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# A tale of shipwrecks, human trafficking, and modern-day slavery

- » Human trafficking and slavery exist in the modern world and present legal, ethical, and compliance risk to today's businesses.
- » Estimates are that between 21 and 35 million people are trapped in modern-day slavery and forced-labor conditions today.
- » Companies can face legal sanctions, fines, penalties, and significant reputational damage if they—or their suppliers—are found to be using forced labor.
- » Companies need to conduct risk assessments, training, and communication efforts along with other measures to help combat this issue.
- » Businesses alone cannot solve the problem and must partner with other organizations, governments, NGOs, and law enforcement agencies to help combat the problem, but businesses have clear incentive and can contribute greatly to the effort.

## Preface: The story of the *Golden Venture*

After 114 days on the high seas, the lights of New York City finally appeared on the horizon and the 286 passengers of the *Golden Venture* began to rejoice. The free world at last! The shores of America were now so close for those on board, and the long and arduous journey that brought them all the way from China was about to come to an end. With little more than a plastic bag of belongings, some with only the clothing on their backs, these people did not fully understand the prospects that lay ahead of them. Most had incurred debts of \$40,000 or more to be brought into America illegally, and these debts would have to be paid through years of virtual indentured servitude. Still, many viewed this as a

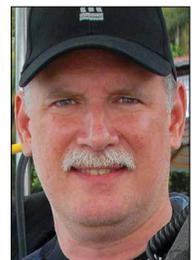
preferable option to the life they were leaving behind.

The passage on the *Golden Venture* had been arranged through Chinese gang leaders and contacts in New York, and the entire illegal human trafficking operation, known as “Snakehead”, had been working undetected for years. In the dark of night on June 6, 1993, however, this was all about to change.

As the chatter about leaving the boat and the prospects of entering a new country to start a new life began to grow, the *Golden Venture* suddenly came to an abrupt stop. In the inky



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dark of night, chaos fell upon the human cargo of this vessel. Despite the shuddering of the engines and the strain of the propellers, the boat had stopped hard, stuck on a sandbar just a few hundred yards offshore from Rockaway Beach in Queens, New York, located along the south shore of Long Island.

The motivation to reach freedom was powerful. The passengers, who had endured a voyage of squalor and hardship, subsisting on rice, dirty water, and spoiled food, were now panicking. Many began to jump into the frigid waters of the Atlantic, attempting to flee the stranded vessel and reach the shore. Ten drowned in the effort, and the Immigration and Naturalization Service took most of the remaining survivors into custody. Many were subsequently held in various prisons throughout the USA while they applied for the right of asylum. Approximately 10% eventually were granted asylum, minors were released, and half of the remainder were deported. President Bill Clinton eventually released the final 52 persons on February 27, 1997.

The story of human trafficking is tragic. The plight of the illegal Chinese aliens brought to the shores of the U.S. onboard the *Golden Venture* served to shine a bright spotlight on the desperation of those seeking to flee oppression and poverty, and begin life anew in America or elsewhere. Vulnerable to extortion and exploitation, illegal aliens ferried

abroad in this manner often find themselves forever unable to pay the debts they have incurred at the hands of gangsters and other criminal enterprises. Life in America, or elsewhere, becomes a form of slavery, and many find themselves working in restaurants, factories, and other businesses for minimal wages and little prospect of real freedom. Some drift into even worse situations, such as the illegal sex trade, and for them, the degradation continues and grows deeper.

Although most organizations agree that the highest incidence of slavery currently exists in Asia, with India and China topping the lists of countries where slavery is found, virtually every country in the world is harboring some form of enslavement today.

### Modern-day slavery

To many of us, the notion of slavery comes to us only in an historical context. Often, slavery is considered a thing of the past, an ugly part of history, but not a real problem today. But contrary to what we may think, slavery and its close relative human trafficking,

are alive and well in modern-day society. It is a problem that affects businesses, suppliers, and consumers.

Estimates are that between 21 and 35 million people are currently trapped in a form of modern-day slavery, and a new person is enslaved every 15 minutes around the world.

Although most organizations agree that the highest incidence of slavery currently exists in Asia, with India and China topping the lists of countries where slavery is found, virtually every country in the world is harboring some form of enslavement today. In the United States, it is estimated that there are some 60,000 people living in slavery today,

with a predominance of this occurring in the agricultural business.

It is the use of forced, indentured, or slave labor by suppliers that businesses today must be most concerned with. With increasing use of suppliers in India, China, Pakistan, and other nations, businesses must now confront the very real possibility that their suppliers are indeed using this form of labor.

Indeed, the estimates of the worldwide illicit profits from slavery are about \$32 billion annually.

### What can businesses do?

The United Nations Global Compact is committed to eradicating human trafficking and slavery through multi-stakeholder efforts, based on the belief that these practices are of such magnitude and atrocity that they cannot be handled by government alone. Successfully combating these issues requires multiple stakeholders, including businesses, to work collaboratively to take responsibility for the problem. Other organizations as well have also recognized the powerful role that businesses can have in fighting this problem. For example, the Mekong Club ([www.themekongclub.org](http://www.themekongclub.org)) often uses the phrase “Using business to fight the business of slavery.” And the Walk Free Foundation ([www.walkfreefoundation.org](http://www.walkfreefoundation.org)) focuses on tracking the prevalence of slavery country by country around the world with the hopes of shining a bright light on the problem.

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Modern-day slavery operates in the shadows and is often difficult to detect. For companies whose supply chain runs deep through contractors and sub-contractors, identifying and eliminating these practices can be daunting. Still, the damage that can be caused to a company found to be benefiting from forced labor can be significant. Reputational damage through negative publicity can lead to consumers turning away from the company’s products. Fines from governmental agencies are possible, as is

legal action, which can be very costly and damaging. In February 2015, Signal International, a marine construction company based in the United States, was forced to pay \$14 million in damages to plaintiffs who brought a forced labor case against the company.<sup>1</sup> There have been many other very large and high-profile companies that have suffered legal and

reputational damage resulting from the use of forced labor in their supply chains.

Good and ethical people run most businesses. Stories of slavery are horrifying to most, but often there is uncertainty as to how to prevent or eradicate such practices. The problem can seem far removed. It can seem as if it is someone else’s problem. And it can feel dangerous.

What are some of the warning signs that companies can look for? First, companies should be asking serious questions about their supplier labor practices. If a large percentage

of the workforce employed by a supplier is from a different country than where they are working, there is an elevated risk that those people are being trafficked into the country and may be victims of forced labor. Factories in which the employees are housed onsite can be another sign that the labor is unable to exercise free will or may be subject to debt that is impossible to pay off, resulting in slave-like conditions. Companies should be aware of the warning signs and remain vigilant in watching over their labor costs and the practices of their suppliers.

Companies can take several effective measures to help combat the issue of slavery.

#### **Corporate Social Responsibility statements**

Slavery often hides in the darkness.

Companies can stand up to this problem by forcefully declaring their opposition to slave labor practices and include these in their Corporate Social Responsibility statements, on their websites, and in their codes of conduct. This can help spotlight the issue and put pressure on other organizations to do the same. These declarations, followed up with real action, can be very effective.

#### **Risk assessments**

Companies should perform detailed and extensive risk assessments to determine their present and future risks for encountering slavery. They should determine whether and how the company is at risk for unknowingly contributing to the problem by partnering

with manufacturers, suppliers, distributors, and others in the supply chain who participate in or turn a blind eye to these practices.

Because human trafficking and forced labor are illegal in many countries, there is very real legal risk to companies as well as moral, ethical, and reputational risk. These risk assessments should then form the basis of risk mitigation plans.

#### **Training**

Companies can and should offer training on human trafficking, slavery, and the impact it can have on business. This training should be offered to all employees who work in areas identified as high risk through a risk assessment process. Training and education can increase knowledge of these practices and provide tools for identifying them, reporting them, and taking other actions to ensure that they come to light so

the company can deal with them. As with other compliance issues, the greater the level of awareness, the higher the likelihood that potential problems will be spotted. Training can also focus on supply chain compliance, with a focus on the specific laws and regulations relating to the supply chain and the use of labor.

#### **Donation of money, assets, and labor**

Corporate donations of money, assets, and labor can go a long way towards helping combat this problem. Besides money, often the greatest need to help fight slavery is in the

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### **Responsible capitalism**

The drive to squeeze costs and drive profits opens the door to all kinds of unethical behavior. The use of slave labor can often result in higher profits through reduced labor costs. The business world needs to take a more values-based

approach to this aspect of business. Nobody really wants to see people enslaved in terrible, degrading, and dangerous conditions.

Companies should question the costs of labor from their suppliers and, if it seems “too good to be true”, it likely is. Human dignity and freedom from slavery should always be placed at a higher priority than company profits. In today’s world, where corporate behavior is on display for all to see, doing the right thing not only is morally and ethically desirable, but it is the best way to protect a company’s reputation. In fact, doing the right thing is ultimately good for business, because consumers will avoid purchasing from companies seen as behaving badly.

### **Community action**

Companies can also create impact through community action and communication. Taking a leadership role in the business community by actively engaging in the fight against human trafficking and forced labor, launching national or global campaigns to raise awareness, and supporting existing national and international events that are

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designed to fight this issue are some ways that companies can help. Further steps can include creating or participating in task forces across industry to identify and fight these practices,

working with local governments to promote preventative and enforcement actions, and even participation in re-integration efforts for identified victims through skills development, job training, or employment opportunities.

Besides corporate initiatives, individuals can also make a difference:

- ▶ **Donations:** Donations of money and assets can have a big impact to the organizations that are combating this problem.
- ▶ **Knowledge:** We are all citizens of the world and taking the time to learn about this problem, and to speak to others about it, can help shine a bright light on the darkness of slavery.
- ▶ **Responsible consumers:** As consumers, we all want to pay the lowest price possible for the goods and services we consume. By demanding ever-lower prices, however, we unwittingly create pressure on companies to reduce their costs, which in turn can lead to the use of slave labor in the early parts of the supply chain. Consumers can have an impact by carefully examining the products they purchase, researching the companies that they buy from, and questioning those that seem unrealistically low cost. Would you be willing to pay a little bit more for the clothing you buy or the food you eat if you knew it would prevent the use of slave labor?

### Coda: What became of the *Golden Venture* ship itself?

After the stranding on Rockaway Beach, the *Golden Venture* was initially confiscated by the federal government, but was eventually sold at auction and was renamed the *United Caribbean*. The *Golden Venture*, now renamed, began service as a cargo vessel throughout the Caribbean. She was later purchased by Palm Beach County in Florida for \$60,000 and was intentionally sunk as an artificial reef in 75 feet of water a mile off Boca Raton Inlet. Originally built in 1969 and named the *Tong Sern*, the 147-foot boat was put under the water for good on August 22, 2000.

The sinking of the now-named *United Caribbean* marked the end of this vessel's checkered history. She sank upright, a vessel with a sordid past now pressed into the noble service of creating a marine habitat for fish and a destination for scuba divers. Four years later, the peace of the ocean floor was shattered as two hurricanes, Frances and Jeanne, brought huge swells and damaging surf to the area, and the *United Caribbean* was broken apart into three pieces.

Today, divers visiting the *United Caribbean* find an interesting and picturesque wreck lying in three distinct pieces on a sandy bottom. The wreck has become a fish haven, with clouds of tropical fish swimming in and around the vessel. The *Golden Venture*, now reposing on the bottom as the *United Caribbean*, seems to have fulfilled its final mission.

But for divers this should be more than a wreck dive off the eastern shores of Florida. Imagine for a moment that you are swimming along the wreck. Pause for a moment as you swim amongst the decaying structure of the

## The *United Caribbean* rests in silence 70 feet below the surface of the Atlantic Ocean off Florida's Palm Beach coast.

vessel and close your eyes. The ghosts of the past still exist here. For many wreck divers, understanding the history of a shipwreck is an essential attraction and, for the *United Caribbean*, this history is meaningful. The pain and suffering of the desperate passengers, exploited by criminal enterprise and victims of the continuing problem of human trafficking, can still be felt on this shipwreck. Swimming over the mid-section, imagine for a moment the squalor

and inhumane conditions that existed for four months as the ship plowed its way towards America. As you swim over the bow, think of the fear and panic on board as the ship ran aground. Certainly, remember the ten lives that were lost that fateful night in New York as terrified passengers jumped to their deaths in their final desperate effort to achieve freedom.

The *United Caribbean* rests in silence 70 feet below the surface of the Atlantic Ocean off Florida's Palm Beach coast. She continues to be a testament to the tragedy of human trafficking. Her notorious past is now a memory buried below the waves. But perhaps this memory will live on and, in a reversal of fortune, the *United Caribbean* can serve as an inspiration for good. Perhaps the blight of illegal human smuggling can finally be eliminated if we can all align on true reforms in this area. Lonely is the vigil of the *United Caribbean* now resting in silence beneath the waves. \*

1. Kathy Finn: "Indian workers win \$14 million in U.S. labor trafficking case." *Reuters*, February 18, 2015. Available at <http://bit.ly/indian-workers-win>

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