

**Statement of Chairman Deborah Pryce  
Financial Services Subcommittee on Domestic and International  
Monetary Policy  
June 22, 2005 2PM**

I'd like to welcome everyone this afternoon. Today we are convening the second in a series of hearings in this Subcommittee on the very serious issue of trafficking in persons.

At our first hearing in April, we heard testimony from a great leader at the State Department's Trafficking in Persons office, Ambassador John Miller. Ambassador Miller offered a thorough and passionate testimony about U.S. efforts to combat trafficking here and abroad.

We also heard from Ms. Norma Hotaling, Executive Director and Founder of the SAGE Project in San Francisco. Norma turned her own experience with homelessness, addiction, and sexual exploitation into a mission to make it easier for other women, men, and youth who want to leave the sex trade

behind, and find their way from the harsh effects of sexual exploitation to leave the sex trade behind.

Ms. Tina Frundt (pron: FRONT), our final witness, courageously offered her firsthand experience as a victim of sex trafficking and sexual exploitation in the United States. Her harrowing encounters of victimization by pimps and johns put a human face on this tragedy and shed light on an issue that is all too often kept in darkness.

I expect today's hearing to further expose members of this Subcommittee, members of the media, and the public to the multi-faceted and destructive issues surrounding human trafficking, including the significant economic and financial implications.

Today's hearing is timely for a number of reasons.

First, in stating the obvious, modern day slavery will be a timely issue to debate in the halls of Congress and in communities across the world until it

has its own chapter – complete with a start and a finish – in the history books of every country in the world.

Second, just a few weeks ago, Ambassador Miller's Trafficking in Persons office at the State Department released its much anticipated Trafficking In Persons Report for 2005. The State Department is required by law to submit a report each year to Congress on the efforts of foreign governments to eliminate severe forms of trafficking in persons. This report, covering April 2004 to March 2005, is the fifth annual TIP Report.

The intent of the Report is to raise global awareness and prompt foreign governments to combat all forms of trafficking in persons. The Report highlights the "three P's" – prosecution, protection, and prevention, and the "three R's" – rescue, rehabilitation, and reintegration. There is great significance in this marriage between the Ps and the Rs, and we need to focus on both in order to fully understand and tackle the scope of the problem.

During my time overseas meeting with NGOs and victims, I saw firsthand the great potential to make this holistic approach work.

While no country I visited came close to perfecting this approach in its entirety, I witnessed improved prosecution efforts in Albania and the implementation of better prevention and reintegration efforts in Moldova, showing that progress can be made with commitment and coordination across the globe. Countries, including the U.S., must strive to implement all aspects of this victim-centered approach to fighting trafficking.

The 2005 Report gave a Tier 3 classification to 14 of the 150 countries that were assessed. A Tier 3 country fails to take significant actions to bring itself in compliance with the minimum standards for eliminating trafficking in persons. Such an assessment can trigger the withholding of non-humanitarian, non-trade-aid and U.S. opposition to assistance from public lenders such as the International Monetary Fund or the World Bank.

One country on the Tier 3 list has already ignited action. Jamaica, a country previously on the Tier 2 list, was downgraded for failure to follow through on previous commitments to strengthen law enforcement and protection measures.

Not long after the report's release, the Jamaican Prime Minister disclosed in a meeting with several journalists that a Cabinet Office group consisting of representatives of the ministries of health, education, and foreign affairs; the Attorney General's office; and immigration authorities would be established to act on the findings of the report and review existing law to identify areas to improve.

Several countries that were on the Tier 3 list last year jumped up a notch this year. For example, Bangladesh showed a strong commitment to implementing anti-trafficking efforts over the last year. The country established an anti-trafficking committee to oversee its national efforts to combat the issue, and set up a much anticipated special anti-trafficking police unit, which initiated new investigations while rescuing more victims.

And, in South America, Guyana's president facilitated the enactment of the country's first anti-trafficking law and launched a country-wide awareness campaign on the dangers and risks.

The Report revealed that progress is being made in the campaign to combat sexual slavery and other forms of forced servitude. New anti-trafficking measures were enacted in 39 countries last year, and there were more than 3,000 convictions worldwide related to trafficking.

Upon release of the report, Ambassador Miller was quoted as saying "Shining through this global tragedy are many rays of hope. In addition to the tremendous efforts of heroic individuals and private organizations, governments around the globe are awakening to this issue and taking action to end this form of modern day slavery."

Though there is still much work to be done, the U.S. is putting its laws to work. In 2003, "Operation Predator" was launched within the Department of

Homeland Security and the Immigration and Customs Enforcement Agency. This marked an unprecedented initiative to protect children worldwide from sexual predators, including those who travel overseas for sex with minors; Internet child pornographers; and child sex traffickers.

Operation Predator targets U.S. citizens suspected of sex crimes against children as well as non-citizens whose child sex crimes render them deportable from the U.S. Since its inception, there have been more than 5,700 individuals arrested nationwide, including 14 arrests brought under the child sex tourism provisions of the PROTECT Act.

While progress has been made to combat human trafficking, sobering statistics linger:

- An estimated 600,000 to 800,000 people are trafficked across international borders each year, of which 80 percent are females and 50 percent are minors.

- According to a recent study by the International Labor Organization, a special agency of the United Nations that seeks to promote human and labor rights, at least 12.3 million people are trapped in forced labor across the globe.
- Of this number, over 2 million are victims of human trafficking and 1.2 million are children forced into prostitution, drug trafficking, and armed conflict.
- These victims of trafficking are an enormous source of revenue for organized crime. The ILO study estimates that \$44 billion in global profits is brought in annually from forced labor, including \$15 billion from victims of trafficking in persons.

This report offers us evidence that there is much to learn about how effectively, or ineffectively, we are following the money and enforcing existing anti-money laundering laws to deprive criminals of the economic gains associated with the global sex trade.

There is not one clear cause of modern day slavery, nor is there one clear solution. But, there is a clear goal – to stamp out this global crisis for good.

As President George W. Bush so movingly stated in his 2005 Inaugural Address to the nation, a statement that Secretary Condoleezza Rice reminded us of upon release of the 2005 TIP Report, "America will not pretend that the jailed dissidents prefer their chains, or that women welcome humiliation and servitude, or that any human being aspires to live at the mercy of bullies."

That is why we have convened today. That is why we must not stop until we end the victimization of men, women and children across the globe. That is why we must continue to raise awareness and build support for restoring the most basic of human rights to those who have been swept up in the tidal wave of the modern day slave trade.

I want to thank the witnesses who have joined us here today. You each bring a unique perspective, and we appreciate your time, energy, and courage to educating us about this global crisis.

I'd like to now acknowledge the gentlewoman from New York, Mrs. Carolyn Maloney. Her passion for tackling this crisis is admirable, and I have very much enjoyed working with her in our shared goal to shed light on the sad and sobering issue of human trafficking.