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## China Moving Forced Laborers Amid U.S. Crackdown, Biden Official Says

Coerced laborers are being moved out of Xinjiang as China makes efforts to frustrate supply-chain due diligence, a Labor Department official says

By [Richard Vanderford](#) [Follow](#)

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Thea Lee, deputy undersecretary for international affairs at the U.S. Labor Department, said Tuesday, 'The labor transfer program has been growing. It is a significant problem.' PHOTO: HENRY ROMERO/REUTERS

Forced laborers are being transferred from China's Xinjiang region to elsewhere in the country in growing numbers, a Biden administration official said, a problem that could test corporate efforts to comply with a U.S. supply-chain crackdown.

Thea Lee, the deputy undersecretary for international affairs at the U.S. Labor Department, said China is increasingly transferring Uyghur forced laborers and other minorities, whose homes are in Xinjiang, to work elsewhere in the country.

Though Lee didn't mention where the workers were being sent, investigations by a nonprofit journalist group have found, for example, that workers were being [sent to seafood-processing plants](#) around the country.

The relocations come as the U.S. works to enforce a [nearly two-year-old ban](#) on the import of most goods with ties to Xinjiang, a law passed because of forced-labor concerns.

"The labor transfer program has been growing. It is a significant problem," Lee said at a hearing in Washington before the Congressional-Executive Commission on China, an official China watchdog made up of administration officials and lawmakers in the House and Senate. The transfers are helping to circumvent U.S. efforts focused on Xinjiang, she said.

China has denied that human-rights abuses are occurring in Xinjiang and accused the U.S. of interfering in the country's internal affairs.

Audits intended to check for supply-chain compliance might not be up to the task, Lee warned.

"Social audits in China should not be seen as an authoritative source for companies reflecting on-the-ground human-rights conditions," Lee said. "The business community needs to be aware that any audits, and frankly, any business operations, undertaken inside China carry heightened labor and human-rights risks."

Since 2022, the U.S. has banned most imports linked to Xinjiang in an attempt to fight forced labor, [snaring Volkswagen](#) and other companies in the [new enforcement dragnet](#). Many companies have ramped up their due-diligence efforts, as human-rights groups, Uyghur advocates and U.S.-based labor and industry interests continue to press for action.

China has [turned its national security laws](#) against due-diligence firms, and last month [increased fines](#) on the Beijing arm of Mintz Group. Chinese domestic producers also have faced pressure not to cooperate with compliance efforts of the U.S. companies that buy their products.

Congressional China hawks in both parties have called for the administration [to ratchet up pressure](#) and ensure U.S. and allies' supply chains are free of goods made with forced labor.

At Tuesday's hearing, Rep. Christopher Smith, who chairs the CECC, took aim at corporate compliance efforts.

"Compliance departments, please take note, as well as the law and accounting firms that sign off on corporate disclosures," he opened, declaring that he would ask the Securities and Exchange Commission to consider taking action against public companies under the agency's authority to police misleading corporate disclosures.

The New Jersey Republican called corporations' audits looking into China operations a "fig leaf" and "near fiction."

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