

Why GAO Did This Study

Since the 1990s, there have been allegations of abuse of foreign workers on U.S. government contracts overseas, including allegations of TIP. In 2002, the United States adopted a zero tolerance policy on TIP regarding U.S. government employees and contractors abroad and began requiring the inclusion of this policy in all contracts in 2007. Such policy is important because the government relies on contractors that employ foreign workers in countries where, according to State, they may be vulnerable to abuse.

GAO was mandated to report on the use of foreign workers. This report examines (1) policies and guidance governing the recruitment of foreign workers and the fees these workers may pay to secure work on U.S. government contracts overseas and (2) agencies' monitoring of contractor efforts to combat TIP. GAO reviewed a nongeneralizable sample of 11 contracts awarded by DOD, State, and USAID, composing nearly one-third of all reported foreign workers on contracts awarded by these agencies at the end of fiscal year 2013. GAO interviewed agency officials and contractors about labor practices and oversight activities on these contracts.

What GAO Recommends

GAO recommends that agencies (1) develop a more precise definition of recruitment fees and (2) ensure that contract monitoring specifically includes TIP. DOD concurred with the first recommendation, while State and USAID noted that forthcoming regulations would prohibit all recruitment fees. Agencies concurred with the second recommendation.

View [GAO-15-102](#). For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

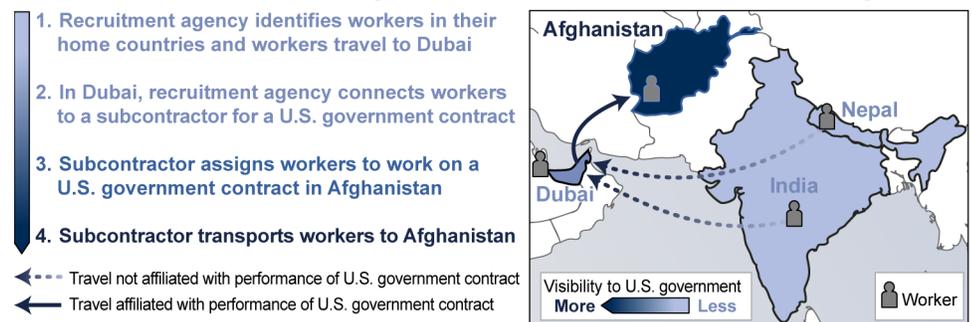
HUMAN TRAFFICKING

Oversight of Contractors' Use of Foreign Workers in High-Risk Environments Needs to Be Strengthened

What GAO Found

Current policies and guidance governing the payment of recruitment fees by foreign workers on certain U.S. government contracts do not provide clear instructions to agencies or contractors regarding the components or amounts of permissible fees related to recruitment. GAO found that some foreign workers—individuals who are not citizens of the United States or the host country—had reported paying for their jobs. Such recruitment fees can lead to various abuses related to trafficking in persons (TIP), such as debt bondage. For example, on the contract employing the largest number of foreign workers in its sample, GAO found that more than 1,900 foreign workers reported paying fees for their jobs, including to recruitment agencies used by a subcontractor. According to the subcontractor, these fees were likely paid to a recruiter who assisted foreign workers with transportation to and housing in Dubai before they were hired to work on the contract in Afghanistan (see figure). Some Department of Defense (DOD) contracting officials GAO interviewed said that such fees may be reasonable. DOD, the Department of State (State), and the U.S. Agency for International Development (USAID) have developed policy and guidance for certain contracts addressing recruitment fees in different ways. However, these agencies do not specify what components or amounts of recruitment fees are considered permissible, limiting the ability of contracting officers and contractors to implement agency policy and guidance.

Sample Recruitment Paths for Foreign Workers on a U.S. Government Contract in Afghanistan



Source: GAO analysis based on Department of Defense and contractor data; Map Resources (map). | GAO-15-102

GAO found that agency monitoring, called for by federal acquisition regulations and agency guidance, did not always include processes to specifically monitor contractor efforts to combat TIP. For 7 of the 11 contracts in GAO's sample, DOD and State had specific monitoring processes to combat TIP. On the 4 remaining contracts, agencies did not specifically monitor for TIP, but rather focused on contractor-provided goods and services, such as building construction. In addition, some DOD and State contracting officials said they were unaware of relevant acquisitions policy and guidance for combating TIP and did not clearly understand their monitoring responsibilities. Both DOD and State have developed additional training to help make contracting officials more aware of their monitoring responsibilities to combat TIP. Without specific efforts to monitor for TIP, agencies' ability to implement the zero tolerance policy and detect concerns about TIP is limited.