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STATEMENT BY:

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BEFORE THE

SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,

INTERGOVERNMENTAL RELATIONS AND PROCUREMENT REFORM

OF THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to testify today. I look forward to sharing the measures taken by the Army and Air Force Exchange Service (AAFES) to prevent human trafficking in Southwest Asia. Combating human trafficking is a complex and challenging mission. The responsibility is substantial, but our policy is clear: zero tolerance on trafficking violations. My report today will confirm that AAFES has implemented and is enforcing a comprehensive Combating Human Trafficking program throughout our contingency area of operations.

AAFES runs exchange facilities in eight countries, spread over 71 locations in combat zones across the U.S. Central Command Area of Responsibility (AOR). The core of the AAFES team consists of about 300 direct hire AAFES associates; however, the vast majority of our teammates in these contingency areas—more than 3,000 individuals—are provided by manpower agencies (MPAs) and concessionaire contractors. These MPA and concessionaire employees are often Third Country Nationals (TCN), who are an integral part of the AAFES team. In fact, without TCNs, AAFES cannot provide world class support for our deployed troops and customers.

Today, I will highlight three essential elements in AAFES' fight against human trafficking: (1) an enforceable bill of rights for TCN associates, (2) consistent inspection and reporting to ensure compliance, and (3) effective communication to increase worker awareness and command-level oversight and planning.

AAFES has the inherent responsibility and contractual right to ensure humane treatment of TCNs working in our facilities. The first element in deterring human trafficking among the TCN population is an enforceable bill of rights. In 2008, AAFES developed a bill of rights

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which states non-negotiable aspects of working for the exchange. The right to elevate complaints without fear of reprisal, to have a copy of the contract under which they are employed, to receive pay in a timely fashion, to leave their deployed location at any time; these are among the inalienable rights of TCN workers working under MPA contracts with AAFES. One of the most important of these rights is the freedom to maintain possession of their passport. The bill of rights is clear--at no time will any official, either from the contractor or AAFES withhold the passport of a TCN worker. This bill of rights is a part of MPA and concession contracts, which ensures AAFES has legal authority to enforce it.

The second component of the AAFES program is frequent inspection and mandatory reporting to enforce the bill of rights, especially the right to maintain passports. AAFES leaders ensure MPA and concessionaire contractors do not withhold passports of TCNs working in our facilities. As part of the policy, AAFES team leaders, service business managers, food business managers, and other direct hire AAFES associates in leadership positions are required to conduct 100% monthly physical passport inspections that verify that TCN employees of MPA and concessionaire contracts are in possession of their own passports.

Leaders report results of monthly passport verification inspections throughout the chain-of-command to the AAFES Regional Operations Center and Contracting Officer Representatives (CORs), documenting any contractor employees that do not or cannot present their passports. AAFES has zero tolerance of violations of this policy. Corrective action to contractors may include a warning letter/cure notice, which gives the contractor the opportunity to address and rectify the issue, termination for default and/or referral to criminal or civil law enforcement officials.

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Finally, effective communication and command-level oversight is at the heart of the AAFES Combating Human Trafficking program. To make certain AAFES managers and TCNs understand Combating Human Trafficking policy and procedures, the AAFES bill of rights, posted in prominent areas of the workplace, has been translated into 11 languages. The AAFES Inspector General (IG) conducts occasional sensing sessions with TCN workers to collect independent feedback about the program and our education efforts. Metrics from the Combating Human Trafficking program are incorporated into the AAFES Balanced Scorecard Management program. Scorecard information regarding passport inspections, proper living conditions, communication efforts and fair pay are measured and provided to AAFES leadership to ensure the program is implemented and enforced throughout the contingency area, and to identify opportunities for continuous improvement.

I am pleased to say that AAFES efforts to condemn and combat this serious crime have been successful. Now completing the third year of our program, AAFES has achieved good results:

- Because of our efforts, TCN workers are now in possession of their own passports; several have been liberated from involuntary servitude and been able to return to their home country, as a direct result of our program.
- The AAFES' COR based in Kuwait/Qatar and United Arab Emirates was cited by the January 2011 Department of Defense (DOD) IG for outstanding work in combating human trafficking.

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- In their January 2011 report, the DoD IG inspection cited AAFES as an excellent example of Combating Trafficking in Persons awareness and contract quality assurance that merits being considered for replication.

But regardless of our significant achievements, human trafficking still exists and AAFES must remain vigilant in our efforts to combat it.

We recognize this threat to basic human rights and we combat the danger. Our employees in Iraq, Afghanistan, Kuwait, Qatar and many other locations in Southwest Asia, on a daily basis, counter this threat. We, in AAFES, do not have the power to eradicate this scourge throughout all of Southwest Asia. We do have the power to fight it, to the best of our ability, so that our contractor workers are not victimized. We make clear to our contractors: if you want to do business with AAFES, then you will not engage in human trafficking. AAFES does not have police powers. We cannot force contractors to do anything. What AAFES does have is the power of contracting, which in many ways is more powerful than police powers. The ability to take the contract away for violations of our policy is very persuasive. Our contractors respond quickly.

We might not be able to change the world, but we can and we do combat human trafficking. We do this so that contractor employees working in our facilities and supporting AAFES on US government bases are treated humanely. I look forward to your questions.



Michael P. Howard
Chief Operating Officer

Michael Howard was born in St Louis, Missouri in 1954 and graduated from high school in Aurora, Colorado, in 1972. He graduated from the University of Colorado with a Bachelor's Degree in Accounting and Finance in 1976. He has also been an attendee of the Executive Continuing Education Programs at the University of Chicago and at Darden University.

Howard began his career as a part-time custodial worker at Lowry AFB Exchange, Colorado.

During his career Howard has held the following positions:

- Supervisory Accounting Tech., Central Area, MO 1977-1980
- Operations Manager, McChord AFB, WA 1980-1982
- Sales and Merchandise Manager, McChord AFB, WA 1982-1983
- Sales and Merchandise Manager, Hanau Exchange, Germany 1983-1985
- Asst. Main Store Manager, Frankfurt Exchange, Germany 1985-1987
- Main Store Manager, March AFB, CA 1987-1991
- Main Store Manager, McChord AFB, WA 1992-1997
- General Manager, Colorado Springs, CO 1998-2001
- Area Manager, Columbia Area 2001-2003
- VP Real Estate, HQ AAFES, TX 2003-2004
- Project Director, Project Retek, HQ AAFES, TX 2004-2004
- Chief Information Officer, Information Technology, HQ AAFES, TX 2004-2006
- Chief Financial Officer, HQ AAFES, TX Feb. 2006-Aug. 2006
- Chief Operating Officer, HQ AAFES, TX 2006-Present

Howard has been the recipient of ten Superior Accomplishment Awards.