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HHS AND THE CATHOLIC CHURCH: EXAMINING THE POLITICIZATION OF GRANTS

HEARING

BEFORE THE

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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HHS AND THE CATHOLIC CHURCH: EXAMINING THE POLITICIZATION OF GRANTS

THURSDAY, DECEMBER 1, 2011

HOUSE OF REPRESENTATIVES,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m. in Room 2154, Rayburn House Office Building, Hon. Darrell E. Issa (chairman of the committee) presiding.

Present: Representatives Issa, Burton, Platts, McHenry, Jordan, Chaffetz, Walberg, Lankford, Amash, Buerkle, Labrador, DesJarlais, Gowdy, Ross, Guinta, Farenthold, Kelly, Cummings, Towns, Maloney, Norton, Kucinich, Tierney, Connolly, Quigley, Davis, Welch, and Speier.

Also present: Representative Smith of New Jersey.

Staff present: Richard A. Beutel, senior counsel; Robert Borden, general counsel; Molly Boyl, parliamentarian; Gwen D'Luzansky, assistant clerk; Adam P. Fromm, director of Member services and committee operations; Linda Good, chief clerk; Frederick Hill, director of communications and senior policy advisor; Christopher Hixon, deputy chief counsel, oversight; Sery E. Kim, counsel; Mark D. Marin, director of oversight; Christine Martin, counsel; Laura L. Rush, deputy chief clerk; Jeff Solsby, senior communications advisor; Rebecca Watkins, press secretary; Peter Warren, legislative policy director; Kevin Corbin, minority deputy clerk; Ashley Etienne, minority director of communications; Jennifer Hoffman, minority press secretary; Carla Hultberg, minority chief clerk; Lucinda Lessley, minority policy director; Dave Rapallo, minority staff director; Mark Stephenson, minority senior policy advisor/legislative director; and Cecelia Thomas and Ellen Zeng, minority counsels.

Chairman ISSA. This hearing will come to order.

The first order of business is that I ask unanimous consent that Representative Chris Smith of New Jersey be able to join us from the dais and ask questions of the witnesses and that his written statement be included in the record. Without objection, so ordered.

[The prepared statement of Hon. Christopher H. Smith follows:]

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House of Representatives

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DEAN, NEW JERSEY DELEGATION

Author of Trafficking Victims Protection Act Accuses Obama of Unconscionable Abuse of Power

Rep. Chris Smith
Statement to House Committee on Oversight and Government Affairs
"HHS and the Catholic Church: Examining the Politicization of Grants"
December 1, 2011

A little over a decade ago, I authored the Trafficking Victims Protection Act (TPVA) of 2000—the landmark law that created America's comprehensive policy to combat modern day slavery.

Among its many mutually reinforcing provisions designed to **prevent** trafficking, **protect** victims and **prosecute** those who reduce people to commodities for sale—the three Ps—my legislation established the Health and Human Services grants program under review today.

For over a decade, we have achieved an amazing left-right, religious-secular, bicameral, bipartisan consensus, unified in combating sex and labor trafficking at home and worldwide without promoting abortion.

Until today.

In what can only be described as an unconscionable abuse of power, the Obama Administration has engaged in what amounts to bid rigging; denying taxpayer funds to a demonstrably superior organization—the U.S. Conference of Catholic Bishops (USCCB)—with an exemplary ten year track record of performance that scored significantly higher in independent HHS reviews than two of the three NGOs that got the grant.

The Obama Administration's discriminatory practice of funding NGOs that provide or refer for abortions even when they fail to win a competitive process is not only unjust, unethical and in violation of conscience laws (Weldon Amendment and Coats-Snowe), but it severely

undermines public—and Congressional—confidence and support for what is an otherwise laudable program.

If you are a Catholic, or other faith-based NGO, or a secular organization of conscience, there is now clear proof that your grant application will not be considered under a fair, impartial, and transparent process by the Obama Administration.

The Obama Administration's bias against Catholics is an affront to religious freedom and a threat to all people of faith.

Let's not forget that the independent HHS reviewers found the U.S. Conference of Catholic Bishops (USCCB) to have:

- "one of the most experienced national experts on human trafficking documented by program guidelines, development, research, direct service provisions";
- a "comprehensive system in place…" that has assisted over "3,012 victims of trafficking and their family members from over 98 countries over the past ten years"; and
- "demonstrated strong partnerships" by engaging "with both faith-based and non-faith based organizations".

And yet the Catholic organization was discriminated against solely because it fundamentally respects the innate value and preciousness of an unborn child and refuses to be complicit in procuring his or her violent death by abortion.

Even though HHS reviewers gave the USCCB a score of 89 compared to 74 for Tapestri and 69 for the U.S. Committee on Refugees and Immigrants (USCRI), the latter two got the contracts.

Although HHS has thus far failed to provide the committee with all relevant documents pursuant to Chairman Issa's request, we do know that USCRI's proposal lacked detail on key program areas, had no plan on how objectives will be met and even lacked resumes for key staff, including the program director. The HHS review panelists stated:

> "The overall level of detail in the proposal is insufficient to ensure that the project will be established and run to an effective level, and that the management plan is credible and comprehensive. There is a complete lack of information on specific activities, and the timeline is vague, inhibiting evaluation of their reasonableness."

Why go through the charade of determining whether or not a grant application is meritorious when preferential treatment is afforded only to those in sync with President Obama's abortion promoting agenda?

The bottom line is this: pernicious pro-abortion favoritism, embedded in this egregiously flawed process, does a grave disservice to the victims of trafficking. Victims deserve better.

The women and children who have been exploited by modern day slavery need our help, which is why I wrote the law in the first place.

Chairman ISSA. Before I begin today, I want to also include in the record four documents the committee has received, not from Health and Human Services pursuant to the committee's request for documents, but from whistleblowers, as I want to make sure that the committee's majority and minority both have them. We had not released these documents, but these documents became available to the press and had hoped to have full and complete documents from HHS beforehand. I will put the rest in, but ask unanimous consent they be placed in the record and distributed to all Members at this time.

Mr. CUMMINGS. Mr. Chairman, I don't want to object, but I haven't seen the documents. Can we see them before we let them in?

Chairman ISSA. Of course. The gentleman reserves. The documents will be distributed to all the Members.

For clarity, these are internal documents, as far as we can tell authenticated, that have been printed out, and Politico has them, the Washington Post has them. We don't know how many other newspapers have them. Again, the nature of the beast were these were pursuant to our investigation. They were not delivered to us by HHS, which is a separate matter of investigation since they were fully due and should have been presented to us, were withheld, and I would only say that as the ranking member evaluates them and the other members of the committee, these are documents in the opinion of the chair that are a failure to deliver pursuant to our request and as such are subject to additional inquiry by the committee.

The committee takes seriously that documents should not be released by whistleblowers who are afraid that basically these documents may have been deliberately withheld.

Mr. CUMMINGS. Mr. Chairman, so these are HHS documents that would have come in if HHS had adhered to the subpoena?

Chairman ISSA. That is our opinion of the documents, having looked at them. Again, HHS will have an opportunity to say why they withheld these documents. I am releasing them at this time to the committee because I don't believe that we should go forward with this hearing without having as many documents as are available. If they are available to the press, even though they haven't been formally published, certainly they are likely to be seen by the public. I don't want any Member here to go through a hearing and then find out he didn't know what he didn't know.

Mr. CUMMINGS. I just wanted to be clear, we are just reserving for just a few minutes so we can have time to review them.

Chairman ISSA. Okay. I would also ask the committee staff to make them available to HHS staff so if there is any question of authenticity, we would like to have that resolved early on in the process. I don't think these are the most determinative documents in the world, but it is the nature of our committee. We are an investigative committee and professionalism, at least on our part, is essential.

Mr. CUMMINGS. And just in fairness to HHS, and I know that they will have an opportunity to respond, is the time up for them to submit documents?

Chairman ISSA. Yes, it is.

Mr. CUMMINGS. All right. Thank you.

[The information referred to follows:]

Memorandum to the ORR Director

DATE: September 9, 2011

TO: Eskinder Negash
Director
Office of Refugee Resettlement

THROUGH: Ken Tota
Deputy Diretor
Office of Refugee Resettlement

FROM: Jay Womack
Acting Director, ATIP Division

SUBJECT: Trafficking Victim Services Grant Awards - DECISION

ATIP was initially instructed by Ken Tota *not* to prepare a decision memo for the review and funding decisions of the National Human Trafficking Victim Assistance Program (grant FOA HHS-2011-ACF-ORR-ZV-0148, published May 27, 2011). On Friday, August 26, Bridget Maher provided to you via email both a summary of the panel review results. Though ATIP continues to await instructions as to the preferred process in order to complete the review and awarding of the grants, we are providing you the enclosed draft Pre-award Notice for the Acting Assistant Secretary and application summaries to process as you see fit.

As you may remember, the top two applications scored 90 and 89 points, respectively, and the next highest scoring application received an average of 74 points. Therefore, we have drafted the attached documents as to state that ORR recommends fully funding the two top applications: Heartland Human Care Services, Inc. (HHCS) and the United States Conference of Catholic Bishops (USCCB). HHSC proposed to provide services in a coverage area roughly surrounding the Great Lakes region while USCCB proposed to provide nationwide coverage of services. Though this may create an appearance of overlap in the service areas, the FOA was specifically drafted to require grantees, in the event of multiple awards, to coordinate activities so as to eliminate any possible duplication of effort.

Additionally, there are a number of significant challenges to finalizing these grant awards of which I want to ensure you are aware. The current contract with USCCB (the "per capita contract") is ending on October 10. However, due to the firm, fixed-price structure of the contract, we cannot authorize additional service periods that begin after September 11. Therefore, USCCB will stop enrolling new clients and extending current clients as of September 10 with the result that there may very likely be clients without services until the grants are awarded. It was our sincere hope that a longer overlap between the per capita and the new grant awards would provide for significant technical assistance opportunities from USCCB to the new awardees. The delays in issuing the FOA and finalizing the decision process has meant that any potential overlap between the per capita contract and the new grant awards is effectively eliminated, which in turn may mean challenges for the new grantees to have a full range of services in place and ready before the end of the current contract. In sum, if the grants are not completed and awarded as soon as possible, there will be a gap in service provision.

Regarding ACF processing of these awards, ORR must make commitments of FY11 funds as soon as possible in order to allow for end-of-year close-out actions. The Office of Grants Management (OGM) yesterday requested information on the grants awards, including the number of awards, the ACF funding package, and the estimated time the funding approval package will be sent to OGM. OGM has a number of actions that they must complete in order for the grants to be awarded. Additionally, if any of the applications are approved for funding at a level different from the proposed budgets, ATIP must complete a budget negotiation with the applicants which will require time to complete. Finally, we need to obtain approval of the Cooperative Agreement (also enclosed; based in structure on the current Regional grant cooperative agreements) that we intend to use for these awards.

Please let me know how you would like ATIP to proceed at this point.

Regards,
Jay

DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

PRE-AWARD NOTIFICATION TRANSMITTAL FOR ACF DISCRETIONARY GRANTS FY 2011

TO: George H. Sheldon
Acting Assistant Secretary

THROUGH: Jason A. Donaldson
Deputy Assistant Secretary for Administration

FROM: Office of Refugee Resettlement

Eskinder Negash
Director

SUBJECT: Funding Decision Memorandum for ACF Fiscal Year 2011 Cooperative Agreement Grant Awards--**ACTION**

1. SUMMARY DESCRIPTION OF FUNDING OPPORTUNITY

These grants are authorized by the Trafficking Victims Protection Act of 2000 (TVPA), as amended, Sections 106(b) and 107(b)(1)(B), 22 U.S.C. 7104(b) and 7105(b)(1)(B); and Immigration and Nationality Act Sec. 412(c)(1)(A), 8 U.S.C. 1522(c)(1)(A).

Section 106(b) of the TVPA provides: "The President, acting through . . . the Secretary of Health and Human Services, . . .shall establish and carry out programs to increase public awareness, particularly among potential victims of trafficking, of the dangers of trafficking and the protections that are available for victims of trafficking."

Section 107(b)(1)(B) of the TVPA, as amended, provides that ". . . The Secretary of Health and Human Services . . . shall expand benefits and services to victims of severe forms of trafficking in persons in the United States and aliens classified as a nonimmigrant under section 101(a)(15)(T)(ii) of Title 8, without regard to the immigration status of such victims." The provision also notes that "In the case of non-entitlement programs funded by the Secretary of Health and Human Services, such benefits and services may include services to assist potential victims of trafficking in achieving certification and to assist minor dependent children of victims of severe forms of trafficking in persons or potential victims of trafficking."

The central purpose of this cooperative agreement is to efficiently fund comprehensive case management services on a per capita basis to foreign victims and potential victims of a severe form of trafficking in persons seeking HHS certification in any location within the United States. Persons qualified for services under this grant (qualified persons) means victims of a severe form of trafficking in persons who have received certification from ORR or, in the case of child victims, letters of eligibility from ORR; potential victims of a severe form of trafficking who are seeking assistance to achieve HHS certification; aliens classified as a non-immigrant under Section 1101 (a)(15)(T)(ii) of title 8 of the U.S. Code; and minor dependent children of victims of severe forms of trafficking in persons or potential victims of trafficking.

ORR seeks to award **two (2)** cooperative agreements for a period of three years.

2. PRIORITY AREAS IN THIS PROGRAM

None.

3. SUMMARY OF HOW MANY GRANTS ARE PROJECTED TO BE FUNDED IN EACH PROGRAM PRIORITY AREA, OR IN TOTAL, IF THERE ARE NO PRIORITY AREAS

ORR projects awarding **two (2)** grants.

4. RANGE OF AMOUNTS FOR AWARDS IN EACH PROGRAM PRIORITY AREA, OR IN TOTAL, IF THERE ARE NO PRIORITY AREAS

Award amounts range from $1,524,945 to $2,500,424

5. IF FUNDING OUT OF RANK ORDER ON THE RANKING AND APPROVAL LIST, PROVIDE JUSTIFCATION FOR EACH OUT OF RANK ORDER ACTION

APPROVED BUT UNFUNDED:

None

6. ANTICIPATED CONTROVERSY OR OTHER CRITICAL INFORMATION (As Applicable.)

The National Human Trafficking Victim Assistance Program funding opportunity announcement included the following language to ensure awards are made to organizations in geographic

regions with high incidence of human trafficking and that are experienced in working with trafficking victims:

> The Director of ORR will give priority to those organizations with an established provider network for multiple states or metropolitan areas and capacity to provide case management services in locations with a demonstrated need for services. The Director of ORR will give priority to geographic locations with reported high incidence of human trafficking.

Additionally, the funding opportunity announcement included the following language to ensure awards are made to organizations that will provide the full range of legally permissible gynecological and obstetric care:

> Taking into consideration the particular health risks posed to victims of trafficking, preference will be given to grantees under this FOA that will offer all victims referral to medical providers who can provide or refer for provision of treatment for sexually transmitted infections, family planning services and the full range of legally permissible gynecological and obstetric care, including but not limited to exams, tests and pre-natal services and non-directive health-related counseling. An applicant that is unwilling to provide all of the services and referrals referenced in this paragraph may apply for a grant. However, ACF will give strong preference to applicants that are willing to offer all of the services and referrals delineated in this paragraph. Applicants that are unwilling to provide the full range of the services and referrals in this paragraph must indicate this in their narrative on approach in Section IV.2.

Document Attached:

- Excel Spreadsheet Template

ACF Funding Decision FY 2011
Office of Refugee Resettlement - Anti-Trafficking in Persons Division
National Human Trafficking Victim Assistance Program (HHS-2011-ACF-ORR-ZV-0148)
CFDA Number 93.598

Applicant number	Applicant	Geographic Coverage Area	Requested Amount	Funds Recommended	Score
11ZV283186	Heartland Human Care Sevices, Inc.	Great Lakes Region	1,524,945	1,524,945	90
11ZV283135	U.S. Conference of Catholic Bishops	Nationwide	2,500,424	2,500,424	89
11ZV283184	Tapestri, Inc.	Southeast	657,360	0	74
11ZV283136	U.S. Committee for Refugees and Immigrants, Inc.	Nationwide	4,249,968	0	69
11ZV283137	New York State Office of Temporary and Disability Assistance	New York	500,000	0	66
11ZV283185	Restore NYC, Inc.	New York City	520,850	0	40

TOTAL 4,025,369

SIGNATURE: _____ DATE: _____

Eskinder Negash
Director
Office of Refugee Resettlement

Abstract For
National Human Trafficking Victim Assistance Program
Office of Refugee Resettlement
Anti-Trafficking in Persons Program
Administration for Children and Families

Application #: **11ZV283186**
Applicant: **Heartland Human Care Services, Inc.**
Funding Request: **$ 1,524,945** **Rank: 1** **Average Score: 90**

Address: 208 South LaSalle Street
Suite 1818
Chicago, IL 66604-1156

Program Contact: Joseph Antolin, Executive Director
Telephone Number: (312) 660-1341

Geographic areas covered

Massachusetts, Rhode Island, New Hampshire, Vermont, Western and Central New York, Northern Ohio, Indiana, Southern Michigan, North and Central Illinois, Eastern Wisconsin, Southern Minnesota

Summary

Heartland Human Care Services, Inc. (HHSC) aims to provide comprehensive, client centered, culturally and linguistically competent services to any victim of human trafficking identified in geographically vulnerable areas within the Northern Tier of the United States. They have proposed a multi-tiered approach that includes trauma-informed protocols reflecting best or promising practices, sub regional (first tier sub recipient) staffed centers, linkage agreements to expand competent coverage and a per capita fee for delivery of direct services.

HHCS intends to serve as a service provider community and learning network through which anti-trafficking organizations can develop new best practices and will serve as the prime grantee, ensuring fiscal management and compliance, outcome reporting and evaluation, and grant oversight. International Institute of Buffalo will serve as lead subgrantee for service protocols reflecting best practices, training, and case management support. The International Institute of New England, International Institute of Minnesota, and International Services of Ohio are also members of NTAC. All five agencies will provide subregional centers overseeing service delivery and providing training.

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1. Organizational Profile

Strength(s) – Heartland Human Care Services (HHCS) demonstrates strong capacity to lead this project; exhibits a comprehensive, logical project plan involving multiple parties and utilizing unique strengths of these parties; and has extensive past social service, refugee, trafficking and grant experience.

HHCS documents extensive expertise with trafficking, victim eligibility for federal benefits, relevant experience, law enforcement coordination, and training. Safety protocols are well documented.

HHCS and most sub-awardees have extensive experience with assisting trafficking victims in obtaining certification or eligibility letters. Ample documentation is provided of past grant funding for social services and anti-trafficking, including DOJ OVC funding since 2003. Staff experience is well documented for the full range of tasks required in the proposal, utilizing staff strengths across the grantee and sub-awardee organizations and noting key job descriptions. HHCS has experience with managing federal grants and a multi-million dollar budget and has sound financial plans to facilitate the program.

The mission statement demonstrates that their mission is tied to the goals of the federal opportunity announcement. HHCS provided estimates of victims in the identified region as well as prosecution estimations. HHCS highlighted each State and Region in the application and identified specific numbers for serving both pre-certified and certified. HHCS has assisted victims in both labor and sex trafficking. HHCS successfully provided target areas (states and regions) that each offer unique areas for service delivery. Job descriptions were thorough outlining the duties, responsibilities, and qualifications necessary for the Manager and Project Director.

HHCS clearly and thoroughly demonstrates its organizational capacity and ability to effectively implement and manage the programmatic and financial aspects of the project, and includes an organizational chart and a detailed management plan for the project. HHCS demonstrates at least three years of experience in coordinating and providing service referrals to victims. HHCS provides evidence of its understanding of the indicators that a person may be a victim and an overview of the services in the U.S., particularly with regard to the region in which it provides services, and details about community outreach strategies. HHCS provides extensive information about its experience assisting international victims with referrals, and about its previous work as a recipient of Federal grants specifically with regard to human trafficking within a 150 mile radius of Chicago. HHCS provides letters of support that demonstrate its community support and referral network. HHCS provides job descriptions and bios for staff that indicate that the main project staff has the appropriate experience to continue conducting oversight of case management, to conduct training and outreach and provide technical assistance, and to monitor sub-awards.

Weakness(es) – Not enough discussion or data on types of services supplied to past trafficking victims, including transitional services, enrollment into refugee services, service referrals, and law enforcement coordination.

HHCS does not specifically mention the TVPA or the Federal definition of trafficking in persons.

HHCS does not provide specific information regarding its experience identifying victims, or about different shelter models and safety protocols. It is unclear the extent to which project staff have experience with and are prepared to coordinate with law enforcement. Application lacked information on assisting foreign-victims in obtaining certification, eligibility and referrals.

HHCS did not provide resumes for key personnel.

2. Approach

Strength(s) – HHCS provides detailed information about how it intends to address all six objectives as listed in the Purpose and Scope of Section I of the FOA, and has provided a comprehensive plan for accomplishing all six objectives, including allocating costs for administration and case management,

estimated FTEs, the scope of sub-awards, and draft sub-award agreements. HHCS includes a logic model that outlines reasonable inputs, outputs/activities, and immediate, intermediate, and long-term outcomes that correspond to the six objectives of the program. HHCS describes in detail how it intends to establish and operate the program, provides a comprehensive management plan, and includes a timeline for implementation that is reasonable and detailed.

Some discussion is given on identifying and adding new sub-awardees. The consortium agreement, MOUs, and service contract for fee-for-service providers are detailed and comprehensive. Overall plan for program operations is credible, comprehensive, and reasonable, with clear descriptions of outcomes, approach, activities, management structures, evaluation, and other key program aspects.

HHCS's approach is in sync with needs of the Northern Tier Anti Trafficking Consortium. HHCS offers a timely, comprehensive case management approach to victims. HHCS specifies sound targeted case management plan and services. Logic model presents a clear pictorial of activities and outcomes of the Consortium. HHCS demonstrates a comprehensive approach to oversight and monitoring of the project.

Weakness(es) – More detail is needed on allocation of client and administrative costs, and on how the $3,000 per client figure was determined for client services. More information is needed on new sub-awardee qualification requirements. Logic model lacks detail by objective and on activities and target numbers.

No full time equivalents are linked with the objectives.

3. Geographical Capacity and Need for Assistance

Strength(s) – HHCS provides extensive information about the demonstrated need for services in the Great Lakes Region and Western New York. HHCS justifies the project by offering a complete narrative on each state in the identified region and the need for services in those respected sites. HHCS proposes to work in geographical areas that offer unique circumstances and that have been well justified as areas of most need.

HHCS documents a solid capacity to provide services throughout the extended target area of the Midwest and Northeastern United States. Program structure is credible and comprehensive, with clear descriptions of management structures and coordination between coalition members. The geographical area is significant, with a large potential at-risk population.

Weakness(es) – It is unclear as to whether HHCS can or will be able to provide comprehensive case management services in areas where there is little current anti-trafficking infrastructure and possibly large numbers of victims, such as Ohio and Minnesota.

4. Outcomes

Strength(s) – HHCS identifies reachable target numbers given the scope of their geographic region. Number served, percentage of increase, and timeframe in achieving assistance are realistic. HHCS's allowance of two new sub- regions for training and mentorship demonstrate the reach of the program. HHCS's utilization of the Social IMPACT Research Center for the evaluation of the project offers objectivity. HHCS offers a complete and thorough evaluation plan.

HHCS has provided and explained realistic estimates regarding the number of trafficking clients to be served through the program; including estimates of individuals to be served in each particular geographic

region; the number of individuals to receive certification, the number of agencies that will receive training and technical assistance, and the type of compendium based on best practices and protocols it intends to develop. HHCS effectively describes the evaluation method it intends to use to gauge the progress of the activities of the program with regard to the six objectives of the program.

HHCS describes how it intends to incorporate program improvements as a result of its monthly reporting structure and the NATC Steering Committee.

Evaluation system is well documented, and the use of a dedicated external agency for monitoring and evaluation is excellent. Program improvement process is sufficient.

Weakness(es) – none.

5. Budget

Strength(s) – The proposed budget is specific, logical, and comprehensive, providing line item justification for all key costs and a short explanation of the per capita cost allocation system within ORR service guidelines. Overall program seems very cost effective. Awards for all parties are delineated in the budget, with a brief reference to amounts for case management and referral services compared to administrative costs.

HHCS includes a budget and budget narrative that is clear logical, accurate, and complete, and includes all anticipated costs and sub-awards. HHCS clearly states the amount of total sub-awards and describes the use of funds by sub-awardees. HHCS also provides narrative information about other sources of funding, including a project sustainability plan and a description of other grant funding.

Weakness(es) – Geographical cost disparities are not accounted for in the proposal. Staffing level for the Director of Victim Services position, at .4 FTE, may be low for the amount of work required of this position. A separate budget summary from the SF424 would help clarify the costs by organization and item. More information is needed on how the breakdown was determined for costs for client services versus administrative fees, for both sub-awardees and fee-for-service providers.

6. Bonus Points

Strength(s) – HHCS proposes covering a large geographical area using standard policies and procedures and systematic victim identification and client services protocols.

Weakness(es) – HHCS does not specify what parts of its program mirror ACF regions.

Recommendation

I recommend approving the grantee for $1,524,945

Abstract For
National Human Trafficking Victim Assistance Program
Office of Refugee Resettlement
Anti-Trafficking in Persons Program
Administration for Children and Families

Application #: **11ZV283135**
Applicant: **United States Conference of Catholic Bishops**
Funding Request: **$ 2,500,424** **Rank: 2** **Average Score: 89**

Address: 3211 4th St., NE
Washington, DC 20017-1194

Program Contact: Hilary Chester, Associate Director, Trafficking
Telephone Number: (202) 541-3366

Geographic areas covered

Nationwide

Summary

The United States Conference of Catholic Bishops (USCCB) proposes to serve as the national point of contact for case coordination, outreach, education and training, technical assistance, data collection, and the provision of resources for their network of providers, HHS, and other partners. Their program intends to collaborate with a host of partner public and private organizations in order to fulfill their mission to protect and strengthen victims. USCCB intends to build from its legacy as the HHS per capita contractor to expand previously developed and demonstrated program protocols, structures, and standards of care grounded in a holistic and comprehensive case management model. Sub-recipients will assign a lead case manager who will directly engage clients.

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1. Organizational Profile

Strength(s) – The organizational mission statement, chart, and management plan are directly related to the project. The overall proposal documents strong capacity to effectively manage this project based on past management experience of similar anti-trafficking and refugee projects; a geographically diverse network of partners; capability to expand the provider network; experience managing the technical aspects of trafficking victim case management, service provision and referral work; research and evaluation protocols; and data and fiscal management approaches. USCCB is one of the most experienced national experts on human trafficking, documented by program guideline development, research, direct service provision, and involvement in the development of the TVPA in 2000. USCCB has managed the existing ORR TIP Per Capita contract since 2006, including the certification of 487 victims via multiple sub-providers, which shows a high level of organizational expertise. Several evaluation studies have been done on their work and program model, justifying its value and effectiveness. The TVPA trafficking definition and certification processes are well summarized. General comments document understanding of eligibility requirements for clients. USCCB satisfactorily

summarized past experience with assisting victims in gaining certification and letters of eligibility, having provided services to large numbers of trafficking victims in the last 5 years, either directly or through sub-contractors. Proposed staff are well qualified for the full range of project tasks, and in most cases currently perform such tasks in their daily work.

USCCB has demonstrated full capacity, given the experience and expertise with the Per Capita contract, to execute and manage the programmatic and financial aspects of the project. USCCB has a comprehensive system in place. Engagement with both faith-based and non faith-based organizations demonstrates strong partnerships. Ten years of experience assisting victims of trafficking and their family members shows USCCB's understanding of the issue. USCCB lists the number of victims served and the number of countries showing the full extent of their services. They have experience in successfully partnering with Federal agencies (Federal Bureau of Investigation, Department of Homeland Security, and Department of Health and Human Services), nonprofit entities and law enforcement. Project staff are well equipped (knowledgeable, fluent in a variety of different languages, and have international experience) to facilitate the project.

USCCB's proposal includes a detailed organizational chart and a management plan that clearly demonstrates its ability to effectively implement and manage its work and the work of its sub-awardees to meet the program objectives. USCCB provides clear evidence of its ability to identify and refer victims over a period of six years with concrete examples and numbers of both adult and minor victims identified and referred, and of its ability to provide technical assistance and training to different types of organizations with narrative and letters of support. USCCB clearly states that it has assisted over 3,012 victims of trafficking and their family members from 98 countries over the past 10 years, 487 of whom received certification. USCCB has provided numerous letters of support from community and law enforcement organizations with which they work on trafficking issues. USCCB provides narrative evidence and job descriptions of staff with appropriate professional and educational backgrounds to provide training and technical assistance to and to monitor sub-awards, to conduct training, outreach, and technical assistance, and to coordinate with law enforcement.

Weakness(es) – Proposal lacks details on shelter models, residential facilities, community-based services, and community outreach and public awareness campaigns. There is no direct mention of the eligibility indicators for services, certification letters, or eligibility letters. Proposal lacks specific numbers for past grant activities. No resumes are provided, just bios of key staff.

USCCB/MRS did not include a mission statement. USCCB/MRS does not provide complete, specific evidence of its ability to understand the indicators that a person may be a victim of human trafficking. It is unclear from the application how many of the enumerated individuals received Certification, Eligibility, and/or an Interim Assistance Letter, how many received transitional assistance, and how many were referred to law enforcement.

Organizational chart was unclear and did not highlight project specific staff.

2. Approach

Strength(s) – USCCB provides a comprehensive plan that addresses all six objectives listed in the Purpose and Scope section of Section I of the FOA. Each description of the specific objective includes a discussion of the staff allocated, the scope of work to be done by the sub-awardee, and how the sub-awardee will be monitored and evaluated with regard to the objective. The application also includes two different comprehensive MOUs that will be used depending on the scope of the sub-award. These MOUs appear to address the needs of the program. USCCB includes a comprehensive logic model that outlines

the objectives, activities, outcomes, inputs, and assumptions involved in meeting the objectives of the FOA. USCCB describes in detail through narrative and through Attachment B how it will establish and operate the program, and it proposes reasonable benchmarks and timelines.

Overall program design and elaboration of six objectives is effective and comprehensive. The system for cost allocation is adequately described. Sub-award identification, qualification and training are well documented and currently taking place. The management plan and sub-awardee control systems are sufficient. The activities proposed for Objective 3, seem to meet the intended goals of ORR for accountability and responsibility of case management. USCCB describes a comprehensive case management and continuum of care system that is replicable through its sub-awardees.

Due to their broad reach across the country, they provide a wealth of knowledge about their system and the services needed. USCCB offered comprehensive plan for sub-awardees. USCCB was clear in what they were willing to provide and not provide if awarded and offered alternate ways in achieving those services they will not provide. They demonstrate a strengths-based and culturally competent approach for case management. Objectives were clear and in line with the federal opportunity announcement, including the number of full time equivalents working on each task. Collaborating agencies offer legal, mental health and law enforcement assistance which syncs with project expectations. Reimbursement costs appear to be reasonable. Monitoring protocols, desk audits, on-site visits including quality improvement efforts are outlined well.

Weakness(es) – The on-site monitoring of only six sites appears to be too few given the scope of the Anywhere, Anytime project.

The system for allocating FTEs is not well broken down for each objective, since staff positions cross-objective areas. The MOU, p. 38, mistakenly states period of performance ends on Oct. 10, 2011. Activities proposed for Objective 3, are unlikely to ensure ethical behavior by staff, the stated goal of that objective. The lack of family planning services may have implications for providing the full range of services to trafficking victim.

The logic model does not mention or sufficiently link to the six objectives listed in the Purpose and Scope section of Section I of the FOA. The logic model does not sufficiently describe USCCB's management of the project, with regard to accomplishing each objective, the activities involved, and timeliness.

3. Geographical Capacity and Need for Assistance

Strength(s) – USCCB has expertise in providing nation-wide services to a vast geographic area in the ten ACF regions. USCCB recognizes that since the victims are transient their services should reflect a wider geographic scope.

USCCB provides excellent narrative evidence demonstrating need in the geographic areas in which it provides services, and includes evidence of its existing geographic capacity to meet the objectives of the grant through narrative, results graphs, a regional breakdown of its current capacity (Attachment C), and a national map of USCCB contractors.

The existing network of 118 service providers and USCCB's documented ability to add 8 new providers annually, demonstrates a strong existing capacity to provide and expand services at the national level. The general program structure and relationship format between grantee and sub-awardees appears adequate for this project.

Weakness(es) – USCCB/MRS's Need for Assistance neglected to highlight any particulars of the needs of the geographic regions that the applicant will be working in.

More information is needed on how new sub-awardees will be identified, certified, trained, and managed throughout the project.

4. Outcomes

Strength(s) – USCCB provided good detail with regard to the number of trafficking clients it intends to serve during specific timeframes (a total of 1,200 clients during the project period). USCCB also provided reasonable information regarding meeting one program objective through the facilitation of training, consultation, and provision of technical assistance. USCCB provides specific strategies to evaluate the progress associated with each objective listed in the Purpose and Scope section of Section I of the FOA. These specific strategies appear to provide an appropriate structure for the evaluation of the progress of the program.

Given USCCB's history regarding the clients served and certified and current partners in place, they demonstrate the full extent to provide these services. Implementation of the Continuous Feedback Model is just, given the scope of services. Utilization of the North Carolina Family Assessment Scale demonstrates promise in measuring case management.

The projected caseload of 100 clients per month by the applicant and sub-awardees, and other projected targets, are reasonable given national scope of coverage and large service provider network. Proposed evaluation measures are specific and measurable. Evaluation and program improvement systems are comprehensive.

Weakness(es) – USCCB did not provide specific goals to meet program objectives addressing training and provision of technical assistance or the number of victims who will receive certification. USCCB did not provide specific information about how it intends to incorporate program improvements based on the outcomes of its evaluation of its sub-awards.

USCCB list 100 clients per month which seems high. USCCB/MRS could have provided more information regarding the evaluation given the large demographic scope of this project.

USCCB does not provide projections for the full range of direct services. It is not clear how long clients normally receive services; such data should be available given the current work of the applicant. More work is needed on evaluation of client outcome indicators. Limited information is provided on incorporation of program improvements.

5. Budget

Strength(s) – Budget is complete and reasonable. The system of determination of per capita cost allowance is documented and reasonable. General project cost effectiveness seems realistic and appropriate. Funds for local service providers are adequately documented.

Budget justification and line items were clearly written and thoroughly explained. USCCB provided clear contractual amounts per sub-awardee.

USCCB provides a specific and itemized budget with an attached narrative that delineates the use of indirect, direct, and contract costs. USCCB provides a specific category of costs within its budget for sub-awards, including awards for items other than direct services. USCCB includes a narrative discussion of other existing sources of funding and its work to develop future sources of funding

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Weakness(es) – Throughout the application, USCCB did not provide enough information regarding how it derived an average cost of $1,100 per individual. Additionally, USCCB does not provide detail on the range of services that it plans to provide to each individual. USCCB does not include a specific breakdown of sub-awards for grantees providing direct services.

The system for determining per capita benefit costs does not provide a breakdown of costs based on types of services provided, and lacks details for how client service costs will be managed. No information on geographical cost differences is provided.

6. Bonus Points

Strength(s) – The system of national coverage and the use and expansion of existing system of local service provision are commendable.

USCCB proposes to provide full coverage with a minimum of five providers in each ACF region identified. USCCB provides chart of ACF regions and the number of sub-awardees.

Weakness(es) – Proposal is not sufficiently comprehensive or coherent to demonstrate comprehensive case management and service referral to trafficking victims throughout the target area.

Application lacked detailed information in the demonstrated ACF regions.

USCCB does not specifically mention states in ACF regions in which it does not have sub-awardees. Coverage of some ACF regions is minimal.

Recommendation

I recommend approving the grantee for $2,500,424.

Abstract For
National Human Trafficking Victim Assistance Program
Office of Refugee Resettlement
Anti-Trafficking in Persons Program
Administration for Children and Families

Application #: 11ZV283184
Applicant: Tapestri, Inc.
Funding Request: $657,360 **Rank:** 3 **Average Score:** 74

Address: PMB 362, 3939 Lavista Rd., Ste.E.
Tucker, GA 30084-5162

Program Contact: Vanisa Karic
Telephone Number: (404) 299-2185

Geographic areas covered

Georgia, South Carolina, North Carolina, Tennessee, Alabama, Florida

Summary

Tapestri, Inc. proposes to conduct the Anti-Trafficking Alliance Project South to provide comprehensive case management and referrals to pre certified and certified trafficking survivors. Tapestri will partner with World Relief (North Carolina, Tennessee, and Florida), and Pee Dee Coalition (South Carolina), to provide adequate case management and referrals to trafficking survivors. The goals of their project are to provide comprehensive case management, referrals and culturally and linguistically appropriate services for certified victims of trafficking, raising community awareness of this issue and promoting a coordinated community response to trafficking. In addition, Tapestri's goal is to provide regular trainings to local law enforcement so that they can have the tools to identify victims of human trafficking particularly due to the fact that victims often do not self identify. Beyond comprehensive case management, the proposed project will continue to develop and strengthen a local trafficking collaborative, conduct outreach to refugee and immigrant communities through trainings and webinars to sub awardees.

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1. Organizational Profile

Strength(s) – Tapestri clearly and thoroughly demonstrates its organizational capacity and ability to effectively implement and manage the programmatic and financial aspects of the project through informational narrative about its previous work in the field, its project goals, its budget, and its staff descriptions. Tapestri provides extensive and persuasive evidence of its organizational expertise and knowledge of trafficking, including the TVPA and the definition of trafficking in persons. Tapestri has more than three years experience providing comprehensive case management to victims and referring victims for services. Additionally, Tapestri has good experience training and providing technical assistance to organizations and individuals, including law enforcement and attorneys, and intends to continue to conduct community outreach. Tapestri provides evidence that it understands the indicators of trafficking, the types of services that victims require, and the safety protocols involved in providing

services. Tapestri provides some narrative information about its experience assisting international victims of trafficking to obtain Certification, Eligibility, and/or Interim Assistance Letters, providing linguistically-appropriate services to victims, and referring victims for services through previous grant awards from OVC and USCCB. Tapestri's previous experience appears applicable to the current project and will help Tapestri achieve the goals of the project. Tapestri provides job descriptions, information on the professional backgrounds, and resumes of the staff to be involved in the program. The professionals identified have the appropriate background and experience to conduct case management, monitor sub-awards, coordinate with law enforcement, conduct referrals, and provide technical assistance, training, and outreach.

Tapestri highlights its 10 years of experience in trafficking and its success in previous projects.

Tapestri's award of OVC funding since 2004 demonstrates years of work experience in trafficking.

Tapestri has developed a very well organized plan for this project, reflecting its capacity to manage the programmatic and financial aspects of the project. The mission statement and organizational chart are provided. The management plan is superior. Tapestri provides detailed needs analysis of local trafficking problems and issues facing victims. Tapestri describes many issues addressed by the TVPA, including certification and eligibility letters. Tapestri demonstrates considerable experience with victim eligibility through detailed explanation of its systems for monitoring pre-certified and certified victims. Some information is provided on past trafficking project management experience. A sub-awardee has shelter experience. Based on details of outreach plans, Tapestri understands outreach and public awareness strategies very well

Weakness(es) – Tapestri does not provide a comprehensive mission statement. Tapestri does not provide evidence that it has previously identified victims of trafficking (it appears to make contact with victims through referrals from other organizations), or provide specific information about its experience assisting victims and providing referrals. Tapestri does not discuss applicable shelter models, provide letters of support, or provide specific information about the results it achieved with previous grants or contracts.

Executive Director does not have a college education, and most other staff have limited or unrelated education for managing a $657,000 per year project. The finance manager is new to the position and has limited financial system experience. Overall, project staff seem to lack the training and experience to perform the full range of tasks under the grant. The management plan does not explain how Tapestri will supervise sub-awardees. The federal definition of trafficking is not provided and little information on the TVPA is provided. Tapestri does not provide sufficient details, especially numerical data, about past case management service provision to labor and sex trafficking victims, service referral experience, coordination with law enforcement, technical assistance, and training. The proposal lacks clarity on the eligibility criteria, indicators that a person is a victim, and U.S. anti-trafficking services.

The application lacks detail on the financial aspects of the project and a cohesive management plan. Tapestri neglects to provide information on existing shelter models, residential facilities, and community based services. Tapestri's description of assisting victims and providing referrals is brief. Tapestri's experience in assisting victims in obtaining certification, eligibility, and enrollment is not mentioned.

2. Approach

Strength(s) – Tapestri has addressed the program purposes and the six objectives as listed in the Purpose and Scope of Section I of the FOA, in its project approach and project goals sections. Tapestri has outlined a comprehensive plan to meet the objectives through the use of sub-awards to provide

comprehensive case management and referrals for both pre-certified and certified victims, sub-awardee monitoring, a service provider manual, mass media outreach, community presentations, and webinars. Tapestri outlines the FTEs devoted to each piece of the program. Tapestri outlines the scope of the sub-awards and provides example MOUs, all of which appear sufficient for the scope of the program. Tapestri provides a comprehensive logic model that addresses inputs, including resources; outputs, including activities, clients, and partners; and outcomes, including short-term and medium term goals. Tapestri provides information in its management plan and timeline that establishes reasonable project goals and timeframes.

Tapestri nicely outlined partners, expenses, and numbers of victims to serve across their specified States. The logic model provided is adequate and speaks to their programmatic approach. Tapestri provides information about activities proposed, including the continuation of the Rescue and Restore efforts. Tapestri states an innovative approach in spreading awareness and maintaining outreach in communities. The time task plan ensures and supports activities beyond Year 1.

Tapestri proposes a comprehensive plan that seems to address all six ORR objectives, with sufficient detail to support effective fiscal and program management. The overall goals, approach, activities, and monitoring mechanisms are very well designed. The cost allocation mechanism is feasible. Tapestri has identified and developed MOUs with two sub-awardees. An in-depth plan for sub-awardee monitoring is proposed to measure progress and outcomes. The scope of sub-awardee work is described very well in the MOUs and time and task line. The general plan has sufficient detail showing it has considerable potential for success, with detailed activities and a work plan with outcomes for each provider by year.

Weakness(es) – Tapestri's proposal structure does not align with the six ORR Objectives; ORR Objectives 1 to 5 are subsumed in Goal 1, and Tapestri's Goals 2 through 5 address ORR Objective 6. This lack of alignment makes it difficult to confirm whether the applicant intends to meet all six objectives. The administrative and client services funding proportions of the cost allocation mechanism need additional clarification. Proposal lacks details of how additional sub-awardees will be identified or qualified to work on this project. Proposal does not provide adequate information on the fiscal and program management plans, such as how working relationships will be established across agencies. Proposed logic model does not directly address the six ORR objectives, specific activities for each project goal, or target numbers and timelines, attachment section. The project does not lay out a clear plan for how the project will start and operate, or how the work and staff will be managed.

The management plan does not explain how Tapestri will supervise sub-awardees. The timeline provided does not have a monthly or quarterly timeline by person or organization.

Objectives are brief and lack detail. The objectives do not provide full time equivalents. Tapestri offered limited information on legal aid assistance to low income populations in the specified States identified in their project, other than Georgia

3. Geographical Capacity and Need for Assistance

Strength(s) – Tapestri provides a thorough understanding of trafficking in the Southern Region. Tapestri has highlighted the states that they will partner with and their efforts in partnering with law enforcement.

Tapestri persuasively describes the need for services in the Atlanta, Georgia area and in the surrounding States. Tapestri provides evidence of its existing capacity to coordinate with stakeholders in the geographic area described to maximize case management services.

Tapestri proposes covering all of ACF Region 3, except for Mississippi and Kentucky, using sub-awardees. Existing sub-awardees have experience with trafficking issues. In general, the proposed program structure should generate coverage over the five states that are proposed as the geographic target area (NC, TN, FL, SC and GA). The existing anti-trafficking task force is a positive for relationship building and networking

Weakness(es) – Tapestri does not describe efforts to expand its existing capacity.

Tapestri mentions plans to utilize experience, but is limited in its explanation.

Tapestri notes that World Relief will cover NC, TN, and FL, and Pee Dee will cover certain counties in SC; however, it is unclear which organization will cover Georgia and the rest of South Carolina. Also, it is unclear how each organization will work to systematically raise public awareness, identify victims and provide case management services throughout their coverage area. Proposal lacks information on management and working relationships between the grantee, Tapestri, and the sub-awardees, World Relief and Pee Dee; this information is needed to clarify how the coalition will maximize comprehensive service provision throughout the area.

4. Outcomes

Strength(s) – Tapestri has provided outcomes per objective and indicators in evaluating these outcomes. Tapestri ensures objectivity in working with independent evaluator. Data collection methods identified offer fidelity to the objectives.

The proposal provides an excellent monitoring and evaluation system, detailing appropriate quantitative and qualitative indicators. The plan for program improvements is adequate.

Tapestri has provided and explained realistic estimates regarding the number of qualified persons to be provided with services (55 per year), the number of victims to receive Certification, Eligibility, and/or Interim Assistance Letters (50 per year), the number of outreach activities, community presentations, monthly webinars, quarterly webinars, and other components of the program. Tapestri details a reasonable strategy regarding how it intends to evaluate its sub-awardees with regard to meeting the objectives of the program, which includes both reports and on-site visits.

Weakness(es) – Tapestri does not provide any information about how it intends to incorporate program improvements based on the outcomes of its evaluations.

No information is provided on the number of clients who will receive certification or eligibility letters, the number of clients to be connected to federal benefits, or the number of persons and organizations to be reached through training and outreach. There are conflicts between the specific target numbers of certified and pre-certified victims to be assisted, with 15 and 39 victims noted in the abstract (although for which groups is uncertain) and 35 pre-certified and 49 certified noted on page 5 and in time task line.

5. Budget

Strength(s) – The budget is in line with the program goals. The budget list for consultant expenses is thorough in identifying cost per item.

The per capita cost mechanism is appropriate. The funding for sub-awardees is clearly documented.

Tapestri provides a clear, logical, accurate, complete, and comprehensive budget and a detailed budget narrative that provides extensive information to justify all costs. Tapestri demonstrates the cost effectiveness of the program. The allocated costs appear reasonable. Tapestri also provides a narrative description of its other sources of funding.

Weakness(es) – Tapestri does not specify the amounts of funding from alternate sources.

The detail and format of the budget narrative is confusing. For example, payments for sub-awardees for certified and pre-certified clients are not clear. The proposal documents funds for ACF sponsored training and financial management training, which raises doubts about the capacity of the organization to manage the project. Clarity is needed on funding for services and funding for administrative costs in cost allocation system. Geographic cost disparities are not considered. The cost allocation should clarify costs by services used, not blanket amounts per month.

6. Bonus Points

Strength(s) – None.

Weakness(es) – Tapestri does not cover a complete ACF Region. Tapestri neglected to identify which specific ACF Region they would be working in.

Recommendation

Application not recommended for funding.

-----Original Message-----
From: Workie, Essey (ACF)
Sent: Monday, September 12, 2011 7:26 PM
To: Tota, Kenneth (ACF); Womack, Jay (ACF)
Subject:
Importance: High

Hi Ken and Jay,

I just received word that there will be a meeting on the trafficking grant tomorrow at 10 am on the 6th floor. We will discuss who will be awarded and the amount of awards.

I'll see you guys then.

Thanks,
Essey

From: Workie, Essey (ACF)
Sent: Wednesday, September 14, 2011 5:24 PM
To: Parrott, Sharon (HHS/IOS); Lee, Gia (OS/OGC); Davis, Stefanie (HHS/OGC); O'Rourke, Megan E. (HHS/OGC); Woolford, Llewellyn (HHS/OGC); Bena, Anna Marie (HHS/OGC); Greenberg, Mark (ACF)
Cc: Sheldon, George (ACF); Tota, Kenneth (ACF); Womack, Jay (ACF)
Subject: FW: Recommended Budget
Importance: High

Hello All,

Please find the recommended budget and budget assumptions for the three applicants we are considering funding. The attached documents reflect yesterday's discussion. As we agreed yesterday, Jay Womack will enter into budget negotiations with the three applicants Thursday (tomorrow) afternoon. If possible, please let us know your thoughts about the recommended budget and assumptions before then.

Best,
Essey

Chairman ISSA. Although, we will be happy to have supplemental discovery at any time.

With that, the Oversight Committee exists for two purposes: We secure the fundamental principles, first, that Americans have a right to know that the money Washington takes from them is well spent; and, second, Americans deserve an efficient, effective government that works for them. Our duty on the Oversight and Government Reform Committee is to protect these rights.

Our solemn responsibility is to hold government accountable to taxpayers because taxpayers have a right to know what they get from their government. We will work tirelessly in partnership with citizen watchdogs to deliver the facts to the American people and bring genuine reform to the Federal bureaucracy. This is the mission of the Government Oversight Committee.

Two weeks ago, this committee approved a bill, authored by subcommittee chairman, Mr. Lankford, to require transparency in the grant making process. Today we are presented with an example of why this bill is so important, to ensure that agencies are held accountable and responsible stewards of the taxpayers' funds, and in this case the taxpayers' funds and the taxpayers' execution of these funds, to the greatest benefit of the beneficiaries they are intended to, as we attempt to understand the decisionmaking process used to award these grants, a process that from the outside observer's perspective appears to be inexcusably politically altered.

The grant went to four organizations—I have a mistake in the written statement. It went to three out of four that applied. The committee has learned many disturbing facts about the process. The most experienced and top-rated national applicant was not selected for this award. Other organizations, including ones that submitted much lower rated proposals, were somehow funded.

The process was delayed for months while the agencies struggled to find ways, in our opinion, to inject a new criteria to alter the funding process. That criteria was not in fact, as has been reported by HHS, a stipulation or requirement. Just the opposite. Although the new statement was part of the process, it was clearly understood that applicants who would not meet that "new stipulation" were still eligible to apply; meaning there was an expectation that if they were the most qualified or among the most qualified, they would still be awarded.

Notwithstanding that, a political appointee, unconfirmed, effectively a czar, interjected themselves and made a decision that changed the outcome of this grant from the decision that otherwise would have been made by career civil service employees. This undermines the integrity of the process and violates the spirit, if not the letter of the Federal law and regulations that prohibits discrimination on the basis, in this case, of deep religious beliefs that were well-known before the applicant applied.

If we are going to have a litmus test that "Catholics need not apply," if to administer—and I repeat, administer a procedure, we need to say so, we need to codify it in the law and we need to stand the scrutiny of the Supreme Court. It is clear to this Member, you cannot stand the scrutiny of the Supreme Court to simply make an organization that has a religious-based belief completely ineligible

without a review by the Court. The Court would not side with Health and Human Services in this case.

Now, many will couch this as this is a somewhat more complicated issue. This Member does not believe that it is complicated, but I do believe that this committee has a responsibility that goes far beyond the religious-related question that may be brought up on both sides of the dais. Just the opposite. This committee has a responsibility to see that the process is predictable at the end, based on the applicant's expectations at the beginning. Whether it is in fact the award of tanker contracts by the Air Force, whether it is green energy proposals, whether in fact it is an underwriting of a purchase of a steel mill somehow deemed to be green, this committee has an obligation to look at grants and awards and make sure that they are predictable in a nonpartisan, non-ideological way.

This committee chairman is not of that conclusion. Perhaps today we will get some answers that will help us see the nuances, but as of this point, it is the chair's view that in fact the system is more of an earmark, in the case of this award, a Presidential appointee earmark, than in fact a competitive grant. Congress has, both majority and minority, stopped the practice of earmarks. We must ensure that the grant process can never be called an earmark process with preferences based on ideology or political employees' whims.

With that, I recognize the ranking member for his opening statement.

[The prepared statement of Hon. Elijah E. Cummings follows:]

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Opening Statement
Rep. Elijah E. Cummings, Ranking Member

Hearing on "HHS and the Catholic Church: Examining the Politicization of Grants"

December 1, 2011

Thank you, Mr. Chairman. I would like to take a moment to remind everyone of our ultimate goal here today—to help victims of human trafficking, forced prostitution, and sex slavery to escape their conditions and put their lives back together. These victims have survived horrifying abuses that few people in this room can imagine. These atrocities are despicable, almost unspeakable. But we cannot shy away from them. We must address them directly and give these victims a voice.

To conduct a responsible review of the process used to award these grants, we need to understand who these victims are, what they have gone through, and why they need reproductive health services. This is an extremely uncomfortable issue. We are talking about young women who have been raped, sometimes repeatedly, and often have contracted sexually transmitted diseases. In addition, many of them are coping with severe psychological trauma. If I may, I would like to ask unanimous consent to enter into the record three studies on this issue.

- First is the State Department's 2011 report on Trafficking in Persons, which says this: "The United States is a source, transit, and destination country for men, women, and children subjected to forced labor, debt bondage, document servitude, and sex trafficking."

- Second is a study by researchers at the London School of Hygiene and Tropical Medicine, which finds that 90% of trafficking victims report "having been physically forced or intimidated into sex or doing something sexual."

- Third is a study by researchers at the University of Pennsylvania, which reports that "[b]etween 244,000 and 325,000 American children and youth are at risk each year of becoming victims of sexual exploitation, including as victims of *commercial* sexual exploitation."

To address these problems, HHS stated in its grant announcement that these funds are intended to provide "comprehensive case management" services that include referrals for "family planning services."

To be clear, this is not about using federal funds for abortion. This is about providing referrals for a full range of contraception, family planning, and other reproductive health services. Applicants who were willing and able to provide these referrals got preference over those who were not.

Mr. Chairman, after you announced this hearing, I sent you a letter requesting additional witnesses. They are individuals who work for organizations that help these victims on a daily basis and advocate on their behalf. It would have taken the Committee very little time to hear from them today, and they would have provided a compelling case for why these services are so critical for these victims.

Unfortunately, you rejected my request. In your response letter, you said this type of testimony was not the subject of today's hearing. I strongly disagree. If our goal is to analyze these grants in a responsible manner, we cannot ignore the voices of these human trafficking victims, many of whom are very young women who have been exploited and raped by their persecutors.

For these reasons, today I am invoking my right as the Ranking Member to request a minority day of hearings under House Rule 11. I am submitting for the record the required letter with the appropriate number of signatures.

Mr. Chairman, you have scheduled no full Committee business for the entire next week. We have no full Committee hearings and no markups. Since our schedule is wide open, and since the witnesses are willing to appear, I respectfully request that you schedule our hearing then. Thank you.

Contact: Ashley Etienne, Communications Director, (202) 226-5181.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

I would like to take a moment to remind everyone of our ultimate goal here today, to help victims of human trafficking, forced prostitution and sex slavery to escape their conditions and put their lives back together. These victims have survived horrifying abuses that few people in this room can even imagine. These atrocities are simply despicable, almost unspeakable. But we cannot shy away from them. We must address them directly and give these victims a voice.

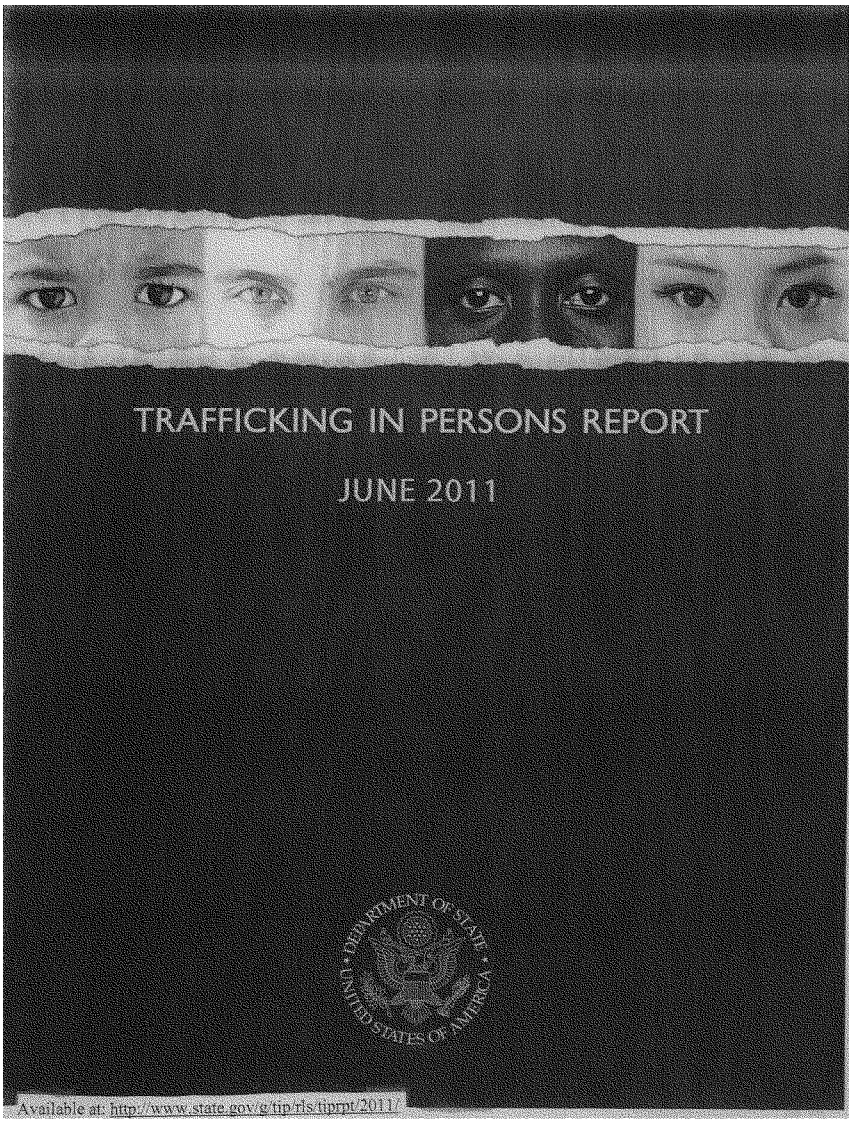
To conduct a responsible review of the process used to award these grants we need to understand who these victims are, what they have gone through and why they need reproductive health services.

This is an extremely uncomfortable issue. We are talking about young women who have been raped, sometimes repeatedly, and often have contracted sexually transmitted diseases. In addition, many of them are coping with severe psychological trauma.

If I may, I would like to ask unanimous consent to enter into the record these studies on this issue. First is a State Department 2011 report on trafficking in persons which says this: The United States is a source transit-and-destination country for men, women and children subjected to forced labor, debt bondage, document servitude and sex trafficking.

Chairman ISSA. Without objection, so ordered.

[The information referred to follows:]


TRAFFICKING IN PERSONS REPORT
JUNE 2011
DEPARTMENT OF STATE
UNITED STATES OF AMERICA
Available at: http://www.state.gov/g/tip/rls/tiprpt/2011/

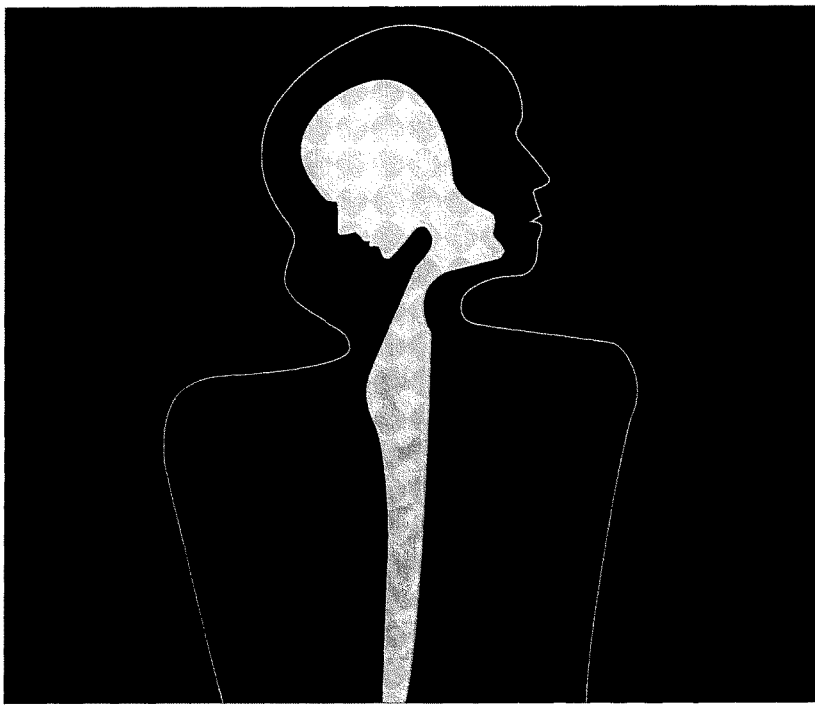
Mr. CUMMINGS. Thank you, Mr. Chairman.

Second is a study by researchers at the London School of Hygiene and Tropical Medicine which finds that 90 percent of trafficking victims reports "having been physically forced or intimidated into sex or doing something sexual."

Chairman ISSA. Without objection, so ordered.

[The information referred to follows:]

Stolen smiles: a summary report on the physical and psychological health consequences of women and adolescents trafficked in Europe



London School of Hygiene & Tropical Medicine

Poppy Project

International Organization for Migration

On The Road

Animus Association Foundation

La Strada

Pagasa

This study was funded with support from the European Commission's Daphne Programme. Additional funding provided by the International Organization for Migration and the Sigrid Rausing Trust.

Available at: http://www.lshtm.ac.uk/php/ghd/docs/stolensmiles.pdf

Mr. CUMMINGS. Third is a study by researchers at the University of Pennsylvania which reports that "between 244,000 and 325,000 American children and youth are at risk each year of becoming victims of sexual exploitation, including as victims of commercial sexual exploitation."

Chairman ISSA. Without objection, so ordered.

[The information referred to follows:]

The Commercial Sexual Exploitation of Children In the U. S., Canada and Mexico

Executive Summary

(Of the U.S. National Study)

Richard J. Estes
and
Neil Alan Weiner

University of Pennsylvania
School of Social Work
Center for the Study of Youth Policy
4200 Pine Street, 3rd floor
Philadelphia, PA 19104-4090
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September 19, 2001
(Revised 2/20/02)

Available at: http://www.sp2.upenn.edu/restes/CSEC_Files/Exec_Sum_020220.pdf

Mr. CUMMINGS. Thank you, Mr. Chairman.

To address these problems, HHS stated in its grant announcement that these funds are intended to provide comprehensive case management, services that include referrals of family planning services. To be clear, this is not about using Federal funds for abortion. This is about providing referrals for a full range of contraception, family planning and other reproductive health services. Applicants who are willing and able to provide these referrals got preference over those who were not.

Mr. Chairman, after you announced this hearing, I sent to you a letter requesting additional witnesses. They are individuals who work for organizations that help these victims on a daily basis and advocate on their behalf. It would have taken the committee very little time to hear from them today and they would have provided a compelling case for why these services are so critical for these victims.

Ultimately you rejected my request. In your response letter you said this type of testimony was not the subject of today's hearing. I strongly disagree. If our goal is to analyze these grants in a responsible manner, we cannot ignore the voices of these human trafficking victims, many of whom are very young women who have been exploited and raped by their persecutors.

For these reasons, today I am invoking my right as the ranking member to request a minority day of hearings under House Rule 11. I am submitting for the record the required letter with the appropriate number of signatures.

[The information referred to follows:]

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Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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December 1, 2011

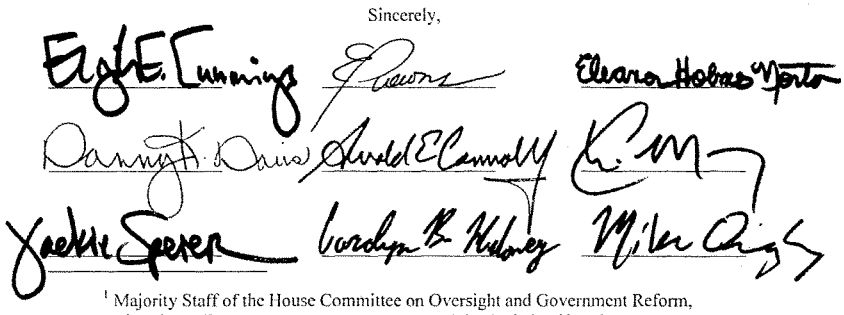
The Honorable Darrell E. Issa
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

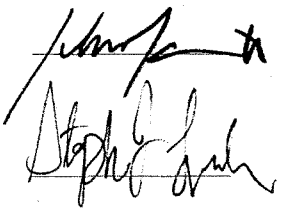
Pursuant to House rule XI, clause 2(j)(1), we, the undersigned majority of the Minority members of the Committee on Oversight and Government Reform, request a hearing to call witnesses selected by the Minority to testify with respect to today's hearing entitled, "HHS and the Catholic Church: Examining the Politicization of Grants." Specifically, the Minority will request testimony from witnesses who can discuss their experiences working with human trafficking victims and the importance of providing "comprehensive case management services for victims of human trafficking."[1]

Since you have scheduled no full Committee hearings next week, we request that this hearing be scheduled then.

Sincerely,



[1] Majority Staff of the House Committee on Oversight and Government Reform, *Memorandum for Full Committee Hearing: "HHS and the Catholic Church: Examining the Politicization of Grants"* (Nov. 28, 2011).



Mr. CUMMINGS. Mr. Chairman, you have scheduled no full committee business for the entire week of next week. We have no full committee hearings and no markups. Since our schedule is wide open and since the witnesses are willing to appear, I respectfully request that you schedule a hearing for then.

I thank you.

With that, I yield back.

Chairman ISSA. Would the gentleman yield?

Mr. CUMMINGS. Yes, of course.

Chairman ISSA. Although you have a right under rule 11, I would strongly suggest that you wait until the conclusion of the hearing to assert that it is the decision of the chair to limit the scope of this hearing. Having said that, as I have already announced to the witnesses, I have a strong expectation that during the process of a more narrow hearing that was and is on the question of whether or not merit-based procedures were used, this committee is very likely to have a rather wide-ranging discussion along with our witnesses on some of the particulars of the trafficking in human beings, people being used as sex slaves, a great many issues that, although not the subject of this hearing, may very well be the subject of a followup hearing.

For that reason I would hope that everyone would reserve judgment until we have gone through this. And if the committee at the conclusion of a more narrow hearing wants to explore this other issue, which is inseparable in many ways from what these gentlemen work on every day around the country, then I certainly would entertain scheduling an investigation and a hearing and other committee work related to that issue.

If the gentleman doesn't know, I have worked on the question of trafficking in human beings all the way back in the Bush administration, and I agree with the gentleman that that is an area that there is never enough attention by Congress.

So, if the gentleman will reserve that motion until the conclusion, I certainly will entertain the motion.

Mr. CUMMINGS. Mr. Chairman, I will reserve. First of all, I appreciate what you just said. When I read some of the testimony and looked at the decision—and I am glad you have been involved in it—I was horrified. And I just want to make sure, as I know you do, and part of this hearing is about this, making sure that HHS is doing its part to help these young victims address their particular needs. So the request for the hearing was in that vein, the ultimate goal of trying to help people who are in big trouble. And many of them, of course, are our own fellow citizens.

With that, Mr. Chairman, I reserve until the end of the hearing.

Chairman ISSA. Great. The gentleman yields back.

All Members will have 5 days to submit opening statements.

With that, today's hearing, we will hear from two witnesses from the Department of Health and Human Services. First of all, George Sheldon is the acting assistant secretary of the Administration for Children and Families, and Mr. Eskinder Negash is the director of the Office of Refugee Settlement.

Gentleman, pursuant to the rules of this committee, all witnesses who testify are to be sworn. Would you please rise to take the oath.

Raise your right hands.

[Witnesses sworn.]

Chairman ISSA. Let the record reflect affirmative answers by both. Please be seated.

Now, Mr. Sheldon, I know you have testified once before, Mr. Negash, perhaps not. But you have all seen this on C–SPAN. Your prepared statements in their entirety will be placed in the record. Knowing that you are administration witnesses, it is often pushed that you stay to your script, and we understand that. But if you abbreviate your script or want to include any individual statements, as long as you remain within the 5 minutes, we are delighted. If you finish sooner, we will get to questions sooner. If you run slightly over, as long as you are not totally reading a statement that was simply too long when written, we will allow you to complete it.

With that, Mr. Sheldon, you are recognized.

STATEMENT OF GEORGE SHELDON, ACTING ASSISTANT SECRETARY, ADMINISTRATION FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND ESKINDER NEGASH, DIRECTOR, OFFICE FOR REFUGEE RESETTLEMENT, ADMINISTRATION FOR CHILDREN AND FAMILIES, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Mr. SHELDON. Mr. Chairman, Ranking Member Cummings, members of the committee, thank you for the opportunity to testify about international trafficking and the role of the Department of Health and Human Services.

The organization I lead, the Administration for Children and Families, is responsible for certifying foreign persons as trafficking victims and assisting them with the services that they need to rebuild their lives. One of the ways we do this is through the Trafficking Victims Assistance Program.

I came to my current position with direct experience with trafficking. As secretary of the Florida Department of Children and Families, I co-chaired with the Commissioner of Law Enforcement, the State's human trafficking task force. I helped lead the State's efforts to develop policies that protect and support victims and punish their traffickers. I heard directly from victims about abuse and degradation. As I make decisions about human trafficking policy, I continue to think about these victims and what they need to regain control of their lives.

Foreign national trafficking victims are drawn from countries throughout the world often through the use of force, coercion, and fraud. They are generally poor, young, and extraordinarily vulnerable. Many victims, as indicated, have been raped and beaten into terrified submission. Victims face numerous health risks, including physical injuries such as broken bones, burns, sexually transmitted diseases and other diseases.

Victims often find themselves physically and psychologically afraid to reach out to law enforcement officers. Traffickers often control victims by limiting their access to basic information that all of us take for granted, such as the name of the city where they live or whether law enforcement officers will arrest them.

Victims need access to all available information to help decide what is the best path for them. Since 2001, we have certified more

than 3,000 victims of trafficking. Forty-one percent of the minors were victims of sex trafficking or a combination of sex and labor trafficking. The purpose of the Victim Assistance Program is to provide short-term comprehensive management services. It also may include emergency assistance on a limited basis, such as food and clothing and shelter.

Our experience in operating this program for 10 years drove home to us the particular health risks posed by victims of human trafficking. As a result, we specified in the funding announcement that we would give a strong preference to applicants that are willing to offer all the services and referrals delineated in the program objectives, including offering victims referral to medical providers that can provide or refer to a full range of services they need. But ultimately it is up to the victim to choose the services.

The HHS grantee does not directly provide services, but enters into subgrant contracts with local organizations. But I want to point out that organizations that do not provide information referral for family planning services can still receive Federal money. They can choose to subcontract with subgrantees to provide services that they cannot or do not wish to perform.

In 2011 we received applications from several organizations that had the strong capacity to provide comprehensive case management. In making the decision, we needed to ask a basic questions: Which organizations were best able to serve all the needs of the victims? We selected grantees that are able to provide a full set of health-related referrals.

The three organizations selected will enable trafficking victims to retake control of their lives by making informed health care decisions based on their own circumstances, their own values, and their own faith. The three entities that were awarded the grants have still entered into subgrant arrangements with many faith-based organizations, including entities affiliated with the Catholic Church. We value our partnership with numerous faith-based organizations, including the Conference of Bishops.

Over the last 3 years, we have awarded some $650 million to Catholic-affiliated organizations. For instance, we partner with Catholic Charities of Los Angeles to provide shelter to runaway and homeless youth; with Catholic Charities of Hartford to help fathers become better parents and provide for their children; with the Catholic Missions Board to provide care and treatment for HIV patients in South Africa, South Sudan, and Haiti.

Recently, I visited a home in Chicago. I had conversations with eight young women ranging in age from 12 to 21. They recounted their stories, horrific, about being enslaved for 1 to 3 years. Their stories were horrific, but what was even more unsettling was the aftermath: the young women, broken down physically, morally, spiritually, wondering who they could trust and how they would survive.

But these women opened up. They explained how a safe place and advice from people they trust had altered the trajectory of their lives. And I was heartened. They are struggling to restore their hope and their dignity, and I believe that we need to provide them the the full array of services so that they have a fighting chance.

In conclusion, Mr. Chairman, I am confident that the three grantees will help to ensure that the victims of human trafficking will receive high-quality case management services. We are fully respectful of this committee's jurisdiction, its responsibility, and we have provided to date approximately 3,500 pages of documents. We are still in the process of working with staff. We will continue to do that. As one who is from Florida, which has a totally transparent open records law, I believe that is important for your oversight, but I also believe it is important to get the total picture of how this grant was awarded.

Thank you.

Chairman ISSA. Thank you.

[The prepared statement of Mr. Sheldon follows:]

Mr. Chairman and members of the Committee, thank you for the opportunity to testify about international trafficking victims and the role that the Department of Health and Human Services performs in providing assistance to these victims under the Trafficking Victims Protection Act (TVPA).

Under the TVPA, the Administration for Children and Families (ACF), within the Department of Health and Human Services (HHS), performs a key role in the fight against human trafficking. We are responsible for certifying foreign persons as trafficking victims in the United States and assisting them in accessing the benefits and services needed to rebuild their lives. In addition, we have been charged with increasing the public's awareness of trafficking and the services available to trafficking victims. One of the ways that we meet these responsibilities is through the National Human Trafficking Victim Assistance Program, which provides case management to victims of trafficking to assist them in remaining free and retaking control of their lives. In undertaking our responsibilities and administering this program, we strive to do what is best for human trafficking victims. HHS has recently awarded grants to three well-regarded organizations to provide these case management services. Our decisions in this grant award were made based on our determination of which organizations could best meet the needs of human trafficking victims.

Before discussing the grant program in more detail, I would like to share some background on what we know about victims from abroad who are trafficked into the United States.

Background

Foreign national trafficking victims are drawn from countries throughout the world, often through the use of force, coercion or fraud. Many victims are raped or beaten into terrified submission. Victims face numerous health risks including physical injuries such as broken bones, concussions, burns, vaginal and anal tearings, traumatic brain injury, sexually transmitted diseases, sterility, miscarriages, menstrual problems, and other diseases such as tuberculosis and hepatitis. Traffickers mislead skilled or educated adults facing chronic unemployment with the false lure of higher paying jobs or a better life; traffickers buy or coerce children from families facing poverty and economic desperation; and traffickers abduct victims. Victims often find themselves physically and socially isolated in an unfamiliar culture in which they may not speak or understand the language. Victims often do not have valid immigration status and traffickers threaten them with arrest by immigration authorities. Traffickers may threaten to physically harm the victim or a loved one left behind in the country of origin. Because of these circumstances, trafficking victims are often afraid to reach out to law enforcement officers, health providers or others who would be in a position to help them.

Human trafficking takes place throughout the United States. The National Human Trafficking Resource Center, a national, 24 hours, 7 days a week, toll-free hotline funded by HHS, received 11,381 calls in FY 2010, a 57 percent increase from FY 2009. Of the total calls in FY 2010, 499 resulted in a direct report to law enforcement. Approximately 57 percent of those calls involved either sex trafficking or a combination of sex and labor trafficking.

Since 2001, we have certified over 3,187 victims of trafficking in the United States. In FY 2011, nearly forty percent of adult victims came from Asia, namely the Philippines, India, and Thailand. Approximately 70 percent of minors trafficked into the United States who received eligibility letters from HHS were from Latin America, mostly Mexico, Guatemala, and Honduras. Forty-one percent of minors receiving eligibility letters from HHS were victims of either sex trafficking or a combination of sex and labor trafficking.

HHS began funding anti-trafficking programs in FY 2001. Over the last ten years, HHS' anti-trafficking programs have evolved in terms of their scope and the funding mechanisms used to accomplish program objectives. Prior to FY 2006, HHS awarded multiple smaller-scale grants to fund street outreach, services to foreign victims of human trafficking, public awareness projects, and a national hotline. Beginning in FY 2006, HHS revamped funding to victim services and began using a per capita contract model. That contract ended in October of this year. Beginning in FY 2012, HHS focused its victim services program on comprehensive case management services through grant funding to three organizations under a new competitive grant process. From FY 2001 to FY 2011, HHS awarded approximately $57 million toward helping victims of trafficking rebuild their lives.

I would like to now describe our efforts to link these trafficking victims with comprehensive case management and referral services so that they can access the benefits and services they need to re-take control of their lives and move forward toward a better future.

National Human Trafficking Victim Assistance Grant

HHS currently fulfills its mandates under the TVPA through the National Human Trafficking Victim Assistance grant and a number of other grants that focus on identifying trafficking victims, increasing public awareness, helping victims with employability services, and connecting them to local service providers through a national hotline.

Before discussing the grant, I would like to take a moment to share the experience of one particular young girl who was the victim of sex trafficking.

> A 14-year-old Mexican girl was approached by a trafficker in Mexico. He kidnapped her and then raped and abused her at his home. Then he brought her to the United States and forced her into prostitution. She gave birth to a baby during that time. Law enforcement agents who had been investigating the case rescued her at age 17. She wasn't willing to share her story with the law enforcement agent, who obtained her baby from the trafficker. She and her child were placed with a foster family and are in the process of being adopted. Tapestri, a victims' service provider, provided counseling, transportation, clothing, and connected her with a pro-bono attorney. After receiving services, she was willing to cooperate with the law enforcement agents.

In 2010, approximately 167 foreign national trafficking victims shared one version or another of this young girl's story.

The primary aim of the National Human Trafficking Victim Assistance Program (anti-trafficking case management program), is to fund short-term comprehensive case management and referral services for foreign victims of severe forms of human trafficking. Comprehensive case management includes community referrals for housing, health screening and medical care, mental health screening and therapy, employability services, legal services, and other forms of counseling when needed or requested. It also may include emergency assistance in the form of food, public transportation passes, translation services, or clothing.

HHS is committed to ensuring that trafficking victims receive the high quality, comprehensive case management services that they need and to helping trafficking victims become as healthy and supported as possible as they re-take control over their own lives.

FY 2012 Grant Program

In light of the particular health risks posed to victims of human trafficking, HHS specified in the funding announcement that it would give a strong preference to applicants that are willing to offer all of the services and referrals delineated in the program objectives, including offering "all victims referral to medical providers who can provide or refer for provision of treatment for sexually transmitted infections, family planning services and the full range of legally permissible gynecological and obstetric care, including but not limited to exams, tests, and pre-natal services and non-directive health-related counseling."

This preference reflects two realities. First, trafficking victims, many of whom are sex trafficking victims or have been sexually assaulted, can have a heightened interest in and need

for such referrals. As noted in a 2009 literature review by HHS' Office of the Assistant Secretary for Planning and Evaluation, victims of trafficking "are at risk for the same types of injuries as victims of domestic violence and rape." The same literature review noted that trafficking victims "frequently contract sexually transmitted infections or become pregnant (Hughes, 2003)."

Second, because of the limited number of trafficking victims dispersed throughout the nation, HHS funds only one grantee per geographic area. Accordingly, we believed it necessary that the one federally funded social service organization in charge of implementing and overseeing case management in any area is willing to provide the full scope of services that trafficking victims can learn about through the program. In FY 2011, HHS received applications from several organizations that had both the strong capacity to provide comprehensive case management services and a willingness to ensure that all of the specified referrals and services would be provided. In light of the critical importance of ensuring that trafficking victims can receive all the information that they might need to take control of their own lives, and the availability of several applicants that had both the strong capacity to provide comprehensive case management services and a willingness to ensure that all of the specified information, referrals, and services would be provided, HHS made awards to grantees that are able to provide the full set of health-related information and referrals. These three organizations will enable trafficking victims to re-take control of their lives by making informed health care decisions, in consultation with doctors, based on their own circumstances, values and faith.

HHS funds only one grantee per geographic area as the one federally funded social service organization in charge of implementing and overseeing case management in any area. That grantee enters into agreements with local organizations which provide comprehensive case management and referral services. Organizations that do not provide information and referrals for family planning services or the full range of legally permissible obstetric and gynecological care can still receive federal funds under the anti-trafficking case management program and actively participate in providing case management services to the victims. HHS did not establish a preference for grantees that would require each individual subgrantees to provide referrals for family planning and the full range of legally permissible gynecological and obstetric care. To the contrary, one anti-trafficking case management program grantee proposed in its application an approach that would accommodate subgrantees' teachings and beliefs by dividing up responsibility for different case management services so that trafficking victims could learn about family planning services and the full range of legally permissible gynecological and obstetric care, and social service organizations that did not plan to discuss those matters could provide information and referrals to meet victims' other needs. The three entities that were awarded grants have now entered into sub-grant arrangements with many of the same organizations that previously provided services through sub-contractor relationships with the U.S. Conference of Catholic Bishops, which had received the 2006-2011 TVPA contract from HHS. These subgrantees include faith-based organizations and, more specifically, entities affiliated with the Catholic Church.

Conclusion

Since the passage of the TVPA, HHS has addressed trafficking at many levels. We have partnered with other federal agencies in order to set up processes for certification to enable identified victims to apply for benefits and services. We have provided funding to service-providing agencies to address foreign national trafficking victims' needs and assist them with accessing mainstream public benefits. We provided outreach grants for service providers and community members to increase awareness of human trafficking and help identify victims. We also provided education and outreach across the country to raise awareness with educational institutions, law enforcement agencies, and many types of service providers. We are committed to building on our experience and continuing to improve our efforts to identify, rescue, and restore more victims of human trafficking.

I am confident that the three grantees will help to ensure that trafficking victims receive the high quality, comprehensive case management services that they need and want. I am committed to keeping trafficking victims as healthy and supported as possible as they re-take control over their own lives.

I appreciate the opportunity provided by this Committee to highlight the hardships suffered by victims of human trafficking and the Department's efforts to assist these victims.

I would be pleased to answer any questions you may have.

Chairman ISSA. I understand, Mr. Negash, you do not have any opening statement, prepared or unprepared.

Mr. NEGASH. Mr. Chairman, I don't have any additional statement.

Chairman ISSA. Would you like to make any statement?

Mr. NEGASH. No, sir.

Chairman ISSA. With that, we will go to the first round of questioning and I will recognize myself for 5 minutes.

Mr. Sheldon, as I said earlier, I want to focus this committee on the question of predictability of grants based on merit. So let me start with a question. There were three awards out of four applicants. The number one award went to somebody with a 90, the Catholic Charities had an 89, and then you get down into the seventies, substantially lower for the other two awardees.

If you were an applicant or potential applicant, knowing that grant making takes time and money, applications, and you were told that there were factors but that those factors would not eliminate you, and then you saw that you were dramatically higher than two of the applicants who received it, wouldn't you legitimately question how you make that cost-benefit question ever again?

Again, it is not a question of what the issue was that may have decided this, but it was not a requirement. In your opening statement, Mr. Sheldon, you said that you believe that full range of services. If you believe it, why is it that HHS didn't say you either provide them or you are ineligible—which wasn't said—but, rather, go ahead and make the applications, it is not going to eliminate you, it is a factor.

Well, it is a factor apparently that goes from 89 to 74. I mean, it is a huge factor, and it was never scored and no one could understand how much better they would have to be, how much dramatically better they would have to be to prevent being eliminated.

Could you answer that narrow question?

Mr. SHELDON. I appreciate the question, Mr. Chairman. Let me articulate that it was very clear in the funding announcement that HHS had a preference for those who would provide the full array of services. And the way the process, the way the grant process works——

Chairman ISSA. Mr. Sheldon, I have very limited time. The narrow question is, 74 to 89 is a chasm. If you can't explain the chasm, then what I see here is they were dead on arrival in their application, period. The bottom line is everybody who applied got it except the incumbent, and they were at the top of the rating and dramatically higher than the two much less qualified. And that qualification number is an array of service administration and priorities and capabilities.

So the narrow question is, if you are out there applying for grants because you want to help people—and the ranking member said it very well. This is about helping people. This is purely about compassionate people wanting to help people and administering over sending them for the various services. No services would be provided by these recipients. These were referrals.

How do I explain that in narrow terms, you know 20 points? How do I explain it?

Mr. SHELDON. If you will give me a minute, we provided a funding announcement. That is reviewed by——

Chairman ISSA. No, I am sorry, you are not answering the question, and I only have a minute and 45. You did not tell them that they could be just a lot better and still not get the award. That has a chilling effect. Everyone on this dais on both sides understands numbers.

Now, back to the question, and I apologize for the language. But this is such a great difference in the numbers, not between 89 and 90, the top two. If it had only gone to the top one, I would say, well, it was a photo finish and this preference made a difference. But the two that were unqualified, less qualified by your own scoring system by career professional civil servants, as we go on today you are going to be asked again and again, so not on my time, but on additional time, please be prepared to answer why those numbers so dramatically allowed for this. I have seen this in decisionmaking on refuelers, I have seen it on decisionmaking on green energy. I want to have it explained today.

Having said that, I want to go on to the core question here for a moment. Isn't it true that Catholic Charities refers, and all of the administrators, refer people to physicians, and that those physicians are completely free to provide the full range of benefits, to advise people on the full range of benefits. In other words, the referral to the compassionate person providing a service, including medical and psychological, those people are not nuns or Catholic priests. They are not definable by any of this criteria that you used for the parent administrator. And even in your opening statement you made it clear that the recipients, the actual doer of the good, might in fact still be some of these same faith-based organizations.

So the question is, the referral to people to make these decisions, including STDs which you mentioned, obviously the need for treatment and the possible additional procedures, including abortion, including referral for contraceptives and so on, was there any prohibition on those doctors and those professionals?

Mr. SHELDON. To your first comment, to your first question, the reviewers identified strengths and weaknesses in all the applicants and they also indicated in their reviewers' notes that there was not sufficient detail with all of the applicants in order to evaluate several components. Those were components in terms of monitoring their subgrantees, training, the full array of services. Those were weaknesses that were identified in every single one of them, including the Bishops.

Chairman ISSA. I guess that is the reason why nobody got a 110 rating.

Mr. SHELDON. And the scoring was based on those reviewers' comments. Based on the information we had from reviewers which indicated that there was not sufficient detail on several of the issues, we went back. And that was my decision: Let's go back to all of the applicants to provide the answers to the questions that the reviewers identified. In looking at that, in looking at the scoring, it was my opinion that all of the applicants were qualified to administer the grant, which brought us to the decision of whether to apply the preference or not.

I made a determination that was the appropriate thing to do, because even the reviewers' comments indicated two or three reviewers indicated that the unwillingness of the Bishops to agree to provide the full array of services raised questions as to whether they could meet the six objectives of the funding announcement.

Chairman ISSA. As I recognize the ranking member, I think I heard that a 90, an 89, a 74 and a 69 rating under this nonpartisan decisionmaking process were made to be equal.

Mr. SHELDON. Those scorings were made prior to the answers being submitted which the reviewers had indicated needed to be answered.

Chairman ISSA. With that, I recognize the ranking member. Without objection, I would ask that the ranking member have 7 minutes. I apologize. Our time ran over.

Mr. CUMMINGS. Thank you, Mr. Chairman.

Mr. Sheldon, let me ask you some basic questions. In the announcement for these grants HHS stated explicitly that the central purpose of this funding is to provide, "comprehensive case management services" to victims of human trafficking. Is that correct?

Mr. SHELDON. Yes.

Mr. CUMMINGS. In the same announcement, HHS also stated that these services include "family planning services and a full range of legally permissible gynecological and obstetric care." Is that correct?

Mr. SHELDON. That is correct.

Mr. CUMMINGS. The three organizations that received grants from HHS were all able to make these referrals or have their subgrantees make them; is that correct?

Mr. SHELDON. That is accurate.

Mr. CUMMINGS. But the Bishops, and this is important, but the Bishops stated explicitly in their application that if they received this grant, they would not, "provide or refer for abortion, sterilization, or artificial contraceptives," is that correct?

Mr. SHELDON. That is accurate.

Mr. CUMMINGS. It seems pretty simple. The Bishops would not provide the referral described in the grant announcement and they didn't get the grant. In other words, you were contracting for something and they said they couldn't do it. Is that right?

Mr. SHELDON. That is accurate.

Mr. CUMMINGS. Now, in their application, the Bishops offered to consider "alternative ways to perform these referrals under the grant." Is that right?

Mr. SHELDON. That is accurate. And I went a step further——

Mr. CUMMINGS. So you followed up on that.

Mr. SHELDON [continuing]. And followed up on that, and asked them to explain in detail what that alternative would be, because we were interested in that.

Mr. CUMMINGS. Okay. So you were trying to do everything you could to make sure that you were being fair to them; is that right?

Mr. SHELDON. That is accurate.

Mr. CUMMINGS. And did they ever provide you with that alternative information?

Mr. SHELDON. The information that they came back with as an alternative was a restatement of their original position.

Mr. CUMMINGS. So in other words, they didn't bring anything new to you?

Mr. SHELDON. That is correct.

Mr. CUMMINGS. Did you then follow up on that and say well, wait a minute now. I thought you said you were going to bring me something new, and it looks like we are rehashing the same thing.

Mr. SHELDON. We did the one follow-up.

Mr. CUMMINGS. And that was it. In fact, you documented all of this in your decision memo which has been made available to every member of the committee. The memo explains that HHS asked the Bishops if they had any specific proposals for alternative ways to provide these referral services, but the Bishops "did not offer any proposals." Is that correct?

Mr. SHELDON. That is accurate.

Mr. CUMMINGS. Now, as I said in my opening, I think we would all benefit from hearing a more detailed explanation of why victims of human trafficking and sexual exploitation often need exactly these kinds of referral services. Mr. Sheldon, can you explain generally these victims' age, background and experience?

Mr. SHELDON. Approximately 70 percent of these victims are women. Approximately 80 percent of the females who are victims are victims of sex trafficking. These are individuals who have experienced the most horrific conditions, and their freedom, for all practical purposes, has been taken away from them. What we are desirous of doing is restoring the freedom that has been stolen from them. It frankly is not much more complicated than that.

Mr. CUMMINGS. And can you explain why it is so important for these victims to have access to referrals for the full range of family planning services? Obviously they didn't get the grant, and according to what you are saying, it is because there were certain services that they said they couldn't do. Am I right?

Mr. SHELDON. That is accurate.

Mr. CUMMINGS. Now, this goes to the basic points in this hearing. What was it that they needed that you were trying to get for them that the Bishops were not able to provide? You put out a contract and basically you are saying this is what we need. They said, we cannot do certain services, so they didn't get it. But the question becomes: Why did they need what you were contracting for, do you follow me, and why was that so significant?

Mr. SHELDON. Well, even the reviewers pointed out that the unwillingness of that applicant to provide the full array of options raised questions as to whether they could provide a response to the six objectives outlined in the contract.

But let me point out, I think that the chairman, frankly, has put his finger on it. The restriction was not that they were unwilling to refer to a physician, but restricting what that physician could do. And that is a concern that I have. Ultimately if you are referring for case management, if you are referring out to a medical provider, a decision ought to be between that medical provider and the victim.

Mr. CUMMINGS. In reviewing some of the various data, there was a 17-year-old victim from Chicago, and the name is Angela. Angela believed that the older boy who offered her a ride to school really liked her. Angela never thought he would sell her on Craigslist,

force her to have sex 10 times a night in hotel rooms in six cities across the United States, and beat her with belts and chains when she didn't earn him enough money.

Mr. Sheldon, how frequent is it that captives will move from city to city like this?

Mr. SHELDON. I have heard that story time and time again.

Mr. CUMMINGS. So you hear that a lot?

Mr. SHELDON. I do. And you will hear that same response from law enforcement.

Mr. CUMMINGS. Now, Angela reportedly escaped her trafficker and was helped by a group that found her immediate shelter, provided her food, and assisted her in finding long-term medical and legal support.

Next is a story of a young lady who was trafficked by a man who pretended to be her boyfriend. He held her inside hotels for a period of 8 months, where she was forced to have sex with 10 to 15 men a night, and had to give every penny she earned to the trafficker.

Through a police raid, Clara and another young female victim were rescued. Clara was extremely distraught to discover that she was pregnant, because she knew that the baby would belong to any of the hundreds of men who raped her or even perhaps to the trafficker himself.

How often do you hear stories like that?

Mr. SHELDON. I have heard stories in Florida when I was chairing the task force there from victims themselves. I currently serve on the special operating group at the Federal level where I have heard those stories from Federal law enforcement agencies as well.

Mr. CUMMINGS. Thank you very much. I see my time is up.

Thank you, Mr. Chairman.

Chairman ISSA. Thank you. We now go to the gentleman from Utah, Mr. Chaffetz, for 5 minutes.

Mr. CHAFFETZ. Thank you, Mr. Chairman. Thank you for holding this hearing.

Our colleague, the gentleman from New Jersey, Mr. Smith, has done exceptional work on this, has spent a lot of time and effort, and I appreciate that. I would like to yield my time to him.

Mr. SMITH OF NEW JERSEY. I thank my good friend for yielding and I want to thank Chairman Issa for including me on this panel and for calling for this extraordinarily important hearing.

Mr. Chairman, a little over a decade ago, I authored the Trafficking Victims Protection Act of 2000, the landmark law that created America's comprehensive policy to combat modern-day slavery. Among its many mutually enforcing provisions designed to prevent trafficking, protect victims and prosecute those who reduce people to commodities for sale, the three P's, my legislation established the Health and Human Services Grants Program under review today.

For over a decade, we have achieved an amazing left-right, religious-secular, bicameral, bipartisan consensus unified in combating sex and labor trafficking at home and worldwide without promoting abortion—until today.

In what can only be described as an unconscionable abuse of power, the Obama administration has engaged in what amounts to bid-rigging, denying taxpayer funds to a demonstrably superior organization, the U.S. Conference of Catholic Bishops, with an exemplary 10-year track record of performance, that scored significantly higher in independent HHS reviews than two of the three NGO's that got the grant.

The Obamaadministration's discriminatory practice of funding NGO's that provide or refer for abortions, even when they fail to win a competitive process, is not only unjust, unethical and in violation of conscience laws, but will severely undermine public and congressional confidence and support for what is otherwise a laudable program.

If you are a Catholic or other faith-based NGO or a secular organization of conscience, there is now clear proof that your grant application will not be considered—and Darrell Issa, the chairman, got to this in his question—under a fair, impartial and totally transparent process by the Obama administration.

The Obama administration's bias against Catholics is an affront to religious freedom and a threat to all people. Let's not forget that the independent HHS reviewers found that the USCCB, the Catholic Bishops' proposal and their group to be one of the most experienced experts on human trafficking, a comprehensive system in place that has assisted thousands of victims, demonstrated strong partnerships by engaging with both faith-based and non-faith-based organizations. And yet the Catholic organization was discriminated against solely because it fundamentally respects the innate value and dignity and preciousness of an unborn child and refuses to be complicit in procuring his or her violent death by abortion.

Even though HHS reviewers gave the USCCB a score of 89, compared to 74 for Tapestry and 69 for the U.S. Committee on Refugees and Immigrants, USCRI, the latter two got the contracts. Although HHS has thus far prevailed in all of the relevant documents, we do know that the USCRI's proposal lacked detail on key program areas.

Here is what the reviewers said: The overall level of detail in the proposal is insufficient to ensure that the project will be established and run in an effective level and that the management plan is credible and comprehensive. There is a complete lack of information on specific activities and a timeline is vague, inhibiting evaluation of their reasonableness.

That is not me talking. That is the reviewers. They had real serious problems about the competency of that proposal.

Why go through, and, again, Chairman Issa referred to this, the charade of determining whether or not a grant application is meritorious, when preferential treatment is afforded only to those in sync with President Obama's abortion-promoting agenda?

The bottom line is this: Pro-abortion favoritism embedded in this egregiously flawed process does a grave disservice to the victims of trafficking. Victims deserve better. The women and children who have been exploited by modern-day slavery need our help, and that is why I wrote the law in the first place.

I have a number of questions when we get to the second round, Mr. Chairman, but I would like to ask—and maybe Mr. Sheldon will get to this—did Secretary Sebelius or any other high official at HHS convey in any way, including by memo, email, letter, messenger or the spoken word, that the USCCB should not get the grant; and, if so, how was that conveyed? Exactly why was the USCCB not funded, given that they scored so much higher by the HHS reviewers?

And then on the performance of the grant, I am out of time and maybe you will get to this, I will ask on the second round, how are the others doing? Has there been a gap in service? We are concerned about these victims. I deal with the victims all the time.

Chairman ISSA. The gentleman from Utah's time has expired. If you would like to answer as to how the awardees are doing, you certainly are within your right.

Mr. SHELDON. I appreciate that. The awardees, the grantees in this case, are ahead of where the Bishops were 5 years ago in terms of bringing on subgrantees. Frankly, I want to compliment the Conference of Catholic Bishops, because they have been extremely cooperative in this transition. I have met with them and with their director of social services who indicated that their chief responsibility were these victims, and that is ours.

If I might, Mr. Chairman, I would like to speak to strengths and weaknesses. The weaknesses that you identified are an accurate reflection of what reviewers commented. But the reviewers made comments on strengths and weaknesses in all of the applicants.

For instance, in USCRI they said they had considerable experience managing large refugee and trafficking projects. In the USCCB they indicated weaknesses because the proposal lacked detail on shelter models, residential facilities, community-based services, community outreach programs.

So the point I am making is that if you have to take the reviewers' comments in the totality of what they said, and also in the comments on all of the applicants, including the U.S. Conference of Catholic Bishops, that the applications lacked sufficient detail, that is the very reason we went back and asked——

Mr. SMITH OF NEW JERSEY. With respect to——

Chairman ISSA. No, the gentleman's time has expired.

The gentleman from Maryland, Mr. Cummings, is recognized for 5 minutes.

Oh, I am sorry, I forgot you. I would give you a second one, but I would have to take it from the former chairman of the full committee, Mr. Towns.

Mr. TOWNS. Thank you very much, Mr. Chairman. At least we cannot say at the moment that you are not fair.

Chairman ISSA. Hopefully you will never have to say that I am not fair.

Mr. TOWNS. First of all, I chair the Social Work Caucus, so I am very interested in this. And I agree with those who believe that in order to analyze these grants in a responsible manner, we should not ignore the voice of trafficking survivors. That is why I hope we will have another hearing and bring in victims.

So I would like to use my time mostly to read an account from one survivor. We received this account from an advocate working

for the Coalition to Abolish Slavery and Trafficking. She has asked us to keep her name confidential, and that I will do. This is what she said:

"At the age of 13, I was kidnapped by a pimp, drugged and held in a room for 5 days while a seemingly never-ending stream of men entered the room, raped me and left the room again. None of them wore a condom. None of them were carrying papers from a clinic proving they were disease free.

"I had no idea what was happening to me. I had just turned 13 and was from a small town in Illinois. I am not even sure I quite knew what a pimp was. I just knew that there was a big guy who seemed to be in charge of everything, and when I tried to leave the man, the pimp became violent and forced me back into the bedroom, and then the parade of men would start all over again.

"But I was lucky, far luckier than most girls who come under control of a trafficker. Against the odds, I escaped within a week. But the impact on my body and mind lasted much longer. I received no reproductive or gynecological medical care after experiencing those many days and nights of serial rape by unknown men. As a result, I became gravely ill.

"At 15, I took myself to an emergency room. I just could no longer stand the pain. I was admitted, tested, and told that my kidneys were shutting down, and with a lot of rest and IV antibiotics, I got better for a while."

My question is simply this, Mr. Sheldon: How important is it when we are reviewing these grants to hear the voices of the victims? How important is it?

Mr. SHELDON. I think it is critically important if we are going to responsibly deal with this issue.

Mr. TOWNS. Do you really put a lot of time and weight on this?

Mr. SHELDON. You cannot go to a home, as I went to in Chicago for those eight young girls, and hear the stories of what they have gone through and not have an extreme amount of passion and compassion. And it will be—you know, in talking—it will be a huge battle for them to overcome the psychological, the physical, and the emotional trauma that they have experienced. And that is the reason that we have tried to seek out grantees that will allow these individuals to regain their decisionmaking power.

Mr. TOWNS. Mr. Chairman, I really look forward to another hearing where we can bring in the victims and to hear from them, because I think we need to really get to the bottom of it.

I noticed in terms of Mr. Smith has done some work, but Mr. Smith, let us not get into the blame game. This is too serious to blame. We need to work together to make certain that we put an end to these young people being destroyed.

So I want to thank you so much, Mr. Chairman, and I yield back.

Chairman ISSA. Would the gentleman yield?

Mr. TOWNS. I would be delighted to yield to the chairman.

Chairman ISSA. I will assure you that our committee staff are working right now on what might be a hearing that is much more focused on the issues that I have worked on in the past under Judiciary, that Mr. Smith has worked on, that you are expressing here today, the trafficking in human beings and whether or not on a broad basis, because as you know as former chairman, our com-

mittee has—generally we work on the bigger issues, not the issues that belong to one committee. So whether it is through the State Department, Health and Human Services, even military personnel, the question is are we doing enough and are we dealing with it in a comprehensive way as one that I believe is within the committee's clear jurisdiction because it falls between the cracks of many different programs, not just the one we are looking at here today.

So that is being worked out right now between the committee staff, and it is something that I know Mr. Smith will be back again, I have no doubt, that when it comes to this issue he is very passionate, and I believe it will meet your satisfaction.

I yield back.

Mr. TOWNS. Thank you very much, Mr. Chairman. That is very, very encouraging.

Mr. SMITH OF NEW JERSEY. Will the gentleman yield?

Mr. TOWNS. I would be delighted to yield.

Mr. SMITH OF NEW JERSEY. I thank my good friend for yielding.

I just want the record to show that since the late nineties I have chaired well over two dozen hearings on trafficking issues, not just on the legislation. But we heard from witness after witness, domestic and international, and it does make one really sharpen the focus on ensuring that we do all things possible to help those victims.

Chairman ISSA. I thank all the gentlemen. The gentleman's time has expired.

We now go to the gentleman from Michigan, Mr. Walberg, for 5 minutes.

Mr. WALBERG. Thank you Mr. Chairman, and I thank the panel for being here. I thank you for the work that you have been given to do and you attempt to do. It is a worthy work.

I grew up on the south side of Chicago. I pastored churches and in fact dealt with women victims in situations like this myself. My daughter deals with victims in similar situations in Kampala, Uganda, in a Third World country, with victims all around.

I find it very discouraging, frustrating, and saddening to sit here in a First World country, a Nation that vested itself with the responsibility of leading the world in freedom and democracy and safety and security and rights for all men, women, children, a Nation built on Judeo-Christian values. Whether we like it or not, that was what we were built on, and this country succeeded in such great ways as a result of those values, values that indeed saw victimization as wrong, absolutely wrong and unacceptable—but a Nation, up until just recent years, saw the full aspect of victimization to include every part of that process, including the most innocent victim, the victim that had no choice, a victim that has become a product of victimization, and that is the unborn child as well.

You have an amazing responsibility, but a responsibility I think that at present is neglecting to consider the further victimization that goes on. And there will be arguments about that, but there are huge tomes of evidence showing that further victimization of a woman, in this case in human trafficking, to have a child victimized as well, adds to that victimization in the future.

So when I hear that apparently one supplier of assistance to these victims of human trafficking is left out, is cut out of the mix

and opportunity to provide ministry to the soul, the body, to every component part of that victim, the woman, the young girl who is put in this heinous situation, and yet we forget about further victimization of her and the victimization of a little unborn, that is a concern to me as well.

There are five pieces of information that must be documented as I understand it in approving funding: one, position of the grant application ranking; two, reasons for any changes in the order of ranking; three, if there is no rank, then a statement for why funds were given; four, documentation as to the reason in the change of rank; and, five, any conditions associated with the grant.

I just wanted to follow up on the second of five mandatory documentations that you are required to give. If the application's position in the list of applications approved for funding is different from its position in the ranking list, a statement of the reasons for the difference that influenced this judgment of the approving official must be included. This should include justification for funding of a particular application.

First of all, was the Catholic Council of Bishops' position on the list of ranking approved for funding different than its position in the ranking?

Mr. SHELDON. First of all, let me thank you for the passion.

Mr. WALBERG. There is passion there, but let me get your answer there, because I am running out of time.

Mr. SHELDON. And it is one we share. I believe yes, we clearly met the requirements of number two that you have identified as the reasons why we exercised the preference.

Mr. WALBERG. Let me go further then and go back to the question by Congressman Smith. Was this statement of reason reviewed by anyone outside of ACF? For instance, did anyone on the sixth floor of HHS review this decision, and more specifically, did Secretary Sebelius, a strong opponent of life and a supporter of abortion on demand, did she review this?

Mr. SHELDON. This was a collaborative effort. I consulted with other policymakers within the agency, our Office of General Counsel. I did not consult with Secretary Sebelius. I did meet with her and inform her of the decision that I had made.

Mr. WALBERG. Was Sharon Pratt, the counselor of Human Services, is she the one you referred to?

Mr. SHELDON. Yes. She was involved, as part of many people involved, in looking at this policy decision.

Mr. WALBERG. My time has expired. I thank the chairman.

Chairman ISSA. I thank the gentleman.

We now recognize the gentleman from Massachusetts for 5 minutes.

Mr. TIERNEY. Thank you.

I mean, clearly, this seems to be a discussion about whether or not our policy is going to allow the doctor and the victim to make a determination of what services are best needed for medical care as opposed to having the government limit those choices on that.

And there was an editorial in the Los Angeles Times, "When Faith is a Barrier to Care," and I just want to read a couple of excerpts from that.

"The Roman Catholic Church and its affiliated nonprofit organizations have every right to hold true to their religious convictions while doing good works. But when a nonprofit, religious or not, is carrying out the government's work with government money, it must do so on the government's terms.

"It should go without saying that the victims of sex crimes must be offered all possible services related to reproductive health. And there is nothing discriminatory about requiring all applicants to meet the agency's specifications. It is the government's job to determine which services will or will not be offered under public programs.

"Clients of government-sponsored services should not receive significantly different levels of service depending on which organization they happen to be assigned to. Faith-based groups that want a share of government grants and contracts must be willing to do all the work the government outlines, not just that that conforms to their religious doctrines."

I think that is a pretty fair statement.

Mr. Chairman, in your opening statement, I was concerned when you suggested that Health and Human Services has some sort of a litmus test and you said that Catholics need not apply. I was brought up as a Catholic, and I would be seriously offended if I thought that what you said was true. I think——

Chairman ISSA. Would the gentleman yield?

Mr. TIERNEY [continuing]. We should all be concerned. In my opinion, that is a very unfortunate statement for you to have made, a very unhelpful characterization. And I don't think it is supported at all by the evidence in this situation. And I want to talk to Mr. Sheldon about that.

Some characterization was made that the decision not to award the bishops this particular grant is somehow discriminating against the entire Catholic Church. In fact, the title of today's hearing frames Health and Human Services as being in conflict with the Catholic Church. So I want to give you an opportunity to address that directly.

Earlier this year, press accounts reported that Health and Human Services awarded the bishops a $19 million grant to help foreign refugees in America. Now, I think that roughly would be seven times the amount that they requested in the grant we are talking about today. Is that correct?

Mr. SHELDON. That is correct. As a matter of fact, that award was made 4 days after the decision was made on this particular grant.

Mr. TIERNEY. Thank you.

And in fiscal year 2011, the bishops received a total of $32 million in grants from Health and Human Services alone. Is that correct?

Mr. SHELDON. That is accurate.

Mr. TIERNEY. And in your testimony today, you said, over the last 3 years, Health and Human Services has provided more than $650 million to Catholic organizations. Is that correct?

Mr. SHELDON. That is correct.

Mr. TIERNEY. A lot of people would probably like to be discriminated against like that.

That includes numerous grants to the bishops, to various Catholic charities, and to other Catholic organizations across the country. Is that right?

Mr. SHELDON. Yes.

Mr. TIERNEY. So, Mr. Sheldon, has Health and Human Services awarded Catholic organizations more or less money in the last 3 years than in the previous 3-year period under the Bush administration?

Mr. SHELDON. I can't speak with absolute certainty, but I believe we have actually expended more.

Mr. TIERNEY. And do you view the U.S. Conference of Catholic Bishops as a continuing partner in the fight against trafficking?

Mr. SHELDON. There is no question about it.

Mr. TIERNEY. So, Mr. Chairman, I think, you know, based on this information, that the grant funding to Catholic organizations and entities has greatly increased under the current administration. That would contradict the whole underlying premise of this hearing, that somehow this administration is politically predisposed against working with Catholic organizations.

And I think it brings us back full cycle to this is really an issue about whether or not victims will get a full range of health-care services or we will try to somehow limit that. And so I——

Chairman ISSA. Would the gentleman yield?

Mr. TIERNEY [continuing]. Don't think your contention has been accurate here. And I think the administration is doing more with Catholic groups, not less.

Chairman ISSA. Would the gentleman yield?

Mr. TIERNEY. Certainly.

Chairman ISSA. Hopefully to make the record complete, the question was more narrow than you may have—or nuanced than you thought, and this hearing's question is more nuanced.

What we are looking at is the question of, should—if this was an edict, if this was a requirement, that the full range of reproductive services was a mandate in order to be awarded this contract, we wouldn't be having this hearing, because it would have been clear within the spec that, as you said, what should be, in your view, a requirement was not a requirement. And that is the reason we are having the question——

Mr. TIERNEY. Reclaiming my time, Mr. Chairman, that is certainly the ostensible purpose of this hearing but not what I perceive to be the actual purpose of this hearing. Because I think the evidence is more than clear that this was done in a process that was open, where applicants were made perfectly aware that this preference existed, and where the process was done in the right manner. But I think the underlying argument, again, is whether or not a victim is going to have their health-care services limited or not.

I yield back.

Chairman ISSA. I thank the gentleman for his comments, although the prerogative of the chair is not to state one reason and have another. This hearing is narrow, and it is based on exactly what I said it was. And I hope the gentleman did not mean to imply that the chair is being either disingenuous or outright lying as to the purpose of this committee hearing.

And we now go to the gentleman from Oklahoma, Mr. Lankford, for 5 minutes.

Mr. LANKFORD. Thank you.

Thank you, Mr. Sheldon, as well, for being here.

Mr. Negash, thank you for being here.

Have the U.S. Conference of Catholic Bishops received a low ranking from the previous years of service?

Mr. SHELDON. They provided a strong performance under the requirements of the contract that they had.

Mr. LANKFORD. Okay. So they had not received, you know, bad marks, bad rankings, complaints from victims coming in saying that we didn't get the proper care?

Mr. SHELDON. No.

Mr. LANKFORD. I noticed as I went through the documents here from some of the reviewers that there were frequent comments about how they covered all six areas and how they were able to provide a national focus on that.

Had abortion been a criteria before, in the provision of abortion or the recommendation of abortion? Was that a previous—in the 2006 release of all the grants, was there a statement there to say you need to provide abortion and contraceptives?

Mr. SHELDON. The issue of providing referral to the full range of gynecological services was not included.

Mr. LANKFORD. No, it is not just full range of gynecological services, because Medicaid has 200 different areas. So is there something in that 200 areas for Medicaid or the full range of gynecological services that you would look at and say, this, this, and this? Are there 50 of those that they don't provide? Are there 10 of those? Or is this just abortion?

Mr. SHELDON. Well, I think the question was what was in the previous contract.

Mr. LANKFORD. Correct.

Mr. SHELDON. And the previous contract did not refer to the issue of gynecological——

Mr. LANKFORD. Right. But I hear you using that term, the "full range of care," but it is really not full range of care, because there is a provision for full range of care with the exception of abortion. And even with the abortion provision, you know, there are issues even within that. Is that correct?

Mr. SHELDON. The Catholic Bishops also indicated an unwillingness to provide family planning services. And since you were quoting reviewers' comments, the reviewers indicated that USCCB states it does not intend to provide any family planning services, which is important to sex trafficking. As such, USCCB may not be able to sufficiently accomplish all six objectives of the program.

Mr. LANKFORD. Right. And then they ended the document with this statement: "I recommend approving the grantee for $2.5 million." To lower grantees, their grantees end with this statement: "Application not recommended for funding."

Mr. SHELDON. The document that you are referring to I have never seen. I have heard about it in the last couple days——

Mr. LANKFORD. Okay. Well, we had obviously requested these documents. We had not seen it either until just last night. Going through these documents, I know you mentioned there are

strengths and weaknesses listed on all of them, but the others don't end with the statement, "Application not recommended for funding."

It is especially interesting to me in this process, because I look through there, there is a preference, obviously, for the different regions, nationwide. Catholic Conference, they are nationwide. The only other nationwide was the USCRI, who received a score of 69. They were funded.

Now, I have to tell you, that is a gutsy score, considering sitting next to you is the director of ORR that is involved in this, who previously was the COO of USCRI. So they knew this was going to go up to his desk, who, obviously—you are going to recuse yourself from the decision process. But someone involved in the process—I mean, that is just a gutsy thing to do, is to say, "I recommend this group over this group" when they know their boss used to work for the other group and obviously has a priority for that. So somebody that has 20 points lower in a grant scoring gets the award than someone who had it 20 points higher.

There are just a million issues in the middle of all this. To say—if the clear issue is, if you can provide great care in every area for human trafficking except abortion, we don't accept you. If you care in all six areas, you have great expertise, you have great skills, but if you don't do abortions, we won't do this.

Now, the considerations are frequent. You know very well from working with victims of human trafficking, they often fall right back into it again. They are identified, then there are repeats, and they steal them off to other cities, and you have all kinds of issues and care for them. So, at times, you are taking a victim of human trafficking who is now pregnant, get them an abortion, they can immediately be snatched back up, taken to another city, and you have just put them right back in that situation again.

So, to say if a person is raped in a human trafficking situation, the best thing we can do is get them to an abortion, and so the possibility of them getting right back on the street, and if you don't do that, we won't let you help in any of these areas and walk alongside you in this, to me is a very strange mark. You can help in all six of the comprehensive areas, but if you don't do abortions—specifically not just allow them, but promote them—if you don't promote abortions, then we won't let you help. That is the concern here.

Eighty-nine to 69 is a pretty wide spread. "Did not recommend for funding" is a pretty strong statement to then reverse that and say, no, you are going to get the preference.

Chairman ISSA. The gentleman may respond if he would like to.

Mr. SHELDON. Two observations. One is that that document was never brought to my attention.

Second, when I understand that document was written, that was prior to the responses which we requested from the applicants, which had been in direct response to reviewers' comments that there was not sufficient detail in all of the applications.

Chairman ISSA. For the record, they were written on the same day, September 9th. So you may want to check the timeline, but it appears that that occurred.

Additionally, for the gentleman, just to clear the record, Mr. Negash is the former head of that organization, and the person that was previously Mr. Negash's individual predecessor is now the head. So it is a close relationship, that basically the two switched places between that agency and the government and the government and that agency. But Mr. Negash did recuse himself.

With that, we recognize the gentleman from Virginia for 5 minutes.

Mr. CONNOLLY. Thank you, Mr. Chairman. And thank you for having this hearing.

I must say that listening to some opine on this subject, not here of course, one is a little alarmed that some would become a latter-day Torquemada, willingly reinstating the Inquisition, only this time against the secular state.

No member of this committee or of the body, the Congress, can purport to speak for the Catholic Church or for all Catholics. And I say that respectfully to my colleagues as a Catholic. We may actually, in a pluralistic society, as Catholics, have different points of view. And I would hope that difference in a pluralistic republic would be respected.

We can disagree, but the idea that dissent and disagreement are to be somehow suppressed is not America, nor is it the American Catholic Church in America as I understood it growing up as a Roman Catholic who went for many years, through college, in Catholic education. So nobody speaks for me as an American Catholic and especially in a pluralistic society where we are trying to grapple with serious issues.

Now, I hope this hearing is the narrow scope the chairman has said, but I am alarmed that the minority was denied witnesses; I am alarmed that new documents at the last minute are entered in the record, not shared with the minority but in the possession, apparently, of the majority for some time; I am alarmed when people use hyperbolic rhetoric which might suggest to some, certainly not to me, that actually the purpose of the hearing, as Mr. Tierney suggested, is to try to smear the Obama administration with a label that, if true, would be very disturbing. And as a Catholic, I would like to believe it is not true. In fact, there is plenty of prima facie evidence that it is not.

I reiterate the question, Mr. Sheldon: Did you say that, in fact, in the last several years, $650 million has gone through your agency alone to Catholic entities in America? Is that correct?

Mr. SHELDON. In the last 3 years.

Mr. CONNOLLY. And, Mr. Negash, you are in the refugee business. I assume Catholic Relief Services is the recipient of Federal money for refugee resettlement and care.

Mr. NEGASH. That is correct.

Mr. CONNOLLY. Would you speak up? We can't hear you, sir.

Mr. NEGASH. That is correct.

Mr. CONNOLLY. Any idea about the amounts?

Mr. NEGASH. I believe that within the Office of Refugee Resettlement, the Catholic Bishops received more money than any other grantee.

Mr. CONNOLLY. More money than any other grantee.

Mr. NEGASH. I believe so.

Mr. CONNOLLY. And would it also be true that CRS would be—which is a wonderful organization; I have worked with it in my past—is also the recipient of AID dollars and PL–480, Food for Peace, dollars and commodities?

Mr. NEGASH. I am not sure what type——

Mr. CONNOLLY. Take a guess.

Mr. NEGASH [continuing]. Of funding they have.

Mr. CONNOLLY. Yeah, I think the answer is a big "yes."

So the idea that there is some systematic attempt to—a bias implemented against the Catholic Church or Catholic entities is a libel and not true.

In fact, is it not true, Mr. Sheldon, just from your agency alone and I think maybe a few others that the Obama administration has provided $100 million more to Catholic entities than the Bush administration? Is that correct?

Mr. SHELDON. From what I have seen, it is. But I can't speak with——

Mr. CONNOLLY. And did you testify to Mr. Tierney that, as a matter of fact, your agency, after making the decision about this grant, actually awarded subsequent grants to the Catholic Bishops?

Mr. SHELDON. That is accurate—$19 million 4 days later.

Mr. CONNOLLY. Okay. So we have pretty much put to rest whether there is a Catholic bias in this administration. There isn't.

But the second concern I have is, what is the mission here of this grant award? It is to service victims of sexual exploitation against their will. Is that not correct?

Mr. SHELDON. A substantial portion of those individuals who are victims of trafficking——

Mr. CONNOLLY. And is it true that the average victim is first victimized somewhere between the age of 10 and 14?

Mr. SHELDON. The numbers I have seen indicate—personally, I know of victims as young as 12.

Mr. CONNOLLY. And did you indicate that one of the needs they have is family planning services, the wide array, including contraception, prevention and treatment of sexually transmitted diseases that, obviously, unfortunately, tragically, come with the sexual exploitation? Is that correct?

Mr. SHELDON. That is accurate.

Mr. CONNOLLY. And did you indicate that, in this particular case, the Catholic Bishops indicated they would not provide such services?

Mr. SHELDON. That is accurate.

Mr. CONNOLLY. Irrespective of the mission of the grant.

Mr. SHELDON. The issue of family planning services they indicated they would not——

Mr. CONNOLLY. And is that the reason why ultimately, despite their ranking, the decision was made not to give them the grant in this one case because of the mission involved?

Mr. SHELDON. A determination was made that there were three other applicants who were equally qualified who were willing to provide family planning and the full array of gynecological services.

Mr. CONNOLLY. I thank you. My time is up.

Mr. GOWDY [presiding]. Mr. Sheldon, did the Catholic Bishops receive previous grants?

Mr. SHELDON. Yes.

Mr. GOWDY. And when was that?

Mr. SHELDON. Catholic Bishops have been receiving grants from the Department of HHS for a long period of time.

Mr. GOWDY. I mean specifically with respect to human trafficking.

Mr. SHELDON. Yes, they——

Mr. GOWDY. Did they receive a 5-year contract immediately preceding this?

Mr. SHELDON. They received a contract I believe in the year 2006.

Mr. GOWDY. Ending in 2011.

Mr. SHELDON. That is correct.

Mr. GOWDY. All right. Was reproductive health not an issue then?

Mr. SHELDON. I was not here then, nor was this administration here then.

Mr. GOWDY. You didn't take the grant from them in 2010 because of a failure to provide certain reproductive health services, did you?

Mr. SHELDON. We extended the contract, as I recall.

Mr. GOWDY. Right. And you have no issues with the performance of their contract.

Mr. SHELDON. They had a strong performance under the requirements of that contract.

Mr. GOWDY. In fact, and I will use quotes from your entity, they properly provided case management; high level of program competence; responsive to the needs of subcontractors, clients, and other entities; able to successfully provide trafficking-specific services to clients.

So if they had scored a 92 but still kept to their faith beliefs, would they have gotten the contract?

Mr. SHELDON. They can still be true to their faith beliefs. As a matter of fact, sub-grantees of the current vendors have Catholic affiliations, and they can remain true to their Catholic teaching.

Mr. GOWDY. Well, you said that there were equally qualified subcontractors. Why do you have a point system if you are going to ignore it?

Mr. SHELDON. As I indicated in previous questions, the points were applied before we received responses as to the additional detail which the reviewers indicated they——

Mr. GOWDY. Who is Jay Womack?

Mr. SHELDON. Jay Womack is director of the——

Mr. NEGASH. He is the deputy director of the program.

Mr. GOWDY. Did he recommend giving the grant to the Catholic Bishops?

Mr. SHELDON. I don't know that he made a recommendation, but I can't——

Mr. GOWDY. But there was a recommendation made to give them the contract.

Mr. SHELDON. As I indicated in the previous question, that document I never saw. I have heard it was around. But that would have been a recommendation, and that would have been a recommendation that would be made to policymakers, not career staff.

Mr. GOWDY. There are 200-some-odd gynecological services that are included. Did you ask the Catholic Bishops what percentage of those 200 they were willing to perform?

Mr. SHELDON. No. We asked them if they were willing to refer—not perform, refer—to entities that would provide the full range of gynecological services.

Mr. GOWDY. All right. And, of the 200, how many were they willing to refer?

Mr. SHELDON. They did not indicate in their application or in my request back to them for clarification.

Mr. GOWDY. Did you ask the victims of human trafficking whether or not they were satisfied with the performance of the Catholic Bishops?

Mr. SHELDON. Well, I was not around to talk to each of the individual victims that were served under this contract at the time. I have talked to other victims, as well as experts in this field, who have indicated that referral for the full range of gynecological services is an appropriate requirement for these individuals who have been victimized, forced into prostitution.

Mr. GOWDY. So, you agree with me that it is dispositive. It is not just a strong preference, this is not just a preference, it is dispositive. Because, the truth be told, if the Catholic Bishops had scored a 100, you still wouldn't have picked them.

Mr. SHELDON. That is not necessarily accurate.

Mr. GOWDY. Well, would you have? If they had scored a 100—is an 89 not enough?

Mr. SHELDON. Well, I was dealing with the facts in front of me, not——

Mr. GOWDY. Okay, well, assume this fact then. If they had scored a 95, would that have been high enough?

Mr. SHELDON. I cannot—without looking at the facts, the other applicants, I cannot respond to a hypothetical.

Mr. GOWDY. Well, you can't tell me what percentage of the 200 services they were willing to provide or refer. You can't tell me what score would have been good enough to get a contract that they performed successfully on for 5 years. And that leaves me with the conclusion to draw, based on the evidence, that it is dispositive whether or not you will refer for abortion services. And you deny that?

Mr. SHELDON. I do not think that is a good conclusion.

Mr. GOWDY. Okay. Well, then, tell me what they should have done to get the contract. Other than score the second-highest score, be recommended by your own people, and perform well previously, what else should they have done?

Mr. SHELDON. Mr. Chairman, I went back to the Catholic Bishops and asked them what their alternative was. They did not provide an alternative.

Mr. GOWDY. Well, let me suggest an alternative, because during the litany of things that you say you have given grants to the Catholic Church for, it was also to improve the parenting skills of men. Did you consider giving them a human trafficking grant for only male victims?

Mr. SHELDON. I did not.

Mr. GOWDY. Did you consider giving them a human trafficking grant for only labor trafficking victims where there was not sexual abuse?

Mr. SHELDON. We did not.

Mr. GOWDY. The gentleman from Vermont, Mr. Welch.

Mr. WELCH. Thank you very much, Mr. Chairman.

In 2006, ABC News—you, I am sure, remember this—"Primetime" premiered a story of a 15-year-old girl called Debbie from suburban Phoenix. She had been tricked by a casual friend into getting into a car with two older men. She was kidnapped from her own driveway. One of the assailants put a gun to her head and threatened to shoot her if she made any noise. And she was taken to an apartment. She was repeatedly gang-raped by four men. Debbie's captors then put advertisements on Craigslist and were earning hundreds of dollars a night forcing her into prostitution.

She was forced literally to sleep in a dog crate. Remained captive for more than 40 days. She was threatened by her captors that they would hurt her family and throw battery acid in her face and on her 19-month-old niece if she tried to escape. Eventually, the police found her tied up in a drawer under the bed.

Mr. Negash, I mean, I am asking kind of an obvious question. What psychological and physical traumas are experienced by girls who have lived through ordeals like this? And, unfortunately, Debbie is not the only one.

Mr. NEGASH. This issue for me has been very, very difficult, simply because I spent almost 30 years of my life providing service to victims. I think whether the victims were trafficked or refugees, you know, it is a life-changing experience.

But in this discussion I think we need to keep in mind that ultimately what we are trying to achieve is to provide the best possible services to the victims. If there is one thing that the victim actually always desire, it is to have the freedom to choose, the freedom to live independently. I believe the trauma of being a victim and the trauma of being a refugee and going through a process of being tortured and raped and humiliated is a trauma—it is a lifelong trauma. It is a scar that the client will always have.

Mr. WELCH. You know, there was a University of Pennsylvania study that said the average age of girls in the United States that were forced into commercial sexual exploitation was between 12 and 14.

Mr. Sheldon, does the fact that the victims are so young when they are sexually exploited impact the kind of services they need and how you deliver them? And I would like you to elaborate on that, if you would.

Mr. SHELDON. There is no question. As I indicated earlier, the eight young women that I visited in Chicago have had such huge psychological scars. It is a lot like domestic violence. You are afraid of your perpetrator, but you are also afraid of the unknown. Can I survive outside of this?

Mr. WELCH. Right.

Mr. SHELDON. And their hope for the future, their whole self-respect, their self-image has been entirely destroyed. And that is the

reason that I think we feel, as an agency, that providing the kind of effective case management——

Mr. WELCH. Uh-huh.

Mr. SHELDON [continuing]. So that these individuals are given back the freedom that has been taken away from them.

Mr. WELCH. And that full range of case management services, how does ensuring that girls like Debbie get referrals for the full range of family planning services that can help them rebuild their lives?

Mr. SHELDON. Well, I think that that is the reason we have case management agencies, to provide to them the array of options that are out there. Ultimately, it is that victim that we are trying to empower, it is the victim that will decide what services they will avail themselves of or what services they will deny.

Mr. WELCH. Mr. Chairman, I want to thank the witnesses, and I want to thank the chairman for the hearing, and yield back.

Mr. CUMMINGS. Will the gentleman yield?

Mr. WELCH. I will yield to Mr. Cummings.

Mr. CUMMINGS. I want to follow up on one of Mr. Gowdy's questions.

If the other organizations, if they said to you, "We will not provide these services," or gave similar language to what the Catholic Bishops did, I am just wondering, would they have suffered, perhaps, the same fate? Are you following my question?

Mr. SHELDON. I am following your question. It would depend on what the other applicants—what the range of options were for the Department. And, in this particular case, we had three other applicants who were competent and the reviewers' comments indicate had the experience, with USCRI, 100 years of experience, in dealing with refugees and trafficking victims. So it would depend on what our other alternatives were. In this case, we had three qualified alternatives.

Mr. CUMMINGS. Okay. Thank you.

Mr. GOWDY. The gentlelady from New York, Ms. Buerkle.

Ms. BUERKLE. Thank you, Mr. Chairman.

And thank you to our panelists for being here this morning and for testifying here.

I am co-chair of the Human Trafficking Committee for the Women's Caucus. So this is an issue that is very near and dear to me. And I understand the issue and the scope of the issue, and I understand—I have spoken on the topic. I am also a health care professional and spent many years in the domestic violence arena. So what we are talking about here today really, for me, is about the dignity of the woman and the victim.

And I have to say, Mr. Sheldon, that—and I understand the scope of the hearing, and the chairman has laid it out and continued to emphasize the point about what we are here to talk about. But I think what concerns me most are your opening comments and some of the things you said with regards to this issue.

Now, we have agreed on both sides of the aisle and you have testified that a lot of these young women and these victims are ages 12, 14. And so one of the things I hear is that we are now going to ask them to make decisions that are going to compound, and my colleague mentioned, compound the trauma—life-changing deci-

sions. And you are putting them before people who only will think one way.

And you talked about, and I will quote you, getting advice from people they trust. So, in my mind, what you are saying is those who don't offer abortion services they can't trust. What is it about the Catholic Conference that they couldn't trust that they wouldn't be allowed to be in and to get that grant? So that concerns me.

I think the biggest concern is the age of these kids, and you are putting them in situations—they have no idea. They have been traumatized, they are young, they are not competent to make those kinds of decisions. And yet you are only offering them, given what has happened here and who has gotten these grants, you are only offering them one round of choices, and that is that abortion is probably the best choice to deal with your problem. And that is not fair to that woman, because we don't know, and I would say you don't know, the trauma of abortion. And my colleague mentioned it already, it may only add to the victimization of what she has gone through.

You talked about this—you specified a strong preference for those who provide this full range of services. And the chairman talked about that. What is the strong preference? I mean, even with factoring in in the one section about full range of services, the Catholic Conference of Bishops, they achieved that 89 percent score. How do you define a strong preference?

Mr. SHELDON. I think I have been talking about that.

But let me articulate that nondirective counseling does not mean that you provide counseling which supports abortion. The question is whether you are willing to lay out for that individual what options they have available. In the case of the Catholic Bishops, there was an unwillingness to provide this option. And I recognize the sensitivity of this.

I also believe that when you are dealing with case management agencies, particularly in the arena of human trafficking, there is a recognition of what is age-appropriate counseling. There is a recognition of the age of that individual and the difficulty that a child, as you have indicated, who has been enslaved for in cases a year to 3 years, the difficulty that child has in comprehending what is happening in their lives.

Ms. BUERKLE. My time is clicking down here, and I want to make sure—I just want to get—because one of the other things you said is you want to make sure we offer those young victims, those victims, any victims, the best possible choices and the freedom to choose. And isn't having the Catholic Conference of Bishops and someone with a proven track record and someone who has given the whole range of services—food, clothing, shelter, legal help—they were recommended to get the grant, and you have excluded them. And so, therefore, I don't think that you have given these victims a full range of choices and the right to choose the services that they so deserve and they so need.

With that, I will yield back my time. Thank you, Mr. Chairman.

Mr. GOWDY. The chair thanks the gentlelady from New York and would now recognize the gentlelady from the District of Columbia, Ms. Holmes Norton.

Ms. NORTON. Thank you, Mr. Chairman.

I couldn't disagree more with the gentlelady, who judges the issue by the exclusion of some services from victims.

This is a rare, if not unprecedented, hearing. And I just want to say for the record, this is a hearing about public money. No one is entitled to a grant in the United States, faith-based or otherwise. There is no preference for any group to receive a grant. And each funding cycle is a new cycle.

Public money in our country comes from people with many different backgrounds and many different views. They come particularly——

Ms. BUERKLE. Would the gentlelady——

Ms. NORTON. No, I am going to continue.

They come particularly from people with many different religious views.

So there is only one issue here. And that issue, it seems to me, is whether HHS followed or failed to follow the objective procedures for awarding a grant to victims, whoever is the organization. I don't see how Congress can be concerned with any but two issues: Were the procedures followed, and are we paying attention, first and foremost, to the victims, as opposed to the organizations, who, after all, in our system are in competition with one another.

Now, so let me go through the processes to see whether any of the procedures were violated. Because the majority has suggested that HHS failed to follow its procedures. And I can't find it, but I want to cross-examine you on that view.

The only thing I find in the act is the prohibition on organizations that support the legalization of prostitution, and no one has raised that as an issue here. And so I don't think the statute, as such, can be said to have been violated.

So if we look, then, at the internal grant guidelines—and that is all we are entitled to do—there is a policy statement that says, "an advisory review of discretionary grant applications conducted by a minimum of three unbiased reviewers with expertise in the programmatic area for which applications are submitted." The objective reviewer scoring is, and here I am quoting again, "intended to provide advice to individuals responsible for making award decisions."

Now, Mr. Sheldon, the independent panel had to score the applications, but the scores were advisory and not dispositive. Is that the case?

Mr. SHELDON. That is accurate.

Ms. NORTON. The panel scored the applications, provided its advice, and so I can't see that the internal policies were violated.

So let's look at the funding announcement. Because the bishops applied even given what the announcement said. We don't have to conform the announcement with the organization. We are supposed to conform the announcement with what the victims may need. "May" is the operative word there.

The funding announcement stated four separate times that—in four different places that HHS would give strong preference to grantees that would refer victims to family planning services.

Now, the document—and this is what I want to question you about—also said that scores would be one element in the decision-making process and that they would not include a reduction in

points for those applicants who were not able to provide a full range of referrals. I would like you to explain that.

And after explaining that, my question, of course, is, do you think all of the procedures were followed?

Mr. SHELDON. Yes. And let me articulate, as I have before, I think the reviewers did a very good job. And they indicated strengths and weaknesses in all of the applications and indicated that all of the applicants did not provide sufficient detail in several areas. Then they scored. Based on their requests for additional detail, we went back to all the applicants and requested additional information.

The answer to your second question is, yes, I believe that we complied with all of the grant requirements——

Ms. NORTON. You did not reduce the points?

Mr. SHELDON. Pardon me?

Ms. NORTON. You did not reduce points for applicants who were not able to provide a full range of referrals?

Mr. SHELDON. We did not.

Chairman ISSA. The gentlelady's time has expired.

I would now ask unanimous consent that the "Attorney General's Annual Report to Congress and Assessment of U.S. Government Activities to Combat Trafficking in Persons (Fiscal Year 2009)," published 2010, be admitted into the record.

Without objection, so ordered.

[The information referred to follows:]

Attorney General's Annual Report to Congress and Assessment of U.S. Government Activities to Combat Trafficking in Persons

Fiscal Year 2009

July 2010

Available at: http://www.state.gov/documents/organization/125840.pdf

Chairman ISSA. We now recognize the gentleman from Texas, Mr. Farenthold, for 5 minutes.

Mr. FARENTHOLD. Thank you, Mr. Chairman.

And, Mr. Sheldon, Mr. Negash, thank you for being here.

Let's, kind of, get the cards on the table here. Just from having listened to the questions on, in light of the scope of this hearing, the full range of permissible gynecological and obstetric care services kind of boils down to abortions or contraception. Would that be a fair statement?

Mr. SHELDON. There is a range, but in the discussion here it appears that that is what the questioning is on.

Chairman ISSA. If the gentleman would yield, for the record, there are three. There is also sterilization. Those are the only three for which the Catholic Bishops had an objection to providing, out of 200.

Mr. FARENTHOLD. Thank you, Mr. Chairman.

And I think in your discussion with Mr. Gowdy, Mr. Sheldon, the question basically came down to, was the unwillingness of the Catholic Bishops to provide these three services dispositive of their application? I mean——

Mr. SHELDON. These funding announcements, we looked at the totality and determined that all four applicants had the competence to administer the grant. Ultimately, it came down to exercising the preference.

Mr. FARENTHOLD. And so you couldn't imagine any scenario in which the Catholic Bishops or any other group who refused to refer these three type of services would be awarded this grant?

Mr. SHELDON. That is not accurate, respectfully, that it would have been—because a lot of the sub-grantees of the current grantees have the same religious faith, the same religious belief. But they have—basically, those organizations have worked with those individuals so that they would not have to violate their Catholic teachings.

Mr. FARENTHOLD. Well, I mean, it seems to me there are two separate Federal laws, the Weldon amendment and the Coats-Snowe amendment, that specifically prohibit HHS from discriminating against health-care providers that do not perform or refer to abortion. Why do you think those aren't applicable here?

Mr. SHELDON. I checked with general counsel on this, but let me point out that, as I indicated, that sub-grantees are faith-based organizations who share the religious belief of the Catholic Bishops, are still providing services under this contract. But victims who require the additional services outlined are not served by that individual sub-grantee.

Mr. FARENTHOLD. All right. I am not sure that answered my question, but just because I have already used up more than half of my time, I do want to follow up with a couple of questions with respect to what you just said about the victims' desire or need for these services.

Have any of your organizations ever conducted an evaluation of human trafficking victims to ask them how important they consider these services to be?

Mr. SHELDON. Yes. There is research in that arena that we will be happy to provide the committee.

Mr. FARENTHOLD. I would like to see this, because, again, I think we run into a situation where, as, again, Mr. Gowdy pointed out, of the 2,271 victims that the USCCB helped, almost—well, 988 were men and 1,283 were females. Does this sound correct to you?

Mr. SHELDON. I am not sure I can speak to personal knowledge.

Mr. NEGASH. I don't have the figures with me, but we can get back to you with that.

Mr. FARENTHOLD. All right. But a good percentage of them were men. That would be a fair statement? I mean——

Mr. NEGASH. Again, you know, I will have to get that information.

Mr. FARENTHOLD. And so, guys don't require OB/GYN services, right?

Mr. NEGASH. That is correct.

Mr. FARENTHOLD. And so, USCCB could continue to service men without any problem related to this. Would that be correct?

Mr. NEGASH. That is correct.

Mr. FARENTHOLD. And what about the females who were currently in the process with USCCB? What happens to these women?

Mr. SHELDON. As I indicated earlier, the USCCB has been very cooperative to assure that victims that are currently being served continue to be served. And I would have to compliment them on the smoothness by which we have made this transition.

Mr. FARENTHOLD. And, finally, again, I think Mr. Gowdy pointed out and I would like to reiterate again, not all victims of human trafficking are involved in the sex trade. There is slavery for labor and other purposes.

Mr. SHELDON. Yes. I think the numbers who were actually served under the contract who were victims of sex trafficking was approximately 19 percent. The broader numbers that we have seen indicate a much higher percentage of not only sex trafficking but a combination of sex and labor trafficking.

Mr. FARENTHOLD. You know, I just remain troubled that the U.S. Catholic Bishops were discriminated here for their faith-based belief and unwillingness to provide abortions. And I just want to be on the record that I and I think many members on this panel are troubled by this. Whether it actually violates the letter of the law, as I referred to earlier, I think it clearly violates the spirit of those laws. And I am extremely disappointed at the way this is handled.

I will yield back.

Chairman ISSA. Would the gentleman yield?

Mr. FARENTHOLD. Certainly.

Chairman ISSA. I would just like to, since you brought this point up, to clarify for the record.

So the figures you have been giving all day of these higher numbers, much higher numbers, are not the numbers within this program but numbers that are not supported either by the Attorney General's annual report to Congress or by the actual numbers reported by the previous oversight for 5 years of these activities under your jurisdiction. Is that correct?

Mr. SHELDON. They are not a reflection, but I would be happy to provide the committee with the research that we have seen in this arena.

Chairman ISSA. Well, any independent research we would appreciate having.

I would ask that the clerks annotate anyplace the witnesses answered to higher numbers or agreed to higher numbers, that they annotate the actual numbers that are in the record from Health and Human Services and, appropriately, the Attorney General's Office. Because we want to make sure that the misstatements that you made earlier in agreeing to much higher numbers are corrected for the actual numbers that occurred.

With that, we recognize—with that, we have concluded on that side, so we would now go to Mr. Kelly of Pennsylvania.

Mr. KELLY. Thank you, Mr. Chairman.

And thank you both, Mr. Sheldon and Mr. Negash, for being here.

And I have been looking through this, and I know the question really today was, was the Catholic Church discriminated against? And so I go back in and I am looking and I am seeing that there is language that I am wondering about, regarding the development of the language giving preference to applicants that provide all reproductive services. And I read through and it says, for the first time—this is the first time ever—this grant, "The director will give strong preference to applicants that are willing to offer all the services and referrals delineated under the project objectives. Applicants that are unwilling to provide the full range of services and referrals under the project objectives must indicate this in their narrative."

Now, what I am trying to understand, was there any discussion at all when they developed this language about the conscience clause?

Mr. SHELDON. This language was developed—I have only been the Assistant Secretary for 6 months. This language was developed before I came to the agency.

Mr. KELLY. And I think—so you don't know. Does anybody know how the language was developed?

Mr. NEGASH. The——

Mr. KELLY. Because this is the first time this has ever happened. And, obviously, the Council of Catholic Bishops have a pretty good track record because I am hearing how much money they have gotten in the past, and they were granted this money before, they have had it for 3 years, and they have done a pretty good job with it. But it comes down to this one issue.

Mr. NEGASH. The drafting of the funding announcement is a very collaborative process. In that process, the policy experts, the Office of General Counsel, and career employees were involved. So I believe that through the process of developing the funding announcement, throughout the process we have been consulting the Office of General Counsel to make sure that the statement, and especially the services to be provided, is consistent with existing statutes and law.

Mr. KELLY. Okay. But there is existing language out there under a conscience clause. So I am asking, was there any draft that included anywhere in there the conscience clause?

Mr. NEGASH. Again, throughout the process of developing this announcement, we had consulted the Office of General Counsel to make sure——

Mr. KELLY. And I understand you consulted the Office of General Counsel. And, you know, in my lifetime, I know that there is a huge difference between what is legal and what is right. And I know we debate this all the time.

But you could structure the language of this grant that would eliminate the conscience clause. And this is what bothers us. And I think when I look at your scoring and I see how high the Council of Catholic Bishops have scored and I know their track record—and I think this is where the question comes in: Why? Why now? Why do we go away from the way we used to look at things? Why do we have a score and then disregard the score and say, "These folks came in pretty high, but you know what? Not high enough, because they didn't agree to provide all?"

And I am asking, where is the conscience clause involved in it all? And I would like to know if you have any documents, including emails or any language or anything at all that is applicable, that you could supply it to this committee. Because I have to tell you, just coming from a private background, I look at this and I say, you know what? We got gamed on this. We structured this so tightly, we put language in there that would preclude the Catholic Bishops participating, even though they have a great track record, even though they score so high, even though they outscore other people. And it comes down to, so why was that language put in there? And why the disregard of the conscience clause? Why?

And while it may be legal, and maybe that is the fulcrum that it turned on or the point that it turned on, I have to tell you, it is very disappointing for me, not just as a Member of Congress, as a citizen of the United States, to look and say, so you know what? They didn't do what you wanted them to do, so we structured language to keep them out of the hall. We fixed it, we gamed it so they couldn't participate.

All the good work they have done, everything indicated in their past history was negated by the language. That is not right, gentlemen. It is not right. It doesn't make sense to me. It is not American. And, to me, this is absolutely pathetic that we have to have a hearing to discuss this. This is so obvious to me a way of eliminating faith-based people from being able to participate by structuring language that would leave them out.

And, with that, Mr. Chairman, I yield back.

Chairman ISSA. Would the gentleman yield?

Mr. KELLY. Yes, I will.

Chairman ISSA. Mr. Sheldon, you did deliver, HHS delivered us a conference call memo from August 11, 2011. Are you familiar with the document?

Mr. SHELDON. No.

Chairman ISSA. Okay. Well, I am now familiar with it, and it very much goes to Mr. Kelly's statement.

When reading the document in ordinary English, it becomes obvious that every single part of what is entitled the "National Human Trafficking Victims Assistance Program Review Panel Conference Call of August 11"—and I could even give you the passcode, but I

suspect it doesn't work anymore—what it shows me is that you put a number on everything except the preference that Mr. Gowdy, when sitting here in the chair, made clear was so great that 20 points was weighted for it.

How do you answer today that you put over 20 points on this strong preference? Because you put a number on it; the number was the difference between 69 and 89 or greater. How do you tell us today that you would have in a legitimate way weighted 20 points or more on this?

Mr. SHELDON. As I indicated earlier, we took the reviewers' comments, the scores, the responses to our questions back to applicants which the reviewers had indicated had a lack of detail in all of the applicants' scores, all of that into consideration in making a final decision. I believe that——

Chairman ISSA. Mr. Sheldon, please answer the question—the time has expired—if you can, briefly.

Mr. SHELDON. No, that is——

Chairman ISSA. Okay. Then we will get it in a follow-up.

Mr. Labrador is recognized for 5 minutes.

Mr. LABRADOR. I yield back.

Chairman ISSA. The gentleman yields back to me, so now we have 5 minutes.

Mr. SHELDON. Okay.

Chairman ISSA. Let's go over this again. The numbers are the numbers: 20 points, which is roughly—you know, it is more than 25 percent difference. When you are looking at the delta between 89 and 69, you realize, forget about the 110 hypothetical, this is a huge difference.

You said you take responsibility for it, even though the committee sees the hands of other political appointees very much involved in this. And they did make trips to the sixth floor, and they did have consultation with the Secretary directly. And we believe that that is part of our overall investigation.

But the question for you, with the gentleman from Idaho's time: You didn't put a weighting, an analytical weighting—at the end of it all, the recommendation by civil servants, by career personnel, before political appointees with a pro-abortion bent in mind, before they weighed in, you had a career professional consensus that the Council of Catholic Bishops organization should have been included for all or part of this. So it was deemed not acceptable over a single issue. The issue, the code issue, is these health services, which is basically abortion, contraceptive, and sterilization—3 out of 200.

Now, I ask you today, is there any way this committee can legitimately not believe that the preference, the strong preference, represented at least 20 points or more than 25 percent difference, thus making it virtually impossible for an organization that was not going to essentially administer and pay for abortions to have this preference? Was there any way that I can reach another conclusion?

Mr. SHELDON. As I indicated, we looked at the reviewers' comments, we looked at the scores, and we looked at the answers to the questions that the reviewers indicated had not been provided in sufficient detail in making a policy——

Chairman ISSA. No, no, no, you are going back to your talking points. We are not worried about the absence of detail. The fact is, you gave a second bite and a third bite at the apple to groups you wanted to qualify, or that HHS wanted to qualify.

Now, one of the considerations this committee has to look at broadly is, the damage is done. This complaint did not come from the Catholic Bishops; this complaint came from our recognition that if you can use this kind of political-appointee judgment based on whether or not somebody will provide abortions, then can't HHS start having a strong preference to avoid doctors who will not do referrals for abortions, nurses who will not work in abortion clinics, Catholic hospitals that will not, in fact, perform abortions?

Is there any reason that I shouldn't see that this strong preference in the Obama administration is going to be worked in and that the conclusion we can reach today, based on the actual analytics we have, is that you have to win by more than 25 percent, statistically impossible, or you don't win at all?

The fact is, a bidder who was in a statistical tie with the top bidder was eliminated based on one item for which there was a 20-point difference. The bottom line is you eliminated them based on a single issue. And this document, which is in the record, from August 11th makes one thing very clear, which is, everything else is scored in numbers, and you made a decision to score no number on something that had a 20-point preference or greater.

Isn't it fair to say that this committee must in the future write into law a requirement that if you are scoring by numbers you score everything by numbers, and that you never again be allowed to have a subjective earmark-type preference that simply says, we put numbers on everything and then we don't put numbers on something that is effectively a 100, a yes/no, you either do it to our satisfaction or you don't get the contract?

Mr. SHELDON. Mr. Chairman, this department will consistently follow the law. And if the law is changed, then we will do that.

Chairman ISSA. The law very clearly says that this was not elimination. There was no question about that. Because the law allowed for the Catholic Bishops organization to have this contract and perform satisfactorily for 5 years or more.

Let me just conclude on the gentleman's time with one question. If you are saying you followed the law and you followed procedures, then you are saying it is within the law to say, if you don't provide contraceptive services, abortion, and sterilization, that, in fact, it is within the law for you to deny the award of the contract?

Mr. SHELDON. It is within the law to respond to the needs of this population, yes, I——

Chairman ISSA. That wasn't the question to be answered. You denied this grant award based on these three procedures the Catholic Bishops were not willing to do. And in your own testimony, before you answer, you said you renegotiated with the Catholic Bishops. You tried to get them to cave in some acceptable way on these narrow three issues. And when you found that they didn't, you eliminated them from the grant process.

Mr. SHELDON. We asked for a response to their suggestion in their application that they were willing to explore alternative mechanisms by which ORR could carry out this particular function.

Chairman ISSA. Isn't it true—or, actually, no, the time has expired. I don't want to exceed. I thank the gentleman for the time and yield back.

We now recognize, having all Members had time, the gentleman from New Jersey, Mr. Smith, who has waited patiently to be the last questioner on the first round.

Mr. SMITH OF NEW JERSEY. First of all, let me say, Mr. Sheldon, you know, the art of misdirection is alive and well in Washington. We have heard a rattling off of amounts that Catholic organizations have received in other programs, which only, I would suggest respectfully, underscores the competence and the effectiveness of the mission of those Catholic organizations.

But why we are here today and why we are so concerned—again, I authored this legislation that established the program we are discussing—is that there is a new abortion referral policy which is new policy. It is brand new policy. It is radical, it is new. It wasn't there before, but it is there now. So that is why we are here. So saying look how much we gave over here or there, that is the art of misdirection. And members of this committee, and certainly you I think, have engaged in that, and I say that sadly.

Let me also say you can't have it both ways. First you compliment the USCCB and their extensive network of subcontractors by saying that the three awardees are entering into contracts with them, a case of benign cherry-picking, I would suggest.

But then you say that—and I think you said this very critically—that those three NGO's are ahead of where the USCCB was 5 years ago when they got the contract. That is because they had to establish that whole network. So, please, don't offer up that very false comparison, because it is very, very misleading.

Let me ask: In what other programs has ACF approved applications that received scores that were 20 points below that which the NGO that didn't get the award? Are there examples?

Mr. SHELDON. I am sure there are.

Mr. SMITH OF NEW JERSEY. Can you provide them for the record?

Mr. SHELDON. I can only speak to my personal experience.

Mr. SMITH OF NEW JERSEY. Have you ever been a part of that?

Mr. SHELDON. I have only been here 6 months.

Mr. SMITH OF NEW JERSEY. But you have approved a number of awards thus far. Have you taken those who had inferior scores and jumped them to the head of the line in order to get——

Mr. SHELDON. There are several grants that we signed off on where we have done, for instance, geographic skipping in order to make sure that various——

Mr. SMITH OF NEW JERSEY. Where there have been scores done by very competent reviewers who suggest 89, 74 for Tapestry, 69 for USCRI; 89, like I said, for the U.S. Catholic Conference of Bishops. As the chairman has said repeatedly, a 20-point spread. Are there examples?

Mr. SHELDON. As indicated previously, the scores are advisory, but they were also prior to requests for additional information from the applicants.

Mr. SMITH OF NEW JERSEY. So you moved the goalposts after it was all over. So the reviewers are out of it now, and now you are going to make your own decision?

Mr. SHELDON. No, we were specifically responding to the comments that the reviewers had made in their comments.

Mr. SMITH OF NEW JERSEY. Let me ask you this: Are you familiar with Executive Order 13279?

Mr. SHELDON. Not by number.

Mr. SMITH OF NEW JERSEY. How about the President's executive order entitled "Fundamental Principles and Policymaking Criteria for Partnerships with Faith-Based and Other Neighborhood Organizations?"

Mr. SHELDON. Yes, in general.

Mr. SMITH OF NEW JERSEY. In that EO, which prohibits social grant making agencies from discriminating against prospective grantees on the basis of religion or religious beliefs, as well as the interference of political appointees in the decisionmaking process, do you concur with that? Do you think that is important?

Mr. SHELDON. I do.

Mr. SMITH OF NEW JERSEY. Now, the President said decisions about awards of Federal assistance, financial assistance, must be free from political interference or even the appearance of such interference and must be made on the basis of merit, not on the basis of the religious affiliation of the recipient or organization or lack thereof.

Do you agree with that statement?

Mr. SHELDON. I do.

Mr. SMITH OF NEW JERSEY. Then why did you break it? Why did you supersede it and do something precisely contrary to that when you had a proven NGO, competent in the field, that had gotten high marks from your agency previously, from HHS. Even on the medical issue, they were scored on that and found to be completely competent and doing an exemplary job.

Mr. SHELDON. I don't believe we broke it.

Mr. SMITH OF NEW JERSEY. Okay. Let me ask you this. How far down in the rankings by expert reviewers were you prepared to reach before you would have considered making an award to the USCCB? I mean, had USCRI been 65 rather than 69, 50. Because you did say before, and I hope you will correct this because I thought it was a misstatement, you said they were equally qualified. Not according to the reviewers. All four of those NGO's were not equally qualified. But is that just your opinion, or what is it based on?

Mr. SHELDON. I think if you will look back at the reviewers' comments, it will indicate that each of the applicants either had a strong capacity to lead the project, had considerable experience in managing large refugee trafficking projects, language similar to that.

Chairman ISSA. I would ask unanimous consent that the gentleman have an additional 3 minutes. Would the gentleman yield?

Mr. SMITH OF NEW JERSEY. I would be happy to.

Chairman ISSA. Isn't it true that "not qualified" for one of them was clearly there? You say that they were all qualified, but your reviewers had a recommendation that one of the applicants was not qualified.

Mr. SHELDON. I believe if you read the totality of the reviewers' comments, Tapestry, which may be the one you are referring to, in-

dicated they had developed a strong organizational plan. They had staff experience and qualified. They had confirmed that the staff were qualified.

Chairman ISSA. In the State of Georgia. In one State.

Mr. SHELDON. In the——

Chairman ISSA. Okay, I just want to understand. You fully qualified somebody with a low score and one State experience, and then they are all fully qualified.

I yield back to the gentleman. Thank you for yielding.

Mr. SMITH OF NEW JERSEY. Do you want to correct your testimony?

Mr. SHELDON. No, I do not want to correct my testimony.

Mr. SMITH OF NEW JERSEY. You say they are equally qualified.

Mr. SHELDON. I indicated that we believed that these individuals were equally qualified to administer the contracts——

Mr. SMITH OF NEW JERSEY. Even though the HHS review panel stated "Regarding USCRI, the overall level of detail in the proposal is insufficient to ensure that the project will be established and run to an effective level and that the management plan is credible and comprehensive. There is a complete lack of information on specific activities and the timeline is vague, inhibiting evaluation of their reasonableness."

That is not my words. That is your reviewers.

Mr. SHELDON. And if you read the reviewers' comments on all the applicants, for instance, USCCB, "The proposal lacks detail on shelter models."

Mr. SMITH OF NEW JERSEY. So you pick out one, shelter models. This was a comprehensive, very negative assessment by the reviewers. You pick out shelters. We are still in the infancy of shelters. I know, because I am working the shelters issues at home and abroad. So don't pick out one and somehow juxtapose it as somehow they are equally weighted.

Let me ask you this: In terms of the Snowe-Coats or Coats-Snowe and the Weldon conscience clause, are they applicable here?

Mr. SHELDON. We checked with our general counsel's office through the process and believe we are in line with all statutes.

Mr. SMITH OF NEW JERSEY. So are you saying that those statutes apply to this grant?

Mr. SHELDON. I am saying that we checked with the general counsel's office, as I would in any occasion.

Mr. SMITH OF NEW JERSEY. But you are saying you checked. You are not telling me what they said. Do those two laws, conscience clause laws, have application to this grant or these grants that had been let?

Mr. SHELDON. I would be happy to respond to you in writing as to what the general counsel's office position has been.

Mr. SMITH OF NEW JERSEY. So you don't know?

Mr. SHELDON. I do know that we were told we were consistent with all applicable statutes.

Mr. SMITH OF NEW JERSEY. That is just broad. There are two very important conscience clause protections. A conscience clause is obviously in the news every day of the week now. There are 12 nurses at the UMDNJ in New Jersey who are being compelled to be complicit in abortions, who are now in a Federal suit that will

be up in about a week, simply because they have been told, You do this or you are demoted or you are reassigned or you are fired. So conscience clauses are very much in the cross-hairs of the abortion lobby. We know it.

Are those two laws applicable to these grants? You are the head of it. I would like to know.

Mr. SHELDON. I believe they would be applicable. I believe we have not violated them.

Mr. SMITH OF NEW JERSEY. How many victims of trafficking and their family members who were being served at the end of the contract with the USCCB experienced a break in services and how many others are still not receiving services?

Mr. SHELDON. Again, I would compliment the Bishops on their——

Mr. SMITH OF NEW JERSEY. I am not looking for compliments for them or anyone else. How many are not getting services?

Mr. SHELDON. I am not aware of any numbers.

Mr. SMITH OF NEW JERSEY. You are not aware of anyone who has not gotten services.

Chairman ISSA. The gentleman's time has expired. Do you want to finish up?

Mr. SHELDON. To my personal knowledge, no.

Chairman ISSA. I thank the gentleman from New Jersey.

We now go to the—this is the second round—we go to the gentleman from Michigan, Mr. Walberg, for 5 minutes.

Mr. WALBERG. Thank you, Mr. Chairman. I thank you for the second round as well, because, frankly, it is an opportunity to really get the fullness of what has gone on here. This is really, as I understand it being a Protestant, not an attack on the Catholic Church or even one of its entities. They just happen to be a solid, positive, caring organization that is seeking to reach and meet needs. I wish we would be dealing with Samaritan's Purse here or Compassion International or any others that would be offering these same services, but the Catholic organization was the one that is in question here. So it is really not an issue of saying this is an attack on them.

It also doesn't seem to be an attack on the money, as some of my colleagues on the other side of the aisle seemingly want to point out that the Catholic Bishops received dollars for their programs in nutrition, in shelter, in medical assistance, and I am sure there are others as well. I forget some that were mentioned. But, yes, they received support to do those things.

They received support to do those things apparently as long as it did not come anywhere near the issue of one specific issue, and that is abortion services and that is family planning. That goes directly against the principles of many of us here who believe in the foundational principles of this country. That is the concern that I see that is going on.

When we talk about equally qualified, they have gone beyond being equally qualified, meaning criteria that was put in place and evaluated by a hearing panel.

This hearing really is about the concern that we have about arbitrary social engineering and its dangers. It is a concern that we would have that would say that the victim—and indeed there is

tremendous victimization that we are talking about here that goes on—but an unwillingness to accept the fact that has been accepted before that there are policies and principles of organizations that go beyond the one victim and goes to the fuller victimization that includes even the unborn child. That is my concern.

And the fact that we have law in place, Weldon-Snowe, that your counsel has indicated isn't being superseded or violated, and yet the concern about the direction even of the Secretary of HHS on this particular issue, that would seem to indicate that, yes, it will be perceived as not being violated in order to carry out the social engineering that goes on.

Mr. Chairman, I applaud you for holding this hearing, and I think that to assume anything other than the fact that this is not about religion or a specific religion, that this is not about the money that is given to that same entity for other issues, but the fact this is about showing that we have broached something that we never countenanced here in the past in this great country, where on the basis of strongly held religious moral belief, you will be discriminated against. I think that is what we are looking at.

I would be glad to yield my time to the gentleman from New Jersey or the chairman again for further questioning.

Chairman ISSA. If the gentleman wouldn't mind yielding to me, and I will try to make it up to the gentleman from New Jersey.

There is a question that has been just driving me crazy, Mr. Sheldon. You have within Health and Human Services all kinds of questions about abortion, contraception, sterilization, and this isn't the only time it pops up within the broad Cabinet position. If you have a mandate under Executive Order 13279 clearly saying you cannot preclude someone based on religious beliefs, if the Catholic Bishops made it clear that this problem was the result of their religious beliefs—and they clearly did that with you, I don't have to call them to find that out—didn't you have an obligation to square the difference between 13279, which said you couldn't basically give a strong preference against a religious belief, which you did, because the two were inseparable? Didn't you have an obligation not ask the Catholic Bishops for a workaround, but to produce proposed workarounds that were acceptable to HHS?

Did that ever cross your mind, that that was really your obligation, your obligation to square an executive order that said you couldn't have this strong preference against their religious beliefs, when in fact you clearly had a strong preference against the result of their religious beliefs?

Mr. SHELDON. I do not believe that is the case.

Chairman ISSA. Well, you can choose not to believe something, but this is not a deniable fact here. These three problems which were determinative in whether they got this grant were the result of their religious beliefs, and they articulated that to you, and you preferred others because of the result of their religious beliefs, didn't you?

Mr. SHELDON. We made a decision to——

Chairman ISSA. Please just answer the question. The time has expired and it is easy enough. You did make an award around what they told you was their religious beliefs preventing those three procedures, didn't you?

Mr. SHELDON. I do not believe we did.

Chairman ISSA. Then how the heck in the world can you say—you know what, I will take additional time when it is my own. I don't want to run over.

With that, we recognize the gentleman from Virginia, Mr. Connolly, for his 5 minutes.

Mr. CONNOLLY. Mr. Chairman, if you wanted to finish your thought, I gladly yield to you such time as you may require.

Chairman ISSA. I thank the gentleman. I do want to try to get this out.

Mr. CONNOLLY. Mr. Chairman, I just plead that I get my 5 minutes when you are finished.

Chairman ISSA. The gentleman's plea has been heard.

Mr. CONNOLLY. I thank the chairman.

Chairman ISSA. I think this is important to make the record. I want to be fair. I don't want this to be one side or the other on this. You were told by the Council of Bishops in this consultation, I believe, that these were religious beliefs that prevented them from providing these procedures, at least in the way you originally envisioned them, correct?

Mr. SHELDON. I never had any conversations with the Bishops. But I——

Chairman ISSA. Or is it your understanding that this preclusion is because of their religious beliefs?

Mr. SHELDON. I understand their religious beliefs. The contract was about the delivery of services and our decision was based on the merit of people who could provide those services.

Chairman ISSA. No, I understand that. But, if I am an Orthodox Jew and I tell you I cannot—I cannot drive a car on Friday night, and you have a contract that says I need a driver 7 days a week, and you know I can't do it on Friday night, don't you have a clear prohibition by an Orthodox Jew that he cannot or she cannot perform that duty? And then aren't you dealing with the executive order that you have? You are asking someone to do something which cannot be done under their religious belief, and you either have to say, I am sorry but I am precluding you because of your limitations under your religious belief, or not? Isn't that the real question here?

Mr. SHELDON. I believe if I have a requirement for certain kinds of services, those individuals who are willing——

Chairman ISSA. So your answer is if I am an Orthodox Jew and it is Friday night and I tell you that I can't drive you, that in fact you are only dealing with a service, you are not dealing with a religious belief?

Mr. SHELDON. And if I said to you, please come back with an alternative as to how I can get the service I need on Friday night and you came back with an alternative as to how that could be done, I think that would be a different story.

Chairman ISSA. Well, they don't have the responsibility under the executive order. You do. And that is the point I am trying to make. You had the ability to modify the contract. You had the ability, within the contract provisions, you could have said okay, we are going to have separate administration, a separate procedure. We are going to recognize that a limited amount of people will go

to their doctor—because they sent people to doctors, that wasn't the question—to go to their doctor. And these other procedures in the case of rape, which is allowed under Federal law—we are not dealing with all abortions, we are only dealing with rape-based abortions for Federal funding—that Medicaid can do it.

In the case of sterilization, in the case of contraception, you had it at HHS, the ability to prescribe an alternative so that you could meet both your perceived contract needs, which you wrote, and the executive order that is still in place, didn't you?

Mr. SHELDON. And that is the very reason we went back to the Bishops and asked them to provide the details of the alternative that they said they would be willing to do.

Chairman ISSA. I appreciate that, Mr. Sheldon, and I know we are not at odds, other than my point to you—and I appreciate the gentleman from Virginia, who is going to get his full 5 minutes—was you had the obligation of the executive order and you had the obligation to meet what had been written as a perceived list of services. And we are not arguing today specifically about whether those services are right or wrong, abortion, any of that, or even, you know, the contraception question or any of those. We are arguing over who had the responsibility. And you seem to think repeatedly in every answer, the Bishops had the responsibility. And I am going to say that, at least from this position in the chair, that we the government have the responsibility to square executive orders and the law and our request for proposals and grant writing. It is not for the religious-based person who says, "I can't drive on Friday night through Saturday at dusk because of my religion. And, yes, there is somebody else who can't do it on Sunday." Let's reconcile that. It is our obligation as government, at least that is my view.

I thank the gentleman from Virginia. He is very kind. He is recognized for 5 minutes.

Mr. CONNOLLY. I thank the chair.

I actually want to follow up on I think where the chairman is trying to get at, because I actually have the same set of concerns in terms of how the decision was arrived at. But I want to clear away some debris, since I have been gone to another hearing.

I think if there were suspicions that this had something to do with a bias about a particular denomination, I think the evidence is overwhelming that that is not true. So I think our fears about that, if they existed before this hearing, can now be allayed.

With respect to abortion, Mr. Sheldon, is there a single penny in this grant award that funds abortion directly?

Mr. SHELDON. No. This award does not provide funding for any direct services other than emergency services such as food, shelter, clothing, emergency medical services.

Mr. CONNOLLY. So it is presumably not about abortion. We were talking earlier, and my time ran out at that time, about the fact that the grant application talked about the need for the provision of family planning services. I assumed by that, that meant contraception. Is that correct?

Mr. SHELDON. Contraception would be included in that.

Mr. CONNOLLY. What else would be included in that?

Mr. SHELDON. Sterilization, abortion, the full range of the 200 services that we have been previously talking about.

Mr. CONNOLLY. And heretofore the Catholic Bishops had been the recipient of this grant money; is that correct?

Mr. SHELDON. That is accurate. Contract money.

Mr. CONNOLLY. And it was to provide contract services to treat the victims of human trafficking; is that correct?

Mr. SHELDON. To provide case management services.

Mr. CONNOLLY. Case management. And, again, I was out of the room, but if I understood a previous exchange, under that contract 19 percent of the clients served were victims of sexual trafficking; is that correct?

Mr. SHELDON. No, I think—and I would like to supplement this later—but I believe the actual number was about 19 percent.

Mr. CONNOLLY. Right. That is what I said.

Mr. SHELDON. I am sorry. I thought you said 90.

Mr. CONNOLLY. But are you familiar with the CRS study that says actually 79 percent of all trafficking victims are also victims of sex trafficking?

Mr. SHELDON. I am not familiar with that specific study, but I am familiar generally with studies which indicate a higher percentage of individuals who are victims of sex trafficking or a combination of sex and labor trafficking.

Mr. CONNOLLY. Well, most of the victims, sadly, tragically, of human trafficking are female; is that not correct?

Mr. SHELDON. That is correct.

Mr. CONNOLLY. And most of those victims, female victims, tragically are also victims of sexual trafficking; is that not correct?

Mr. SHELDON. I believe that is accurate.

Mr. CONNOLLY. So was it the concern of the Department that given that data, that we had to shift the focus of the grant award to provide more aggressively family planning services, among others, to deal with sexually transmitted diseases and unwanted pregnancies or the prevention of unwanted pregnancies?

Mr. SHELDON. Over the course of the last decade, we have learned more and more about human trafficking, and it was based on that that the Department made the determination included in this report.

Mr. CONNOLLY. All right. Here is what is bothering a lot of us, I think. The Catholic Bishops ranked number one, as I understand it, in the initial ranking?

Mr. SHELDON. Number two.

Mr. CONNOLLY. Number two. But higher than others.

Mr. SHELDON. Yes.

Mr. CONNOLLY. So why would we then, knowing that, actually deny them the award when they came in number two?

Mr. SHELDON. The reviewers made several—and these are not talking points, this is a fact. The reviewers made several comments about a lack of detail in all of the applicants, but we went back to request additional information. The grant process also indicates that the scores are advisory in nature, that the ultimate decision to award or not award rests with the assistant secretary.

Mr. CONNOLLY. All right. I only have 35 seconds. In your opinion, Mr. Sheldon, having reviewed this case, and obviously preparing for this hearing today, did you find any evidence—do you believe

there was any evidence of religious bias, of political bias, in favor or against the ultimate recipients of this grant money?

Mr. SHELDON. I can state unequivocally there was not.

Mr. CONNOLLY. I am sorry, I didn't hear you.

Mr. SHELDON. I can state unequivocally there was not.

Mr. CONNOLLY. And that is your testimony under oath?

Mr. SHELDON. Under oath.

Mr. CONNOLLY. I thank you, Mr. Sheldon.

Chairman ISSA. I thank the gentleman. We now go to the gentleman from Pennsylvania, Mr. Kelly, for a second round.

Mr. KELLY. Thank you, Mr. Chairman. And again, thanks for holding the hearing. Mr. Sheldon, Mr. Negash, thank you.

Now, Mr. Sheldon, you have been on the job 6 months.

Mr. SHELDON. That is correct.

Mr. KELLY. I have only been on 10 months, so I know how you are feeling. I am getting blamed for a lot of things that happened before I got here, too. Anyways, because this is a very serious matter—but I want to go back to an earlier question. I would like all the documents, including emails, about the preferential language and any discussion regarding the conscience matter, because I think that is really crucial to what we are doing right now.

Mr. SHELDON. Our staff will continue to work with your staff on producing those documents.

Mr. KELLY. Okay, and I would sure appreciate that. The purpose of these hearings really, I cannot tell you, the way I look at it, to me there is such a bias. And, again, we got gamed on this one. We changed the language to eliminate some of the people that would have been normally included. So I think that is pretty clear to me and to any commonsense, thinking person.

Having said that, Mr. Chairman, I am going to yield back my time. I have to run to another hearing.

Chairman ISSA. I thank the gentleman for yielding. And I will just continue on something.

In 2009, isn't it true—this is before you came in, but this was during the Obama administration—the Council of Bishops in execution of this contract, this grant award, was rated outstanding, weren't they?

Mr. SHELDON. I can't testify from my personal knowledge, but I believe that to be the case.

Chairman ISSA. Mr. Negash, how about your personal knowledge? Our indication is that they were awarded greater sums, they were listed as outstanding. Everybody at HHS was extremely satisfied with their performance year after year after year for 5 years under both Democratic and Republican Presidencies.

Mr. NEGASH. I am not aware of any performance evaluation that they were graded.

Chairman ISSA. Okay. So here is the question we have been waiting all day to ask in a strange way, because I have listened to both majority and minority. The majority has asked questions about these numbers and the grant process. The minority has told us heart-wrenching stories about women who have been persecuted and dealt with in the worst possible way and raped. But these are the people that this organization that was summarily eliminated was dealing with successfully for half a decade, weren't they?

Mr. NEGASH. It is my understanding, Mr. Chairman, this grant is not about providing direct services. My understanding is the national agency was having a relationship with subgrantees around the country.

Chairman ISSA. Yes, I understand that. But this organization for 5 years administered and provided excellent service in finding—finding, including your former organization—finding various people all over the country, including Georgia and other places. They found the people to provide the necessary services on a case-by-case basis to 1,000-plus women a year.

The fact is this is an organization that was compassionate and successful. It wasn't about the money. They don't apply for this for reasons of money. They apply because they want to provide this service. They administered it successfully for 5 years. For 5 years, the women who had been raped, the women who had been tortured, the women who had real needs, including STDs to be taken care of, they were taken care of through this process.

So my question to you, Mr. Sheldon, today is: In your consideration of how important this 20-plus point delta that had to be overcome to deny them any part of this grant, you did so of an organization that in the past had succeeded in spite of that, didn't you?

Mr. SHELDON. They have succeeded, and they are continuing to succeed with human trafficking victims.

Chairman ISSA. I understand. But they succeeded on this contract effectively, this grant. This grant, these people. These people had succeeded in the past, and yet they were denied because of their religious beliefs preventing these three procedures, correct—or two procedures plus prescriptions?

Mr. SHELDON. They have provided, as I indicated, a strong performance under the terms of the contract.

Chairman ISSA. Okay. That is a good point, and I thank you for that. The terms of the contract changed. Now, you keep going back to you asked the Bishops and you went back to them. I have become familiar during the intervening minutes with the Council of Bishops' response, and I read it differently than you do. I read their response in, if you will, this second round, which often when we find contract irregularities, when we find misconduct by bureaucrats or political appointees, what we find are the second or third rounds are usually used to game the system from the first round because they didn't like the outcome. But the Bishops said they were willing to consider alternative ways. As far as I read it, this was an outreach for you to find an alternative way, not for them to propose an acceptable alternative way, something that is acceptable to you.

Do you see that somebody like myself could in common English find that interpretation?

Mr. SHELDON. I felt by reaching back out to the Bishops and asking for alternatives that they would be willing to provide them.

Chairman ISSA. But can you see how I could find that reading?

Mr. SHELDON. I understand where you're coming from.

Chairman ISSA. We'll take that as a yes.

We now recognize the gentleman from Oklahoma, Mr. Lankford, for 5 minutes.

Mr. LANKFORD. Thank you, Mr. Chairman.

This new language that was added in, it is different than the previous contract that for 5 years they had. Obviously, they have done a good job on it in the past. That is well established. There was some decision made at some point, I assume based on data. Is there data out there somewhere saying there was a portion of individuals that were interested in these other abortions and contraceptives and such that didn't get it and had complained back, or was there some study that was done determining that this was not being provided and this was a problem?

Mr. SHELDON. There is research indicating the needs of this population, and based on that research—and we would be happy to provide that——

Mr. LANKFORD. I am just wondering. In the specific fulfillment of the contract, there was data that was provided, saying that these things are needed and they are not being provided, and the Catholic Bishops are prohibiting this. Because obviously the Catholic Bishops are not providing the health care, so they are sending them to clinics, and then the HIPAA laws kick in, and they don't know what is happening at that point. They are the caseworkers that are connecting them with the clinic, and then health care is provided there. So I would assume there is some data saying "and they were prevented from getting these services."

Mr. SHELDON. What I can indicate and we will provide you is the provisions that they provided in their subcontracts to subgrantees restricting the options that those——

Mr. LANKFORD. Restricting payment for that, correct? It is not saying you can't do it, but saying don't ask us for repayment for these services.

Mr. SHELDON. We will provide the specific information to you.

Mr. LANKFORD. Okay, that will be great. Because my understanding was they're not saying you can't do that, you are prohibited; we are going to reach into your doctor's office and tell you what to do and what not to do. They are just saying if this is performed, don't bill us for it because we don't reimburse for that.

Mr. SHELDON. Well, under the terms of the the original contract as well as the terms of this grant, none of the dollars in this grant are for the actual delivery of services.

Mr. LANKFORD. That is what I am saying. That relationship, they aren't prohibiting it, they're basically saying you won't be reimbursed through us, or that is not something we encourage.

Mr. SHELDON. I would be happy to provide the specifics, but——

Chairman ISSA. If the gentleman would yield for a second, stop the clock. For the record, when I opened and mentioned the documents that we had obtained that had not been provided by HHS that the press have, which I understand have now been accepted and hopefully the reservation is now withdrawn—it is withdrawn. Additionally, the documents which the gentleman is saying he will provide were requested and have not yet been delivered.

So although I appreciate your saying you will deliver them, we will expect full supplemental responses in writing or we will bring you all back, because this is part of our problem is that these documents which we suspect say what Mr. Lankford is saying, we won't know for sure.

So if you can, to the greatest extent possible, make assumptions of what you believe they say, it will prevent coming back, because we are all pretty sure that Mr. Lankford is correct as to his assertions.

Mr. SHELDON. We will do that. But I also would be happy to come back.

Chairman ISSA. You are a first. With that, the gentleman may resume.

Mr. LANKFORD. Thank you, Mr. Chairman. Then with this shift in what happened to the previous contract, there had to be a decision made at some point that based on data or based on decisions saying this was a problem, they did great in all these six areas, except they didn't encourage people to have abortions or encourage contraceptives. Because, obviously, as you mentioned before, they are not providing, they are just encouraging and sending that message out. So because they are not encouraging contraceptives or they are not encouraging abortions, we are going to put language in there to make sure they do next time.

Who made that decision and when was that decision made?

Mr. SHELDON. Well, that decision was made, again, prior to my getting here. But it's my understanding, it was made based on research in terms of the needs of this particular population.

Mr. LANKFORD. And the fact that it wasn't fulfilled in the previous contract; or just other research, separate from that?

Mr. SHELDON. Other research, separate.

Mr. LANKFORD. If there is a change in the language on that, who made that decision then? When was that decision made?

Mr. SHELDON. I believe that was a collaborative decision in the establishment of the FOA.

Mr. LANKFORD. Mr. Negash, can you help us out, because obviously you were there at that time?

Mr. NEGASH. I believe that the process of developing the FOA, the Office of General Counsel, the policy expert within SCF and HHS, including the leadership, made a point to include that language.

Mr. LANKFORD. Okay. So can you list names that you say there? You listed titles. Can you list names of the people involved?

Mr. NEGASH. Well, I believe the Office of the Assistant Secretary at that time, not Mr. Sheldon; the Office of General Counsel. I can give you the list of who those people are. And, I believe, the Office of the Secretary.

Mr. LANKFORD. Okay. So Kathleen Sebelius was involved in that as far as making that decision to have that language involved?

Mr. NEGASH. I don't have any contact with the Secretary.

Mr. LANKFORD. Right. But it came in from that office.

Mr. NEGASH. I believe the Office of the Secretary was reviewing this.

Mr. LANKFORD. The issue is—and this is something we have talked about in contract writing and in grant writing, and the reason I bring all this up is because at times grants and contracts are written in such a way to deliberately exclude people, and to say I am going to write this in such a way to make sure only a certain group would be eligible for this.

And if this language is written in such a way, there are a couple problems here. One is the clarity of the exclusion. To say that there is a priority or we are looking at it or this is important to us is one thing. But to say, unless you encourage abortions and contraceptives, you need not apply, that certainly definitely is not in there. But the way the language is written it establishes a process that, hey, anyone who has this belief should not apply unless you are willing to give up your beliefs. Unless you are willing to encourage abortions, don't come. So the language is written in such a way to exclude a group that had currently done it for quite a significant time and had done a good job.

What I am interested in, is there data that is connected to that saying: This was a problem in the previous 5 years. Based on this data, we found this data from doing this, and so we need to make this shift to purposely exclude the group that had done it in the past that had high marks.

So that is the struggle here. And it goes into the whole essence of how we write grants and how we write the proposal. If the administration has determined in these areas you have to promote abortions or we don't give you U.S. funds, say it. Just come out and say it. Don't go through the whole dog-and-pony show. Make it clear at the very beginning to keep that priority.

So with that, I will yield back.

Chairman ISSA. I thank the gentleman.

We now recognize the ranking member for 5 minutes.

Mr. CUMMINGS. Mr. Sheldon, if the Catholic Bishops had come back after they told you they had some alternatives and said these are the alternatives, what would have happened? I am not saying—I mean, what would have been the process then? In other words, they come back here, these are our alternatives. What would have been the process then? Would there be a possible—I know it depends on what they would say. But would there have been a possible rescoring? What would happen? What would be the process? I am not asking you for the results. The process.

Mr. SHELDON. No. We would have analyzed that in addition to the reviewers' comments, in addition to the responses of the other entities. And we had indicated in the funding announcement that we intended to have multiple grantees, as opposed to just one grantee.

Mr. CUMMINGS. And, Mr. Sheldon, according to the grant announcement, the scores do not take into account the preference for applicants who can provide a full range of services. The funding announcement states "Applicants applying to provide less than the full set of services and referrals described under 'case management' will not receive a reduction in points in this section unless the limitations are likely to impede a victim's ability to become certified and meet their food, clothing, shelter and emergency health care needs."

Why did the scores not take into account the strong preference for a full set of services and referrals?

Mr. SHELDON. Because it was a preference as opposed to a requirement of the contract.

Mr. CUMMINGS. And so I would like to better understand just by walking you through the review process. After applications were re-

ceived, reviewers gave out scores but they did not give a recommendation as to which groups they thought should get the grants.

Mr. SHELDON. That is correct.

Mr. CUMMINGS. Is that right?

Mr. SHELDON. That is correct.

Mr. CUMMINGS. So they gave out scores, but they didn't say who should get them. After the scores were given, there were followup questions for some applicants. Were the answers to these questions taken into account in awarding the grants?

Mr. SHELDON. Yes.

Mr. CUMMINGS. Did other applicants have questions—in other words, was there some follow-up with the other applicants also?

Mr. SHELDON. There were questions, and we can provide those. There were questions to all of the applicants patterned after the reviewers' comments as to what weaknesses existed in each of those individual applications.

Mr. CUMMINGS. Now, do you ever change the scores based on this type of additional information that might come in?

Mr. SHELDON. You would change the decision. You wouldn't go back retroactively and change the scores.

Mr. CUMMINGS. Okay. You might change the decision. So what decision are you talking about? I thought you hadn't made the decision yet.

Mr. SHELDON. We hadn't made the decision yet.

Mr. CUMMINGS. I am sorry?

Mr. SHELDON. We had not made the decision at that point.

Mr. CUMMINGS. So in other words, you may have been contemplating a decision?

Mr. SHELDON. We were—I wanted to wait until we got the responses to the questions that we had asked all the applicants.

Mr. CUMMINGS. Okay. Now, were the Catholic Bishops the only ones that did not, you know, give responses other than saying they had alternatives?

Mr. SHELDON. No, they provided a response. Because it wasn't just on this issue. We also asked them for clarification on their cost per client. But we can provide that, because it wasn't just targeted to that one issue.

Mr. CUMMINGS. Okay. And after the grants were awarded, were the applicants informed as to why they were rejected, and if not, why not? In other words, did you inform them as to why——

Mr. SHELDON. I believe we—Ms. Kinder, can you help me with that? I think that they were indicated as to what the decision was. I did personally meet with representatives of the U.S. Conference of Catholic Bishops at their request, after the decision had been made, to kind of lay out the rationale for the decision.

Mr. CUMMINGS. And did they complain that they had been discriminated against?

Mr. SHELDON. They did not complain that they had been discriminated against. They did indicate that they would look at their full range of options as to——

Mr. CUMMINGS. They said they would do what?

Mr. SHELDON. Well, I can't—I am paraphrasing what they said.

Mr. CUMMINGS. Well, paraphrase as best you can.

Mr. SHELDON. That they would look at the full range of options that they might have. And I took that to mean a potential challenge to the award.

Mr. CUMMINGS. And did they challenge it yet?

Mr. SHELDON. They did not.

Mr. CUMMINGS. Mr. Sheldon, I understand that you are a political appointee and that you made this award decision which has been sufficient for some to claim that the grant decision was politicized. Was it appropriate for you to make the decision?

Mr. SHELDON. All assistant secretaries, to my knowledge, historically are given the authority to make decisions on grants. As a matter of fact, in the Administration for Children and Families, I approve all grant awards.

Mr. CUMMINGS. And did you or anyone else at HHS give any of the applicants an unfair advantage during the process?

Mr. SHELDON. No.

Mr. CUMMINGS. And what was your primary purpose and goal when you made your decision about the grants?

Mr. SHELDON. My primary purpose and goal, as I indicated in my opening statement, is what was in the best interest of these victims.

Mr. CUMMINGS. Finally, and thank you for your indulgence, Mr. Chairman—so it was not a decision based on promoting a political party or a decision based on your dislike of the principles of the Catholic Bishops; is that right?

Mr. SHELDON. That is correct.

Mr. CUMMINGS. As I said in the beginning of the hearing, the ultimate goal here today is to help the victims. We would all benefit from hearing the voices of the human trafficking victims and their advocates on why reproductive health services are so critical, and I am sure we will in the future.

Mr. Sheldon and Mr. Negash, I want to thank both of you very much.

Chairman ISSA. I thank the gentleman.

In order to preserve the normal member going last, what I am going to do is skip this round and recognize the gentleman from New Jersey, and then I will wrap up with just a few questions.

The gentleman is recognized for 5 minutes.

Mr. SMITH OF NEW JERSEY. Mr. Sheldon, the FOA says that preference will be given to grantees under FOA that will offer all victims referral to a medical provider who can provide or refer for the treatment of—and, of course, the gynecological services in question here is abortion. Given this language, how are grantees able to use any pro-life providers, even pro bono health providers who are pro-life?

Mr. SHELDON. There are several subgrantees to the current grantees who are faith-based pro-life.

Mr. SMITH OF NEW JERSEY. But they are not bound—I am talking about the referral to the victims, who they refer to in terms of health care, the actual health care. This reads, plain reading of the language, that we are talking that all victims' referral to medical providers who can provide or refer for provision of treatment for abortion.

So does this direct these individuals now to Planned Parenthood? We know that at least one of the applicants who got the award is looking to contract and set up an alliance with Planned Parenthood. I mean, it precludes—it would seem on the face of it that pro-life OB-GYNs, for example, are out of the mix. Is that true?

Mr. SHELDON. I don't believe that is the case. As a matter of fact——

Mr. SMITH OF NEW JERSEY. Would you clarify that for the record?

Mr. SHELDON. As I indicated, there are several subgrantees of the new grantees——

Mr. SMITH OF NEW JERSEY. Again, I am talking specifically about referral for medical care, that they be providers of abortion. That is what it reads.

Mr. SHELDON. The decision as to what the outcome of that would be, as it has historically been in this country, has been between the medical provider and the woman, and there is no difference in this——

Mr. SMITH OF NEW JERSEY. The USCCB did that, as you know. They were out of it, as the chairman mentioned earlier, under HIPAA.

Mr. SHELDON. I think if you will look at the language of the USCCB, you will find it was much more restrictive than that.

Mr. SMITH OF NEW JERSEY. Okay, you can clarify the original question for the record in written form.

Let me ask you, is the strong preference language for abortion in any way related to the ACLU lawsuit? Did anyone from or associated with the ACLU encourage the change in the contract? Was it anyone within the Obama administration? Again, getting back to origins, whose idea was this, and did this language in any way emanate or was it supported by or perhaps posed by any pro-abortion NGO? First question.

Second, on capacity: Tapestry in its application said it had $400,000 annually, which means that this grant alone that it got will triple what it has at its disposal to use. ORR said it would give priority to those organizations whether established nationwide or geographically in structure. We are talking about a group that may not be able to meet this huge burden that has been put on them, again, the tripling.

Let me ask Mr. Negash, did HHS make changes to the funding opportunity announcement specifically to evade the conscience protections currently in law?

Mr. NEGASH. Throughout the development of the funding announcement, we actually worked with the Office of General Counsel to make sure that the language in the funding announcement was consistent with existing laws.

Mr. SMITH OF NEW JERSEY. So it wasn't in any way, shape, or form to evade the conscience clause by writing the specs in a way that Catholic USCCB need not apply?

Mr. SHELDON. I believe that the funding announcement was written not to include or exclude anybody.

Mr. SMITH OF NEW JERSEY. Could I get, could we get, the committee get, a copy of the general counsel's written statement, advice, guidance, whatever it is they conveyed to you to make these

decisions at the time that these decisions were being made? Not now. We want to know what was contemporaneous with the decisionmaking process. Could you do that?

Mr. NEGASH. I believe so.

Mr. SMITH OF NEW JERSEY. Let me—again, with the ACLU case, if you could speak to this, Mr. Sheldon. Was it ever discussed? Was the ACLU in contact? Please respond.

Mr. SHELDON. I was aware of the ACLU lawsuit, but it was not discussed in conjunction with the decisionmaking process.

Mr. SMITH OF NEW JERSEY. At all?

Mr. SHELDON. At all. Or to my knowledge, was ACLU contacted. They were not contacting me. I do not believe they were contacting anybody in the Administration for Children and Families.

Mr. SMITH OF NEW JERSEY. Are each of the grantees as of December 1st, as of today, performing exactly as prescribed in the FOA?

Mr. SHELDON. I believe that they are—in response to that, yes, I believe they are.

Mr. SMITH OF NEW JERSEY. Could you provide a detailed analysis, a snapshot as of today, whether or not there has been a diminution of service as the baton has been handed over from the USCCB to the three NGO's?

Mr. SHELDON. Yes.

Mr. SMITH OF NEW JERSEY. And finally with regard to training, FOA was very clear about training. As a matter of fact, the language of the legislation was——

Chairman ISSA. If the gentleman would make this his last question, please.

Mr. SMITH OF NEW JERSEY. I am out of time. Okay. Do I have time for the question?

Chairman ISSA. We will be indulgent for a last question, but we are going to wrap up very soon. We have technically gone over our limit.

Mr. SMITH OF NEW JERSEY. Mr. Chairman, thank you very much.

From the information provided to the company, it appears only one of the successful applicants, Heartland, included something approaching the required certification on training. If this is correct, does HHS think it is appropriate for the well-being and recovery of trafficking victims for the persons providing services to have completed training in connection with trafficking persons? Why and how was this overlooked?

Mr. SHELDON. I believe with all of the grantees, that we ultimately made the decision are qualified to provide these services.

Mr. SMITH OF NEW JERSEY. Training.

Mr. SHELDON. Yes.

Mr. SMITH OF NEW JERSEY. So you say they are adequate and they are ready to go right now.

Mr. SHELDON. I believe so.

Mr. SMITH OF NEW JERSEY. Could you back that up as well for the written record with precision?

Mr. SHELDON. Yes.

Chairman ISSA. I thank you for your participation here today.

I recognize myself. I am going to try to close up on a number of issues.

Following up with Mr. Smith, on Tapestry, an organization with only a few hundred thousand dollars in revenue, a CFO who is not qualified by your own statements, I would appreciate your coming back and making for the record some documentation of why they were not at a minimum high risk for people already at high risk. I think it is one of the areas that hasn't been focused on enough. But clearly we are going to follow up, because from our evaluation, notwithstanding that you could have awarded to only one organization or only two—and you only had one other national organization—to pick an organization that had almost no revenues, the CFO, one of the most critical people in this kind of activity, having no qualifications in this area, does beg the question of competence that we are seriously concerned about. Because we think that numbers were in some ways not even as positive of the difference in these organizations.

Again, I would have respected a single award not to the Catholic Bishops perhaps more than the award the way we saw it.

But let me go through the question that has occupied most of the time today. Under the executive order, I am going to read a portion of it to make sure we get it officially in the record, but additionally the executive order will be placed in the record, without objection.

But what I read in G, for faith-based organizations in this executive order, it says, "Accordingly, the faith-based organization that applies for or participates in a social service program supported with Federal financial assistance," and this sort of broadly qualifies in that definition, obviously, "may retain its independence and may continue to carry out its mission, including the definition, development, practice and expression of its religious beliefs," and this is the limitation, I want to make sure it gets in here too, "provided that it does not use direct Federal financial assistance that it receives for that purpose."

Now, that is the operative language that we found and believe applies. In the response that goes back to this that we have been talking about, their response that you were not satisfied with, it says "USCCB/MRS is committed to acting in accordance with Catholic teachings in administering the program, including the determination of allowable and unallowable costs."

Now for my question: If the Catholic Bishops, and I am an Antiochian Catholic so it is not my denomination but I am very familiar with it—if the Catholic Bishops had told you how to work around getting an abortion or birth control, wouldn't you agree, since you are familiar at least somewhat with it, that they would be violating their requirements? In other words, we would all be appalled if a Catholic priest, or a bishop in this case, told you how to get an abortion for a girl around them. Wouldn't that be wrong under their teachings, very clearly?

Mr. SHELDON. Yes. And in effect, what other faith-based organizations have done is not taken responsibility for that particular victim.

Mr. SMITH OF NEW JERSEY. And that certainly would have been a potential workaround. But they couldn't—they under their faith, as I read it, could not be persecuted for not having an answer that would cause them to tell you how to basically do an abortion around them. So their canons of ethics, their vows, prohibited them

from answering the question that you say you went to them to get, which is how do we work around your problem on providing abortions and birth control and sterilization.

They gave you an answer that they were willing to work with your workarounds, but they couldn't, they clearly under their religious protected faith-based executive order and supportive, they couldn't tell you how to work around it.

Now, you just gave me the answer I have been waiting for all day. It is clear you could have said we need to have a provision that you don't take cases of pregnant refugees; that when a refugee is determined to be pregnant, that in fact you not take them. Additionally, you could have said, for example—and I am not trying to run your Department, I woefully would be inadequate to do any one part of government. You could have said that certain sub-vendors had to be picked, and that they had to be allowed to communicate pursuant to your needs to other organizations. And in most cases the clinics would have already done this anyway. You could have proposed those, couldn't you?

Mr. SHELDON. We got a response from another applicant which basically indicated how they would treat people of faith, people of Catholic teaching, and they volunteered that they would not refer victims to that particular entity.

Chairman ISSA. Okay. So the system could have recognized, if you use my example, because I grew up in a Jewish neighborhood, of the Orthodox Jew unable to drive you on Friday night. You could have suggested an effective workaround. They might have rejected it, might have accepted it, might have said, "We can't answer it, but we will perform to the best of our duty under the rules that you give us," which probably would have been their answer, which is, "We can't condone your decision, we can't predict the outcome, but we will do what we can do."

And, by the way, the fact that they didn't complain, my understanding is Christ didn't complain on the cross either. Ultimately, some organizations do not complain as a matter of their faith.

So, back to the real question that I want to close with, in this and dozens or hundreds or thousands of other examples that could occur in government when trying to deal with the Executive order, isn't it within your authority under current law and, at least in my opinion, within your responsibility to try to find ways to move these two together?

And in the future—because this one is in our taillights—in the future, wouldn't it be prudent for Health and Human Services and other government agencies to say, look, we have to look at effective ways to get around the rabbi who can't drive to work after sundown on Friday, so to speak, and/or the Catholics who cannot perform abortions? Isn't that something, that if, in fact, Congress has said, in the case of rape of a woman, an abortion is legal, to be paid for by government—that is the current law, as I understand it—if that is the case and somebody can't participate in it, isn't, under the Executive order, it prudent that you develop the ability to reconcile to that limited extent rather than only promoting organizations who, from some of our Members, believe would promote abortion rather than the litmus test of could they participate in legal events?

Mr. SHELDON. And that is exactly what I was trying do by going back to the U.S. Conference of Catholic Bishops. We may disagree about where the primary responsibility——

Chairman ISSA. But you don't disagree that a Catholic bishop who tells you how to get a girl an abortion would be going outside his beliefs. I mean, you already answered, yes, you got that, that he couldn't—he or—in this case, only "he's—couldn't tell you how to do it. So why, in a way, did you expect to get an answer from the Catholic Bishops of how to work around getting a girl an abortion? Isn't that fundamentally, perhaps in hindsight, a mistake, where there should have been an initiative by HHS not asking people of faith to do and say and help you do what they cannot?

Mr. SHELDON. I was basically taking the U.S. Conference of Catholic Bishops at their word when they basically said, we would be willing to work on an alternative.

Chairman ISSA. Right, they would work with an alternative. They could not give you that alternative. They could not tell you how to provide an abortion to somebody, because it is outside their faith.

I have gone way over my time. You have all been very indulgent. We do look forward to getting the rest of the materials for the record.

Again, the ranking member has a motion at this time. If he would like to bring it up and discuss it, I certainly would be willing to.

Mr. CUMMINGS. I, too, want to thank you all, first of all, for your testimony.

Mr. Chairman, I had said at the beginning that we wanted to give more voice to the victims. And we ask for a day of hearings because we did not have those voices here today. And so, I think we need to do both. I think we need to have additional hearings as our committee, and I am asking for the minority to have hearings, and we would love to have them next week. And so I renew my motion, or request.

Chairman ISSA. The letter has been received, and we will advise you.

Mr. CUMMINGS. Thank you.

Chairman ISSA. And, with that, the hearing is concluded and adjourned.

[Whereupon, at 12:39 p.m., the committee was adjourned.]

[The prepared statement of Hon. Gerald E. Connolly and additional information submitted for the hearing record follow:]

Opening Statement of Congressman Gerald E. Connolly
Oversight and Reform Committee
December 1st, 2011

The topic of the hearing today is why the Department of Health and Human Services (HHS) did not award a single grant to the USCCB. The grant funding announcement described that these grantees should be able to provide victims of sex trafficking "comprehensive case management" services, including referrals for contraception and other family planning. The USCCB categorically rejects the use of birth control, referrals to abortion providers, and other essential health services, and so they essentially refuse to offer services that are requested under this grant. As we consider human trafficking prevention policy, as Mr. Lankford and I have on the procurement subcommittee—in our case investigating abuses by contractors—we must stay focused on providing victims with an opportunity to rebuild their lives while reducing the incidence of trafficking.

Clearly, HHS is not biased against USCCB because HHS awarded a much larger grant to USCCB to provide refugee aid shortly after denying USCCB the human trafficking grant. Nor does it appear that the Obama Administration generally is biased against USCCB or other Catholic groups, despite USCCB's lobbying against Administration legislation: Federal funding for Catholic Charities affiliates has increased by $100 million since 2008.

According to the Congressional Research Service, approximately 65-75% of human trafficking victims are females, and 79% of trafficking victims also were victims of sexual exploitation. HHS notes that 41% of minors who have been admitted to the United States legally following their victimization through trafficking suffered sexual exploitation. Those minors were unlikely to have accurate information on sexually transmitted diseases and reproductive health services. A separate study from the London School of Hygiene and Topic Medicine found that 90% of female trafficking victims also are victims of sexual exploitation, and that a majority of those experienced "pelvic pain, vaginal discharge, or gynecological infection." Whether or not these individuals have access to contraception and science-based reproductive counseling is critically important because trafficking victims' lives may depend upon reliable medical treatment after they enter relief services.

When HHS advertised this human trafficking grant, it clearly requested applications which would provide comprehensive health services, to "include community referrals for housing, health screening and medical care." The application also was clear about the need for grantees to provide reproductive health services, including "provision of treatment for sexually transmitted infections, family planning services and the full range of legally permissible gynecological and obstetric care." Emergency contraception, counseling about sexually transmitted by diseases, and other reproductive health services can save the life of a woman who recently was sexually exploited. Those reproductive health services also could obviate the need for an abortion, as emergency contraception is effective up to 120 hours after intercourse. Finally, reproductive health services must provide clear, accurate information about sexually transmitted diseases, including how to limit their transmission. Some 44% of trafficking victims in the London study had sexually transmitted diseases, and many of those victims did not have scientifically accurate information on what the diseases were, how to treat them, or how to avoid transmitting them to others.

The USCCB is under no obligation to provide contraception or other reproductive health services. However, when HHS is disbursing taxpayer money to meet certain public policy objectives—in this case life-saving ones—then taxpayers should have a reasonable expectation that their money is being invested wisely.

Response to Questions for the Record
Eskinder Negash, Director, Office of Refugee Resettlement
December 1, 2011 Hearing before the House Oversight and Government Reform Committee

1. Please provide the dates and approximate times of any meetings or telephone discussions you had with Sharon Parrott, Counselor to Secretary Sebelius, regarding whether or not to award a cooperative agreement to USCCB, pursuant to the 2011 funding opportunity announcement (FOA).

Response: On August 31, 2011 I attended the first few minutes of a meeting to discuss applications received under the National Human Trafficking Victim Assistance Program FOA. In addition to the Counselor to the Secretary for Human Services Policy, the Acting Assistant Secretary for Children and Families, the Deputy General Counsel, the Associate General Counsel, and a staff attorney were invited to the meeting. During the first few minutes of the meeting, we consulted with the ethics office and I was advised to recuse myself from the selection process. Although no actual conflict of interest existed – because I had not worked for any of the applicants within the previous two years – it was determined that a potential appearance of a conflict of interest could exist based on my prior employment with USCRI. As a result, I agreed to recuse myself from the selection process and left the meeting. I did not participate in the selection process after that time.

2. For each discussion listed in response to question 1, please describe the nature of the discussion, the participants in the discussion, and any views expressed by Ms. Parrott of the strengths and weaknesses of applications submitted in response to the FOA.

Response: As described in the response to question 1, above, I did not participate in the selection process for this FOA. During the portion of the meeting I attended on August 31, I did not hear views expressed about the strengths and weaknesses of applications.

3. Please list the individuals, if any, with whom you discussed Jay Womack's draft funding decision memo dated September 9, 2011 (attached), and describe the substance of those discussions.

Response: As described in the response to question 1, I did not participate in the selection process and thus did not have any discussions about the referenced memo. I had not requested that Mr. Womack prepare a memo, and had no knowledge that he was preparing one. The memo was not submitted to me, and I was unaware of its existence at the time.

4. What was your opinion of the recommendations in the September 9 memorandum recommending funding only to Heartland and USCCB? If you agreed with the recommendations, to whom did you express your agreement? If you disagreed with the recommendations, to whom did you express your disagreement?

Response to Questions for the Record
Eskinder Negash, Director, Office of Refugee Resettlement
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Response: Please see the response to question 3, above.

5. Please provide the dates and times of any discussions or conversations in which you expressed your view about the funding recommendations contained in the memorandum.

Response: Please see the response to question 3, above.

6. Documents provided to the Committee indicate that, on or about September 13, 2011, a meeting regarding the final funding decision took place on the 6th floor of the Hubert H. Humphrey building. Did you attend that meeting? If so, please list all attendees at that meeting. What was the substance of the discussion during that meeting?

Response: I did not attend the meeting. As described in the response to question 1, above, I did not participate in the selection process for this FOA.

7. With respect to the meeting identified in question 6, what were the views expressed by each of the participants regarding the funding decisions and the strengths and weaknesses of the applications submitted in response to the FOA?

Response: Please see response to question 6, above.

8. With respect to the meeting identified in question 6, did you offer your views about which organizations should be funded and which should not? If so, please describe the views you expressed and responses of others at the meeting to those views.

Response: Please see response to question 6, above.

9. Was Sharon Parrott present at the meeting? If so, what was her opinion of USCCB's application? Of the applicants that received funding? How many points did she believe should be deducted for USCCB's failure to offer the "full range of services?"

Response: Please see response to question 6, above.

10. Was a pending lawsuit filed by the American Civil Liberties Union against HHS discussed at the September 13 meeting or other meetings at which the funding decisions were discussed? Please explain. Please discuss whether or to what extent the pending lawsuit impacted the decision-making process.

Response to Questions for the Record
Eskinder Negash, Director, Office of Refugee Resettlement
December 1, 2011 Hearing before the House Oversight and Government Reform Committee

Response: As described in the response to question 1, above, I did not participate in the selection process for this FOA.

11. Did you communicate with Secretary Sebelius or Sharon Parrott about the funding decisions under the FOA? If so, please describe the dates, times and substance of those communications.

Response: As described in the response to Question 1, above, I did not participate in the selection process for this FOA. I did not communicate with Secretary Sebelius about the funding decisions, and my discussion with Ms. Parrott regarding the decision of which applicants would receive funding was limited to the August 31 meeting in which I agreed to recuse myself as advised by the ethics office.

12. Did you participate in briefing for Secretary Sebelius regarding the funding decisions? Please provide any briefing slides, notes or talking points that were used to prepare for or conduct that briefing. Please provide any notes documenting the Secretary's views expressed during that meeting regarding the funding decisions.

Response: I did not participate in briefing Secretary Sebelius.

Response to Questions for the Record
George Sheldon, Acting Assistant Secretary for Children and Families
December 1, 2011 Hearing before the House Oversight and Government Reform Committee

1. Please provide the dates and approximate times of any meetings or telephone discussions you had with Sharon Parrott, Counselor to Secretary Sebelius, regarding whether or not to award a cooperative agreement to USCCB, pursuant to the 2011 funding opportunity announcement (FOA).

Response: I recall seven meetings related to the selection process to which Ms. Parrott was invited. Please see the response to question 2, below, for additional information.

2. For each discussion listed in response to question 1, please describe the nature of the discussion, the participants in the discussion, and any views expressed by Ms. Parrott of the strengths and weaknesses of applications submitted in response to the FOA.

Response: In addition to the Counselor to the Secretary for Human Services Policy, the Deputy General Counsel, the Deputy Assistant Secretary for Policy of the Administration for Children and Families and the Special Assistant to the Director of the Office of Refugee Resettlement (ORR) were invited to most of the meetings referenced in question 1. Staff attorneys and additional staff from ORR also participated in some meetings.

During these meetings, the group discussed the reviewers' comments indicating that more detailed information was needed, developed follow-up questions to ask the applicants, reviewed applicants' responses, considered geographic locations with reported high incidence of human trafficking and discussed the program's budget. I do not recall the particular views on these matters expressed by Ms. Parrott or other meeting participants.

The chart below provides detailed information about each meeting:

Date	Time	Invitees	Nature of Discussion
August 31	Noon – 1:00 pm	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Director of the Office of Refugee Resettlement (ORR), Associate General Counsel, staff attorney	• Director of ORR voluntarily recused himself and left the meeting • Conducted initial review of applications and reviewers' comments and advisory scores • Discussed preference described in FOA

Response to Questions for the Record
George Sheldon, Acting Assistant Secretary for Children and Families
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September 6	5:15 pm – 6:00 pm	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Deputy Assistant Secretary for Policy of the Administration for Children and Families, Special Assistant to the Director of ORR	• Discussed areas of applications that needed more detailed information • Agreed to send follow-up questions to five applicants
September 7	9:00 am – 9:30 am	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Deputy Assistant Secretary for Policy of the Administration for Children and Families, Special Assistant to the Director of ORR, staff attorney	• Reviewed draft follow-up letters • Discussed timeframe for sending letters and requesting applicants' responses
September 9	2:30 pm – 3:30 pm	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Deputy Assistant Secretary for Policy of the Administration for Children and Families, Special Assistant to the Director of ORR, Associate General Counsel, staff attorneys	• Reviewed applicants' responses to follow-up questions • Discussed regional and national coverage
September 12	10:00 am – 11:00 am	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Deputy Assistant Secretary for Policy of the Administration for Children and Families, Special Assistant to the Director of ORR, Associate General Counsel, staff attorneys	• Continued discussion on regional and national coverage • Discussed next steps in drafting the funding decision memo
September 13	4:30 pm – 5:15 pm	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Special Assistant to the Director of ORR, Deputy Director of ORR, Acting Director of the Division of Anti-Trafficking In Persons, ORR	• ORR staff presented the proposed budget plan and assumptions

Response to Questions for the Record
George Sheldon, Acting Assistant Secretary for Children and Families
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Date	Time	Invitees	Nature of Discussion
September 21	5:30 pm – 6:00 pm	Counselor to the Secretary for Human Services Policy, Deputy General Counsel, Acting Assistant Secretary for Children and Families, Deputy Assistant Secretary for Policy of the Administration for Children and Families, Special Assistant to the Director of ORR, Deputy Director of ORR, Acting Director of the Division of Anti-Trafficking In Persons, ORR	• Reviewed negotiated changes to the budget plan and assumptions • Reviewed draft funding decision memo

3. Please list the individuals, if any, with whom you discussed Jay Womack's draft funding decision memo dated September 9, 2011 (attached), and describe the substance of those discussions.

Response: I did not have any discussions about the referenced memo during the selection process. I had not requested that Mr. Womack prepare a memo, and had no knowledge that he was preparing one. The memo was not submitted to me, and I was unaware of its existence at the time.

4. Documents provided to the Committee indicate that, on or about September 13, 2011, a meeting regarding the final funding decision took place on the 6th floor of the Hubert H. Humphrey building. Please list all attendees at that meeting. What was the substance of the discussion during that meeting?

Response: Based on the documents the Committee shared, the September 13 meeting appears to refer to a meeting I held in my office on the sixth floor of the Aerospace building. I met with three ORR staff members to discuss the budget negotiation process associated with the grant.

I participated in a subsequent meeting in the Hubert H. Humphrey building later in the afternoon of September 13, as noted in response to question 2, above. The Counselor to the Secretary for Human Services Policy, the Deputy General Counsel, and three ORR staff members participated in that meeting and discussed the budget negotiation process.

Response to Questions for the Record
George Sheldon, Acting Assistant Secretary for Children and Families
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5. With respect to the meeting identified in question 4, what were the views expressed by each of the participants regarding the funding decisions and the strengths and weaknesses of the applications submitted in response to the FOA?

Response: Participants at the September 13 meeting at the Humphrey Building discussed the per capita costs, administrative costs, number of clients to be served, and the program's budget. To the best of my recollection, we agreed on the following key points: applicants should have flexibility in determining the per capita structure; administrative costs should be minimized; award amounts should be commensurate with areas reported as having high incidence of human trafficking; and the program may benefit from additional funds.

6. Was Sharon Parrott present at the meeting? If so, what was her opinion of USCCB's application? Of the applicants that received funding? How many points did she believe should be deducted for USCCB's failure to offer the "full range of services?"

Response: Please see responses to questions 4 and 5, above. The meeting did not include a discussion about deducting points from any of the applicants.

7. Was a pending lawsuit filed by the American Civil Liberties Union against HHS discussed at the September 13 meeting or other meetings at which the funding decisions were discussed? Please explain. Please discuss whether or to what extent the pending lawsuit impacted the decision-making process.

Response: The lawsuit may have been discussed as background information in the context of the previous contract and the funding opportunity announcement, but was not a factor in the decision-making process regarding the selection of grantees.

8. Did you communicate with Secretary Sebelius or Sharon Parrott about the funding decisions under the FOA? If so, please describe the dates, times and substance of those communications.

Response: On September 12, I briefed Secretary Sebelius on the evaluation of the applications and the preliminary award decisions. The Counselor to the Secretary for Human Services Policy, the Chief of Staff, Deputy General Counsel, Acting General Counsel, and the Deputy Secretary were also invited to the briefing.

Please see responses to questions 1 and 2 with regard to meetings with Ms. Parrott.

Response to Questions for the Record
George Sheldon, Acting Assistant Secretary for Children and Families
December 1, 2011 Hearing before the House Oversight and Government Reform Committee

9. Did you participate in briefing for Secretary Sebelius regarding the funding decisions? Please provide any briefing slides, notes or talking points that were used to prepare for or conduct that briefing. Please provide any notes documenting the Secretary's views expressed during that meeting regarding the funding decisions.

Response: Please see the response to question 8, above. Talking points and background material that I used to prepare for the briefing are enclosed. To the best of my knowledge, no materials were distributed at the briefing, and I do not have notes recording the discussion.

Numbers of VOT served through HHS/USCCB Per Capita Program, Aggregated by states served, By CY 2008-2011 (Data pulled on 05.05.2011)

Calendar Year 2008

State	Victims Served
Alaska	3
Arizona	3
California	101
Colorado	2
Connecticut	1
District of Columbia	88
Florida	120
Georgia	24
Guam	7
Hawaii	10
Indiana	5
Kentucky	8
Massachusetts	3
Maryland	12
Michigan	1
Minnesota	1
Mariana Islands	15
North Carolina	6
New Jersey	19
New Mexico	1
Nevada	1
New York	77
Ohio	6
Pennsylvania	4
Tennessee	1
Texas	17
Virginia	16
Washington	6
Wisconsin	3

Calendar Year 2009

State	Victims Served
Alabama	4
Arkansas	1
California	54
Colorado	9
Connecticut	5
District of Columbia	32
Florida	132
Georgia	21
Guam	1
Hawaii	58
Kansas	23
Kentucky	55
Louisiana	71
Massachusetts	3
Maryland	10
Michigan	3
Minnesota	12
Missouri	15
Mariana Islands	12
Mississippi	5
North Carolina	6
North Dakota	18
Nebraska	4
Nevada	8
New Jersey	9
New York	93
Ohio	5
Oregon	4
Pennsylvania	12
Rhode Island	7
Tennessee	2
Texas	22
Virginia	22
Washington	12

Numbers of VOT served through HHS/USCCB Per Capita Program, Aggregated by states served, By CY 2008-2011 (Data pulled on 05.05.2011)

Calendar Year 2010

State	Victims Served
Alabama	5
California	61
Colorado	11
Connecticut	2
District of Columbia	32
Florida	37
Georgia	10
Hawaii	16
Illinois	4
Kansas	15
Kentucky	30
Louisiana	62
Massachusetts	6
Maryland	7
Michigan	3
Missouri	14
Mariana Islands	18
Mississippi	26
North Dakota	2
Nevada	2
New Jersey	11
New York	111
Ohio	5
Oregon	13
Pennsylvania	11
Rhode Island	7
South Carolina	1
Tennessee	1
Texas	56
Utah	60
Virginia	16
Washington	4

Calendar Year 2011

State	Victims Served
California	52
Colorado	2
District of Columbia	12
Florida	10
Georgia	9
Hawaii	2
Illinois	3
Kansas	1
Kentucky	9
Louisiana	28
Massachusetts	5
Maryland	9
Michigan	6
Mariana Islands	9
Mississippi	32
Nevada	1
New Jersey	4
New York	33
Pennsylvania	11
Rhode Island	1
Texas	11
Utah	6
Virginia	13
Washington	1

National Human Trafficking Victims Assistance Program:
Client Demographics and Services

The TVPA designated the Department of Health and Human Services (HHS) as the agency responsible for helping foreign trafficking victims become eligible to receive benefits and services so they can rebuild their lives safely in the U.S. The HHS Anti-Trafficking in Persons Division (ATIP) in the Office of Refugee Resettlement (ORR) within the HHS Administration for Children and Families (ACF) performs the following service-related activities under the TVPA: (1) issues certifications to non-U.S. citizen, non-Lawful Permanent Resident (LPR) adult victims of human trafficking who are willing to assist in the investigation and prosecution of a trafficking crime and have received Continued Presence or made a bona fide application for a T visa that was not denied; (2) issues Eligibility Letters to non-U.S. citizen, non-LPR child victims of human trafficking (*i.e.*, minors); (3) provides services and case management to foreign victims of trafficking through a network of service providers across the U.S.; and (4) builds capacity nationally through training and technical assistance and operation of the National Human Trafficking Resource Center (NHTRC).

1. Certifications and Letters of Eligibility

Section 107(b)(1)(E) of the TVPA, as amended, states that the HHS Secretary, after consultation with the Attorney General and the Secretary of Homeland Security, may certify an adult victim of a severe form of trafficking who: (1) is willing to assist in every reasonable way in the investigation and prosecution of severe forms of TIP, or who is unable to cooperate due to physical or psychological trauma; and (2) has made a bona fide application for a visa under Section 101(a)(15)(T) of the Immigration and Nationality Act that has not been denied; or is a person whose continued presence in the U.S. the Attorney General and the Secretary of Homeland Security are ensuring in order to effectuate prosecution of traffickers in persons. The TVPA authorizes the "certification" of adult victims to receive certain federally funded benefits and services, such as cash assistance, medical care, Supplemental Nutrition Assistance Program (formerly "food stamps"), and housing. HHS notifies an adult victims of trafficking of his or her eligibility for benefits and services by means of a "Certification Letter." Though not required to receive HHS certification, a child who is found to be a trafficking victim receives an "Eligibility Letter" from HHS to obtain the same types of benefits and services. Moreover, upon receipt of credible information that an alien child who is seeking assistance may have been subjected to a severe form of trafficking in persons, HHS can issue an "Interim Assistance Letter" providing the child interim eligibility for benefits and services for up to 90 days, during which time HHS will determine the child's eligibility for long-term assistance.

On March 28, 2001, the Secretary of HHS delegated the authority to conduct human trafficking victim certification activities to the Assistant Secretary for Children and Families, who in turn re-delegated this authority on April 18, 2002, to the Director of ORR. On March 23, 2009, the Secretary of DHHS delegated the authority to provide interim assistance to potential child trafficking victims to the Assistant Secretary for Children and Families, who further delegated this authority on April 10, 2009 to the Director of ORR. In FY 2010, ORR issued 449 Certification Letters to adults and 92 Eligibility Letters to children, for a total of 541 letters issued. Additionally, ORR issued 12 Interim Assistance Letters to children, seven of whom later received Eligibility Letters.

Of the victims certified in FY 2010, 55 percent were male, compared to 47 percent in FY 2009, 45 percent in FY 2008, 30 percent in FY 2007, and six percent in FY 2006. Overall, 78 percent of all victims certified in FY 2010 were victims of labor trafficking, 12 percent were exploited through sex trafficking, and 10 percent were victims of both labor and sex trafficking. All victims of sex trafficking and all victims of both labor and sex trafficking were female.

In comparison, 59 percent of child victims who received Eligibility Letters in FY 2010 were female compared with 66 percent in FY 2009. Twenty-nine percent of child victims who received Eligibility Letters were victims of sex trafficking (compared with 38 percent in FY 2009), 62 percent were victims of labor trafficking (up from 56 percent), and nine percent were victims of both labor and sex trafficking (up from six percent).

Fiscal Year	Children	Adults	Total
2001	4	194	**198**
2002	18	81	**99**
2003	6	145	**151**
2004	16	147	**163**
2005	34	197	**231**
2006	20	214	**234**
2007	33	270	**303**
2008	31	286	**317**
2009	50	330	**380**
2010	92	449	**541**
TOTAL	**304**	**2313**	**2617**

In FY 2010, Certification and Eligibility letters were provided to victims or their representatives in 35 States, the District of Columbia, and Saipan. Certified victims came from 47 countries in the Americas, Asia, Africa, and Europe.

The following chart depicts the top 10 countries of origin of adult victims who received Certification Letters in FY 2010:

Country of Origin	# of victims	% of total[1]
Thailand	95	21
India	90	20
Mexico	46	6
Philippines	37	8
Haiti	31	7
Honduras	24	5
El Salvador	19	4
Dominican Republic	16	4
Guatemala	13	3
Peru	9	2

[1] Percentages are rounded to closest whole number.

The following chart depicts the top five countries of origin of child victims who received Eligibility Letters in FY 2010:

Country of Origin	# of victims	% of total[2]
Mexico	30	33
Honduras	27	30
Guatemala	12	13
El Salvador	9	10
China	8	9

Certification should not be equated with victim identification. HHS grantees and contractors work with trafficking victims at every stage of the victim identification process, from initial contact with suspected victims who might not be ready to work with law enforcement or fully relate their experiences to service providers, to helping certified victims rebuild their lives with the help of federally funded benefits. Factors such as language, safety concerns, and psychological and physical trauma present significant barriers to victims coming forward. Once they do, these individuals rely on highly trained social service providers, attorneys, and law enforcement agents to help them navigate through the certification process. Still other foreign-born victims may elect to return to their country of origin without seeking any benefits in the U.S. HHS provides victims identified by its nongovernmental partners with an array of services that will assist them in the pursuit of certification, should they choose to cooperate with law enforcement and receive the full benefits available to them under the TVPA.

2. Per Capita Services and Case Management

ORR has used both contracts and grants to create a network of service organizations available to assist victims of a severe form of trafficking in persons. In FY 2010, ORR continued a contract with the U.S. Conference of Catholic Bishops (USCCB) to provide comprehensive case management and support services to foreign adult and child victims of human trafficking. Through this contract, ORR has streamlined support services to help victims gain access shelter and job training, and provided a mechanism for victims to receive vital emergency services prior to receiving certification.

USCCB provides these services to pre-certified and certified victims on a per capita reimbursement basis via subcontractors throughout the country and in U.S. territorial possessions. During FY 2010, USCCB subcontracted with 17 new agencies and ended the fiscal year with 111 subcontracted agencies and capacity to serve victims in 133 locations. Subcontractors provided services in 35 States in 73 different locations during FY 2010.

During FY 2010, a total of 1,027 individual clients received case management services through a per capita services contract, an increase of 29.5 percent over the previous year. This number included 333 clients who received services before certification (pre-certified), 347 clients who received services after certification, and 147 family members (spouse, children, or other dependents) who received services. Included in the overall number are 200 clients who received services both before and after certification.

[2] Percentages are rounded to closest whole number.

Type of Services	Number of Clients
Prior to certification (pre-certified)	333
Post-certification	347
Pre- and post-certification	200

During FY 2010, 90 percent of all clients served under the contract were adults and 10 percent were children, while 57 percent of the clients were male and 43 percent were female.

Type of Victim	Number (percent)[3]
Labor Trafficking	713 (81 percent)
Sex Trafficking	84 (9.5 percent)
Sex and Labor Trafficking	83 (9.5 percent)

The per capita contract also provides training and technical assistance to subcontractors on service provision, case management, program management, criminal justice and immigration processes, and mental health. Additionally, the contract provides outreach and additional training to other entities and organizations on human trafficking, operations of the contract, and victim services. During FY 2010, the contract provided training to 1,950 participants and technical assistance to 2,160 individuals in 43 States and 108 locations.

ORR, through the Division of Unaccompanied Children's Services (DUCS), funds a network of shelters, group homes, and foster care programs to provide services for unaccompanied alien children. Children referred to the program are screened for potential trafficking concerns and, where credible information is found, assessed for eligibility for benefits, including referral to the URM program, and referred to federal law enforcement for possible investigation of the case. In many cases, pro bono attorneys refer the children for a trafficking eligibility letter.

[3] Percentages are rounded to closest full percentage point.

REMARKS FOR GEORGE H. SHELDON

BRIEFING FOR SECRETARY SEBELIUS: NATIONAL HUMAN TRAFFICKING VICTIM ASSISTANCE PROGRAM

BACKGROUND ON GRANT

- The Office of Refugee Resettlement (ORR) posted a funding opportunity announcement for the National Human Trafficking Victim Assistance Program last May and plans to award qualified applicants by the end of this month.
- The funding is through a cooperative agreement in the amount of $4.25M each year for a total of three years.
- We intend to award a minimum of four applicants to provide case management and emergency assistance services.
- We received nine applications, but only six went through the grant review process. (The other three were disqualified because one was turned in late and the other two are international organizations which are not eligible for this grant.)
- Through this briefing, we intend to share our recommendation and rationale for funding three of the six applicants.

PENDING LAWSUIT

- One of the six applications we reviewed is from the U.S. Conference of Catholic Bishops (USCCB) which currently provides services to victims of trafficking through a contract with ORR/ACF.
- As you know, the American Civil Liberties Union (ACLU) sued the federal government because its contractor, USCCB, refused to provide contraceptives and referrals for contraceptives and abortions as services to trafficking victims under the current contract.
- We have been working closely with the Office of General Council on this issue around the current contract and on the language of the grant announcement that was posted last May.

- In the grant announcement we indicated that we would give preference to applicants that will "offer all victims referral to medical providers who can provide or refer for provision of treatment for sexually transmitted infections, family planning services and the full range of legally permissible gynecological and obstetric care, including but not limited to exams, tests and pre-natal services and non-directive health-related counseling".
- USCCB indicated that *"subrecipients will not provide or refer for abortion, sterilization, or artificial contraceptives"*. They also were silent on *"family planning"* and the *"full range of legally permissible gynecological and obstetric care"*. This leads us to believe that USCCB will not offer trafficking victims the type of referrals that may be needed.
- From FY 2010 we know that approximately 10 percent of trafficking victims who received services under the USCCB contract were victims of sex trafficking. That means about 84 people could have presented with a need for reproductive health care in FY 2010.

REVIEW OF APPLICATIONS

- Other than USCCB, we received applications from five organizations: (1) Heartland, (2) Tapestri, (3) U.S. Committee for Refugees and Immigrants (USCRI), (4) the NY State Office of Temporary and Disability Assistance and (5) Restore New York City.
- Based on the grant reviewers scoring and additional analysis with the program office and the Office of General Council, we recommend funding Heartland, Tapestri and USCRI.
- **HEARTLAND.** Heartland scored the highest and proposed to serve all or parts of 11 states amounting to an estimated 330 people. We went back asked them if they could serve all of the communities within those 11 states, including New York City. They agreed under the conditions that they would have one to three months to get their program running in the some communities and that their budget would be revised to reflect the expanded service area.
- Heartland's service area would include MA, RI, NH, VT, NY, OH, IN, MI, IL, WI and MN. Based on numbers from FY 2008 – FY 2010, New York has the greatest need for services with anywhere from 77 to 111 victims served each year. The other states in this region serve maybe 1 to 12 trafficking victims a year.

- I should mention here, that Heartland proposes to provide services through a five-member consortium. Two of the members are subrecipients under the current contract with USCCB. Their experience in providing services is an asset to their grant proposal.
- The one concern about Heartland is that their proposed per capita cost (i.e., $750 per client per month for an average of four months) may be too low.
- We would also like to see Heartland expand its service area a little more to include CT, ME, NJ and PR. Doing so would mean that Heartland would cover ACF Regions 1 (Boston), 2 (New York) and 5 (Chicago).
- If the decision is made to fund Heartland, we would need to go back and negotiate the per capita rate and the service area.
- **TAPESTRI.** Tapestri scored the third highest, after Heartland and USCCB. Their service area would be GA, SC, NC, TN, AL and FL (ACF Region 4, Atlanta). The biggest player here is FL where 120 to 132 clients were served in FY 2008 and FY 2009 respectively. (More recently, FL's numbers dropped to 37 clients in FY 2010). The rest of the states in this area served anywhere from 1 to 24 trafficking victims a year. Like Heartland, Tapestri plans to provide services through a consortium of six organizations. Two of the consortium members were subrecipeints under the contract with USCCB.
- One concern with Tapestri is that they estimate serving 84 trafficking victims a year. That number seems low to us, especially considering FL.
- If the decision is made to fund Tapestri, we propose asking them to add two states to their service area: KT and MS. We would also ask about their estimate to serve only 84 clients.
- **USCRI.** USCRI scored fourth out of six. As with the other applicants, we went back to USCRI and asked for some clarifying information. Based on that additional information, we are confident that USCRI has the organizational capacity to properly monitor and oversee subrecipients across the country. They estimate serving 500 trafficking victims.
- USCRI also is a major player on the refugee resettlement side, as one of the few agencies that is responsible for the initial resettlement of refugees and administers the Matching Grant program. Since the purpose of the grant is to help trafficking victims access mainstream services to the same extent as refugees, we see this as a strength.

- Another strength for USCRI's is its ready-to-go national structure. As an alternative to asking Heartland and Tapestri to add states to their service areas, we could assign those states to USCRI – on a temporary basis to be reconsidered in a year at the point of renewing/continuing the grant – or on a permanent basis.
- California would be a key state under USCRI's service area where 54 to 101 trafficking victims were served each year for the last three years. D.C. follows at 32 to 88 trafficking victims served.
- The other states don't seem to have a consistently high number of trafficking victims served, but there have been a few states that spiked in a particular year. For example, 58 clients were served in Hawaii which normally sees 10 to 20 clients. Louisiana, Kentucky, Texas, Utah and Mississippi also saw spikes.
- USCRI's national capacity would ensure that if an unexpected state experiences a large increase in the number of clients served, the network would be ready to respond.
- If the decision is made to fund USCRI, we would need to go back to them and negotiate the budget because they applied to cover the entire country for the full $4.25M and we are proposing they cover about half of the country.
- **USCCB.** We don't recommend funding USCCB for a couple of reasons. We are concerned that they will not provide referrals for reproductive health issues, including abortion and contraceptives. And in the grant announcement we specified that priority would be given to applicants that are willing to offer all types of referrals.
- USCCB's application and follow-up responses were also unclear about the number of unique trafficking victims that would be served which made it a little difficult to analyze. We guess-stimate that USCCB will serve about 377 clients compared to USCRI's 500.
- **NY Office of Temporary and Disability Assistance and Restore New York City.** We don't recommend funding the last two applicants because of their narrow service area and their lower scores.