, and the USG’s, stance on human trafficking, but also the requirements of the company under contract. Therefore, automating the inclusion of the clause by full text into the contract should mitigate the risk of skimming

and the clause not being read by all interested parties. This recommendation would require approval above the DOD, since it is mandated by the FAR, making it a requirement for all federal agencies. Mandating this change across not only the DOD but all federal agencies would guarantee that each contract written by the USG no longer be absent of the mandatory control measures put into place to combat human trafficking through acquisitions. Finally, it would eliminate all rational alibis from contractors stating they were not aware of their responsibilities.

FAR 22.1703(c)(1) and FAR 52.222–50(h) provide the criteria for when contractors need to submit a certification and compliance plan. The prescription and clause state that the certification and compliance must be submitted prior to award, if “any portion of the contract or subcontracts are for supplies (other than COTS items) acquired outside of the United States, or services to be performed outside the United States AND with an estimated valued exceeding \$550,000” (FAR 22.17, 2021). FAR 22.1705(b) prescribes the inclusion of FAR 52.222–56, Certification Regarding Trafficking in Persons Compliance Plan clause, “in all solicitations that are greater than \$550,000 performed outside of the United States, and not entirely for COTS items” (FAR 22.17, 2021).

Aside from a policy blanketly prohibiting defense contractors from engaging in human trafficking, the previously mentioned compliance plan is the only artifact, per contract terms and conditions, required for contractors to provide regarding human trafficking. According to the requirements for submitting a plan, a spend analysis of DOD spend in construction services (\$42.4 billion in 2019 and 2020) revealed that only \$5.3 billion of that \$42.4 billion was performed outside of the United States, leaving \$37.1 billion in construction services spend without a certification and compliance plan. While these amounts do not inherently reveal that the DOD spent \$37.1 billion on human trafficking, the amount of spending highlights that the current requirements leave a significant amount of DOD spending in a market category known to be at high risk for human trafficking without a certification or compliance plan.

An additional inadequacy of the clause was found in the analysis of PPE procurement. In 2019 and 2020 the DOD spent \$6.6 billion on three PSCs that were

found to represent PPE. According to an article in the *Journal of General Medicine*, 90% of N95 masks are imported from China (He et al., 2021). China is a Tier 3 country according to the DOS. However, since PPE is classified as a COTS item, that \$6.6 billion would not require a contractor certification or compliance plan. Unlike construction services, where a significant amount of DOD spend was not covered, the DOD's entire PPE spend portfolio does not require the contractor to provide a certification and compliance for their contract or sub-contracts. Again, this research is not saying that \$6.6 billion is being used to fund human trafficking, but what it is saying is that given current requirements for contractor certification and compliance plans, it is at greater risk.

Last, to further protect U.S. tax dollars from human trafficking, we recommend removing the place of performance and other than COTS criteria as a requirement for certification and a compliance plan. The United States is not immune to human trafficking; in fact, the Polaris Project, an anti-human trafficking nonprofit organization committed to eliminating slavery, has worked on thousands of human trafficking incidents that happened within the United States (Polaris Project, 2021). Additionally, our research did not reveal that commercial items were at less risk to human trafficking than other than COTS items were. Ultimately, we recommend that a certification and compliance plan be required by all defense contractors. Implementing this recommendation would take a significant amount of attention and support to correct FAR 22.1703 and 52.222–50. We strongly recommended this change given the amount of money the current criteria leaves exposed to human trafficking risk given that a certification and compliance plan is not required.

## **2. DOD Human Trafficking Training for Acquisition Personnel**

Acquisition-specific human trafficking training is required per DOD Instruction 2200.01 to be taken every 3 years after initial training. While we did not confirm whether this was happening, we do recommend that a drastic control measure be taken into consideration: that acquisition personnel be locked out of their contract writing system should they lapse on training. DOD Cyber Awareness training is mandatory for all DOD employees. In fact, if not taken a DOD employee will not be able to login to their



workstation until they are current on their training. The research team recommends completing the DOD CTIP acquisition training as a prerequisite for logging into acquisition-specific platforms. Across the DOD exist numerous contract writing systems. The Air Force currently has three systems but is working toward one, Contracting Information Technology (CON-IT). As an example, we recommend a countermeasure in place that requires users to be current on the DOD CTIP acquisition training to log in to CON-IT. Essentially, if users are not current, they cannot do their job. Restricting access would quickly gain the attention of leadership if their employees were not able to create solicitations and award contracts. Additionally, the link to the training should be provided in the warning message.

While the above recommendation solves the issue of contract writing system users being overdue on training, it does not solve it for the other functions of the acquisition process (i.e., auditors, program managers, engineers, contracting officer representatives, etc.). Another contract writing system recommendation is to create a function in the system that records all members of the acquisition team and their training status. Without all members of the team being current on training, certificates should be provided with the requirements documents and prior to any member joining the acquisition team. Without all members of the acquisition team current on training, a contract would not be awarded or modified.

We acknowledge this action does not inherently solve the issue of human trafficking on DOD contracts, but it does take a step in the right direction of ensuring that every stakeholder of the contract has been trained. To complete the training recommendation, we suggest the contractor be required to take the training as well as any subcontractors. Another recommended change to the contract writing system is to require certificates and training dates of all parties involved in the contract to be uploaded and tracked within the system. Lapses in training could result in payments being delayed to defense contractors until they are compliant. We recognize this could lead to the contractor billing for training hours as a direct cost but argue it's a small price to pay to pursue a zero-tolerance to human trafficking.

Parts of this recommendation should be easy, for example, requiring contract specialists and contracting officers to be current on training prior to logging into a contract writing system. However, we acknowledge it would take adequate funding, time, and manpower to code these fail-safe control mechanisms into the systems. However, to pursue a zero-tolerance policy, a first step needs to ensure that the mandatory training intended to educate those who have the best possible chance at combating human trafficking is happening.

### **3. CTIP Acquisition Representatives**

The OMB's 2019, Anti Trafficking Risk Management Best Practices & Mitigation considerations identified in Program-Related Activities that agencies designate an Agency TIP Expert (ATE) and in contracting-related activities designates a Procurement TIP point of contact (Weichert, 2019). We further recommend the establishment of CTIP Acquisitions Representatives within all procurement agencies where contracting and acquisition activities are conducted, specifically in buying agencies that establish contracts in Special Case, Tier 2 Watch List, and Tier 3 countries.

Additionally, the CTIP Acquisition Representative's contact information should be added to the contract, whether directly into a special clause or at a minimum in the distribution statement. Duties would include, but not be limited to, ensuring members of the organization are current on training, querying contracts to ensure proper clauses are in place, conducting spend analysis at a macro level and comparing with high-risk areas and markets, establishing relationships on base to further raise CTIP awareness, and attending DOD CTIP PMO task force meetings as well as any other human trafficking-related meetings and opportunities. The representative would also be present in contract meetings such as the request for proposal (RFP) kick-off meeting and the post-award conference, as available. Other events where CTIP expertise would be critical are industry days, site visits, and program management reviews. Ultimately, the CTIP Acquisition Representative would increase awareness by ensuring activities are using all tools available in the areas of PMR to pursue a zero-tolerance to human trafficking on all DOD contracts.

Creating an additional duty position could prove to be difficult given that many acquisition organizations might argue they do not have the manpower. So, while this may be the case, we recommend establishing this position, initially, in areas where a significant amount of spending is found in Tier 3 countries and in a market that is known for engaging in human trafficking. For example, if a buying agency is heavily engaged in textiles from China or other Tier 3 countries, that buying office would be required to create and staff the CTIP Acquisition Representative position.

#### **4. CTIP General Training Requirements**

Regarding the CTIP General Awareness training, we recommend the training revert to an annual or recurring basis as opposed to initial entry for the DOD military and civilian member workforce. The training must be documented, and be included as part of the mandatory ancillary training required by all DOD members. Requiring recurring training aligns with the current NSS and EO 14017 in building resilient supply chains. The recurring training will increase awareness across DOD through exposure to the problem of human trafficking. While the focus of this paper was to leverage the DOD acquisition workforce, at any time a non-acquisition DOD member could be part of the acquisition process, possibly as a COR or source selection team member. Additionally, every member of the DOD benefits from, uses, or receives service from the acquisition process. Creating an educated DOD will further train the eyes and ears of those that have the greatest advantage in using the PMR elements to minimize human trafficking.

The above recommendation was presented to the DOD CTIP PMO. The DOD CTIP PMO provided background information as to why the CTIP general awareness training was no longer required regularly after new DOD employees received their initial training.

The decision was based on a Congressional hearing and a GAO report to reduce some of the mandatory training. The services were concerned about being inundated with annual repetitive training. The DOD developed a Common Military Working Group to evaluate all mandatory training. The CTIP general awareness training's recurring requirement was removed. A Status of Forces Survey found that more than 90% of DOD members that took the survey understood human trafficking, how to

recognize it, and how to report it. (Department of Defense Combating Trafficking in Persons Program Management Office [DOD CTIP PMO], L. Dixon, Program Manager, personal communication, October 13, 2021)

As a counterargument to the above, we feel that without some sort of recurring training that 90% figure would decrease over time. While we understand the services issue with the amount of mandatory training, we counter with the zero-tolerance policy. We counter even further with the question of if 90% of members understanding trafficking in persons is that even in line with a zero-tolerance policy. If there are members of the DOD that are only trained at initial entry, then there needs to be another mechanism in place to keep the force updated with changes, data, and new policies to combat human trafficking. As the DOD matures how it prevents, monitors, and responds to human trafficking, training will need to be updated, and not having a recurring training requirement will leave much of the DOD workforce unaware to these changes. We acknowledge that the training may need improvement in content or delivery, but if the DOD workforce is not routinely trained, reminded, and made aware of human trafficking, in general, or within DOD acquisitions, then a zero-tolerance policy becomes unachievable and, therefore, irrelevant. Additionally, since it is near unfathomable to grasp the magnitude of human trafficking, in DOD or not, a stance on training is difficult to make given that it is hard to know how many cases are or are not prevented. Simply being aware of what human trafficking is should not be the standard for determining whether or not training is necessary. So, we conclude that until it can be determined that general training is not preventing human trafficking cases from occurring, we recommend it be reinstated on a recurring basis.

## **5. Synergy of Efforts Across the Anti-Human Trafficking Ecosystem**

Through our research, we discovered a stove-piping of information throughout the anti-human trafficking effort, whether it be government agencies (local, state, and federal) or civilian efforts. We recommend a mechanism or organization that is responsible for bringing together all that are involved in combating human trafficking; initially, this could be done through a website or annual symposium. Currently, the DOS hosts a quarterly Senior Policy Operating Group (SPOG), which consists of federal

agencies focused on combating human trafficking. The SPOG could be the foundation and springboard to creating an even larger group that involved all in the fight. As an example, the U.S. Customs and Border Patrol (CBP) seizes cargo from vendors that are involved in human trafficking. A list of these shipments and vendors needs to be shared across all agencies and a list developed to ensure that contracts are not awarded to companies that have been flagged by CBP.

Another opportunity to expand and grow the fight against human trafficking is with the PITF. We recommend the task force to continue their expansion and innovation toward “interagency processes and procedures to collect and organize data, including but not limited to significant research and resource information on domestic and international trafficking as outlined in the TVPA” (TVPA, 2000, sec. 105). Furthermore, PITF must seek stronger synergy between the city, tribal, county, state, region, national and international levels through human trafficking prevention, human trafficking prosecution, and supporting human trafficking victims (TVPA, 2000). The synergistic efforts should also consist of collaborations between countries from all levels of the supply chain. The collaborations should also result in memorandums of agreements and understandings in assisting displaced victims who do not have a country or home (TVPA, 2000). Finally, beyond geographic coordination efforts, the task force must continue to strengthen their engagement and fight for advocacy within the government and with non-governmental organizations to advance the purpose of combating human trafficking (TVPA, 2000).

## **B. MONITORING**

Recommendations in the monitoring element of combating human trafficking fall into the post-award/contractor management phases of the contracting process. The purpose of monitoring is not to be focused directly on finding human trafficking, but on increasing awareness when conducting contract surveillance activities already in place. Table 8 provides an overview of topics covered in the monitoring subchapter of recommendations.

Table 20. Synopsis of Monitoring Recommendations

Recommendation	Description
The Contracting Officer Representative (COR)	<p>Add human trafficking-focused questions into site surveys and labor checks that could identify red flags</p> <p>Allow CORs to conduct labor checks at the subcontractor level</p>
Risk Model	Require buying agencies to build a human trafficking risk model on an annual basis
Human Trafficking Risk Dashboard	The prototype expedites the ability to conduct a spend analysis as it relates to DOS country tier list, amount of spend, and at-risk markets (by PSC and the North American Industry Classification System [NAICS])
Installation Access With Labor-Monitoring Mechanism	Involve the contracting office in the vetting process of defense contractor employees when entering DOD installations

**1. The Contracting Officer Representative (COR)**

The COR is considered the “eyes and ears” of the contracting officer. CORs are nominated by their leadership and then appointed by the contracting officer. CORs are well versed in the requirement and have routine interaction with the contractor and its employees. Aside from functions outside of the daily monitoring of a contract life cycle, we contend that the COR is the single most important person to monitor contractor behavior for signs of human trafficking.

Establishing a standardized process and schedule for addressing the performance of a contract would greatly increase a COR’s interaction with the contractor. Additionally, this process would include human trafficking-specific questions to conduct during site surveys and/or labor checks that would assist in identifying human trafficking indicators. The form or application used to conduct these checks would need to be submitted via a website and automatically trigger the appropriate agencies should any

question indicate human trafficking is present. For example, if an employee was asked if they had possession of their passport, and the answer was no, their employer possessed it, an automatic red flag would be triggered and instantly sent to authorities to initiate an investigation.

A significant effort would be needed to develop and release the standardized process and schedule via an application but given the plethora of attention on modernizing the acquisition process and improving supply chains, now is the perfect time to develop an application. Additional automated functions could include required questions related to human trafficking that must be answered satisfactorily before contract payment is approved and a section in the Contractor Performance Assessment Reporting System (CPARS) that requires human trafficking indicators to be considered. Essentially, we recommend that human trafficking considerations should be implemented into existing activities, specifically related to the COR's duties, to increase human trafficking awareness and identify potential indicators. Identifying a single human trafficking indicator may be difficult, but reviewing documentation on numerous responses to questions may reveal human trafficking over time.

A final component to this recommendation is to allow contract performance monitoring activities beyond the prime and to the subcontractor levels. Doing so would require prime contractors to maintain an updated list of all their subcontractors and suppliers. While it is the prime contractor's responsibility to monitor subcontractor performance, the DOD must ensure that taxpayer dollars are not used for human trafficking. Enabling CORs and contracting officers to conduct site visits at the subcontractor levels would create a disincentive for subcontractors and suppliers to engage in human trafficking. This transparency would reinforce to the prime contractor that they are liable for their subcontractors' and suppliers' actions while in the performance of their contractual obligations. This recommendation is two-fold: first, allow the COR visibility into the prime contractor's supply chain while also conducting surveillances below the prime; second, require the prime contractor to maintain an up-to-date list of all sub-contractors and suppliers. We recognize this is a costly activity, so we

recommend using the next recommendation (Risk Model), as a way to inform and prioritize due to resource constraints.

## **2. Risk Model**

Another mechanism to identify areas where DOD spend may be at risk to human trafficking is to require the CTIP Acquisition Representative (if implemented) to create a risk model of their respective agencies spend. If the CTIP Acquisition Representative is not an option, then we suggest someone in the agency that is comfortable with data analytics. The risk model would be visualized by a two-by-two chart with four sections and would need to be readdressed annually. A template is displayed in Figure 27.

The horizontal axis would be market as outlined by the DOS or any other official agency that categorizes areas at risk for human trafficking by market. The vertical axis would be the amount spent in that category. The bottom left quadrant would be for markets that are at low risk to human trafficking and a low amount of spending. The bottom right quadrant would be for markets that are at high risk to human trafficking but the amount of spend in those markets is relatively low. The top left quadrant is for markets that are at low risk for human trafficking but have a significant amount of spending in those markets. Last, the top right quadrant is for markets that are at risk of human trafficking and have a significant amount of spending in those markets. Another element to establishing the chart could be the country tiers. For example, any spend, regardless of amount or market, going to a Tier 3 country would automatically be placed in the top right quadrant. A template of the risk model is displayed in Figure 27.



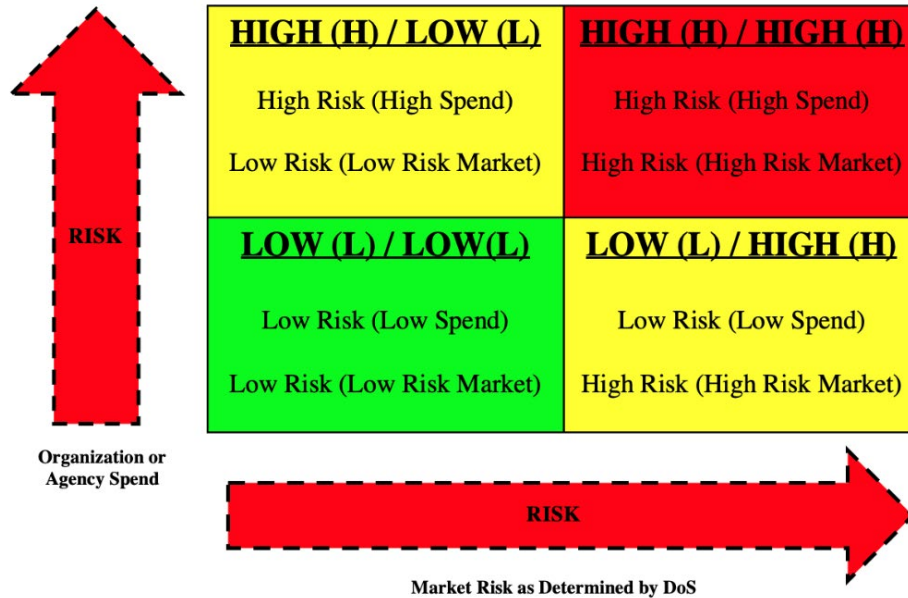


Figure 27. Risk Model Template

We recommend the use of spend rationalization as a means to determine which spend areas (i.e., PSCs) are the highest risk based on their relative percentage of total spend across the agency’s portfolio. The highest amounts of spending would fall into the upper half of the chart, and the lower amounts of spending would fall into the lower half of the chart. Contracts that fall into the lower half of the chart are not to be viewed as absent of human trafficking; instead, because the amount of spending is lower the risk is lower. Another way to determine spend risk is to establish a dollar figure. The spend risk determination should be done by researching the geographic locations of the spend and partnering with other agencies to determine a dollar value where risk has a cutoff between high and low. While this chart would be subjective, it would identify areas where a buying activity should concentrate anti-human trafficking mechanisms. The risk model can be created at any agency; it would require leadership buy-in to put someone to the task. The risk model charts could be up channeled to installations, MAJCOMs, and then to the DOD CTIP PMO to gain insight into the offices, bases, and MAJCOMs that are at most risk to conducting business in markets or regions where human trafficking is prevalent. Compiling risk models would create an agency-wide snapshot of where the DOD is at most risk of funds going to human trafficking.

### 3. Human Trafficking Risk Dashboard

As a result of the spend analysis conducted, we have created a revolutionary way to monitor areas that are at risk to human trafficking based on the DOS country tier list, amount of spend, and at-risk markets (by PSC and the North American Industry Classification System [NAICS]). The Human Trafficking Risk Dashboard prototype was designed to be user-friendly and carry a small administrative burden. It is not reasonable to expect contracting personnel to conduct a spend analysis prior to every new contract being awarded. As a starting point, we used AFBIT Lite and Microsoft PowerPoint to create a rough basic desired output, which can be seen in Figure 28.

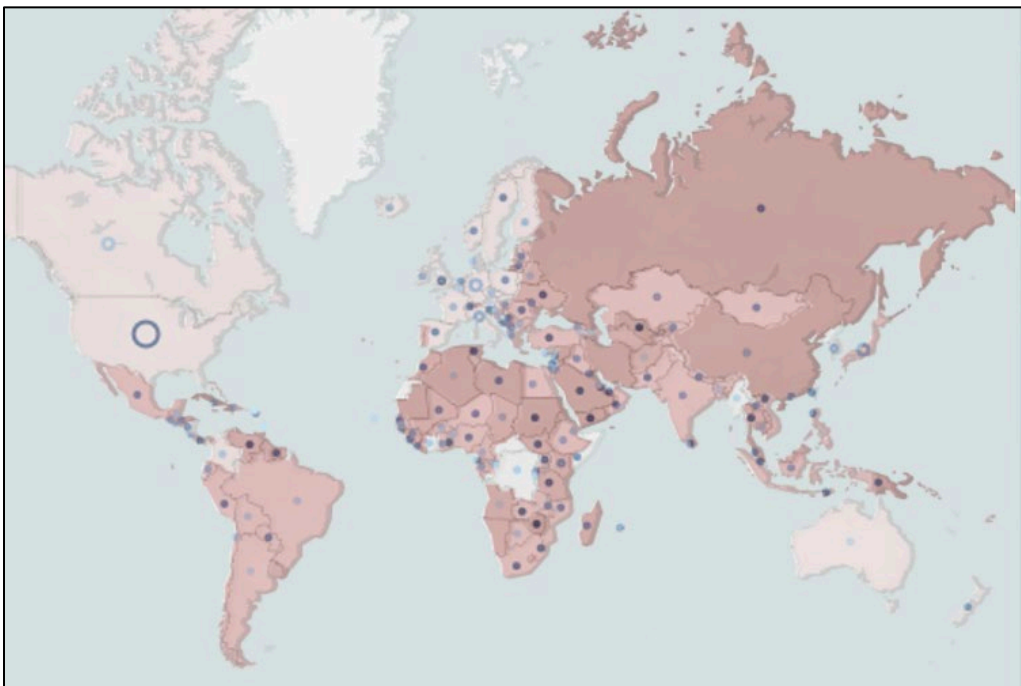


Figure 28. Initial Map of DOD Spend and Country Tiers. Adapted from AFICC/KA (2021) and Khazan (2013).

Figure 28 displays the tiers of countries, and the darker the shade of red, the higher the risk category. The tier map was overlapped with a map of DOD OCONUS spending. Since this map was created on PowerPoint, it is not interactive. However, we have partnered with the administrators of AFBIT Lite, AFICC/KA, and were able to

create the Human Trafficking Risk Dashboard prototype that aligns spending with country tiers instantly. AFICC/KA used a spreadsheet outlying all the countries from the 2020 DOS TIP report according to the countries' assigned tier to map the amount of spend to the tier of the country. An example of the new dashboard can be seen in Figure 29.

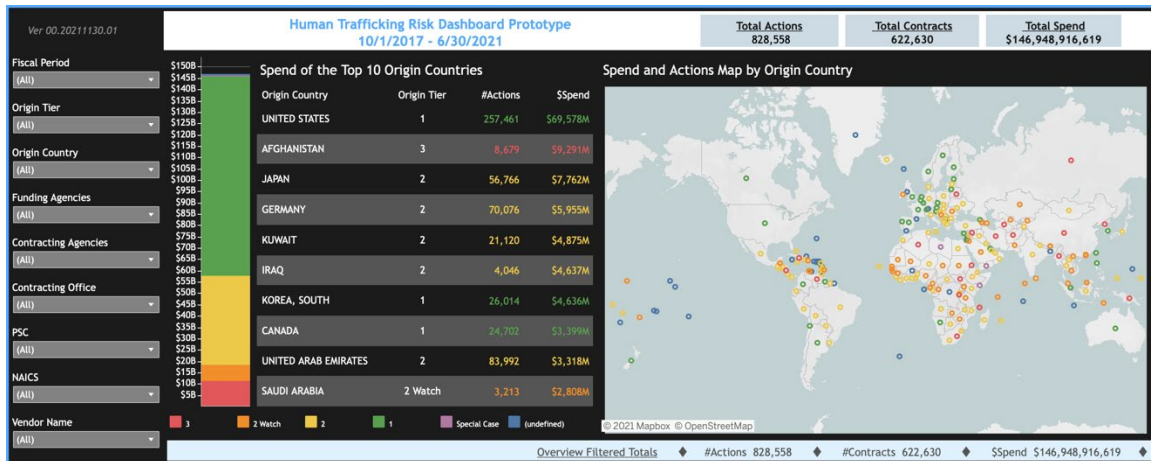


Figure 29. Human Trafficking Risk Dashboard Prototype Homepage Screenshot. Source: AFICC/KA (2021, p. 1).

With the initial prototype of the Human Trafficking Risk Dashboard completed by AFICC/KA, it is the intent to hand over administrator rights to the DOD CTIP PMO or another interested agency. The dashboard will quickly enable users to identify amounts of spend by country tier, what contracting agencies are at most risk of doing business in regions known for human trafficking, and contractors that are at most risk to human trafficking based on region. A limitation of the prototype is that the spend data are only captured at the prime level. If subcontractor data are ever captured, we recommend the dashboard be updated to reflect subcontractor spend data as well. Additionally, the dashboard would need to be updated as the DOS updates its list of tiers. The dashboard alleviates having to manually conduct a spend analysis as we did earlier, saving time and minimizing the risk of incorrectly entering information used to make decisions and illuminate trends.

The full benefit of this tool cannot currently be realized. Some of the potential uses are for DOD CTIP PMO to be able to visualize and conduct compliance checks with agencies that have significant spend in high-risk areas during market research to ensure identification of shifting spend from Tier 3 countries. The dashboard also acts as a one-stop-shop for leadership to identify where funds are going to potential human trafficking risks.

Pending issues of releasing spend information to the public, a public version should be created to allow the American taxpayer to see where their dollars are going. The dashboard could be part of a widespread public education campaign to provide taxpayers further insight into the spending of their elected leaders. Ultimately, the prototype is being designed with many potential advantages that may not be known at the time of this research and its creation; however, the intent is for it to be used to increase visibility into spend and create a user-friendly interface to enable quick access to spend analysis data.

#### **4. Installation Access with Labor Monitoring Mechanism**

To increase anti-human trafficking opportunities to communities surrounding DOD installations, specifically OCONUS, we recommend that random and subtle questions related to human trafficking activity be created and asked at entry control points (ECP). We recommend a standard ECP process be created and implemented across all DOD installations. Since the DOD hires local nationals through contracts, these employees need to be vetted onto the installation before the start of employment. During the vetting process, an opportunity is available to screen each employee for potential human trafficking indicators. Entry controllers would randomly ask questions to those accessing the base, and if an indicator were identified the COR would be notified. Notification to the COR would also trigger the contracting officer and law enforcement agencies such as the Air Force Office of Special Investigations or the Army Criminal Investigations Division to respond. If the indicator were substantiated the Contracting Officer would initiate contracting response mechanisms.

### C. RESPONSE

Through our research, we discovered that response mechanisms are primarily conducted by law enforcement agencies and typically exist outside of the acquisition community. We still generated a few recommendations; however, the implementation of the response recommendations will require more research.

Table 21. Synopsis of Response Recommendations

<b>Recommendation</b>	<b>Description</b>
Increase interaction with all agencies tasked to respond to human trafficking	Assemble DOD and non-DOD agencies to increase cross-pollination
A single CTIP platform	Create a single platform for the acquisition workforce to report CTIP identifiers
Victim responsibility	Convicted contractors be required to provide restitution to CTIP victims

The first recommendation is to increase interaction with the agencies tasked to respond to human trafficking claims. There are numerous agencies within the DOD and outside the DOD that can be leveraged to fight against human trafficking; increasing communication with these agencies and the acquisition community should further the buy-in to combating human trafficking. Communication allows the responding agencies to highlight areas that acquisition professionals can be aware of and document best practices. Additionally, should a human trafficking notification be substantiated, the acquisition personnel involved gain insight into processes that helped or could be improved in the prosecution process. To link the rift between law enforcement agencies and acquisition personnel, we recommend that human trafficking scenarios be included in built-in training and exercises and tested during inspections. For example, during base-wide deployment exercises, the contracting activity should be required to receive exercise injects that relate to human trafficking and DOD contracts. A potential scenario could require the participants to build a risk model using exercise spend data designed to reveal a potential risk area for human trafficking in the exercise deployed contracting office. These exercises would involve

working with response agencies and further developing mechanisms designed to prevent, monitor, and respond to human trafficking.

A second recommendation is to create a single platform for all agencies to use when reporting human trafficking indicators. While ensuring the entire acquisition community is fully trained, having an easy, heavily advertised location for members to go to should they suspect human trafficking would be helpful to eliminate any question to reporting. When procedures to reporting potential human trafficking violations are unclear or difficult, potential whistleblowers may be dissuaded to report since they do not know-how.

Last, we recommend that a convicted contractor be held liable to the victims. Contracting has a particular skill that allows contractors to determine the value of things that are difficult to price out, giving them buy-in to establish a dollar figure or program designed to rehabilitate the victim(s). Restitution doesn't necessarily mean money to the victims; instead, something similar to what LS&CO did in Bangladesh may be acceptable. By providing child laborers an education while still allowing them to work, LS&CO strengthened their supply chains and the community as opposed to requiring that the children be fired and potentially further exploited elsewhere (Donaldson, 1996). Enforcing restitution would most likely be the result of a court course and would occur outside of the responsibility of the acquisition workforce. However, involving the buying agency to assist in creating a dollar figure owed to the victim(s), should that be the verdict, will inherently raise awareness in the acquisition community and develop lessons learned to combat such an atrocity through DOD procurement.

#### **D. FUTURE AREAS OF RESEARCH AND CONCLUSION**

The research in this paper primarily focused on the DOD. Opportunities for further research would include conducting spend analyses on other federal agencies to gain further insight into where taxpayer dollars are going. Additionally, only three markets in the DOD were analyzed, another area to dig deeper in would be other markets that are known for human trafficking, such as textiles or rare earth materials.

Another area to examine would be where contractors are getting raw materials from. Currently, there is no mechanism to track how raw materials are turned into DOD capability,

yet it is known that non-domestic raw materials are at risk for human trafficking. We suggest gaining permission and requiring a defense industry contractor to trace final products to where the raw materials were sourced. Doing so may not reveal human trafficking, but it could assist in creating a mechanism to quickly map where raw materials are originating and what the labor standards are in those places. After the impacts of COVID-19 and other supply chain disruptions, the federal government is making large investments in improving supply chain visibility and traceability. This is a prime opportunity to leverage that level of insight to increase the PMR capabilities of our federal government and truly move towards zero-tolerance.

The spend analysis conducted in this research used PSCs in an attempt to align markets outlined as high risk to human trafficking. We recommend doing the same with NAICS. Using both codes would provide a more detailed analysis to drill down into markets to determine the most at-risk areas of spending on human trafficking, since what a firm does (NAICS) versus what it simply sells (PSC) make it risky. Comparing results of a spend analysis by PSC with a spend analysis by NAICS would create a more robust visualization of where human trafficking may be occurring.

The question we aimed to answer was, how can the DOD better leverage its acquisition workforce, sourcing expertise, and data to rigorously uphold U.S. policy of zero-tolerance to human trafficking? Given the policy of zero-tolerance, we intended to perform an analysis of DOD spending to shed light on areas that may be at a higher risk of human trafficking in the performance of DOD contracts. We categorized activities to combat human trafficking into three elements: prevention, monitoring, and response. This categorization of anti-trafficking activities was used throughout the paper to better organize what has been done, what is being done, and what can be done in the future to pursue meeting a zero-tolerance policy to human trafficking. Recommendations were also provided in the context of PMR to identify where recommendations can be put into place in areas that may be lacking one of three elements. This research intended to provide the DOD CTIP PMO and the DOD with tools, visualizations, and recommendations to further strengthen the responsibility it has to the U.S. taxpayers to spend their dollars morally and ethically.

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