Good morning.

It is an honor to be invited to help open this OECD-APEC Roundtable on Combating Corruption Related to Human Trafficking.

I would like to thank the Organization for Economic Cooperation and Development (OECD) for its leadership over the years on these important issues and to thank Secretary-General Jose Angel Gurria for making the illicit trade a priority at the OECD.

Let me also thank the Philippines as the host of APEC in 2015; for its outstanding helm of the Anticorruption and Transparency (ACT) Working Group; and for co-hosting with the United States, yesterday’s APEC Pathfinder II Dialogue on Combating Corruption and Illicit Trade: Partnerships for Sustainable Security.

As Chair of the OECD Task Force on Countering Illicit Trade, I firmly believe that when the OECD, APEC, ASEAN, the United Nations, Interpol, leadings NGOs, and many other partners join forces, we can make a significant difference through collective action to help impacted communities to combat human trafficking and related corruption.
In a globalized world, where criminals are well-networked and organized, we should be too. From human trafficking in Asia and Europe, to narco-corruption in the Americas, and arms and wildlife trafficking in Africa, transnational illicit networks have tentacles that reach everywhere.

In addition to being a critical human rights challenge, trafficking in persons is a sinister illicit trade. It doesn't just destroy communities and harm everyday people, it fuels a network of ruthless criminals and armed groups that create insecurity and instability around the world.

As highlighted in the agenda, the objective of this roundtable is to identify best practices at the domestic and regional level in combating corruption related to trafficking in persons, as well as to explore draft principles that address these issues jointly. The aim of the *OECD Principles on Combating Corruption Related to Trafficking in Persons* that will be discussed today is to provide a useful reference for economies intending to establish, modify, or complement a framework to address trafficking-related corruption. Let me thank Janos Bertok for his leadership and that of his OECD team for developing these principles.

Last month at the release of the U.S. Department of State’s 2015 Trafficking in Persons Report, Secretary of State John Kerry forcefully articulated the threat posed by human trafficking globally and encouraged all communities to end the scourge of modern slavery and fight back. Secretary Kerry said:

> [T]raffickers are both ruthless and relentless. They know how to exploit the hopes of those desperate to escape poverty or to find shelter from disaster or from strife. Traffickers prey upon the most vulnerable. They target the weak, the despairing, the isolated. And they make false promises and transport their victims across borders to labor without passports or phones.
in places where the language is unknown and where there are no means of escape. If the victims rebel or become ill, the traffickers often use violence to ensure that their profits continue and their crimes are concealed.

Human Trafficking is a Serious Crime: A Threat to APEC’s Growth Agenda

Ladies and gentlemen: Human trafficking is a serious crime that must be confronted by our economies in this region, especially with so many human trafficking victims coming from Asia. Amidst growing prosperity and development, no person should be exploited through the use of force, coercion, or fraud.

No one should ever have to be subjected to human trafficking, forced into sexual exploitation, or recruited and forced to serve as a gang member, child soldier, or terrorist.

The societal harms and impacts posed by human trafficking are very real. Corruption helps to fuel it and enriches not only those criminal networks behind today’s modern slavery but also enables corrupt police, customs, judicial, and other security officials who protect traffickers and allow them to carry out their criminal activities.

Human trafficking siphons away the human capital potential of communities to build sustainable economic growth in a manner that respects human rights.

No person should ever have a price tag attached to their heart and soul nor be restricted, abused, and violated against their physical integrity and free will.

Yet, over 20 million people are estimated to be entrapped in modern slavery. According to some estimates, trafficking in persons has become one of the most lucrative forms of
organized crime, behind arms and drugs trafficking, with illicit profits exceeding $150 billion every year.

These illicit proceeds are helping to expand the global illegal economy, and through a web of corruption and criminality, are derailing our ability to nurture growth markets and investment frontiers that can finance the sustainable futures of our communities.

The corruption that allows traffickers to exploit people with impunity not only violates individuals’ basic human rights and freedoms but also stunts both their and their communities’ economic potential and political development, as precious human capital is exploited by criminals.

We have all heard the many horrors of lives ruined by rapacious criminals. Stories of Cambodian men and boys who are promised jobs in neighboring economies and end up spending years out at sea without ever setting foot on shore, and working 15 hour days with little or no pay in the fishing industry.

Or stories of women and girls from across the Asia-Pacific region who are similarly lured by promises of paying jobs overseas, only to be beaten and forced into prostitution, in some instances through debt bondage and threats of arrest to remain in brothels.

In other parts of the world in conflict environments, women and children are sold and enslaved by terrorists for unspeakable acts.

Children are often the most vulnerable to abuse. Criminals lure children into forced labor or the loathsome child sex trade.
In APEC, we have an economic and moral stake in elevating women as full partners in every facet of life in the Asia Pacific. To achieve this important goal, we must prevent and respond to gender-based violence, foster gender inclusiveness and equality, and combat the scourge of human trafficking. And of course, we must do everything in our power to protect our children.

In the United States, which serves as a source, transit and destination economy, human trafficking is a booming illicit business. Every year, people from across the United States and abroad are exploited in various forms of forced labor, including in agriculture, domestic service, construction, sweatshops, as well as in the commercial sex trade.

Several years ago, the Federal Bureau of Investigation (FBI), through a joint investigation with other law enforcement agencies, uncovered an elaborate network of brothel owners, recruiters, and victims—Korean émigrés smuggled into the U.S. and then forced into prostitution. FBI Investigators also found a network of money remitters, who transferred sex trafficking proceeds overseas.

Just last year, the FBI recovered 168 children and arrested 281 pimps in a child-sex trafficking sting operation carried out across the U.S., in partnership with local law-enforcement agencies and the National Center for Missing & Exploited Children (NCMEC). U.S. Immigration and Customs Enforcement’s (ICE) Homeland Security Investigations (HSI) has also uncovered hundreds of criminal acts in recent years related to human trafficking and sexual exploitation of children in the United States. There have been scores of other similar cases in recent years.
The sad reality is that because it is so lucrative for criminals, child sexual exploitation is only getting worse as young children are more easily recruited on social media and the Internet. A pimp in the U.S. can easily make hundreds of dollars a day, seven days a week, every month of the year with a single sex trafficking victim.

And there are many, many more cases and stories about men, women, and children enslaved as domestic workers, or compelled through the use of force, fraud, or coercion to work for companies at sub-wages or no benefits under unbelievably abusive conditions and hours.

Just like no economy is immune from corruption, no single jurisdiction can solve modern slavery alone. It is a truly global problem that requires the world’s collective attention.

**Human Trafficking is a Plague on Humanity and an Assault on Freedom**

In his 2015 World Day of Peace message, the Holy Father Pope Francis condemned the abuses of modern slavery linked to today’s world turbulences. Pope Francis said “Further causes of slavery include armed conflicts, violence, criminal activity and terrorism. Many people are kidnapped in order to be sold, enlisted as combatants, or sexually exploited, while others are forced to emigrate, leaving everything behind: their country, home, property, and even members of their family.”

During his visit to the Philippines in January 2015, Pope Francis also denounced corruption and encouraged all societies to make concerted efforts towards the greater inclusion of every man, woman, and child in our communities.
Earlier this year we saw how organized criminal networks capitalized on the plight of tens of thousands of refugees – how they lured asylum-seekers and economic migrants fleeing Myanmar and Bangladesh for refuge with promises of better lives in various APEC and ASEAN economies, and helped them obtain falsified documents and get smuggled into these jurisdictions.

Sadly, many were left out at sea without water or food. There have been reports that corrupt officials in the police and security forces were complicit in migrant smuggling and other crimes. Some of the economic migrants were subjected to human trafficking. Others were subjected to horrific abuse including murder, as shown in the graves in Southeast Asia.

Criminals often exploit catastrophes and human suffering for economic gain. In fact, natural disasters too are viewed as profitable opportunities when people are desperate to look for work, shelter, and food, among other things.

But as we learned from the Super Typhoon Haiyan [Yolanda] that hit the Philippines in 2013 and impacted 16 million people with 4 million displaced, strong cooperation across borders can help to prevent a larger tragedy.

Although there were reports of criminal gangs abducting vulnerable women and children, the Philippine government’s previous investments in addressing human trafficking enabled it to quickly react in the aftermath of Typhoon Haiyan to reduce vulnerabilities to human trafficking.

The Philippines immediately cooperated closely with international and local NGOs to provide security and screening checkpoints at evacuation centers, in tent cities, and at
major transportation hubs; these preventative measures helped to protect vulnerable populations as they migrated en masse to other parts of the country and resettled in temporary shelters or private residences.

It is impossible to know what would have occurred without these efforts, but the government’s quick response may have reduced further vulnerabilities to human trafficking. On-going activities to raise awareness and prevent human trafficking among those communities affected by the typhoon continue through U.S Department of State funds to the International Organization for Migration.

**Preventing Human Trafficking in Global Supply Chains**

Ladies and gentlemen: We can no longer avert our eyes from this heinous crime and we must work together to stop it in all its forms and the associated corruption that allows it.

As underscored a moment ago, this is not merely an issue that confronts Asia alone.

In the United States, Europe, and across the world, trafficking in persons is happening every hour of the day and constitutes one of the largest criminal enterprises on earth.

It is a fight that entails a global solution and coordinated international responses to eliminate this scourge.

This is why I am proud that APEC, in partnership with the OECD, and others, is making a stand and beginning a process to slow down the levels of human trafficking in our region through our honest dialogue about corruption associated with human trafficking; the challenges on enforcing anti-trafficking law; highlighting the gaps necessary to
develop more holistic anti-trafficking frameworks; and a recognition that we must better enhance the capacity of investigators, labor inspectors, prosecutors, and judges, and improve cross-border information-sharing arrangements that enable more joint investigations.

We also need to strengthen anti-trafficking prevention policies, and victim identification and protection services, and increase public awareness on the methods, harms and costs of human trafficking to our economies.

When APEC and the OECD lead, we can achieve more inclusive, sustainable development goals. Economies can then shut down illicit markets and put criminal entrepreneurs out of business and encourage private sector actors to take steps to eradicate human trafficking from their supply chains so that communities can invest in their human capital and finance sustainable development strategies for a better way of life that includes education, job-skills, and training to attain meaningful employment.

Empowering women and young girls should be part of this strategy.

We can clearly see that modern slavery undercuts other important priorities – from environmental sustainability, to empowering and advancing the lives of women, to combating corruption and transnational organized crime.

It is also true that wherever we find poverty and lack of opportunity, wherever rule of law is weak, wherever corruption is most ingrained, and where minorities are abused, where populations cannot count on the protections of government or rule of law, we find not just vulnerability to trafficking but zones of impunity where traffickers can prey on their victims.
Through effective public-private partnerships, we too must prevent human trafficking across global supply chains.

It is a fact that human trafficking can be found in many trades. However, the risk is more pronounced in the industries that rely upon low-skilled or unskilled labor.

On one hand, governments must lead the way in ensuring that their suppliers and contractors are held to the highest standards and adopt the highest standards.

On the other hand, international organizations, including the OECD and the OSCE, and companies should enforce regulations against human trafficking throughout their supply chains, and that includes from the production of raw materials, labor brokers, contractors, and subcontractors through to the final product, and especially in vulnerable sectors such as agriculture and food processing, fishing and seafood, tourism and hospitality, sports and entertainment, manufacturing, mining, and many others.

So there is no denying that modern slavery touches our daily lives and continues to work its way into global supply chains, where some of the goods and services that consumers purchase every day may be tainted by the blood and sweat of forced labor.

One of the greatest zones of impunity is in the un- or under-regulated tiers of supply chains.

The sources of the problem include individuals desperate for work; unscrupulous labor brokers who lie to recruit those workers; companies greedy for profits, who turn a blind eye to abuses or bribe police and officials to do the same; and customers looking to just
save that extra dollar or two without regard to what the implications of those savings may be.

**OECD Principles for Combating Corruption Related to Trafficking in Persons**

If governments want responsible businesses to compete on a level playing field, then we need to address this problem head on, together, and safeguard the integrity of markets and supply chains alike. And why the OECD principles to combat corruption related to human trafficking are very important to our efforts in APEC and as a pragmatic guide for a framework of best practices across sectors.

We will hear more specifics about the principles from the OECD this morning, but let me highlight a few key elements that I believe are important as we combat human trafficking and protect global supply chains:

- develop strategies to tackle human trafficking and corruption in tandem including recognizing and investigating corruption in trafficking cases at the national as well as international levels, and trafficking in corruption and illicit trade cases;
- prioritize high-risk sectors when developing new strategies;
- promote information- and intelligence-exchanges to detect and map out trafficking networks throughout the supply chains, including links to corrupt officials in various sectors, and to confiscate assets derived from these crimes;
- develop codes of conduct with respect to corruption and trafficking crimes for public officials at risk, and ensure compliance and sanctions;
- provide targeted awareness-raising and preventive measures on corruption and human trafficking;
• establish accessible complaint mechanisms to report cases of abuse, harassment or violence;
• ensure that protection measures for victims of trafficking are in place; and many other principles.

Finally, the novel approach of this joint APEC-OECD roundtable is the targeted focus on corruption that facilitates human trafficking. Corrupt law enforcement agents facilitate the recruitment, transportation and exploitation of trafficking victims, and corrupt criminal justice authorities can help traffickers by obstructing investigations and prosecutions of cases as well as hinder the protection of victims of trafficking.

Corrupt officials also play an important role in the different stages of the crime of trafficking in persons. Obtaining fraudulent invitations or forged documents may be facilitated by corrupt officials at the recruitment stage.

Where transportation is involved, officials may turn a blind eye and ignore victims of trafficking – allowing them to cross borders – in exchange for bribes. At the exploitation phase, they may practice extortion. Corruption involving the private sector – for example travel agencies, model agencies, marriage bureaus, and hotels – may also contribute to trafficking in their business operations.

The private sector needs to be a part of our global response by blowing the whistle on businesses that use labor that is under age, under paid, and under coercion. The ACT remains keen to continue our strong partnership with the APEC Business Advisory Council (ABAC) on combating corruption and illicit trade across the Asia Pacific region. We encourage greater ACT-ABAC collaborations to similarly advance APEC initiatives to eradicate modern slavery and human trafficking.
Public-Private Partnerships: A Call to Action

Sustainable progress against corruption related to human trafficking requires both political commitment, implementation of laws, and effective law enforcement and criminal justice capacities in source, transit, and demand markets.

We must support our partners to develop stronger law enforcement and rule of law institutions to fight the growing threats posed to our economies by corruption, organized crime, and trafficking.

The United States is committed to working with our international partners at every level to counter the root causes of trafficking, to warn potential victims and communities, to put criminal perpetrators and their facilitators behind bars, and to empower survivors as they rebuild their lives.

We are also committed to strengthen international cooperation across borders with key partners to combat the lethal nexus of organized crime, illicit trafficking, and terrorism, and to protect our communities from the violence, harm, and exploitation wrought by national and transnational threat networks.

The Bureau of International Narcotics and Law Enforcement Affairs (INL), has some of the Department of State’s strongest tools for strengthening rule of law and helping governments prevent and combat corruption. Our anti-corruption and law enforcement programming provides training to law enforcement officers and the judiciary on
investigating human trafficking and corruption cases and address the linkages among human trafficking, corruption, and organized crime.

INL collaborates closely with the Department’s Office to Monitor and Combat Trafficking in Persons not only to amplify the recommendations of the Trafficking in Persons Report, but to work on designing targeted anti-crime strategies and programs aimed at preventing trafficking, protecting victims and vulnerable populations, and prosecuting offenders.

USAID’s pioneering “Supply Unchained” initiative seeks to assist partner economies to address related issues in the global supply chain and to better identify and counter human trafficking in sectors rife with these forms of exploitation and abuse. By using this new model of development to leverage technology and partnerships to connect individuals and communities in sectors at risk with stakeholders along the supply chain, USAID is helping to better identify human trafficking risks in order to prevent new cases.

Through our diplomatic engagement in strategic fora such as APEC, ASEAN, OECD, the United Nations, International Labour Organization (ILO), the World Bank, and others, the State Department brings together committed leaders and champions from governments, civil society organizations, and the private sector to effectively combat trafficking in persons.

At every opportunity, we place a huge emphasis on working together to encourage foreign governments to improve their anti-trafficking responses.
It is also imperative that we leverage all possible areas of cooperation, including legal instruments such as the UN Convention Against Corruption, and the UN Convention against Transnational Organized Crime and its Protocol to Prevent, Suppress, and Punish Trafficking in Persons. UN tools are regularly and successfully employed by governments to facilitate mutual legal assistance and other forms of international cooperation, including the exchange of intelligence and information between law enforcement in one economy and another that can help prosecute traffickers and to shield at-risk populations.

Through intelligence-based policing, there can be a demonstration effect that when criminals are arrested for human trafficking, pressure builds on authorities in surrounding economies to make arrests builds.

The APEC region can be a leader in holding human traffickers accountable.

Advocacy groups, faith communities, faith leaders, service providers, educators, and researchers should continue to intensify the pressure for bold action so that together we will win more battles in a fight that will surely last for some time to come.

**Advancing Human Dignity: Prosecuting Corruption and Human Trafficking**

President Barack Obama and Secretary John Kerry have underscored the urgency to act and push back against trafficking bullies and exploiters.

Aligned with APEC’s agenda, we must nurture and invest in more sustainable futures across our economies and safeguard our human capital. Impunity is destructive at all levels – both domestically and internationally: if we want to secure safe and free trade
routes, create and protect stable political systems, bolster global food security, or curb environmental degradation, we address these challenges head on.

In closing, the words of Pope Francis, I think, are very appropriate when he says that human trafficking is an open wound on the body of contemporary society. We must work together to focus on identifying and seeking justice for victims, supporting survivors, and creating a world where people are no longer subjected to exploitation and trafficking.

Together in APEC and ASEAN, with support of our respective communities in the Asia Pacific, and our international partners such as the OECD, we will continue to advance the shared security, prosperity and human dignity that we all cherish.

Finally, at the upcoming APEC Economic Leaders’ Meeting in November in Manila, it is our hope that APEC Leaders and CEOs can agree to lead by example to make the world a better place, more stable, more secure, more free, and more prosperous for generations to come. A unified commitment to a world free of modern slavery, eliminating trafficking from our supply chains, and embracing the principle that all human beings are born free and equal in dignity and rights, is indeed a worthwhile achievement for all humanity.

Thank you.

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The U.S. Department of State’s 2015 Trafficking in Persons Report can be found at: http://www.state.gov/j/tip/rls/tiprpt/