

**STATEMENT BY**

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**U.S. DEPARTMENT OF STATE**

**BEFORE THE**

**U.S. HOUSE OF REPRESENTATIVES**

**COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM**

**SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,**

**INTERGOVERNMENTAL RELATIONS AND PROCUREMENT REFORM**

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Good Morning. Chairman Lankford, Ranking Member Connolly, and distinguished Members of the Subcommittee – thank you for the opportunity to testify on the Department of State’s continued efforts to combat human trafficking and abusive labor practices involving third country nationals hired to perform services under overseas contracts. My name is Cathy Read, and I am the Director of the Office of Acquisition Management at the Department of State.

Before joining the Department of State, I worked with several private entities, as well as government agencies, including the Department of the Navy and most recently, as Director of Contracts, U.S. Arms Control and Disarmament Agency. At State, I am responsible for providing global acquisitions and logistics support for the people and programs all around the world in support of America’s diplomacy. My office is responsible for over 98% of the operational acquisitions for the Department, including all overseas buildings operations, diplomatic security guard services, IT equipment and services, and worldwide operational and support services. My office consists of over 200 acquisitions professionals both in Washington, D.C., and two regional centers in Frankfurt, Germany, and Ft. Lauderdale, Florida. Embassies have limited authority to procure supplies and local services. Generally, our largest and most complex contracts are issued from

Washington, D.C., offices and monitored by formally trained Contracting Officer Representatives (CORs) on the ground.

The subject of today's hearing, "Trafficking in Persons," is central to the Department of State's mission. My colleague, Ambassador CdeBaca has discussed State's efforts to combat trafficking as a foreign policy issue. The Department has also been vigorous in its efforts to ensure none of the contracts written by the Department are with contractors that would abuse their employees. To that point, I would like to note that the Office of the Inspector General (OIG) has reviewed several contracts throughout the world in the past 4 years. The OIG identified challenges in ensuring the TIP contract clause is included in contracts, maintaining contractor familiarity with TIP requirements, and precluding contractor retention of passports or other travel documents, but not one report indicated evidence of recruiting or maintaining labor through use of force, fraud or coercion.

We have identified contracting programs which may result in the hiring of unskilled or semi-skilled labor from third countries. For my office of Acquisition Management, TIP focus is on construction/renovation contracts for new embassy compounds for Overseas Buildings Operations (OBO, and Diplomatic Security (DS) protective programs.

Today I would like to focus on major approaches/or initiatives undertaken at State to address these issues:

Training - The Department has implemented training on TIP in several areas at the Foreign Service Institute and in the training of our professional acquisition workforce. Contracting Officers (COs) and their representatives (CORs) are our front line in preventing contractor trafficking in persons and worker abuses. The Department worked closely with the Federal Acquisition Institute (FAI) and the Department of Homeland Security (DHS) to develop on-line training for COs across the government, including at State.

Our classroom COR training has a module on managing contracts in difficult environments. CORs are briefed on the TIP rules and indicators that may signal TIP concerns. They are provided with the steps to be taken as they assume contract oversight, which include TIP discussions during the post-award meeting and TIP inspections during contract monitoring. CORs are instructed to work with the political or economic sections at post to learn labor issues, including TIP at their post. They are given a DHS-produced wallet card with a list of TIP indicators. The FAI training on combating TIP mentioned earlier is also recommended to CORs and others in the Embassy management section. Foreign

Service Institute (FSI) on-line COR training is being extensively updated and will contain TIP guidance for CORs when it is released this in the next months. Other FSI training, including regional area studies, political, and consular training, includes sessions touching on human trafficking, organized crime, and gender issues as appropriate for the country or region.

Oversight Recommendations - We have implemented many of the Commission on Wartime Contracting, GAO and OIG recommendations for contract oversight in Iraq and Afghanistan throughout our contracting program. We in acquisitions have developed a closer working relationship with the programmatic bureaus. There are several Contracting Officers collocated with bureau staff outside the contracting office. I have encouraged longer Contracting Officer trips to overseas performance sites. When COs are on temporary duty in a region, they are asked to look at other programs in the area that use contractors. These COs and the program offices are taking extra steps to monitor and enforce TIP programs. In some locations, this includes having a direct-hire Project Manager or COR living on-site with construction or security staff at their housing areas. There are now unannounced DS Regional Security Officer visits to housing compounds for DS local guard programs. In some cases, co-location of contractor life support providers on USG compounds enhances after-hours oversight.

Procurement Information Bulletin, PIB 2011-9 on TIP (issued March 24, 2011) by State's Office of the Procurement Executive, is used by COs to tailor specific oversight requirements based on locale, service, and contract type. New solicitation language regarding recruitment, including a recruitment plan and submission of agreements, has been developed for our contracts to prevent maltreatment of workers.

During a capital construction project, OBO has an on-site Project Director with responsibility for contract administration, including enforcing standards for health, safety, and working conditions. In addition, OBO's Construction Safety and Occupational Health Manager visits each embassy construction site and reports on working and living conditions at the job site. OBO is also testing the use of OSHA Temporary labor camp standard, 1910.143. Once definitive, we will require that a housing plan be submitted as part of contractor proposals with third country national personnel. The contractor is accountable for providing safe and habitable living conditions for any Third Country National workers brought to the project, and these standards will define acceptable conditions. This requirement will also enable consideration of housing and recruitment plans as part of proposal evaluation when appropriate.

In closing, I would like to note that our experience in recent years has reconfirmed the importance of hiring an acquisition workforce in adequate numbers and ensuring that it is adequately trained. Conflict-affected states require special vigilance against trafficking in persons. Contract administration in conflict-affected states can be strengthened through the hiring of adequate federal personnel to provide governmental oversight of contractors and their subcontractors.

Thank you for providing me with this opportunity to appear before you and for your ongoing support for the Department of State. I will be pleased to answer any questions that you have.

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## **Ms. Cathy J. Read**

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Cathy J. Read is the Director, Acquisitions Management (AQM), office of Logistics Management (LM) for the Department of State (DOS). Cathy is responsible for providing global acquisitions and logistics support for the people and programs all around the world in support of America's diplomacy. A career member of the Senior Executive Service, Cathy's office is responsible for over 99% of the operational acquisitions for DOS including all overseas buildings operations, diplomatic security domestic guard services, Iraq, Kabul security guard services, IT equipment and services, weapons abetment program, and operational and support services. She leads an organization of over 220 acquisitions professionals both in Washington, DC and two regional centers in Frankfurt, Germany and Ft. Lauderdale, Florida.

With 25 years as a seasoned acquisition professional, Cathy has worked with several government and private entities including the Department of the Navy where she procured command, control and communications systems for submarines, and most recently, as Director of Contracts, US Arms Control and Disarmament Agency before joining the Department of State through the Foreign Affairs Reorganization.