

SB

12



SENATOR FRED DYSON

SPONSOR STATEMENT

H CS CS SB 12 (STA)—*“An Act relating to procurement from a person conducting business in or having headquarters in countries that support or ignore slavery and trafficking in persons.”*

Trafficking is considered modern-day slavery. The U.S. State Department believes that as many as 4 million people, mostly women and children, are trafficked for sexual or labor purposes each year, with as many as 1 million trafficked across international borders. Many are kidnapped or sold into bondage, and many others are tricked with false promises. This international plague is a \$7 billion industry, mainly interwoven in organized crime.

The federal government has recently begun an aggressive campaign to combat trafficking in persons. In the annual Trafficking in Persons Report, the State Department evaluates the standards set in foreign countries in order to fight trafficking. The countries with the most permissive climate for trafficking are listed in Tier III of the report and are then subject to non-humanitarian and non-trade sanctions.

Regarding the status of trafficking in Alaska, the Special Crimes Unit of the Anchorage Police Department reports that sex trafficking rings currently exist in Alaska. In some instances, law enforcement personnel have identified massage parlors that are part of a sex trafficking network that takes advantage of vulnerable women from Asia. Also, runaways are also lured into and then trapped into the sex trafficking industry. Sometimes, these women are shuttled back and forth with our Canadian neighbors.

SB 12 amends the state procurement code to direct the Legislature, the Court System, and the Executive Branch to prohibit or eliminate financial relationships with organizations that are headquartered in countries with the most permissive climate for human trafficking. Alaskan agencies may also restrict relationships with organizations that conduct business in, but are not necessarily headquartered in, countries listed in Tier III.

2005 Trafficking in Persons Report: <http://www.state.gov/g/tip/rls/tiprpt/2005/>
Office to Monitor and Combat Trafficking in Persons: <http://www.state.gov/g/tip/>
Trafficking Victims Protection Act of 2000: <http://www.state.gov/documents/organization/10492.pdf>
Trafficking Victims Protection Reauthorization Act of 2005: http://travelgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=f:h972enr.txt.pdf



FACTS ABOUT HUMAN TRAFFICKING

What is human trafficking?

Trafficking in persons is modern-day slavery, involving victims who are forced, defrauded or coerced into labor or sexual exploitation. Annually, about 600,000 to 800,000 people—mostly women and children—are trafficked across national borders which does not count millions trafficked within their own countries.

People are snared into trafficking by many means. In some cases, physical force is used. In other cases, false promises are made regarding job opportunities or marriages in foreign countries to entrap victims.

What impact does human trafficking have on the world?

Human trafficking is a multi-dimensional threat: it deprives people of their **human rights** and freedoms, it is a **global health risk**, and it fuels the growth of **organized crime**.

Human trafficking has a devastating impact on individual victims, who often suffer physical and emotional abuse, rape, threats against self and family, passport theft, and even death. But the impact of human trafficking goes beyond individual victims; it undermines the safety and security of all nations it touches.

What is the United States doing to stop trafficking?

Trafficking impacts many nations, including the United States. That's why the U.S. Government has taken a number



Convicted Macedonian trafficker



Abused children in South Asia

of serious and significant actions to combat trafficking occurring at home. A few examples of American efforts include:

- Congress passed legislation so Americans who sexually prey on children abroad can be prosecuted and sentenced to as many as 30 years in prison.
- The Department of Justice has focused on increasing the number of trafficking victims rescued and the number of prosecutions and convictions of traffickers.
- The Department of Health and Human Services (HHS) is certifying trafficking victims so they may qualify for the same assistance available to refugees. HHS is also running a major public awareness campaign to alert victims in the U.S. that help is available through the hotline number 888.3737.888.
- The Department of Defense has implemented a zero-tolerance stand against any actions by Defense personnel that contribute to human trafficking and is instituting a service-wide mandatory training program.
- The Departments of Labor and Homeland Security, USAID, and other government agencies are executing action plans to combat human trafficking.

What is the U.S. doing to help other countries?

Because human trafficking is transnational in nature, partnerships between countries are critical to win the fight against

modern-day slavery. The U.S. is reaching out to other countries in a number of important ways:

- In a speech to the United Nations General Assembly, President Bush raised the issue of human trafficking and asked leaders of the world to work together to end it.
- The State Department is working extensively with governments on action plans for prevention, protection of victims, and prosecution.
- Congress last year strengthened anti-trafficking legislation and provided more than \$70 million in funding worldwide for efforts to end slavery. The U.S. is providing money around the world for:
 - Rehabilitation and work training centers for victims
 - Special housing shelters for victims
 - Law enforcement training and legal reform assistance
 - Information and awareness campaigns
 - Voluntary repatriation for displaced victims
 - Training for immigration officials, medical personnel and social workers
 - Combating sex tourism
 - Rescuing victims from slave-like situations

What needs to be done?

When dealing with an issue of this importance and urgency, there is much to be done. The U.S. is asking governments to immediately take action to step up their anti-trafficking efforts:

- There is a critical need for **increased rescues of trafficking victims and prosecutions of traffickers.**
- People freed from slavery must be treated as **victims of crime, not criminals.**
- The **demand for modern-day slaves must be stopped.** This is not a victimless or harmless crime, and the public should be informed of the risks involved with it.

What are the Trafficking Victims Protection Act and the Trafficking in Persons Report?

Congress passed the Trafficking Victims Protection Act (TVPA) in 2000 and strengthened it in 2003. This law provides tools for the U.S. to combat trafficking in persons, both domestically and abroad.

One of the key components of the law is the creation of the *Trafficking in Persons Report*. The Department of State produces this annual report assessing government response in each country with a significant number of victims of severe forms of trafficking in persons. Countries in the annual report are rated in tiers, based on government efforts to combat trafficking.

What do the tiers of the Trafficking in Persons Report mean?

- **Tier 1:** Countries that fully comply with the act's minimum standards for the elimination of trafficking.
- **Tier 2:** Countries that do not fully comply with the minimum standards but are making significant efforts to bringing themselves into compliance.
- **Tier 2 Watch List:** Countries on Tier 2 requiring special scrutiny because of a high or significantly increasing number of victims; failure to provide evidence of increasing efforts to combat trafficking in persons; or an assessment as Tier 2 based on commitments to take action over the next year.
- **Tier 3:** Countries that neither satisfy the minimum standards nor demonstrate a significant effort to come into compliance. Countries in this tier are subject to potential non-humanitarian and non-trade sanctions.

For more information, please log on to the Web site of the State Department's Office to Monitor and Combat Trafficking in Persons at www.state.gov/g/tip.



I'm not a tourist attraction

Stop child sex tourism.



What Do the Tiers of the Trafficking in Persons Report Mean?

Office to Monitor and Combat Trafficking in Persons
Washington, DC
June 3, 2005

Tier 1	Countries that fully comply with the <i>The Trafficking in Persons Act's minimum standards for the elimination of trafficking</i> .
Tier 2	Countries that do not fully comply with the minimum standards but are making significant efforts to bring themselves into compliance.
Tier 2 Watch List	Countries on Tier 2 requiring special scrutiny because of a high or significantly increasing number of victims; failure to provide evidence of increasing efforts to combat trafficking in persons; or an assessment as Tier 2 based on commitments to take action over the next year.
Tier 3	Countries that neither satisfy the minimum standards nor demonstrate a significant effort to come into compliance. Countries in this tier are subject to potential non-humanitarian and non-trade sanctions.

TIER PLACEMENTS

TIER 1

AUSTRALIA	DENMARK	LUXEMBOURG	POLAND
AUSTRIA	FRANCE	MOROCCO	PORTUGAL
BELGIUM	GERMANY	NEPAL	SOUTH KOREA
CANADA	HONG KONG	THE NETHERLANDS	SPAIN
COLOMBIA	ITALY	NEW ZEALAND	SWEDEN
CZECH REPUBLIC	LITHUANIA	NORWAY	UNITED KINGDOM

TIER 2

AFGHANISTAN	EGYPT	LAOS	SENEGAL
ALBANIA	EL SALVADOR	LATVIA	SERBIA-MONTENEGRO
ALGERIA	EQUATORIAL GUINEA	LEBANON	SINGAPORE
ANGOLA	ESTONIA	LIBYA	SLOVENIA
ARGENTINA	ETHIOPIA	MACEDONIA	SRI LANKA
BANGLADESH	FINLAND	MADAGASCAR	SWITZERLAND
BELARUS	GABON	MALAWI	SYRIA
BOSNIA/HERZ.	GEORGIA	MALAYSIA	TAIWAN
BRAZIL	GHANA	MALI	TAJIKISTAN
BULGARIA	GUATEMALA	MAURITANIA	TANZANIA
BURKINA FASO	GUYANA	MOLDOVA	THAILAND
BURUNDI	HONDURAS	MONGOLIA	TURKEY
CHAD	HUNGARY	MOZAMBIQUE	UGANDA
CHILE	INDONESIA	NIGERIA	URUGUAY
CONGO (DRC)	IRAN	OMAN	VIETNAM
COSTA RICA	ISRAEL	PAKISTAN	YEMEN
COTE D'IVOIRE	JAPAN	PANAMA	ZAMBIA
CROATIA	KAZAKHSTAN	PARAGUAY	
CYPRUS	KENYA	PERU	
EAST TIMOR	KYRGYZ REPUBLIC	ROMANIA	

TIER 2 WATCH LIST

ARMENIA	DOMINICAN REP.	MEXICO	SLOVAK REPUBLIC
AZERBAIJAN	THE GAMBIA	NICARAGUA	SOUTH AFRICA
BAHRAIN	GREECE	NIGER	SURINAME
BELIZE	GUINEA	PHILIPPINES	UKRAINE
BENIN	HAITI	RUSSIA	UZBEKISTAN
CAMEROON	INDIA	RWANDA	ZIMBABWE
CHINA (PRC)	MAURITIUS	SIERRA LEONE	

TIER 3

BOLIVIA	ECUADOR	QATAR	UNITED ARAB EMIRATES
BURMA	JAMAICA	SAUDI ARABIA	VENEZUELA
CAMBODIA	KUWAIT	SUDAN	
CUBA	NORTH KOREA	TOGO	



Frank H. Murkowski
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

December 13, 2005

ADMINISTRATIVE ORDER NO. 227

I, Frank H. Murkowski, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24, of the Alaska Constitution, order all principal departments of the executive branch of state government, for procurement functions under the direction of the chief procurement officer in the Department of Administration, to ensure that future solicitations and resulting contracts for goods or services, and future contract amendments, are, to the extent consistent with federal and state law, not entered into with any company that is established and headquartered, or incorporated and headquartered, in a country categorized as "Tier 3" in the most recent United States Department of State's Trafficking in Persons Report, unless the company has a current company policy against human trafficking. The most current edition of the Trafficking in Persons Report published by the United States Department of State is available on the following website: <http://www.state.gov/g/tip/>.

BACKGROUND AND PURPOSE

A country categorized by the United States Department of State as a "Tier 3" country in its Trafficking in Persons Report is one whose government does not fully comply with United States minimum standards for the elimination of human trafficking, and is not making significant efforts to do so.

The award of, or amendment to, a State of Alaska contract to or with a company that is established and headquartered, or incorporated and headquartered, in a Tier 3 country, and that does not have a company policy against human trafficking in place, may result in state money directly or indirectly providing financial support to a Tier 3 country, thus enabling the continuation of human trafficking operations.

The purpose of this Administrative Order is to ensure that the State of Alaska does not provide support, directly or indirectly, to a Tier 3 country through state-financed contracts procured under the State Procurement Code (AS 36.30).

GENERAL PROVISIONS

By this Order, I am instructing the state's chief procurement officer, to the extent authorized by law, to undertake the following:

1. implement policies and procedures, and regulations if necessary, pertinent to this Order, including the consideration of the award of state contracts to a company established and headquartered, or incorporated and headquartered, in a Tier 3 country, and the imposition of a requirement that any vendor whose company is established and headquartered, or incorporated and headquartered, in a Tier 3 country must, as part of the response to any solicitation for a state contract, submit a certified copy of its company's policy regarding human trafficking;
2. amend future solicitations and state standard contracts to require vendors whose company is established and headquartered, or incorporated and headquartered, in a Tier 3 country, to disclose that fact to the State of Alaska;
3. require any vendor whose company is established and headquartered, or incorporated and headquartered, in a Tier 3 country to submit to the State of Alaska, before contract award or contract amendment, as appropriate, the company's policy against human trafficking.

DEFINITIONS

In this Order,

1. "human trafficking" includes the offenses specified in the Trafficking Victims Protection Act of 2000 (22 U.S.C. 7101 et seq.), as amended by the Trafficking Victims Protection Reauthorization Act of 2003 (P.L. 108-193);
2. "Tier 3 country" means a country categorized as a Tier 3 country in the most current version of the Trafficking in Persons Report issued by the United States Department of State.

This Order takes effect immediately.

DATED at Juneau, Alaska, this 13th day of December, 2005.

/s/Frank H. Murkowski
Governor

WWW.GOV.STATE.AK.US

Administrative Orders 201-present | Contact the Governor | Webmaster | State of Alaska

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: HCS CSSB 12(STA)
 (H) Publish Date: 4/12/06

Revision Date/Time (Note if correction): 4/10/06 9:00 a.m. Dept. Affected: Administration
 Title An Act relating to financial relationships with RDU Centralized Administrative Services
business in countries that support ... slavery Component Purchasing
 Sponsor Senator Dyson
 Requester (H) STA Component No. 60

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill is an Act relating to the financial relationships with persons conducting business in or having headquarters in countries that support or ignore slavery and trafficking in persons. The bill requires regulations to prohibit or eliminate financial relationships with a person that has headquarters in a country listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Secretary of State under 22 U.S.C 7107(b)(1)(C). The bill encourages the same regulations for persons that conduct business in such countries that do not have headquarters there.

Bill has zero fiscal impact.

Prepared by: Remond Henderson, Deputy Director Phone 465-5687
 Division General Services Date/Time 4/10/06 9:00 AM
 Approved by: Michael Tibbles Date 4/10/2006
 Agency Administration

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: HCS CSSB 12(STA)
 (H) Publish Date: 4/12/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
 Title: "An Act relating to the prohibition or
elimination of financial relationships with persons that..." BRU: Legislative Council
 Sponsor: "Senators Dyson, Davis, French, Bunde..." Component: Council and Subcommittees
 Requestor: Senate State Affairs Component No.: 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	------------	------------	------------	------------	------------	------------

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation has zero fiscal impact on the Legislative Affairs Agency. Any costs to amend the procurement procedures of the Legislature will be absorbed within existing budgets.

Prepared by: Karla Schofield, Deputy Director
 Division: Administrative Services
 Approved by: Pamela Varni, Executive Director
 Agency: Legislative Affairs Agency

Phone 465-6626
 Date/Time 4/10/06 1:23 PM
 Date 4/10/2006



Powered by Clickability

Alaska suspects plead guilty in Russian sex trade case

WASHINGTON (CNN) -- The Justice Department has obtained guilty pleas from three men on charges of illicitly bringing Russian girls and women to work as nude dancers in Anchorage, Alaska.

The three are accused of fraudulently obtaining visas for two minors, age 16, and four older Russian women who were brought to the United States in December 2000.

Federal officials say the guilty pleas were entered Wednesday at the U.S. District Court in Anchorage.

The Immigration and Naturalization Service took custody of the women in January and gave them temporary legal immigration status while the case proceeds. The women are still in the United States.

The men -- Victor Nikolayevich Virchenko, Pavel Vasilievich Agafonov and Tony Kennard -- all pleaded guilty in federal district court to six counts of immigration fraud.

Kennard also pleaded guilty to two counts of transporting minors for illegal sexual activity. Agafonov and Virchenko pleaded guilty to one count of transporting minors for illegal sexual activity.

Kennard is a U.S. citizen, Agafonov is a naturalized U.S. citizen, and Virchenko is a Russian national.

The maximum statutory punishment is 15 years in custody and a fine of \$250,000 for each felony count of transporting minors for illegal sexual activity, and 10 years in custody and a fine of \$250,000 for each felony count of immigration fraud.

Sentencing for all three men is scheduled for August 24.

Find this article at:

<http://archives.cnn.com/2001/LAW/06/14/sex.trafficking>

Check the box to include the list of links referenced in the article.



United States Attorney's Office
District of Alaska
222 West 7th Avenue, #9
Anchorage, Alaska 99513-7567

FOR IMMEDIATE RELEASE

November 22, 2004

Contact: Frank Russo
Assistant U.S. Attorney
907-271-5071 / Fax: 271-2345

Anchorage, Alaska - Anchorage businessman Josef F. Boehm, 60, pleaded guilty today to conspiring to provide crack cocaine to underage Anchorage and Mat-Su teenagers in exchange for sexual favors. Boehm pleaded guilty to the top charge in the indictment, conspiring to distribute over 50 grams of crack cocaine to persons under 21 years of age. Boehm also admitted to conspiring to commit the crime of sex trafficking of children. Under the terms of the agreement, Boehm may be sentenced to more than 11 years in jail. Under federal sentencing guidelines, there is no parole. Boehm also agreed to forfeit his Oceanview home, where many of the activities alleged in the indictment took place.

The agreement also requires that Boehm pay restitution in the amount of \$1.2 million dollars into a trust fund for the benefit of the victims of his criminal conduct. The trust fund will allow victims to be compensated for expenses related to drug treatment, counseling, and related expenses incurred as a result of their victimization at the hands of Boehm and his co-defendants. In addition, the trust fund can be used to pay for educational and professional training expenses for the victims, which would not have been otherwise available under federal statutes if Boehm had been convicted after trial. Boehm will be required to fund the trust on or before his sentencing, scheduled to take place on February 11, 2005. Co-defendants Allen Bolling, 40, Leslie J. Williams, 40, and Bambi Tyree, 23 have pled guilty and are scheduled to be sentenced on January 21, 2005.

"This plea agreement achieves the best of all possible worlds for the interests of justice and for the young victims in this case. Boehm will receive a substantial sentence without the risks associated with a lengthy trial and appeals, which Boehm has agreed to waive. Young victims also avoid the traumatic experience of having to testify about their exploitation, and will have prompt access to resources that will help them," said United States Attorney Tim Burgess.

Burgess added, "Usually, when people commit crimes, the best the criminal justice system can do is punish the offender and occasionally have him repay the out of pocket expenses of the victims. This plea not only does that, but attempts to give the victims future opportunities for treatment, counseling, and even an education."

The case was investigated by the Anchorage Police Department and the Federal Bureau of Investigation. The prosecution was a joint effort of the United States Attorney's Office and the Child Exploitation and Obscenity Section of the Department of Justice.

###