



**Thomson Reuters Institute**

Using technology to  
verify worker treatment  
and reduce liability  
posed by illicit recruiters

## Labor recruitment risks: Context and purpose

Employers and brands are increasingly concerned with the illicit and illegal practices of labor recruiters. In a recent report on ethical labor recruitment, the Interfaith Center on Corporate Responsibility states, “Surges of work-related migration along with a recruitment industry that is largely unregulated have created a predatory climate for migrant workers where exploitation and egregious violations of human rights flourish”. While this exploitation is prevalent abroad, cases of migrant worker abuse have also been found in the United States. Aside from ethical concerns, **existing U.S. law can hold businesses liable for the conduct of recruiters and labor brokers in their supply chain.**

**This brief presents technology-enabled tools that businesses, governments, and NGOs can use to verify labor recruiter conduct, promote good practices, and thus avoid costly legal liability.**

## Background

In 2005, Hurricane Katrina displaced hundreds of thousands of people in Louisiana, Mississippi, and Alabama, caused more than \$100 billion in damages, and triggered a massive redevelopment effort to rebuild homes, infrastructure, and industries. Many cities, including New Orleans, faced a worker shortage to fill reconstruction and recovery related jobs. Some contractors used force, fraud, and deception to fill vacancies with coerced and trafficked labor. Katrina exposed legal and ethical risks to businesses involved in reconstruction efforts, and human rights risks to the workers they employed — **some workers successfully sued corporations for the damages that labor recruiters caused through their deceptive practices, resulting in multi-million dollar fines levied against the companies.**

Similarly, it is estimated that Harvey caused upwards of \$180 billion in damages and recovery efforts will take years, if not a decade. Workers will be needed across industries including for short-term reconstruction efforts, such as clean up, skilled and unskilled repair workers, pipefitters, welders, etc. and long-term recovery, such as teachers, nurses, cooks, cleaners, and hospitality workers. **Due to the severity of the damage shortage of labor, many workers will be at high risk of exploitation by illicit recruiters.**

## Augmenting due diligence

Corporations conduct various levels of financial and operational due diligence when hiring contractors. Due to heightened awareness and regulations around human trafficking, child, and forced labor connected to the production of goods, some have also demonstrated a need to source information about related risks in their supply chains.

**Independently verifying worker experiences enables greater scrutiny of labor recruiter behavior and decreases liability from illicit contractors in a company’s supply chain.**

Katrina showed that “traditional” due diligence may not be enough, however, technology can augment audits and meet the goal of promoting **ethical recruitment**. Tools now exist that can enable companies operating in high-risk areas to determine risks, often by facilitating communication with workers themselves. Aspects where technology has shown promise are:

1. Mobile and web-based platforms that provide migration, rights-related, and recruiter information to workers
2. Online tools that provide businesses and employers with visibility into their supply chains, conduct targeted due diligence, and incorporate “worker voice” into their supply chain decisions
3. Tools that enable governments and civil society to independently monitor labor recruiters and worker experiences
4. Business to Business (B2B) applications that facilitate fee, wage, and process transparency between companies and labor recruiters

## Applications for Houston

**This brief focuses on aspects 1 & 2 of the above.** As mobile phone penetration has increased substantially, even among migrant and transient populations, workers can now be reached via their own devices at very low price points. Tools can be deployed in Houston to:

1. Use SMS or voice calls to survey workers directly, on their own devices
  - a. Immediately uncover specific incidences of exploitation and illegality
  - b. Enable the aggregation of information to provide overviews and risk indicators that can lead to disruptions
2. Establish anonymous text or voice based grievance reporting systems
3. Develop online platforms where workers can access information about their labor rights

A study by [Pew Research Center](#) found that sending notifications via text to consenting survey panel members improves response time and boosts the share of respondents completing the survey on a mobile device. Many applications now use SMS-administered surveys to reach farmers, factory and construction workers, and others who have witnessed or even experienced labor violations. Surveys can be deployed once, or periodically over time to monitor conditions and evaluate interventions.

## Example 1: Mogli SMS

One such application is Mogli SMS that utilizes Salesforce. Mogli's platform enables a supply chain manager to send and receive text messages to workers. SMS-based surveys are created and disseminated, and responses received and accessed via a dashboard. The user can also program "automated conversations" to build simple or complex interactive surveys in multiple languages.

### Applicability in Houston

It is illegal in the U.S. to send SMS surveys without the receiver's consent. Thus, upon hire, workers can be asked to provide their number for anonymous periodic surveys. These numbers can be entered into Salesforce, and a supply chain manager can use Mogli to send surveys periodically to ask questions about their experiences and working conditions. A supply chain manager could also establish a "panel" of survey takers that is the same workers who can take surveys over defined periods of time to gauge progress. Alternatively, a "short code" can be posted at worksites — workers can access a survey by texting in the short code from their phones. Such a system can also be used by workers to anonymously text in grievances.

### Consideration

Though they have access to technology, workers may be reluctant to utilize a mobile system to report grievances, and thus security has to be demonstrated and trust built. Furthermore, a worker may participate in a survey, but if they do not experience any improvements based on their feedback, the worker may not be inclined to continue to use that tool. Users also have to be very aware of protecting worker privacy and retaliation should an illicit recruiter be able to identify the source of disparaging information. For further guidance on establishing mobile-based surveys and projects that solicit worker feedback, supply chain managers can reference the [West \(Worker Engagement Supported by Technology\) Principles](#).

## Example 2: CDM

Technology has also allowed workers to access information about their rights, and share with one another the conduct of specific labor recruiters. Centro de los Derechos del Migrante (CDM), a nonprofit in Mexico, has developed an online platform that is used by migrant workers to post “Yelp-like” reviews of labor recruiters. CDM’s online portal, [contratados.org](https://contratados.org), is used by workers to post reviews, “...based on their personal recruitment and employment experiences.” When approached by a recruiter, workers can check [contratados.org](https://contratados.org) to learn of other worker’s experiences, and thus evaluate their risk. The site also provides blog posts with information about rights and ethical recruitment practices that further enables workers to make informed choices. CDM also posts publicly available data from government sources, such as U.S. and Mexican government labor inspection and registration information about recruiters and employers, that workers can access through their mobile devices. CDM staff also monitor the site to glean information about suspect employers and recruiters to pass on to local authorities.

### Applicability in Houston

A platform like [contratados.org](https://contratados.org) can be applied in Houston to further inform workers. As CDM focuses on the Mexico to U.S. migrant worker corridor, its presence can be expanded to cover Houston, providing targeted outreach to specific worker communities at risk.

### Consideration

However, CDM also utilizes social media and networks of relationships with local nonprofit, diaspora communities and worker-facing social service organizations to make workers aware of this tool, and refer those in need to legal services. Thus, stakeholders would need to be convened and resourced to appropriately deploy such a tool.

## In summary

Businesses in Houston face the risk of illicit labor recruiters providing workers to contractors within their supply chains. There exists a moral and legal imperative to ensure that workers are recruited ethically. Traditional audits can be augmented by technology and mobile tools that are already in existence to inform workers about their rights and options and independently verify the recruitment and labor conditions of workers.

The above are just two examples of technology tools that can be deployed by businesses and government entities in Houston to uphold the human rights of workers and avoid legal liability.