

# COUNTER FORCED LABOR JOURNAL

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



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

## **Global Risk Assessment Technology™**

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



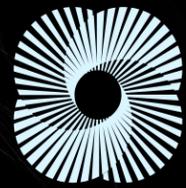
U.S. Chamber of Commerce

**COUNTER  
FORCED LABOR  
TECHNOLOGIES**



# Contents

- 1 Task Force
- 3 Current Affairs
- 13 Case Study
- 17 Supply Chains
- 23 Profile of the First Lady of Georgia, Marty Kemp
- 25 Profile of the First Lady of Louisiana, Donna Hutto Edwards



U.S. Chamber of Commerce

# Task Force to Eradicate Human Trafficking

The mission of the task force, composed of Chamber member companies, is to educate stakeholders, lawmakers, senior government officials, and the public about best practices in supply chain management, and identify strategies to combat human trafficking.

The group convenes meetings where stakeholders discuss their initiatives and partnerships with non-governmental organizations. Federal government officials from the departments of Labor and State have appeared as guest speakers at the U.S. Chamber to discuss the eradication of human trafficking.

Here are five ways that companies **detect and eliminate human trafficking** in their operations, in the operations of their business partners, and in their supply chains.

## 1 Involve C-suite leadership in identifying risky business partners and locations

When it comes to fighting trafficking, effective leadership comes from the top. Many companies issue public policy statements committing their leadership to respecting human rights. An increasing number of companies have board committees dedicated to corporate social responsibility, including addressing human trafficking in their supply chains. In addition, companies use in-house or third-party analysts to identify the areas where their business partners and operations may pose trafficking risks.

## 2 Measure and monitor the problem and solutions

Effective companies develop policies explicitly prohibiting human trafficking, including incorporating a zero-tolerance policy for human trafficking in supplier selection procedures. These policies apply to both company operations and their supply chains, including business partners like private employment agencies. These policies are integrated into contracts with suppliers and business partners.

Incorporating training programs to educate representatives on human trafficking has proved to be effective. Some firms conduct joint training and awareness-raising exercises and media campaigns with appropriate business partners and external stakeholders. Certain nonprofits and government agencies provide resources to assist with training. For instance, the U.S. Department of Homeland Security, as part of its Blue Campaign, offers a toolkit to educate employees in the hospitality industry.

Using in-house or third-party consultants to develop goals and key performance indicators is essential. Some companies require auditors to provide country-level reports on the political and socioeconomic situations of the countries in which they operate and how those situations affect workers in those nations. These efforts go a long way in keeping the task top of mind.

## 3 Work with suppliers and their employees to ensure compliance

Companies often require business partners to periodically certify that they comply with the companies' requirements on eradicating human trafficking from their operations. These certification requirements are integrated into the companies' contracts.

Some companies require business partners to provide access to a confidential helpline directly connecting the suppliers' employees with the firms. These helplines enable workers to express their complaints without fear of retaliation.

## 4 Examine production planning and recruitment practices

Companies that rely on business partners to manufacture and fulfill orders recognize that certain business conditions may create additional risks. Businesses seek to manage their demands to ensure that products are produced by known and trusted partners.

Recruiters function as a bridge between workers and employers, and help match workers with positions. However, certain recruiters charge these employees fees that they cannot reasonably be expected to repay. This leads to debt bondage where workers are forced to give up most or all of their salary until these fees are repaid. To combat this situation, companies may institute policies barring recruiters from charging prohibitive or inappropriate recruitment fees or any related costs.

## 5 Take action in the community

Companies increasingly launch global, national, or local campaigns in cooperation with the media to promote their activities to eradicate human trafficking. They also work with international organizations, nonprofits, and trade associations to establish industrywide task forces on human trafficking dedicated to raising awareness.

# How the Business Community Can Combat Human Trafficking

By the U.S. Department of Homeland Security's (DHS's) Blue Campaign

Millions of men, women, and children are trafficked worldwide, including in the U.S. Trafficking occurs in urban, suburban, and rural communities, and it impacts people regardless of age, race, gender identity, sex, ethnicity, nationality, immigration status, and socioeconomic class. The private sector plays a critical role in combating human trafficking. Businesses can educate employees, customers, and communities on how to recognize and report this crime and ensure that their supply chains are free of forced labor.



## ✓ DHS Blue Campaign

The DHS Blue Campaign is a national public awareness campaign designed to educate the public, law enforcement, and other industry partners to recognize the indicators of human trafficking and how to appropriately respond to possible cases. It leverages partnerships with the private sector, non-governmental organizations, law enforcement, and state and local authorities to maximize national public engagement on anti-human trafficking efforts. The Blue Campaign's educational awareness objectives consist of two foundational elements: prevention of human trafficking and protection of exploited persons.

The Blue Campaign is a member of the DHS Center for Countering Human Trafficking (CCHT), a cross-department coordination center for countering sex trafficking and forced labor, including the importation of goods produced with forced labor. CCHT's mission is to advance counter human trafficking law enforcement operations, protect victims, and enhance prevention efforts by aligning DHS' capabilities and expertise.

## ✓ Stakeholder and Community Engagement

Campaign stakeholders often provide expertise in the development of new campaign resources and valuable support by distributing these resources among their networks. Many of these products are publicly available and can be downloaded directly from the Blue Campaign's website.

Businesses can use the Blue Campaign's awareness and training videos to educate employees on how to recognize and report the crime. In addition, the campaign offers resources in different languages, such as its Human Trafficking 101 information sheet, available in 11 languages and its key tag card and indicator card, available in 39 languages.

Beyond employee education, private sector stakeholders work with the Blue Campaign to generate public awareness within their communities and to their customers. Providing resources to customers entering businesses can prepare community members to be more vigilant about suspected human trafficking and when to report.

Campaign stakeholders maximize reach by supporting #WearBlueDay, the Campaign's largest Human Trafficking Prevention Month initiative of the year. On January 11, Blue Campaign stakeholders are asked to take a photo of themselves, friends, family, or colleagues wearing blue and share it on Twitter, Facebook, or Instagram. In January 2023, the Blue Campaign's "WearBlueDay" hashtag garnered over 141 million impressions. The reach of this message could not have been possible without the support of campaign stakeholders.



## ✓ Soaring to New Heights

Human traffickers often rely on public and private aircraft to operate as they transport their victims both domestically and internationally. The Blue Lightning Initiative (BLI) is an element of the Blue Campaign, led by the U.S. Department of Transportation and U.S. Customs and Border Protection (CBP), to combat human trafficking in the aviation industry. BLI trains aviation personnel, including both in-flight and ground staff, to identify potential traffickers and human trafficking victims and how to report the crime to federal law enforcement. More than 350,000 personnel in the aviation industry have been trained through BLI, and partners work to report trafficking tips to the Homeland Security Investigations (HSI) Tip Line.

In January 2023, the Blue Campaign hosted a BLI Summit in Washington, D.C., to further its efforts to combat human trafficking. The summit attracted stakeholders from across the country, including air carriers, port authorities, industry associations, and law enforcement agencies. It included industry panels, subject matter expert presentations, and a lived experience expert perspective. Interested participants can visit the BLI website for more information.

## ✓ Human Trafficking Notifications

### Do not confront or engage a suspected trafficker.

Please follow these reporting options for situations involving potential human trafficking:

- **Call 911 or local authorities if someone is in immediate danger.**
- **Follow your company's protocol** for reporting suspicious activity or a crime taking place at your location.
- Call the **DHS Tip Line at 866-347-2423** to report suspicious criminal activity, including human trafficking and criminal violations of forced labor in corporate supply chains, to federal law enforcement.
- To report suspected **civil forced labor trade violations**, submit information to U.S. Customs and Border Protection at its allegations portal.
- If you are a victim, call the **National Human Trafficking Hotline at 888-373-7888**.

## ✓ Actions Businesses Can Take

If you are a business owner, manager, or employee and want to get involved in anti-human trafficking initiatives, here are some steps you can take:

- If you work in the transportation or hospitality industries, download the Blue Campaign toolkits and share them with your colleagues.
- Print and display free, downloadable public awareness posters to reach employees, customers, and community members with reporting information.
- Watch, download, and share the Blue Campaign's human trafficking awareness videos. Run videos on screens in your businesses, incorporate them into employee training, and share them on social media.
- Engage with @DHSBlueCampaign on Facebook, Twitter, and Instagram.
- Share your human trafficking awareness initiatives in an e-newsletter and encourage others to sign up for the Blue Campaign's monthly e-newsletter.

# State of Affairs

## on Passage of Recent Supply Chain Labor Laws in Europe

In 2023, the European Union (EU) aims to transition most all economic sectors to a sustainable economy model. Under the umbrella term of Environmental, Social, and Governance (ESG), there will be a compulsion for EU companies to take responsibility for the rights of foreign workers and the global environment when doing business.

The European Parliament has recently adopted the Corporate Sustainability Reporting Directive and will implement individual laws for member states within the next few years. The Directive requires companies with more than 500 employees and operating along the supply chain of EU countries to implement a due diligence process that can identify actual and potential adverse impacts on environmental and human rights issues.

Meanwhile, the German Supply Chain Due Diligence Act (GSCA) came into force on January 1, 2023, obligating companies to assess and provide due diligence on human rights and environmental risks across their entire supply chain. Likewise for U.K. businesses, the GCSA will apply to any company employing over 3,000 employees (and in 2024, it will be dropping to 1,000 employees) with a registered branch office in Germany. The Act applies to all suppliers, direct or indirect, so if there is any German customer within the supply chain, then they will be impacted by the Act and compliance with GCSA will need to be ensured. In 2015, the Modern Slavery Act of the U.K. became the first country to require large businesses to report on their initiatives to eliminate modern slavery from their supply chains. This law has inspired similar acts in other countries, requiring businesses to publish annual statements detailing their efforts.

**Most governments across the world are committing to eliminating forced labor and other social and environmental abuses from the supply chain.**

Germany, France, the U.K., and the Netherlands have all passed acts mandating supply chain due diligence, and other countries have introduced similar legislation. While the specifics and strength of each law varies, collectively they're part of a decisive global push for a more responsible supply chain.

# Canada's Push Forward for Supply Chain Reform in Forced Labor and Child Labor

On May 3, 2023, the Canadian Parliament passed the *Fighting Against Forced Labour and Child Labour in Supply Chains Act, Senate Bill S-211*. The bill will take effect on January 1, 2024, and will require significant reporting obligations by Canadian businesses and importers on the measures taken to prevent and reduce the risk that forced labor or child labor is used by the business or in their supply chains.



The Canadian government is clearly pushing forward on reducing forced labor in supply chains. In response to growing consumer concerns and criticisms that the country had been slow to respond to modern slavery, Canada's Senate recently went forward with its own proposed supply chain reform, Senate Bill S-211. Specifically, the law would require businesses to prepare annual reports on their efforts to prevent forced labor and child labor in goods imported to Canada. The report must highlight risks identified in their supply chain, and it must be distributed to the business' shareholders. The reports are then to be made available to the public in an online registry. Businesses that do not comply with requirements would be subject to fines of up to \$250,000. According to some estimates, Canada imports an estimated \$34 billion worth of products that may be made in part with forced or child labor every year. Supporters of S-211 say the bill is overdue.

The bill has been likened to the U.K.'s Modern Slavery Act of 2015 and Australia's Commonwealth Modern Slavery Act of 2018, both of which place heightened reporting requirements on businesses importing goods. The bill also follows on the heels of the U.S. seismic Uyghur Forced Labour Prevention Act (UFLPA), which went into effect June 21, 2022. That Act requires importers to demonstrate to U.S. Customs that their goods were produced with no materials from the Xinjiang Uyghur Autonomous Region of China under the presumption that all materials from that region may be the product of forced labor.



Canada has already imposed sanctions on the Xinjiang Uyghur region and requires importers doing business in that region to sign a declaration that they are not knowingly sourcing from suppliers guilty of human rights violations. The Canada Border Services Agency also has the authority to detain imported goods on the suspicion of forced labor, but it has not made enforcement a priority. According to reports in 2022, Canada seized just one shipment of goods from China in a 21-month period compared to more than 1,400 seizures made by U.S. customs during that same span. Clearly, Canada is taking a bold step in supply chain reform.

## What should companies be doing to be prepared?

As outlined by legal experts below, companies should be doing the following:<sup>1</sup>

Entities with reporting obligations should begin preparing in anticipation of providing a report by May 31, 2024. The Act does not set out specific measures that an entity must undertake in preparing the report. At this time, there may still be regulations or government guidance forthcoming that will provide direction with respect to form and content of reporting. As of right now, the form and content of reporting remains discretionary so long as the content requirements are met.

To be able to make a meaningful report that accords with an entity's overall approach to environmental, social, and governance (ESG) matters, as of this year, companies should begin preparing by taking steps such as:

- Conducting a risk assessment of its supply chain.
- Understanding the parts of its supply chain that may carry a risk of forced labor being used, which may, for example, be based on factors such as the general sectors, industries, types of products, or countries that are involved.
- Reviewing and updating or developing and implementing policies and practices related to forced or child labor and the remediation of such.
- Developing training and education for employees on forced and child labor.

## Overall, the Canadian Bill S-211 will most likely bring much more serious scrutiny to the supply chain.

While supporters concede it's not enough to eliminate forced labor on its own, it's seen as a first step and a prelude to tighter regulations that are likely to follow.

<sup>1</sup> Michael Dixon, Brady Gordon, Zvi Halpern-Shavim, and Tom Barker, "Parliament Passes Bill S-211: The New Forced Labour and Supply Chain Reporting Law," JD Supra, May 5, 2023.

# Germany on the Forefront of Fining for Slave Labor

Effective January 1, 2023, Germany will be one of the few European states that will be on the forefront of *requiring* companies to report human rights and environmental abuses along their supply chains. The **German Supply Chain Due Diligence Act (GSCA)**, also known in German as LkSG, comes on the heels of the German Bundestag passing this law, requiring companies to effectively enforce slave labor in a timely manner.

By ensuring supply chains are ethical, this demonstrates that Germany is not hesitating to provide clear guidelines on labor laws. This will create an urgent need for businesses to meet the responsibility to protect human rights. Companies will face penalties if they fail to ensure that their partners don't engage in harmful practices and exploitation. Initially, large businesses with 3,000 or more employees will be impacted. Consequences and penalties if companies fail to comply with this law can be fines of up to €800,000, or up to 2% of their average annual global turnover.

**German Federal Labor Minister Hubertus Heil praised the bill, calling it a “milestone.”**

Heil said passage had been “hard fought” in the face of fierce resistance from lobbyists. He also promised that companies that did not keep close tabs on their supply chains would not be allowed to enjoy a “competitive advantage” over those who did.<sup>1</sup> The law will force companies to have strict management and documentation to meet the human rights standards.

**Blazing the trail in the EU, Germany leads the way for now on human rights violations.**

Having said that, both France and the Netherlands introduced similar laws in 2017, while the EU is still working on a broader set of rules to define supply chain legislation and have proposals from the European Commission by later this year.

Overall, the LkSG is an important new compliant task that introduces high liability risks. Companies will need to analyze the new directives set out in the LkSG and examine the situations in their own businesses. If the due diligence requirements are not implemented correctly, there is a risk of heavy fines imposed. As such, companies will need to take quick action in their supply chains to adopt the new human rights measure and adjust the contracts with their supplies regarding the new specifications of the LkSG law.

<sup>1</sup> Germany Introduces a New Law on Supply Chain Ethics, DW, June 11, 2021



# The Cobalt Congo Conundrum

Today, life as we know it depends on some type of “smart” device like a phone, tablet, or computer. Businesses depend on their smart devices to thrive, and society depends on their devices to survive day-to-day interactions. Consumer devices like smartphones and laptops use cobalt.

From the battery in an electric car, to the turbine power of a jet engine, to your smartphone, cobalt plays a vital role.

Cobalt is also the key element used in lithium-ion batteries, which are required in most smart devices.



Herein lies the cobalt conundrum. Half of the world’s reserves of cobalt metal reside in just one country, in the Democratic Republic of the Congo (DRC). The DRC, whose majority of the population lives in poverty on an average of \$5.50 generally works in grueling subhumane conditions to mine cobalt. To add to the dilemma, cobalt is mostly found in only one DRC territory, Kolwezi, which unfortunately is plagued by corruption, conflict, poverty, and dysfunction.

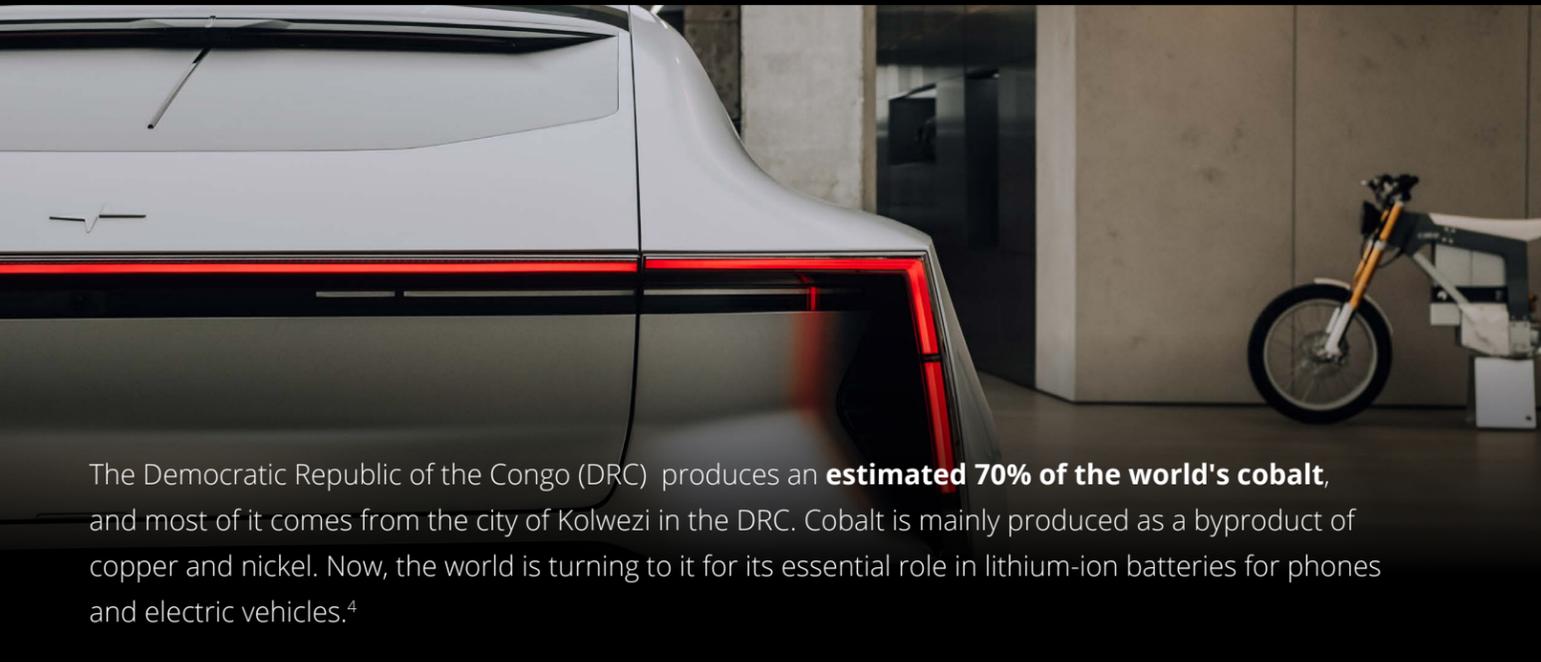
Unfortunately, most cobalt is mined by workers laboring in slave-like conditions, conditions that are unchecked and unmonitored. A majority of the grueling physical labor is mining, done in part by children, whose dangerous labor is being done for those precious few dollars a day.<sup>1</sup>

Not only is cobalt in high demand around the world, but the largest share of cobalt consumption comes from the U.S. Hence, the dilemma. Understanding the factors of supply, demand,

and poverty create the difficulty of the cobalt and Congo conundrum. The demand for cobalt, and for lithium-ion batteries alone, has tripled in the last 10 years. It is likely that the demand will double again by the year 2030, nearly seven times the current level, according to a London-based cobalt-trading company.<sup>2</sup>

The global demand for cobalt is increasing, yet the global cobalt market remains unregulated. The cobalt mining economy is full of human rights violations, specifically because artisanal mining is done without protective equipment and in subhuman chaotic conditions. Mine collapses have caused hundreds of injuries and deaths. The Department of Labor in 2022 added lithium-ion batteries to the list of goods produced by child labor, due to the volume of children involved in the mining of cobalt in the Congo.<sup>3</sup>

<sup>1</sup>Annie Kelly, “Children As Young as Seven Mining Cobalt Used in Smartphones, Says Amnesty,” *The Guardian*, January 18, 2016.  
<sup>2</sup>Democratic Republic of Congo: “This is What We Die For”: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt,” *Amnesty International*, January 19, 2016.  
<sup>3</sup>Major Countries in Worldwide Cobalt Mine Production in 2022,” *Statista*, February 18, 2023.



The Democratic Republic of the Congo (DRC) produces an **estimated 70% of the world's cobalt**, and most of it comes from the city of Kolwezi in the DRC. Cobalt is mainly produced as a byproduct of copper and nickel. Now, the world is turning to it for its essential role in lithium-ion batteries for phones and electric vehicles.<sup>4</sup>

The mining industry in the Democratic Republic of the Congo is the most lucrative and essential part of the DRC economy. Cobalt is their largest source of export income. The DRC accounted for more than two-thirds of global cobalt production in 2022, making it the world's largest cobalt producer by a large margin.<sup>5</sup> Despite having the largest reserves of cobalt as well as other minerals in the world, the DRC still suffers from poverty and corruption.

As of January 2023, according to Statista, “the Democratic Republic of the Congo has the largest cobalt reserves in the world, at some four million metric tons as of 2022. As the total global cobalt reserves amount to 8.3 million metric tons, this means that the DRC’s cobalt reserves account for nearly half of the world’s reserves of the metal.”<sup>6</sup>

For over a decade, the modernization of technology has been enabled by small mining towns in the DRC, like Kolwezi, where there is little to no safety practices and child labor is prevalent.

The exploitation of cobalt and its mineral resources has a long and horrendous history in the DRC. In the 1990s, countries like Russia and China, began to reap the benefits of the booming cobalt market, while the Congo suffered from uncontrolled exploitation of its miners.<sup>7</sup>

Many Congolese miners work in dangerous and lethal conditions, often enduring weeks-long journeys through treacherous jungle terrain in search of ore. Disease is also a rampant issue, particularly in the mining camps, where lack of medical care and exposure to hazardous conditions can lead to fatal diseases. Despite this, the DRC still holds some of the world’s richest cobalt reserves.<sup>8</sup>

Another part of the conundrum of the Congolese problem with cobalt is due to the fact that China has cornered the global cobalt market prior to its increased demand. In 2009, the government under President Joseph Kabila signed a deal with the Chinese government for access to mining

concessions in exchange for public assistance to build roads, clinics, hospitals, and schools. Unfortunately, before notice of the deal could be realized by officials, Chinese companies had seized ownership of a majority of the primary industrial copper-cobalt mining. They dominated mining excavation, with control of about 80% of the refined cobalt market and half of the battery market.<sup>9</sup>

Siddharth Kara is a world renowned researcher on modern slavery and recently published a book on the cobalt rush titled *Cobalt Red: How the Blood of the Congo Powers Our Lives*. On his numerous in-person tours of the cobalt mines in the town of Kolwezi, he was shocked at the conditions stating that “the severity and scale of human degradation and exploitation at the bottom of global supply chains, really shook me.”<sup>10</sup> Unfortunately, children are the most heavily exploited of all the people working in the mines. They’re the most vulnerable, and often trafficked and exploited in some cases in very violent circumstances. According to Kara, there’s no such thing as a “clean” supply chain.

At mine sites he visited, “people were caked in toxic filth, children caked in toxic grime and filth and scrounging in pits, trenches, and tunnels to gather cobalt bearing ore and feed it up the supply chain,” he said.<sup>11</sup> “You have to imagine walking around some of these mining areas and dialing back our clock centuries,” Kara said. “People are working in subhuman, grinding, degrading conditions. They use pickaxes, shovels, stretches of rebar to hack, and scrounge at the earth in trenches and pits and

tunnels to gather cobalt and feed it up the formal supply chain.”<sup>12</sup>

Kara acknowledged the critical role cobalt plays in tech devices and in the transition to sustainable energy sources. Rather than renouncing cobalt entirely, he said people should focus on fixing the supply chain.<sup>13</sup>

It is important to shed light on the highly complex system of cobalt mining since there are a variety of actors who mine over two-thirds of the cobalt used in the world’s production of lithium-ion rechargeable batteries that power laptops, smartphones, and electric vehicles. Most technology firms that produce these electronic consumer goods will state that they are in accordance with regulation of labor practices. Yet, the on-the-ground evidence as supported by Kara shows otherwise. Yet, on-the-ground evidence by journalists demonstrates that the lack of enforcement by a weak Congolese government has allowed atrocious abuse, working conditions, and treatment of miners.<sup>14</sup>

The supply chain of cobalt is ready for a change. Best practices and due diligence will be necessary to bring about a first-rate supply chain and slave free technology of the future.

<sup>4</sup>“The Horrors Behind the Mining Industry That Powers Your Life,” *Los Angeles Times*, February 12, 2023.  
<sup>5</sup>“Major Countries in Worldwide Cobalt Mine Production in 2022,” *Statista*, February 18, 2023.  
<sup>6</sup>“Reserves of Cobalt Worldwide in 2022, by country,” *Statista*, February 18, 2023.  
<sup>7</sup>Siddharth Kara, “Cobalt Red: How the Blood of the Congo Power Our Lives,” *Macmillan Publishers*, 2023.  
<sup>8</sup>*Ibid.*

<sup>9</sup>“Democratic Republic of Congo: ‘This is What We Die For’: Human Rights Abuses in the Democratic Republic of the Congo Power the Global Trade in Cobalt,” *Amnesty International*, January 19, 2016.  
<sup>10</sup>Terry Gross, “How ‘Modern Day-Slavery’ in the Congo Powers the Rechargeable Battery Economy,” *NPR News*, February 1, 2023.  
<sup>11</sup>*Ibid.*  
<sup>12</sup>*Ibid.*  
<sup>13</sup>*Ibid.*  
<sup>14</sup>*Ibid.*

A white robotic arm is positioned in the center of a warehouse aisle. The aisle is lined with white shelving units, each labeled with a letter and a number (e.g., A-2, B-2, C-2, etc.). The shelves contain various items, including boxes and bags. The ceiling is white with recessed lighting. The overall scene is brightly lit and clean.

## How Artificial Intelligence (AI) Changes the Supply Chain and Human Trafficking Landscape

In the fight against modern slavery, artificial intelligence (AI) has increasing importance with its potential to improve accuracy and efficiency in the detection, monitoring, and prevention efforts of mitigating human trafficking.

Additionally, AI has the potential to improve supply chain transparency and traceability, which aids in preventing slave labor and human trafficking.

Artificial intelligence has the potential to revolutionize the fight against human trafficking in the supply chain by using advanced machine learning algorithms. AI can help identify high-risk locations and individuals or patterns that are likely to be associated with trafficking. This novel type of data-driven tracking can help law enforcement and business organizations better target their resources and prevent trafficking from occurring in the first place.

AI could proactively be used as a tool to help rescue potential victims by analyzing data and identifying individuals who may be at risk of trafficking. With its ability to process vast amounts of information quickly and efficiently, AI can be a valuable tool in the ongoing fight against trafficking.



## Canadian Case Study Using AI Technology

There is a growing need to identify undetected trafficking. Specifically, sex trafficking is a tough crime to track and to investigate. In a special investigative assignment report in Canada, conducted by Thomson Reuters Special Services,

high amounts of illicit profits in Canada were found in shell companies used by sex traffickers.

According to Reuters, transnational criminals that reap billions of dollars in sordid profits appear to be operating at hundreds of illicit massage parlors in the country.<sup>1</sup> Reuters identified 700 types of businesses as part of their Canadian case study. The company used AI-driven data and technology to help law enforcement and government agencies identify and take down criminals involved in human trafficking. These types of new groundbreaking methods are exposing criminal hot spots across Canada that have for too long been hidden from view.

A senior adviser on the case study emphasized that without the use of AI, law enforcement will continue to have limited information to investigate these types of hidden crimes. “There’s so much money that’s being made in the informal or shadow economy that we are just barely scratching the surface,” said Heather Fischer, senior adviser for human rights crimes at Reuters, who previously served as the White House special adviser for human trafficking.<sup>2</sup> It is estimated that illicit massage businesses in Canada and the U.S. together generate proceeds of roughly U.S. \$2.5 billion a year, stated Fischer.

In understanding the prolific amounts of hidden sex trafficking and profits that were identified in this particular investigation in Canada such evidence is an indicator that much goes on in

the shadows that goes undetected. There are eventual risks for all kinds of industries, including banking, technology, airlines, trucking, hospitality, and health care – all need to have a role assisting in solving the problem of trafficking. The use of AI’s data-driven information gathering expertise, along with algorithms, provides law enforcement and businesses the necessary tools to mitigating trafficking.



## How AI Tracking Is Different

With high-resolution images, AI algorithms can analyze large areas of land to detect signs of forced labor and other forms of exploitation. This includes identifying patterns of movement suggesting workers are being forced to work long hours without breaks or detecting changes in the landscape indicating the presence of temporary shelters or other structures used to house enslaved people.

One of the key advantages of using AI to examine satellite imagery is its ability to process large amounts of data quickly and accurately. As a result, AI algorithms can identify patterns that human analysts might miss by analyzing thousands of images. AI can help organizations identify areas where modern slavery is likely to occur and take action to prevent it.

Another advantage of using AI to examine satellite imagery is its ability to work in remote or inaccessible areas. Modern slavery often occurs

in the regions that are difficult to access, such as remote forests or isolated mines. By using satellite imagery, organizations can identify areas where modern slavery is likely to occur in real time.<sup>3</sup>

A real-time example of this type of model is currently being harnessed by the Stanford University Institute for Human-Centered Artificial Intelligence, which is using AI tools coupled with satellite imagery and data to track modern day slavery. Specifically, the Stanford AI Institute was able to track forced labor in the jungles of Brazil by combining labor data and satellite imagery via the expertise of AI to create an algorithm to spot forced labor trends. “There are cutting-edge algorithms that can be designed to search for new, previously unknown patterns that humans haven’t noticed. One of our goals is to put these new search algorithms in place to help find other ways that trafficking can be disrupted.”<sup>4</sup> The Stanford AI Institute worked with the Brazilian Federal Labor Prosecution Office to develop a system to help process the data retrieved, which, in turn, assisted investigators and rescuers to move quickly. This type of model creates transparency and solutions for the issues surrounding forced labor.

As a disclaimer, the Stanford AI Institute acknowledges that it is worth noting that AI should be used to complement other detection methods rather than as stand-alone solution. Human input and verification are essential to ensure that the AI models are accurate, reliable, and consistent with ethical and human rights principles.

<sup>1</sup>Rita Trichur, “Sex Traffickers Are Using Shell Companies to Launder Illicit Profits In Canada,” *The Globe and Mail*, March 10, 2023.

<sup>2</sup>Ibid.

<sup>3</sup>Edmund L. Andrews, “Detecting Modern-Day Slavery From the Sky,” HAI Stanford University Human-Centered Artificial Intelligence, April 6, 2022.

<sup>4</sup>Ibid.

# How to Use AI to Impact the Supply Chain Landscape

Artificial intelligence (AI) can potentially have a significant impact on the supply chain regarding the human trafficking landscape. AI technologies can be used to identify and track potential cases of trafficking within the supply chain, making it easier to detect and prevent human trafficking. Here are some ways AI can change the supply chain regarding human trafficking:<sup>5</sup>

- 1. Data analysis:** AI can collect and analyze data within the supply chain to identify potential indicators of human trafficking, such as irregular supplier behavior or patterns of worker exploitation. By analyzing large sets of data, AI can help identify and flag potential cases of human trafficking that might have gone undetected through traditional methods.
- 2. Predictive analytics:** By using machine learning techniques, AI can help predict where potential human trafficking might occur in the supply chain. Predictive analytics can help companies detect vulnerabilities in their supply chain and take action to prevent human trafficking before it occurs.
- 3. Monitoring social media:** Social media can be a powerful tool for human traffickers to recruit victims. AI can monitor social media platforms to uncover human trafficking activities and identify individuals who may be at risk of being exploited.

- 4. Supply chain mapping:** AI can be used to map out the entire supply chain, identifying potential risks and vulnerabilities in the process. By knowing where there are high-risk areas, companies can take proactive measures to prevent trafficking.

AI has the potential to play a crucial role in detecting and preventing human trafficking in the supply chain. It can analyze and monitor supply chain data to identify and flag potential risks and instances of trafficking. By being proactive in monitoring the supply chain and identifying these risks, steps can be taken to intervene and disrupt the operation of traffickers and stop slave labor. Ethical sourcing in the supply chain can further aid in preventing and reducing human trafficking. The overall ability to quickly and effectively analyze data can be a vital tool in combating human trafficking and promoting ethical supply chain practices.

<sup>5</sup> Peak Analytics, June 21, 2021  
<sup>6</sup>Tina Jacobs, "Unlocking the Value of Artificial Intelligence (AI) In Supply Chains and Logistics, ThroughPut Inc., February 24, 2023

# 3 Steps to Ready Your Supply Chain for Artificial Intelligence

## Step 1 Set Realistic Expectations

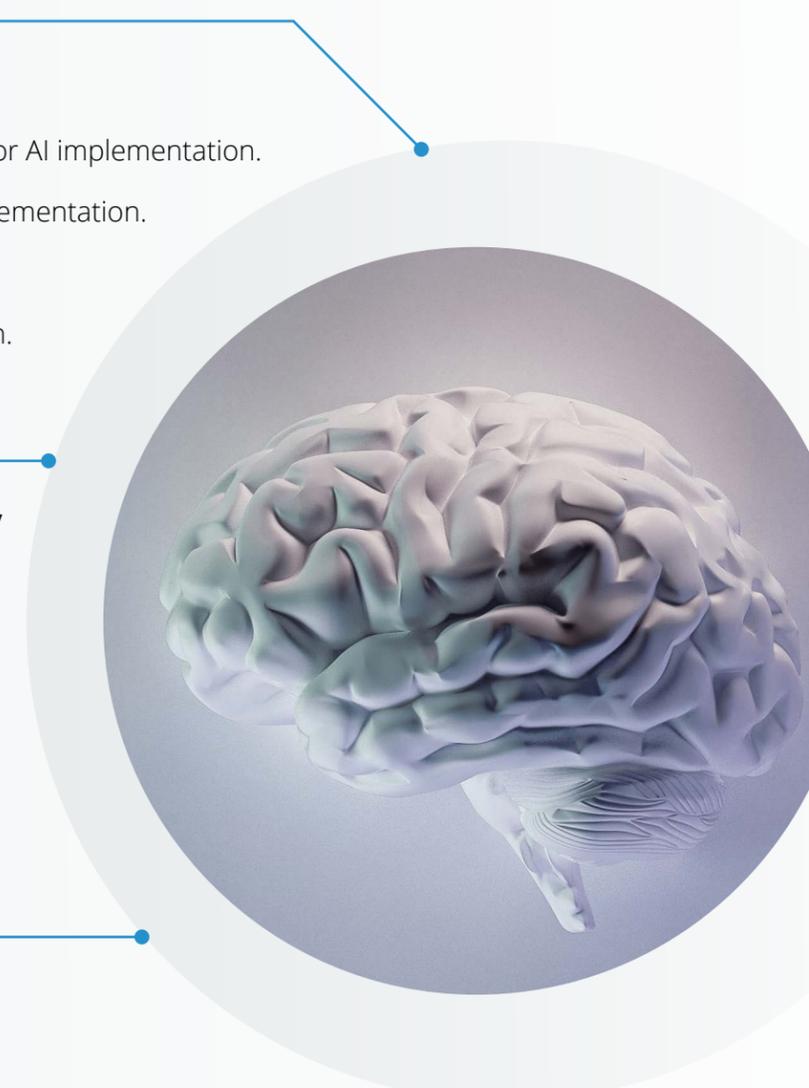
- Establish your Short- and long-term goal for AI implementation.
- Weigh your goals against the costs of implementation.
- Establish new KPIs.
- Structure the timelines for implementation.

## Step 2 Know How the Company Uses Technology

- Assess your organization's technology readiness – people, process, and tools.
- Hire and/or upskill people.
- Examine existing tech stack and identify opportunities and limitations.

## Step 3 Dive Into Your Data

- Consolidate business and operations data.
- Break down data silos.
- Nurture inter-team collaboration.





# Marty Kemp

*First Lady of Georgia,  
Co-Chair of the GRACE Commission*

Throughout Gov. Kemp's time in office, Marty Kemp, first lady of Georgia, has led the charge to end human trafficking in the state through forming the Georgians for Refuge, Action, Compassion, and Education (GRACE) Commission and by spearheading the passage of legislation with overwhelming support from the General Assembly.



The first lady has championed the GRACE Commission, which was created to combat the threat of human trafficking in the state of Georgia. The GRACE Commission is composed of public officials, law enforcement, for-profit and nonprofit organizations, faith-based institutions, and subject matter experts to tackle human trafficking, seek justice for victims, and hold bad actors accountable.

In January 2020, the first lady and the GRACE Commission, in partnership with the Georgia Department of Administrative Services, launched Human Trafficking Awareness Training for Georgia state employees and the public.

In addition, the first lady helped create the Georgia Bureau of Investigation Human Exploitation and Trafficking (HEAT) unit in 2020 to work with local law enforcement to investigate and crack down on commercial sex trafficking and labor trafficking while rescuing victims.

She spearheaded eight pieces of legislation that passed with overwhelmingly bipartisan support during the governor's first 4 1/2 years in office to make Georgia a hostile place for traffickers and a safe haven for victims. Following the legislative session, on April 22, 2023, the first lady joined the governor when he signed Senate Bill 42 (SB 42) into law. The bill, which passed both chambers of the Georgia General Assembly with bipartisan support, builds upon the first lady's and the

GRACE Commission's work to bring awareness to and end human trafficking.

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SB42 improves awareness efforts and holds noncompliant businesses accountable by doing the following:

- Sets minimum and maximum fines on certain businesses that are noncompliant in posting a notice issued by the Georgia Bureau of Investigation outlining the National Human Trafficking Resource Center phone number and the statewide hotline phone number.
- First offense: not less than \$500 nor more than \$1,000.
- Second or subsequent offense: not less than \$1,000 nor more than \$5,000.

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The first lady is a graduate of the University of Georgia and a small business owner. She began her career with her family's travel agency and later joined Gov. Kemp at Kemp Development and Construction, which heads multiple projects statewide. Some of her other top priorities are supporting Georgia agriculture and the Georgia Grown program at the governor's mansion, advancing literacy and mental health, and promoting foster care and adoption reform initiatives.

The first lady and the governor have three daughters: Jarrett, Lucy, and Amy Porter.



## Donna Hutto Edwards

*First Lady of Louisiana,  
Chair, National Coalition for the  
Prevention of Human Sex Trafficking*

Donna Hutto Edwards, first lady of Louisiana, has championed Stop Trafficking Louisiana as a statewide initiative on human trafficking awareness and prevention. Her work on this initiative has grown on a national scale.

First spouses from across the U.S. joined the National Coalition for the Prevention of Human Sex Trafficking, the first human trafficking awareness campaign with the intent of eliminating the scourge of human sex trafficking. Since large-scale and nationwide sporting events are a draw for traffickers, the campaign kickoff was held in conjunction with the NCAA Final Four Basketball Championship in New Orleans, Louisiana. Working in this area has enabled the first lady to collaborate with many outstanding individuals to combat trafficking. Through virtual summits, she has encouraged first spouses to engage in this challenging work.

By building awareness, individuals are able to identify even more trafficked victims. Furthermore, the campaign is able to train professionals in law enforcement, the hospitality industry, and event organizers and workers to recognize trafficked victims, ask applicable questions, and abide by reporting protocols.

More than ever, it is paramount to recognize human trafficking in our communities. Victims of this crime are often children. The first lady considers it important to focus on ways to eradicate this heinous crime and assist victims with recovery.

Louisiana has been a leader and innovator on this issue and is excited to collaborate on a national level. The first lady is also working with the Santa Marta Group leading efforts globally to combat sex trafficking. She believes that the strides made and the plans set in motion will have a lasting, positive

impact on the people in Louisiana, across the U.S., and worldwide.

The first lady was born in Mississippi and moved with her family to Amite, Louisiana, where she met her future husband, Gov. John Bel Edwards. She earned a bachelor's degree in business administration from the University of Southern Mississippi. She has long been active in her community by supporting various organizations, schools, and church groups. Early in her marriage, during the governor's eight-year service as an Army Infantry Airborne ranger, she volunteered her time and assisted families of deployed Army service members.

While raising three children, she became a certified teacher and taught music for more than eight years. As Louisiana's first lady, she continues to advocate for teachers, public education, music, and arts education.

Though no longer in the classroom, her work continues. She created the Louisiana First Foundation, which serves as a launching pad for programs that focus on educating the "whole child" through Teach MAM (Music, Art, and Movement), advocating against human trafficking, and providing greater resources to the state's foster children and parents through Louisiana Fosters.

Gov. John Bel Edwards and First Lady Donna Edwards have been married since 1989. They are the parents of three children: Samantha and son-in-law Jonathan, Sarah Ellen and son-in-law Christopher, and John Miller.



# KNOW WHO YOU DO BUSINESS WITH

[info@counterforcedlabor.com](mailto:info@counterforcedlabor.com) | 212.980.0100 | [www.counterforcedlabor.com](http://www.counterforcedlabor.com)

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