

**Suspend the Rules and Pass the Bill, H. R. 400, With an Amendment**

**(The amendment strikes all after the enacting clause and inserts a new text)**

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 400

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

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2015

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

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## A BILL

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

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

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

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

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

20 (3) A January 2011 report of the Office of the  
21 Inspector General for the Department of State,  
22 while it found no evidence of direct coercion by con-  
23 tractors, found that a significant majority of their  
24 foreign workers in certain Middle East countries re-  
25 ported paying substantial fees to recruiters that, ac-  
26 cording to the Inspector General, “effectively re-

1       sulted in debt bondage at their destinations”. Ap-  
2       proximately one-half of the workers were charged re-  
3       cruitment fees equaling more than six months’ sal-  
4       ary. More than a quarter of the workers reported  
5       fees greater than one year’s salary and, in some of  
6       those cases, fees that could not be paid off in two  
7       years, the standard length of a contract.

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

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

22              (6) Of the three agencies addressed in the GAO  
23       report, only the Department of Defense expressly  
24       concurred with GAO’s definitional recommendation  
25       and committed to defining recruitment fees and to

1 incorporating that definition in its acquisition regu-  
2 lations as necessary.

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

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

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

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

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

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

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

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

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

9           (3) A description of actions taken during the  
10          180-day period preceding the date of submission of  
11          the report and planned to be taken during the one-  
12          year period following the date of submission of the  
13          report to better ensure that officials responsible for  
14          grants, contracts, and cooperative agreements and  
15          contracting practices include the prevention of traf-  
16          ficking in persons in plans and processes to monitor  
17          such grants, contracts, and cooperative agreements  
18          and contracting practices.

19          (d) APPROPRIATE COMMITTEES OF CONGRESS.—In  
20          this section, the term “appropriate committees of Con-  
21          gress” means the Committee on Foreign Affairs of the  
22          House of Representatives and the Committee on Foreign  
23          Relations of the Senate.

1 **SEC. 4. DEFINITION.**

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