

## **Palau (Tier 2)**

The Government of Palau does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so. The government demonstrated overall increasing efforts compared to the previous reporting period; therefore Palau remained on Tier 2. These efforts included the president's approval of the national action plan, funding an assessment of the trafficking situation in Palau and the government's anti-trafficking infrastructure, creating a temporary shelter for victims, and establishing a trafficking hotline. Courts sentenced the government's lone convicted trafficker to 25 years' imprisonment, a departure from previous cases where courts had fully suspended sentences. However, the government did not meet the minimum standards in several key areas. The government remained without standard operating procedures for victim identification and referral to services. Protection services were insufficient; the government did not provide basic services such as medical and psychological care, and the government did not investigate indicators of trafficking in labor recruitment and contract violations experienced by many foreign workers.

### **PRIORITIZED RECOMMENDATIONS:**

Increase efforts to investigate, prosecute, and convict traffickers, including complicit officials, under trafficking laws, and sentence traffickers to adequate penalties, which should involve significant prison terms. • Develop, disseminate, and train officials on standard operating procedures for the proactive identification of trafficking victims and their referral to protection services. • Increase resources for and develop victim protection and rehabilitation services, including long-term shelter options, interpretation services, and medical and psychological care. • Amend anti-trafficking laws to remove sentencing provisions that allow fines in lieu of imprisonment for sex trafficking offenses and do not prosecute or penalize victims for unlawful acts traffickers compelled the victim to commit. • Create and implement a system to proactively offer foreign trafficking victims job placements and work visa extensions. • Establish and implement witness confidentiality procedures. • Enforce the anti-trafficking laws punishing recruiters, employment agents, and labor officials for illegal practices that facilitate trafficking. • Increase anti-trafficking awareness among vulnerable populations, including foreign migrant worker communities. • Establish a mechanism for the systematic

monitoring of government anti-trafficking efforts. • Accede to the 2000 UN TIP Protocol.

## **PROSECUTION**

The government maintained law enforcement efforts. Sections 2106-2108 of the criminal code criminalized sex trafficking and labor trafficking and prescribed penalties of up to 25 years' imprisonment, a fine of up to \$250,000, or both if the victim was an adult and up to 50 years' imprisonment, a fine of up to \$500,000, or both if the victim was under age 18. These penalties were sufficiently stringent, but by allowing for a fine in lieu of imprisonment for sex trafficking crimes, these penalties were not commensurate with penalties prescribed for other serious crimes, such as rape. The Ministry of Justice's anti-human trafficking office (AHTO) investigated 11 potential cases of labor trafficking and exploiting a trafficked person, one of which was investigated for soliciting sex acts from a sex trafficking victim, compared with 14 potential trafficking case investigations in 2017 and none in 2016. The AHTO referred five of the cases to the attorney general's office (AGO), which all remained under review at the end of the reporting period. The AGO initiated the prosecution of one alleged trafficker during the reporting period, compared with three prosecutions in 2017 and two in 2016. In the prosecution initiated during the reporting period, the court found the alleged offender not guilty of labor trafficking and people trafficking but found her guilty of prostitution and promoting prostitution; sentencing had not taken place by the end of the reporting period. Separately, the courts convicted one Bangladeshi national of labor trafficking and sentenced him to 25 years' imprisonment; the defendant began to serve his sentence while awaiting the outcome of his appeal. This is compared with three traffickers convicted in 2017, two of whom received suspended sentences and were deported within 30 days and one who received probation and was deported one year after sentencing.

Observers noted official complicity played a significant role in facilitating trafficking. The AGO continued to investigate allegations of official complicity but did not report the details of the allegations or the number of officials involved. The AGO did not initiate prosecutions or secure convictions of complicit officials during the year. The government provided in-kind support for five trainings on trafficking hosted by foreign governments or international organizations. The AHTO trained 24 police cadets for one week on trafficking and victim

identification. Despite these trainings, observers stated officials generally continued to lack an understanding of trafficking.

## **PROTECTION**

The government maintained efforts to protect victims. The AHTO reported it began to develop a victim identification tool but had not completed or approved the tool; consequently, the government remained without standard operating procedures for victim identification and referral to services during the reporting period. The government reported identifying five potential victims of labor trafficking and two potential sex trafficking victims from the five cases referred to the AGO for prosecution, compared with 10 foreign labor trafficking victims and four minor victims of sex trafficking identified in 2017. All potential victims were adult foreign nationals and the majority were male. An international organization stated only the most egregious cases of trafficking were likely to come to the attention of authorities because of the lack of proactive identification procedures and foreign migrant worker reluctance to complain to authorities out of fear that complaining would result in job termination and deportation. At the beginning of the reporting year, the AHTO created a temporary shelter for trafficking victims with five cots; however, none of the identified victims stayed there during the reporting period as they requested to stay with friends or relatives. Investigators employed local interpreters as needed in Bengali, Mandarin, and Tagalog. The government did not fund or provide any other emergency protective services to adult trafficking victims such as medical or psychological care. The lack of support services reportedly led some victims to leave the country rather than pursue legal recourse.

The government contributed approximately \$15,000, the same amount as in 2017, to an NGO to assist trafficking victims with legal counseling and representation before labor and immigration hearings. The NGO filed five civil lawsuits to help victims recover lost wages and seek protection from the courts and settled two previously filed lawsuits during the reporting period; each case represented multiple victims. The AGO did not request restitution for trafficking victims, reportedly due to an inability to submit admissible evidence. The government did not report whether it assisted victims with work visa extensions and job placements in 2018. The government offered only ad hoc short-term legal alternatives to the removal of foreign victims to countries where they might face hardship or

retribution; the attorney general could designate victims as “vulnerable,” making them eligible for alternate employment and accommodation assistance. The judicial system did not keep victim identities confidential and in the recent past, defendants in trafficking cases threatened witnesses. While the 2005 Anti-Smuggling and Trafficking Act granted victims immunity from prosecution for the “act of people trafficking,” the vague language permitted prosecution for unlawful acts the trafficker compelled the victim to commit, such as prostitution or petty crime. Additionally, authorities’ insufficient identification efforts made victims vulnerable to law enforcement actions.

## **PREVENTION**

The government increased efforts to prevent trafficking. In January 2019, the President approved the national action plan, drafted in a previous reporting period. The government funded an international organization in August 2018 to assess and report on the scope of trafficking in Palau and the government’s anti-trafficking infrastructure. The government conducted awareness campaigns through radio broadcasts and television programs, outreach missions to outlying states, and presentations at a women’s conference and a program for teenagers. The AHTO distributed pamphlets, posters, and information sheets to all states to raise public awareness. It did not conduct educational or public awareness campaigns for employers or labor recruiters. During the reporting period, the AHTO instituted and staffed a mobile phone number for trafficking tips with on-call AHTO investigators who spoke Palauan and English and received an average of one call a day, resulting in five investigations during the reporting period. While the government revised the rules and regulations of the labor division to add more protections for foreign migrant workers, the government had not yet approved the revisions, and the government did not report making efforts to investigate as indicators of trafficking contract violations and other issues in labor recruitment experienced by many foreign workers during the reporting period. The government did not make efforts to reduce the demand for commercial sex acts or forced labor. Palau is not a party to the 2000 UN TIP Protocol.

## **TRAFFICKING PROFILE**

As reported over the past five years, human trafficking of foreign victims occurs in Palau. Palau’s foreign population, about one-third of the country’s population of 21,400, is the most vulnerable to trafficking. Filipino, Bangladeshi, Nepali,

Chinese, Thai, and Korean men and women pay thousands of dollars in recruitment fees and willingly migrate to Palau for jobs in domestic service, agriculture, restaurants, or construction; upon arrival, traffickers exploit some in conditions substantially different from what had been presented in contracts or recruitment offers, and some become trafficking victims. Women from the Philippines and China are recruited to work in Palau as waitresses or clerks but traffickers exploit some in sex trafficking in karaoke bars or massage parlors. Foreign workers on fishing boats in Palauan waters also experience conditions indicative of human trafficking. Official complicity plays a role in facilitating trafficking. Authorities have investigated government officials—including labor, immigration, law enforcement, and elected officials—for complicity in trafficking crimes.