



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-MERO-22-28

What OIG Audited

In 2011 and 2012, the Office of Inspector General (OIG) issued reports that identified Department of State (Department) contractors engaging in coercive labor practices frequently associated with trafficking in persons (TIP). Since then, federal laws and regulations and Department policies have been updated to prohibit such practices and to implement new requirements for awarding, managing, and monitoring contracts to prevent TIP.

OIG conducted this audit to determine whether the Department had implemented management controls to ensure that services contracts performed overseas in three sectors at increased risk for TIP—security, construction, and facility and household services—comply with federal laws and regulations designed to prevent contractors and subcontractors from engaging in unlawful labor practices.

OIG reviewed documentation from a statistical sample of 80 contracts to determine whether the contracts included required TIP provisions. OIG also completed a more detailed review of 16 of the 80 contracts to determine whether Department personnel completed required TIP-related training and the extent and manner to which Department personnel monitored contracts for TIP-related practices.

What OIG Recommends

OIG made seven recommendations to improve the Department's TIP-related contract management and monitoring to ensure that contractors and subcontractors do not engage in unlawful labor practices. The Bureau of Administration and the Foreign Service Institute (FSI) concurred with OIG's recommendations. The Department's responses are reprinted in full in Appendices B and C.

May 2022

OFFICE OF AUDITS

MIDDLE EAST REGION OPERATIONS

Audit of Department of State Actions To Prevent Unlawful Trafficking in Persons Practices When Executing Security, Construction, and Facility and Household Services Contracts at Overseas Posts

What OIG Found

The Department implemented management controls to help ensure that security, construction, and facility and household services contractors do not engage in TIP or unlawful labor practices. For example, the Office of the Procurement Executive (OPE) requires that all applicable contracts include the clause detailed in Federal Acquisition Regulation (FAR) 52.222-50, "Combating Trafficking in Persons," to ensure contractor actions for monitoring, combating, and preventing TIP-related practices are incorporated into the contract. For this audit, OIG found that all 80 (100 percent) contracts reviewed incorporated the required language. OPE also established a mandatory annual TIP training requirement for contracting personnel, and OIG found 9 of 11 (82 percent) Contracting Officers (CO) and 10 of 13 (77 percent) Contracting Officer's Representatives (COR) assigned had received TIP training. However, not all training that COs and CORs completed met the annual TIP training requirement because OPE guidance did not clearly identify the courses that qualified.

OIG also found that management controls governing TIP monitoring by Department COs and CORs require attention. Specifically, OIG found that CORs assigned to 15 of 16 (94 percent) contracts failed to develop required TIP monitoring strategies and CORs assigned to 12 of 16 (75 percent) contracts did not conduct required TIP monitoring activities. This occurred because Department guidance and training emphasized that TIP monitoring pertains to contracts that rely on third-country national or migrant labor, even though TIP monitoring is required for all applicable contracts. In addition, Department guidance and training did not always clearly state the actions that must be undertaken when conducting TIP monitoring. Furthermore, COs did not always verify that CORs conducted required TIP monitoring. By failing to fully implement monitoring activities for all applicable contracts, the Department is at increased risk that TIP violations or unlawful labor practices could go undetected, which also limits its opportunity to promptly address and remediate such practices.