

Remarks by Deputy Secretary Justin G. Muzinich at the Second Annual Partnership to Combat Human Rights Abuse and Corruption

November 18, 2020

As prepared for delivery

Welcome to the second annual Partnership to Combat Human Rights Abuse and Corruption event. In this unusual time of virtual events and social distancing it is wonderful to see a record number of people get together to discuss this important topic.

We are excited to host this event to bring together Treasury and other government officials, civil society, and financial institutions to discuss ways that we partner to combat human rights abuse and corruption around the globe.

To begin, I would like to speak about our evolving focus on those directing and benefiting from human trafficking.

Human trafficking has been generally treated as a crime committed by transnational criminal groups. But, increasingly, we are seeing the devastating effects of government-sponsored human trafficking.

Human rights abuses have shed a light on global supply chains. Consumers are reacting negatively to products made from materials sourced from abusive regimes. The enforcement actions taken by the Departments of Commerce, Homeland Security, and Treasury have led to industry scrutinizing its supply chains to ensure their products are not stained with the labor of trafficking victims.

We have also seen that illegally mined gold is strongly linked to human trafficking, including forced child labor, violence against native communities, human rights abuses, and corruption.

Illegally mined gold is laundered and exported, with the help of corrupt government officials, to prominent refineries around the globe, including in developed countries.

We constantly see how human traffickers exploit the fact that companies can be formed without beneficial ownership information. Human traffickers establish front companies to hide the true nature of a business, its illicit activities and its owners and associates.

Treasury has historically treated human trafficking as not only an illicit finance threat, but also as a human rights and corruption issue. At Treasury we see how human trafficking goes hand-in-hand with corrupt leadership and is fueled by conflict.

However, we do not just focus on combatting those perpetrating this horrendous crime; we also focus on victims.

Treasury is determined to use financial tools to assist victims who have been harmed financially by human traffickers, such as by providing victims access to financial services. Financial tools and technology can support victims of human trafficking, refugees, displaced persons and others.

Just as our partnerships within the government are important, our partnerships with each of you are critical to our work. We value the information your organizations bring to us to shed light on the human rights abuse and corruption that you are seeing on the ground and through financial transactions.

In addition to the important information you provide to governments, many civil society organizations have risked their own members' safety to provide indispensable information to the private sector. Your leads have provided much-needed context for the private sector to understand their supply chain risks and conduct their own due diligence into account openings and suspicious transactions.

You have helped identify new means and methods human rights abusers and corrupt actors are using to exploit the international financial system. You have helped block countless transactions and identified illicit tactics used to evade sanctions. The collaboration between the NGO community and the private sector is helping lead the way in mitigating human rights abuse and corruption risks.

Partnerships are not a one-way relationship. That is why we are here today.

Today, Treasury will provide an update on our work combatting human rights abuse and corruption and will facilitate discussions between the public and private sectors and civil society.

You will hear about the illicit financing risks emanating from gold mining, refining, and trading, and the role of supply chain due diligence in tracing illicitly-derived gold.

We thank you all again for being here at our second annual partnership event, and for your continued work on these critical topics.