

SB

12

24-J S0143\S
Bullock
3/31/06

**HOUSE CS FOR CS FOR SENATE BILL NO. 12(STA)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS DYSON, Davis, French, Bunde, Seekins, Wagoner, Eton, Kookesh, Huggins, Gary Stevens, Olson, Stedman, Ben Stevens, Cowdery, Therriault, Ellis, Wilken

REPRESENTATIVE Lynn

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to procurement from a person conducting business in or having
2 headquarters in countries that support or ignore slavery and trafficking in persons."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 36.30.020 is amended to read:

5 **Sec. 36.30.020. Legislature.** The legislative council shall adopt and publish
6 procedures to govern the procurement of supplies, services, professional services, and
7 construction by the legislative branch. The procedures must be based on the
8 competitive principles consistent with this chapter and must be adapted to the special
9 needs of the legislative branch as determined by the legislative council. The
10 procedures must contain provisions for prohibiting procurement from a person
11 that has headquarters in a country listed in Tier 3 of the most recent Trafficking
12 in Persons Report published by the United States Secretary of State under 22
13 U.S.C. 7107(b)(1)(C). The procedures may contain provisions for restricting
14 procurement from a person that conducts business in but does not have

1 headquarters in a country listed in Tier 3 of the most recent Trafficking in
2 Persons Report published by the United States Secretary of State under 22 U.S.C.
3 7107(b)(1)(C). The procedures must be consistent with the provisions of
4 AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this
5 section, the legislative agencies subject to the legislative council's regulations shall
6 comply with AS 36.30.170(b).

7 * Sec. 2. AS 36.30.030 is amended to read:

8 **Sec. 36.30.030. Court system.** The administrative director of courts shall
9 adopt and publish procedures to govern the procurement of supplies, services,
10 professional services, and construction by the judicial branch. The procedures must be
11 based on the competitive principles consistent with this chapter and must be adapted to
12 the special needs of the judicial branch as determined by the administrative director of
13 courts. The procedures must contain provisions for prohibiting procurement
14 from a person that has headquarters in a country listed in Tier 3 of the most
15 recent Trafficking in Persons Report published by the United States Secretary of
16 State under 22 U.S.C. 7107(b)(1)(C). The procedures may contain provisions for
17 restricting procurement from a person that conducts business in but does not
18 have headquarters in a country listed in Tier 3 of the most recent Trafficking in
19 Persons Report published by the United States Secretary of State under 22 U.S.C.
20 7107(b)(1)(C). The procedures must be consistent with the provisions of
21 AS 36.30.080(c) - (e) and 36.30.085. Notwithstanding the other provisions of this
22 section, the judicial branch shall comply with AS 36.30.170(b).

23 * Sec. 3. AS 36.30.040(a) is amended to read:

24 (a) The commissioner shall adopt regulations governing the procurement,
25 management, and control of supplies, services, professional services, and construction
26 by agencies. The regulations must contain provisions for prohibiting procurement
27 from a person that has headquarters in a country listed in Tier 3 of the most
28 recent Trafficking in Persons Report published by the United States Secretary of
29 State under 22 U.S.C. 7107(b)(1)(C). The regulations may contain provisions for
30 restricting procurement from a person that conducts business in but does not
31 have headquarters in a country listed in Tier 3 of the most recent Trafficking in

1
2
3

Persons Report published by the United States Secretary of State under 22 U.S.C. 7107(b)(1)(C). The commissioner may audit and monitor the implementation of the regulations and the requirements of this chapter with respect to using agencies.

24-LS1816/A
Bullock
3/31/06

**HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

BY

**Introduced:
Referred:**

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 12, relating to the prohibition or elimination of**
3 **financial relationships with persons that conduct business in countries that support or**
4 **ignore slavery and trafficking in persons.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
7 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
8 changes to the title of a bill, are suspended in consideration of Senate Bill No. 12, relating to
9 the prohibition or elimination of financial relationships with persons that conduct business in
10 countries that support or ignore slavery and trafficking in persons.

Louie Flora

From: aron_davidson@ita.doc.gov
Sent: Thursday, February 23, 2006 7:15 AM
To: Mike_Barnhill@law.state.ak.us
Cc: Miguel_Hernandez@ita.doc.gov
Subject: Fw: NAFTA and US Dept of State Tier 3 Countries

Good morning Mr. Barnhill,

By way of introduction, my name is Aron Davidson and I work on government procurement issues in the same office as Miguel Hernandez, who'd forwarded me your inquiry.

The short answer to your question is that Alaska would not be in violation of NAFTA if the proposed legislation was ever enacted. This is because Alaska has no commitments under NAFTA as there is no state (or in the case of Canada, provincial) coverage in NAFTA. When NAFTA was negotiated, the Parties left the idea of future coverage of subcentral entities open as a future option but to date this has not occurred (http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx?DetailID=141#An1001.1a-3).

Therefore, even if Mexico was downgraded to a Tier III country and the proposed legislation went into effect, Alaska would not be in violation of NAFTA.

If you have any questions or would like to discuss this further please feel free to contact me.

Best regards,

Aron M. Davidson
International Trade Specialist
Office of NAFTA & Inter-American Affairs
U.S. Department of Commerce
(202) 482-1824

----- Forwarded by Miguel Hernandez/MAC/ITA/USDOC on 02/23/2006 10:09 AM -----

"Mike Barnhill" <Mike_Barnhill@law.state.ak.us>

To <miguel_hernandez@ita.doc.gov>

cc

02/22/2006 03:21 PM

Subject: NAFTA and US Dept of State Tier 3 Countries

Hi Miguel--

Thanks for discussing this issue. The Alaska legislature is considering legislation that would prohibit the State of Alaska from contracting with companies headquartered in Tier 3 countries (re: human trafficking). The question is: if Mexico is declared to be a Tier 3 country by the US Dept of State, would Alaska be in violation of NAFTA by virtue of this legislation?

Here is the current list of Tier 3 countries: <http://www.state.gov/g/tip/rls/tiprpt/2004/33187.htm>

2/24/2006

Here is the proposed legislation:

<http://www.legis.state.ak.us/PDF/24/Bills/SB0012B.PDF>

Thanks for your help with this.

Mike Barnhill
Ass't Atty General
Labor & State Affairs Section
Alaska Dept of Law
907-465-4118

Amendment 2 to CSSB12 (STA) By Gruentig

page 2 line 29, delete "procedures" and insert "regulations"
page 3 line 1 "

AMENDMENT #3

Withdraw

OFFERED IN THE HOUSE

BY: REPRESENTATIVE GRUENBERG

TO: CSSB 12(STA)

1 Page 1, line 12

2 After "that has headquarters in" insert:

3 " , is incorporated in, is established in, or is owned in whole or
4 in major part by a person residing in."

1 Page 2, line 15

2 After "that has headquarters in" insert:

3 " , is incorporated in, is established in, or is owned in whole or
4 in major part by a person residing in."

1 Page 2, line 28

2 After "that has headquarters in" insert:

3 " , is incorporated in, is established in, or is owned in whole or
4 in major part by a person residing in."



SENATOR FRED DYSON

SPONSOR STATEMENT

CS SB 12 (STA)—“An Act relating to financial relationships with persons 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. Finally, fiduciaries of state funds are restricted from making direct investments in these countries.

2005 Trafficking in Persons Report: <http://www.state.gov/e/tp/rls/tiprpt/2005/>

Office to Monitor and Combat Trafficking in Persons: <http://www.state.gov/e/tp/>

Trafficking Victims Protection Act of 2000: <http://www.state.gov/documents/organization/10492.pdf>

Trafficking Victims Protection Reauthorization Act of 2005: http://trwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=109_cong_bills&docid=11972cm.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?

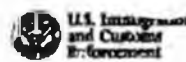
- **Tier 1:** Countries that fully comply with the act's minimum standards for the elimination of trafficking.
- **Tier 2:** Countries that do not fully comply with the minimum standards but are making significant efforts to bring themselves into compliance.
- **Tier 2 Watch List:** Countries on Tier 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.

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/tip.



I'm not a tourist attraction

Stop child sex tourism.



DEFINITION OF "SEVERE FORMS OF TRAFFICKING IN PERSONS"

The Trafficking Victims Protection Act defines "severe form of trafficking in persons" as

- (a) **sex trafficking** in which a **commercial sex act** is induced by force, fraud, or coercion, or in which the person induced to perform such an act has not attained 18 years of age; or
- (b) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to **involuntary servitude**, peonage, **debt bondage**, or slavery.

Definition of Terms Used in the Term "Severe Forms of Trafficking in Persons"

"Sex trafficking" means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

"Commercial sex act" means any sex act on account of which anything of value is given to or received by any person.

"Involuntary servitude" includes a condition of servitude induced by means of (a) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or (b) the abuse or threatened abuse of the legal process.

"Debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

"Coercion" means (a) threats of serious harm to or physical restraint against any person; (b) any scheme, plan or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or, (c) the abuse or threatened abuse of the legal process.

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
BEELIZE	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



 PRINT THIS

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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 Barbibi 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.

###

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 12(STA)
 (S) Publish Date: 4/15/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title A bill related to ...prohibition of financial... RDU Centralized Administrative Services
business in countries that support ... slavery. Component Purchasing
 Sponsor Governor
 Requester _____ Component No. 60

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
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						
1005 GF/Program Receipts						
1G37 GF/Mental Health						
Various in all state agencies						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill is an Act relating to the prohibition or elimination of financial relationships with persons that conduct business in countries that support or ignore slavery and trafficking in persons. The bill encourages regulations to prohibit or eliminate financial relationships with organizations that conduct business in countries listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Department of State or other list of countries prepared by the United States Secretary of State under 22 U.S.C.7107(b)(1)(C).

Bill has zero fiscal impact.

Prepared by: Vern Jones, Chief Procurement Officer Phone 465-5684
 Division: General Services Date/Time 2/7/05 11:36 AM
 Approved by: Michael Tibbles, Deputy Commissioner Date 2/7/2005
 Agency: Administration

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 12(STA)
 (S) Publish Date: 4/15/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
 Title "An Act relating to the prohibition or BRU Legislative Council
elimination of financial relationships with persons that..." Component: Council and Subcommittees
 Sponsor "Senators Dyson, Davis, French, Bunde..."
 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 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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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 Phone 465-6626
 Division: Administrative Services Date/Time 2/4/05 9:50 AM
 Approved by: Pamela Varni, Executive Director Date 2/4/2005
 Agency: Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS SB 12(STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
 Title "An Act relating to the prohibition or BRU Legislative Council
elimination of financial relationships with persons that..." Component: Council and Subcommittees
 Sponsor "Senators Dyson, Davis, French, Bunde..."
 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
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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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 Phone 465-6626
 Division Administrative Services Date/Time 4/10/06 1:23 PM
 Approved by: Pamela Varni, Executive Director Date 4/10/2006
 Agency Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 12 (STA)
 () Publish Date: _____

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						
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CHANGE IN REVENUES ()						
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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
 Division: General Services
 Approved by: Michael Tibbles
 Agency: Administration

Phone 465-5687
 Date/Time 4/10/06 9:00 AM
 Date 4/10/2006

SENATOR FRED DYSON

MEMORANDUM

May 4, 2005

To: Representative Paul Seaton, Chair
House State Affairs Committee

From: Senator Fred Dyson *[Signature]*

RE: Request for Hearing SB 12

SB 12 is "An Act relating to the prohibition or elimination of financial relationships with persons that conduct business in countries that support or ignore slavery and trafficking in persons." I respectfully request that SB 12 be heard in the House State Affairs Committee as soon as possible. In addition to the attached materials, I would be glad to answer any questions that may arise, as would my staff, Jason Hooley (ext. 3762). Thank you for your consideration.

The following packet contains:

- Sponsor Statement
- CS SB 12 (STA)
- 2 Zero Fiscal Notes
- Facts About Human Trafficking*—U.S. Department of State
- Tier Placements*—2004 Trafficking in Persons Report
- Additional Information*—2004 Trafficking in Persons Report—U.S. Department of State
- 2 Press Releases regarding Trafficking cases in Alaska

★ — AMST #1 - Debate Section 4

*Treaty violation if require this & NAFTA countries?
Mike Burahill will get back on this
Law*

*I will look human statute / and rules - Max R. ...
#3
Senator: admin. statute) information to return
→ Could rule changes*



SENATOR FRED DYSON

SPONSOR STATEMENT

CS SB 12 (STA)—*“An Act relating to financial relationships with persons 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 national 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. The State Department ranks other countries according to their vigilance against—or apparent support of—trafficking. The Office to Monitor and Combat Trafficking in Persons updates these rankings in its Trafficking in Persons Report, listing the countries with the most permissive climate for trafficking in Tier III. The federal government then imposes economic sanctions against countries in Tier III until those countries make anti-trafficking efforts.

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 allow the Legislature, the Court System, and the Executive Branch to develop provisions for prohibiting and eliminating 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. Finally, fiduciaries of state funds are restricted from making direct investments in these countries.

2004 Trafficking in Persons Report: <http://www.state.gov/g/tip/rls/tiprpt/2004/>

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>

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSB 12(STA)
 (S) Publish Date: 4/15/05

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title A bill related to ...prohibition of financial... RDU Centralized Administrative Services
business in countries that support ... slavery. Component Purchasing
 Sponsor Governor
 Requester _____ Component No. 60

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Various in all state agencies						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2005) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The bill is an Act relating to the prohibition or elimination of financial relationships with persons that conduct business in countries that support or ignore slavery and trafficking in persons. The bill encourages regulations to prohibit or eliminate financial relationships with organizations that conduct business in countries listed in Tier 3 of the most recent Trafficking in Persons Report published by the United States Department of State or other list of countries prepared by the United States Secretary of State under 22 U.S.C.7107(b)(1)(C).

Bill has zero fiscal impact.

Prepared by: Vern Jones, Chief Procurement Officer Phone 465-5684
 Division General Services Date/Time 2/7/05 11:36 AM
 Approved by: Michael Tibbles, Deputy Commissioner Date 2/7/2005
 Agency Administration

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSSB 12(STA)
 (S) Publish Date: 4/15/05

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.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
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
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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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 Phone 465-6626
 Division: Administrative Services Date/Time 2/4/05 9:50 AM
 Approved by: Pamela Varni, Executive Director Date 2/4/2005
 Agency: Legislative Affairs Agency

Definition of "Severe Forms of Trafficking in Persons"

The Trafficking Victims Protection Act defines "severe forms of trafficking in persons" as

- a. sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such an act has not attained 18 years of age; or
- b. the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

Definition of Terms Used in the Term "Severe Forms of Trafficking in Persons:"

"Sex trafficking" means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

"Commercial sex act" means any sex act on account of which anything of value is given to or received by any person.

"Involuntary servitude" includes a condition of servitude induced by means of

- a. any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such condition, that person or another person would suffer serious harm or physical restraint; or
- b. the abuse or threatened abuse of the legal process.

"Debt bondage" means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

"Coercion" means

- a. threats of serious harm to or physical restraint against any person;
- b. any scheme, plan or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or,
- c. the abuse or threatened abuse of the legal process.



Trafficking in Persons Report [-Report Home Page](#)

Released by the Office to Monitor and Combat Trafficking in Persons
June 14, 2004

VI. United States Government Efforts

The U.S. Government condemns trafficking in persons and remains firmly committed to fighting this scourge and protecting victims who fall prey to traffickers. Our commitment to eradicate trafficking includes:

- Vigorously enforcing U.S. laws against all those who traffic in persons;
- Raising awareness at home and abroad about human trafficking and how it can be eradicated;
- Identifying, protecting, and assisting those victims exploited by traffickers;
- Reducing the vulnerability of individuals to trafficking through increased education, economic opportunity, and protection and promotion of human rights; and
- Employing diplomatic and foreign policy tools to encourage other nations, the UN and other multilateral institutions to work with us to combat this crime, draft and enforce laws against trafficking, and hold accountable those engaged in it.

Trafficking Victims Protection Reauthorization Act of 2003

In December 2003 Congress passed and President Bush signed the Trafficking Victims Protection Reauthorization Act, which enhanced the State Department's reporting of government efforts to combat modern-day slavery by:

- Providing new tools for addressing destination countries that may be turning a blind eye to trafficking;
- Making convictions and sentencing of traffickers as important as investigations and prosecutions in evaluating country efforts to eliminate trafficking;
- Requiring better statistical monitoring, providing greater access to critical law enforcement data related to trafficking; and
- Creating a Special Watch List.

The PROTECT Act

Another law was enacted in 2003 to give U.S. authorities better tools to combat international sex tourism and the commercial sexual exploitation of children, as well as domestic federal offenses of child abuse, child kidnapping, and child torture. In April 2003, the PROTECT Act (Prosecutorial Remedies and Other Tools to end the Exploitation of Children Today Act of 2003) was passed by the Congress and signed into law by President Bush. The Act serves as a historic milestone for protecting children while severely punishing those who victimize young people. Of particular note, the PROTECT Act allows law enforcement officers to prosecute Americans who travel abroad and sexually abuse minors, without having to prove prior intent to commit illicit crimes. The law also strengthens the punishment of child sex tourists. If convicted, child sex tourists now face up to 30 years imprisonment, an increase from the previous maximum of 15 years. The PROTECT Act made several other changes to the law with a focus on protecting children from sexual predators, including: extending the statute of limitations for federal crimes involving the abduction or physical or sexual abuse of a child for the lifetime of the child; expanding the potential reach of federal sex trafficking prosecutions by extending federal jurisdiction to crimes committed in foreign commerce; establishing parallel penalty enhancements for the production of child pornography overseas; and, criminalizing actions to arrange or facilitate the travel of child sex tourists.

Other U.S. Government efforts and mechanisms to combat trafficking in persons include the annual Trafficking in Persons report; the President's Interagency Task Force to Monitor and Combat Trafficking in Persons; and, the Office to Monitor and Combat Trafficking in Persons in the U.S. Department of State.

The Office to Monitor and Combat Trafficking in Persons ("TIP Office")

The State Department's "TIP Office" is mandated to: combat and eradicate human trafficking by focusing worldwide attention on the international slave trade; assisting countries to eliminate trafficking; promoting regional and bilateral cooperation; supporting service providers and NGOs active in trafficking prevention and victim protection efforts. The TIP office also assists foreign governments in drafting or strengthening anti-trafficking laws and funds law enforcement and victim assistance training to foreign governments to ensure traffickers are fully investigated and prosecuted to final conviction.

The TIP Office supported more than 240 anti-trafficking programs in over 75 countries in fiscal year 2003. The types of assistance include the following: economic alternative programs for vulnerable groups; education programs; training for government officials and medical personnel; development or improvement of anti-trafficking laws; provision of equipment for law enforcement; establishment or renovation of shelters, crisis centers, or safe houses for victims; support for voluntary and humane return and reintegration assistance for victims; and support for psychological, legal, medical and counseling services for victims provided by NGOs, international organizations and governments.



Other U.S. Agency Activities

The TVPA also mandates that federally-funded or administered benefits and services, such as cash assistance, medical care, food stamps, and housing, be made available for certain non-citizen trafficking victims. During 2003, trafficking victims in the U.S. received information from federal authorities about the rights and protections available to them. The Departments of State, Justice, and Homeland Security have been implementing this mandate.

Federal Law Enforcement Assistance

Federal investigators from the Federal Bureau of Investigation, the Immigrations and Customs Enforcement Bureau (ICE), the Diplomatic Security Service, as well as other federal officials who encounter trafficking victims hand out a brochure describing a trafficking victim's rights and the protections available to him or her. ICE also operates a hotline for victims and non-governmental organizations to communicate directly with the ICE victim-witness assistance program. The ICE hotline number is 1-866-DHS-2ICE. Alternatively, the U.S. Department of Justice's Trafficking in Persons and Worker Exploitation Task Force hotline is 1-888-428-7581. In 2003, ICE provided its 25 field offices funds to purchase items to help assist trafficking victims. Funding was used for car seats to safely transport minor children of trafficking victims, clothing, personal hygiene items, bags for personal belongings, cots for children, and other needed items.

ICE retrofitted 25 cars with tinted glass so that investigators and victim-witness coordinators could transport victims, including trafficking victims, with confidentiality. ICE coordinated with its New York office to provide nationwide translation services for victims of trafficking in ICE investigations.

The Department of Health and Human Services (HHS) provides certification and eligibility letters for victims that allow them to access most benefits and services comparable to the assistance provided to refugees. In March 2004, a HHS-sponsored hotline for victims of trafficking, run by an NGO, was activated. The number is: 1-888-373-7888. In fiscal year 2003, HHS issued \$3.48 million to 15 organizations to help victims of trafficking with a range of services, including temporary housing, independent living skills, cultural orientation, and transportation needs, and for educational programs and legal assistance.

In fiscal year 2003, HHS provided 151 certifications and benefits eligibility letters, of which 145 were certification letters to adults and six were eligibility letters to child trafficking victims. Over 200 trafficking victims rescued in the Kil Soo Lee case are provided services by a HHS grantee. The case, prosecuted between 2001 and 2004, is the largest U.S. trafficking case to date, and involved Vietnamese and Chinese nationals trafficked to American Samoa.

The Department of Justice also met immediate needs of victims of trafficking in persons through witness assistance programs and services provided by the grantees of the Department of Justice's Office for Victims of Crime (OVC). In January 2003, the OVC awarded 12 grants totaling more than \$9.5 million to non-governmental organizations for the purpose of providing trafficking victims with comprehensive or specialized services, and to provide these grantees with training and technical assistance for program support. Grantee organizations must provide comprehensive services, including immediate housing.

Victims of trafficking often need legal assistance with immigration and other matters. Since the passage of the TVPA, the Legal Services Corporation must make available legal assistance to trafficking victims. The Legal Services Corporation is a private, non-profit corporation established by Congress which funds legal aid programs around the nation to help indigent Americans gain equal access to the civil justice system. The Legal Services Corporation grantees assisted a total of 81 victims nationwide during fiscal year 2003.

Immigration Benefits

There are two immigration benefits available through the TVPA to trafficking victims who meet certain eligibility requirements. Victims may be authorized "continued presence" to temporarily remain in the United States if federal law enforcement determines they are potential witnesses to trafficking.

Victims may also petition the Bureau of Citizenship and Immigration Services within the Department of Homeland Security to receive "T visas," which are available to victims who have complied with reasonable requests for assistance to investigate or prosecute acts of trafficking. Victims who receive T non-immigrant status may remain in the United States for three years, and can then apply for permanent residency.

As of September 30, 2003, the Department of Homeland Security had granted an estimated 374 continued presence requests. For trafficking victims that request repatriation, U.S. Government personnel assist in the repatriation process by liaising with foreign governments to facilitate the victim's return and to try to ensure that the victim is not trafficked again.

Investigations and Prosecutions of Traffickers

Human trafficking cases are among the most labor- and time-intensive matters undertaken by the Department of Justice. They often involve language barriers, multiple investigating agencies, overseas investigations, and in many cases, severe sexual or physical trauma to victims and witnesses, requiring the expertise of various professionals including rape counselors, psychiatrists, physicians, and child interview specialists.

As of April 2004, the Criminal Section of the Civil Rights Division had 153 open trafficking investigations – twice as many as compared with three years earlier. Over one-half of these investigations were initiated as a result of the "Trafficking in Persons and Worker Exploitation Task Force Complaint Line," 1-888-428-7581, established in February 2000. In fiscal years 2001 through 2003, the Department of Justice's Civil Rights Division and US Attorneys Offices initiated prosecutions of 110 traffickers, nearly a three-fold increase compared to the previous three fiscal

years. In fiscal years 2001 through 2003, the Department of Justice secured 77 convictions and guilty pleas, a 50 percent increase over the previous three years.

In *United States v. Kil Soo Lee*, the largest trafficking prosecution ever brought by the Department of Justice, the Civil Rights Division led a long and difficult investigation resulting in a 22-count indictment against five defendants charged with subjecting workers to involuntary servitude in a garment factory in American Samoa. The indictment, filed in federal court in Hawaii, charged that the defendants transported more than 200 Vietnamese and Chinese nationals, mostly young women, to work as sewing machine operators in a Daewoosa garment factory. The victims, some of whom were held for up to two years, were forced to work through extreme food deprivation, beatings, and physical restraint.

The victims were held in barracks on a guarded company compound, and were threatened with confiscation of their passports, deportation, economic bankruptcy, severe economic hardship to family members, false arrest, and personal injury. One victim had an eye gouged out by a defendant who struck her with a jagged pipe in order to punish her for refusing to comply with the defendants' orders. On August 31, 2001 two of the five defendants entered guilty pleas to conspiracy for their involvement in the scheme. On February 21, 2003, a jury convicted Lee, the factory owner and ringleader, on nearly all counts. Sentencing will occur in June 2004. The other two defendants, his subordinates, were acquitted. In April, 2002, 270 Vietnamese and Chinese workers who labored in the Daewoosa garment factory on American Samoa won an important legal victory. The High Court of American Samoa ordered the factory and two Vietnamese government-owned labor agencies to pay \$3.5 million to the workers. Other cases are highlighted in the annual Department of Justice report.

International Grant Activity

The ideal way to combat trafficking is to prevent the victimization of people in the first place. Because the United States is a destination country for trafficked people, prevention activities in which the U.S. Government engages abroad are particularly important. Through the Department of State, the Department of Labor's Bureau of International Labor Affairs and the U.S. Agency for International Development, the U.S. Government offers a substantial amount of international assistance to help prevent trafficking in persons, and for improving the treatment of victims and the prosecution of traffickers abroad.

In FY 2003, the U.S. Government supported approximately 190 anti-trafficking programs totaling \$72.2 million, and benefiting over 92 countries, up from 118 programs in 55 countries in fiscal year 2001. The Government of the United States has invested \$147.5 million on anti-trafficking efforts over the last two fiscal years. The U.S. Government's international anti-trafficking efforts run the gamut from small projects to large multi-million-dollar programs to develop comprehensive regional and national strategies to combat the worst forms of child labor.

Based on U.S. Government findings over many years of international development work, assistance that has a positive impact on anti-trafficking efforts include: development or improvement of anti-trafficking laws; provision of equipment for law enforcement; economic alternative programs for vulnerable groups; education programs addressing both the supply and demand sides of trafficking in persons; training for government officials and medical personnel; anti-corruption measures; establishment or renovation of shelters, crisis centers, or safe-houses for victims; support for voluntary and humane return and reintegration assistance for victims; and support for psychological, legal, medical and counseling services for victims provided by NGOs, international organizations and governments.

Report on the Worst Forms of Child Labor

The Department of Labor also publishes an annual report, mandated by the Trade and Development Act of 2000, on efforts governments are taking to meet their international commitments to eliminate the worst forms of child labor, including the trafficking of children for exploitative labor and commercial sexual exploitation. The Trade and Development Act (TDA) provides that efforts to eliminate the worst forms of child labor count as an important eligibility criterion for countries that are recipients of trade benefits under the Generalized System of Preferences, the Caribbean Basin Trade Partnership Act, and the African Growth and Opportunity Act. The TDA Report released in

2003 chronicled the incidence of the worst forms of child labor, and government efforts to combat it, in over 140 countries and territories.

International Engagement

The U.S. Government also engages internationally through cooperation with countries that support the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, which supplements the UN Convention Against Transnational and Organized Crime, adopted by the UN General Assembly in November 2000; the United States signed the Convention and Protocol in December 2000 and the President has submitted them to the Senate for advice and consent to ratification.

Three other international instruments that address the sale of and trafficking in children have also been adopted - International Labor Organization (ILO) Convention 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (which the United States ratified in February 1999), the Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography (which the United States ratified in December 2002), and the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict (which the United States ratified in December 2002). The Department of Labor works with the ILO to bring international attention to countries' obligations under ILO Convention 150, the Abolition of Forced Labor, as well.

Training of NGOs

Non-governmental organizations (NGOs) have been vital to the U.S. Government's efforts to identify and help trafficking victims as well as to prosecute trafficking cases. The U.S. Government engages in extensive outreach to NGOs, which are often the first point of contact with trafficking victims. These contacts foster good relations with groups that receive and shelter trafficking victims and are often in a position to encourage victims to come forward and report abuse. Additionally, in those situations in which law enforcement is actively involved in liberating victims from servitude, some NGOs can provide safe houses for the victims.

U.S. Government personnel have been working closely with NGOs across the country to train service providers on the provisions of the TVPA, as amended. Through such training, federal prosecutors, Federal Bureau of Investigation and ICE agents, immigration officials and Health and Human Services' personnel have forged strong relationships with NGOs, learned about potential new cases, acquired NGO assistance in procuring refuge and support for trafficking victims, educated non-governmental organizations on the requirements for identifying a victim of a severe form of trafficking, and trained service providers on the roles they can play to contribute toward the success of a trafficking investigation and prosecution.

Labor Programs

The Department of Labor (DOL) also supports programs through the International Organization's International Program on the Elimination of Child Labor as well as through non-governmental and faith-based organizations that address child trafficking in 20 countries around the world, either as the central focus of the project or as a component of a broader project. These projects rescue children from trafficking and exploitative work situations and provide them with rehabilitation services and educational opportunities.

Programs funded under DOL's Child Labor Education Initiative promote school attendance and provide educational opportunities for victims of child trafficking and children at risk of being trafficked. In the United States, DOL's Employment and Training Administration also assists victims with job training regardless of immigration status. This training includes job search assistance, career counseling, and occupational skills training.

Senior Policy Operating Group on Trafficking in Persons

In February 2002, pursuant to the TVPA, President George W. Bush established a Cabinet-level Interagency Task Force to Monitor and Combat Trafficking in Persons. The Task Force is chaired by the Secretary of State and includes the Attorney General, the Secretary of Defense, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Homeland Security, the Director of Central Intelligence, the Director of the Office of Management and Budget, and the

Administrator of the U.S. Agency for International Development.

The Task Force's responsibilities include coordination and implementation of the Administration's anti-trafficking activities. In February 2003, the Congress passed and the President signed legislation creating the Senior Policy Operating Group on Trafficking in Persons (SPOG), chaired by the Director of the State Department's Office to Monitor and Combat Trafficking in Persons. The purpose of the SPOG is to bring together senior policy officials from the Task Force member agencies. This year the SPOG was responsible for a number of inter-agency policy developments including:

- Coordination of U.S. agency strategic plans to address trafficking in persons;
- Development of an inter-agency grant policy statement to help implement the President's National Security Presidential Directive on Trafficking in Persons;
- Creation of a website that lists member agency grants and grants opportunities; and
- Coordination of the President's \$50 million initiative announced at the U.N. to fight trafficking in persons abroad.

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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/LA/W/06/14/sex.trafficking>

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

ADMINISTRATIVE RULES

Rule 1

Rule 1. Administrative Director of Courts — Duties.

There shall be an administrative director of courts who shall, under policy guidelines provided by the supreme court:

(a) Supervise the administrative operation of the judicial system;

(b) Establish the administrative methods and systems to be employed in the offices of the clerks and other offices of the courts;

(c) Periodically inspect and examine the administrative methods and systems in use and make recommendations to the chief justice for the improvement of such administrative methods and systems;

(d) Establish a system of prescribed accounting practices for all courts including uniform procedures, consistent with existing law, for calculating interest on judgments and allocating payments to costs, interest, and principal;

(e) Examine the state of the calendars of all courts, determine the need for assistance by any court and confer with the justices and judges on the status of their calendars and administrative matters;

(f) When authorized by the chief justice, make assignments of judges to other judicial districts where the courts are in need of assistance and where the judge consents to the assignment;

(g) When directed by the supreme court, prescribe methods for the assignment and calendaring of cases in the superior or district court in any court location;

(h) Collect and compile statistical and other data and transmit copies of the same to the supreme court to the end that proper action may be taken in respect thereto;

(i) Prepare budget estimates of state appropriations necessary for the maintenance and operation of the judicial system and submit the budget request, as approved by the supreme court, to the legislature;

(j) Draw all requisitions requiring the payment of state monies appropriated for the maintenance and operation of the judicial system;

(k) Collect statistical and other data and make reports relating to the expenditure of public monies for the maintenance and operation of the judicial system and the offices connected therewith;

(l) Obtain reports from presiding judges, area court administrators, and clerks of court in accordance with the requirements of the supreme court on cases

and other judicial business in which action has been delayed beyond periods of time specified by law or rules of court and make report thereof to the chief justice and the supreme court;

(m) Formulate and submit to the chief justice and the supreme court recommendations of policies for the improvement of the judicial systems; and

(n) Be legal advisor for the chief justice and the supreme court in all legal matters not adjudicatory in nature, such as:

(1) Preparation of memoranda on statutes which may affect the judiciary;

(2) Drafting of rules of practice, procedure and administration;

(3) Conducting and supervising research on procedure and court administration;

(4) Instruction of court personnel concerning rules or statutes governing ministerial and other non-adjudicatory duties;

(5) Preparing of syllabi for the basic legal instruction of magistrates and other lay personnel;

(6) Providing for the publication, annotation and editing of revisions and supplements to the Alaska Rules of Court; and

(7) Rendering legal opinions in any non-adjudicatory matters as directed from time to time by the chief justice.

(o) Adopt and publish procedures to govern the procurement of supplies, services, professional services, and construction by the judicial branch.

(p) Attend to such other matters as may be assigned by the chief justice.

(Adopted by SCO 412 effective July 1, 1980; amended by SCO 554 effective April 4, 1983; by SCO 802 effective nunc pro tunc July 1, 1985; by SCO 1153 effective July 15, 1994; and by SCO 1494 effective September 19, 2002)

Annotations

Accounting Instructions, Superior Courts, 1959, Office of Admin. Director.

Accounting Instructions, District and Deputy Magistrates, 1959, Office of Admin. Director.

Alaska Rule of Administrative Procedure 1(0)



SB 12

RECEIVED
MAR 13 2005

Alaska Permanent Fund Corporation
P.O. Box 25500 Juneau, Alaska 99802-5500
(907) 465-2047

March 9, 2005

Senator Fred Dyson
Alaska Capitol Building, Suite 121
Juneau AK, 99801

Senator Dyson -

We appreciate your concerns over supporting countries that allow traffic in human beings. I am sure there are many Alaskans who agree with you.

The Alaska Permanent Fund Corporation would not have difficulty, conforming to Section 4 of Senate Bill 12, which would address the procurement of goods from countries that support traffic in humans.

However the APFC would not support provisions that limit the Fund's investments or fiduciary contracts. Our concerns would fall under the policy implications in making these social investing restrictions on the Fund, the practical application of the restrictions, and the effect on Fund performance.

I will address the policy issue first. There are many Alaskans who, as a matter of conscience, feel very strongly about social issues, including human slavery. In the 28 years of the Fund's existence, labor unions have asked that we not invest in companies currently undergoing labor strife; conservative groups have asked that we not invest in companies that do business with communist countries; religious groups have questioned the morality of our investment in alcohol and tobacco companies; following the movie *Silkwood*, we were questioned about why we were invested in Kerr-McGee; and over the years those concerned with human rights abuses have challenged our investments in multinational firms which do business in South Africa.

The debate surrounding these issues is important because the constituency of each cause has a right to be heard. However, the Board of Trustees believes that the Fund must be managed under the prudent investor rule for the benefit of all Alaskans. Once you breach the brick wall which separates economic investing from social and political investing - regardless of how noble the cause - the chances are that you will lose the integrity of the Fund as ever-increasing numbers of other just causes ask for and receive equal consideration. We are relieved that none of the citizen initiatives or legislative attempts to place social investment restrictions on the Fund have been successful to date.

regarding a different version



With regard to the practical applications of investment restrictions, the Fund is invested in an average of 3000 stock holdings, all managed outside of the Fund. This list changes daily as securities are bought and sold. Some of these securities are contained within passive investments, those that match established index funds. Others are traded with full authority by the managers employed by APFC. In addition, the APFC has a bond portfolio with about 500 domestic and international securities, most of which is managed internally.



Even the most minimal restrictions will require all of the Fund's managers and staff to perform additional screens on every stock and bond before purchasing it to determine if the underlying company (or one of its subsidiaries) has a restricted relationship with one of the listed countries. And the question arises as to how to handle securities that are part of index funds but should be excluded under the investment restrictions.

Restricting investments under social guidelines could negatively impact the Fund's performance. The California retirement system (CalPERS and CalSTRS) began moving into the social investment arena in the late 90's, a decision that has cost their system a considerable amount of money. Their restrictions cover several areas, but I would like to discuss the impact of two in particular.

In 1999, the CalPERS and CalSTRS funds sold their \$800 million in tobacco shares. This has cost the system more than \$1 billion in lost returns. In 2002, CalPERS withdrew its entire portfolio investment in Thailand, citing concerns over human rights and corporate governance. As of February 7, 2005 it wants to go back in. However, as of that date, Thai stocks are up 135% from the beginning of 2002 and have more than doubled since the end of 2002.

Senate Bill 12, version Y, as drafted would not affect the APFC's investments or fiduciary contracts. We hope that our arguments are compelling enough to prevent our inclusion in these restrictions in future drafts.

Sincerely,

Michael J. Burns, CEO

37.13 Investment Statutes