



AB 1245 (STEFANI): PREVENTING TRAFFICKING BY UPDATING GOVERNMENT PROCUREMENT POLICIES



NEED FOR ACTION

Data shows that business-controlled supply chains are the primary drivers of trafficking. The International Labour Organization (ILO) estimates nearly 28 million people are in forced labor, **with 86% exploited in the private sector**.¹ Migrant workers, women, and children are disproportionately affected due to unfair recruitment practices and subcontracting. The United States' most recent report on forced labor and child labor underscores the scale of the crisis: "Forced labor and child labor are all too common globally—even in times of prosperity and in both wealthy and poor countries... global trends show that both child labor and forced labor are on the rise." That report documents 204 goods from 82 countries made with child or forced labor—likely only the tip of the iceberg.²

California's Role

With nearly a \$300 billion budget, California is one of the few economies capable of reshaping supply chains through procurement reform. Public procurement represents 13–20% of global GDP.³ From 2021 to 2023, California spent **\$56.25** billion on public contracts.⁴

California's current procurement practices reveal significant exposure to forced labor risk. From 2022–23, the State awarded 3,879 contracts for commodities commonly associated with exploited labor—including garments (uniforms and clothing), electronics (phones and computers), agricultural products (cocoa, coffee, cotton), and raw minerals (copper, gold, cobalt).⁵ These findings illustrate how the State purchasing inadvertently perpetuate trafficking and forced labor across multiple industries.

The risk is not just theoretical. A recent lawsuit filed in Los Angeles County Superior Court alleges that Orange County Based Hyundai and Kia supplied the state with electric cars made through subcontractors engaged in forced labor and child labor.⁶ Vehicles under these contracts were purchased by at least 15 California local governments and public entities including: City and County of San Francisco, San Diego County, Santa Cruz County, Stanislaus County, San Luis Obispo County, Sacramento County, Placer County, City of Sunnyvale, City of

¹ Int'l Labour Org., Global Estimates of Modern Slavery: Forced Labour and Forced Marriage 2-3 (Sept. 2022), https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_norm/%40ipec/documents/publication/wcms_854795.pdf.

² Bureau of Int'l Labor Affs., 2024 List of Goods Produced by Child Labor or Forced Labor (2024), https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2023/2024-tvpra-list-of-goods.pdf

³ World Bank, Global Public Procurement Database: Share, Compare, Improve! (March 23, 2020), *available at* <https://www.worldbank.org/en/news/feature/2020/03/23/global-public-procurement-database-share-compare-improve>

⁴ In 2021 CA spent \$21.23 billion due to the COVID-19 pandemic, wildfires and drought. In 2022-2023 CA spent \$18.98 billion, and in FY 2023-2024 CA spent \$16.04 billion. *See* Department of General Services (DGS), Consolidated Annual Report 2022-2023, *available at* <https://www.dgs.ca.gov/-/media/Divisions/PD/OSDS/Certification/CAR/Final-FY2223-Consolidated-Annual-Report22924.pdf> *available at* <https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/File-Consolidated-Annual-Report-for-State-Contracting>; Department of General Services (DGS), Consolidated Annual Report 2023-2024, *available at* <https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/File-Consolidated-Annual-Report-for-State-Contracting>; Department of General Services (DGS), Consolidated Annual Report 2020-21, *available at* <https://www.dgs.ca.gov/-/media/Divisions/PD/OSDS/Certification/CAR/FY20-21AnnualReport.pdf>

⁵ Loyola L. Sch., Sunita Jain Anti-Trafficking Initiative, Goods at High Risk for Forced Labor in California State Contracts (Nov. 2024), <https://www.lls.edu/media/loyolalawschool/academics/clinicexperientiallearning/sji/publicationsandreports/FACTSHEET%20-%20Goods%20at%20High%20Risk%20for%20Forced%20Labor%20in%20CA%20State%20Contracts.pdf>

⁶ City News Service, "Labor lawsuit says O.C. -based Hyundai, Kia are exploiting children, immigrants, inmates," Los Angeles Times (Nov. 14, 2025), *available at* <https://www.latimes.com/socal/daily-pilot/news/story/2025-11-14/nonprofit-sues-o-c-based-hyundai-kia-alleging-unfair-labor-practices>. In November 2025, Orange County-based automakers Hyundai and Kia were sued for violating California's unfair competition laws by relying on exploited labor—including children as young as 13, immigrant workers, and coerced prison labor—in their supply chains. **Investigations allege that the companies used forced and low-wage labor while concealing these practices to secure contracts with public agencies across the state.** At least 15 counties, cities, and local agencies have purchased these products.

Tustin, City of Taft, City of Davis, Sacramento Area Sewer District, Sacramento Municipal Utility District, and the Hacienda La Puente Unified School District.⁷

Federal Context

By updating its procurement policies, California can close the gap left by the weakening of federal oversight under the Trump Administration and ensure that goods purchased by the state are not tainted by forced labor. In 2016, the federal government adopted detailed measures to prevent human trafficking, forced labor, and commercial sex in its procurement system, requiring contractors and subcontractors to certify compliance and prohibiting the purchase of goods made with forced labor.⁸

Nearly a decade later, as enforcement erodes under the Trump Administration, leaving corporate supply chains largely unchecked, California must act. By enacting procurement reforms that align with—federal standards, the state can leverage its vast purchasing power to catalyze global corporate accountability, disrupt entrenched systems of exploitation, and guarantee that public funds are not complicit in trafficking.

Additional information: [GOODS AT HIGH RISK FOR FORCED LABOR THAT ARE CURRENTLY PROCURED THROUGH CALIFORNIA PUBLIC CONTRACTS](#)

GOALS

As the 5th largest economy in the world, it is clear that California needs to adopt specific and detailed guidance for businesses to prevent human trafficking. The goal of this legislation will be to update existing statutory authority in California – which was last updated in 2007- to be consistent with measures that have been required Federally for the last 9 years.

[Many companies and vendors](#) which are already in compliance with the Federal regulations also have public contracts with the state. By adopting Federal standards for California's procurement processes, the state can impact trafficking globally as well as in our own [backyard](#).

HOW UPDATING PROCUREMENT POLICIES PREVENT HUMAN TRAFFICKING

- Creates clear definitions of what constitutes human trafficking and/or forced labor, recruitment fees (often used to entrap workers in forced labor), and who qualifies as a subcontractor. While California currently prohibits human trafficking, forced labor, and child labor the state has not provided any additional guidance to companies or California procurement agencies on how to prevent these abuses from occurring.
- Provides further guidance on prohibited actions that involve fraud and misrepresentation for government solicitations and contracts including failing to provide key terms of employment in a worker's native language, charging recruitment fees, and failing to provide a means of returning to their home country.
- Requires a California government contractor to certify a compliance plan for itself and all its subcontractors for contracts of \$550,000 or more.⁹
- Details actions companies must take if they identify potential human trafficking, forced labor or child labor issues in their supply chains.

Federal Procurement Standards Have Prevented Trafficking - California Can Do the Same:

This proposed legislation provides clear guidance for companies on how to prevent trafficking in their supply chains. Companies must certify that they have taken proactive steps to prevent trafficking before contracting with the California government. Further provisions mandate if trafficking or forced labor is identified by a company,

⁷ Aesha Mahmoud, Senior Strategic Campaigner, Jobs to Move America, Email to A.Tiwari and S.Richard (Nov. 14, 2025)(On file with author).

⁸ 48 CFR Part 22 - Subpart 22.17 - Combating Trafficking in Persons *available at* <https://www.law.cornell.edu/cfr/text/48/part-22/subpart-22.17>

⁹ AB 1245 incorporates the amendment from AB 381 (2025), which limits plan certification requirements to contracts valued at \$550,000 or more, addressing concerns about undue burdens on small businesses.

they must take proactive steps to correct these abuses. Information compiled from the 2017 To 2024 trafficking in persons report (TIP Report) shows the effectiveness of these provisions at the federal level:

- In the 180+ investigations described in the 2017-2024 TIP Reports, companies have taken corrective steps to ensure human trafficking and forced labor does not continue to occur in their supply chains by issuing cure notices and/ or terminating certain personnel.¹⁰
- Only 1 Federal contract was terminated, and 1 entity was debarred from conducting further business with the Federal Government based on human trafficking procurement violations in 8 years, the remaining companies were able to take the corrective steps required.¹¹
- Between 2017 to present the cost of Federal procurement administration has not increased but decreased since the enactment of Federal Acquisition Regulations (FAR) 22.17.¹²
- The federal regulations were implemented with no additional resources.¹³
- No evidence to show that time-sensitive goods or services have been delayed or jeopardized in the 9 years in that the Federal regulations have been implemented.¹⁴
- Companies have access to detailed sample plans for compliance with required certification already developed under federal standards
 - www.ResponsibleSourcingTool.org
 - www.dol.gov/ilab/complychain

Additional information compiled from the TIP Reports regarding the impact of Federal procurement regulations can be reviewed [here](#).

PREVENTING TRAFFICKING AT THE OLYMPICS, WORLD CUP & OTHER GLOBAL EVENTS

California is set to host several major sporting events in the coming years—including multiple Super Bowls, the NBA All-Star Games, FIFA Men's World Cup, and the 2028 Olympic Games—each of which significantly increases the demand for goods, services, and short-term labor. [Reports](#) show that large global events create heightened risks of labor trafficking, as vulnerable workers are often recruited into unsafe, underpaid, or coercive conditions to meet urgent procurement needs.¹⁵ Much of this exploitation occurs within the supply chains of the state, cities, counties, and regional agencies responsible for event preparation, yet it often remains hidden until long after the events conclude.¹⁶

Strengthening public procurement safeguards now is essential to prevent trafficking and ensure that the goods used to support these major events—everything from construction materials to electronics to uniforms—are not produced through exploitation.¹⁷

¹⁰ See U.S. DEPT OF STATE, Trafficking in Persons Report (2018-2024), *available at* <https://www.state.gov/trafficking-in-persons-report/>

¹¹ For a Full Summary of the impact Federal Procurement Legislation please refer to this document [here](#). The 2019 TIP Report stated that a contract was terminated after an investigation into forced labor. See <https://www.state.gov/wp-content/uploads/2019/06/2019Trafficking-in-Persons-Report.pdf>.

165031222.2 ; The 2023 TIP report stated that one individual was debarred from conducting business with the Federal government for violating contracting prohibitions related to human trafficking. See <https://www.state.gov/reports/2023-trafficking-in-persons-report/united-states>.

¹² See U.S. Government Accountability Office, A Snapshot of Government-wide Contracting for FY 2021, <https://www.gao.gov/blog/snapshot-government-wide-contracting-fy-2021-interactive-dashboard>

¹³ Anna Fraser, Deputy Senior Coordinator for Intergovernmental Affairs at The Office to Monitor and Combat Trafficking in Persons, U.S. Department of State; Suzanne S. Balson, Senior Supply Chains Advisor, Office to Monitor and Combat Trafficking in Persons, U.S. Department of State; and Porter Glock, Procurement Analyst at the Office of Federal Procurement Policy. Meeting Regarding Costs of Implementing Federal Regulations FAR 22.17 (December 15, 2023).

¹⁴ *Id.* at Note 11.

¹⁵ See "Preventing Labor Trafficking Ahead of Large Scale Events," Sunita Jain Anti-Trafficking Initiative- Loyola Law School (2025), *available at* <https://cms.lmu.edu/terminalfour/SiteManager?ctfn=download&fnno=60&ceid=6f76ce532779339303f5d33aa926455813871d0e>

¹⁶ Vivian Wang, "Faced with Questions about Forced Labor in China, the I.O.C. is Tight Lipped," Freedom United (2022), *available at* <https://humantraffickingsearch.org/resource/faced-with-questions-about-forced-labor-in-china-the-i-o-c-is-tight-lipped/>

¹⁷ "Goods at High Risk for Forced Labor that are Procured through California Contracts," Sunita Jain Anti-Trafficking Initiative- Loyola Law School (2024), *available at*

<https://www.lls.edu/media/loyolalawschool/academics/clinicexperientiallearning/sji/publicationsandreports/FACTSHEET%20-%20Goods%20at%20High%20Risk%20for%20Forced%20Labor%20in%20CA%20State%20Contracts.pdf>,

LEGISLATIVE HISTORY & IMPLEMENTATION COSTS FOR AB 1245

This legislation was previously introduced as AB 964 (Rodriguez) in 2023, SB 1157 (Hurtado) in 2024, and AB 381 (Stefani) in 2025. It has consistently received strong, unanimous support in every policy committee, with no votes cast against it over the last three years.

The initial implementation estimate of updating California's procurement policies was modest. In 2023, the Appropriations Committee estimated only \$100,000, with some additional "unknown" expenses. By 2024 and 2025, however, projected costs increased substantially without clear justification, producing fiscal estimates that varied not only from year to year but even within the same legislative cycle. This large degree of variability demonstrates that the projections are speculative rather than grounded in consistent data.

In reality, the proposal represents a targeted update to existing procurement law designed to prevent the state from contracting with companies engaged in forced labor. Federal implementation of this same policy has shown minimal fiscal impact: no delays in procuring time-sensitive goods, only one contract termination in eight years, and overall federal procurement costs decreasing—not increasing—since 2017.

California can therefore adopt these protections with limited additional resources, just as the federal government has successfully done for nearly a decade.

A full response to the 2023, 2024, and 2025 fiscal analyses can be found [here](#).

SUPPORTERS OF THIS LEGISLATION

Supporters of this legislation include over 50 organizations nationwide and across California, representing a diverse coalition of NGOs, policy experts, business leaders, labor unions and community advocates.

3 Strands Global Foundation
U.S. Department of State, Office of Trafficking in Persons, [5 Former U.S. Ambassadors](#) of the Office to Monitor and Combat Trafficking in Persons
AFSCME
Asian Americans Advancing Justice, Southern CA
Bet Tzedek Legal Services
Board of Supervisors for the City and County of SF
CA Catholic Conference
CA Labor Federation, AFL-CIO
CA Rural Legal Assistance Foundation, INC.
CA State Council of Service Employees Int'l Union (SEIU CA)
CA Women's Law Cener
Center for Human Rights and Constitutional Law
Central Valley Justice Coalition
Community Legal Services of East Palo Alto
Coalition to Abolish Slavery and Trafficking (CAST)
CSA San Diego County
Dolores Street Community Services
Earthworks
Ethix Merch
Freedom Network USA
GAIA
Int'l Corporate Accountability Roundtable (ICAR)
Int'l Institute of LA

Int'l Rescue Committee – Oakland
Investor Advocates for Social Justice
Jobs to Move America
La Raza Centro Legal
Loyola Immigration Justice Clinic, Loyola Law School
Nat'l Consumer League & Child Labor Coalition
Nat'l Council of Jewish Women, SF Bay Area
Nat'l Domestic Worker Alliance
Praeveni U.S., Inc.
Public Citizen, Inc.
Public Counsel
Reach
Reformed Church of Highland Park Affordable Housing Corp.
Safe Place for Youth
Santa Barbara Women's Political Committee
Sierra Club California
Sunita Jain Anti-Trafficking Initiative, Loyola Law School (Sponsor)
Still Waters Anti-Trafficking Program
Thai Community Development Center
Tony's Chocolonely
Verite
UFCW – Western States Council
Waymakers
Women's Employment Rights Clinic at GGU

Women's Transitional Living Center, Inc.
Worksafe: Safety, Health and Justice for Workers

Western Center on Law & Poverty

ABOUT THE SUNITA JAIN ANTI-TRAFFICKING INITIATIVE

Sunita Jain Anti-Trafficking Policy Initiative (SJI) is an evidence-based and survivor-informed think tank based out of Loyola Law School. SJI intentionally works towards systemic change and filling the gaps in human trafficking prevention by focusing its policy advocacy on the intersectionality of 5 pillars: Government Accountability, Racial Justice, Immigrant Justice, Climate Justice and Economic Justice.

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