sourcemap
where things come from

Statement Of

Leonardo Bonanni, Phd
Founder and CEO, Sourcemap Inc.
New York, NY

Before The

United States Senate Committee On Finance

On

*Fighting Forced Labor: Closing Loopholes And Improving Customs
Enforcement To Mandate Clean Supply Chains And Protect Workers*

March 18, 2021

Chairman Wyden, Ranking Member Crapo, distinguished Members of the Committee, thank you for the opportunity to speak with you today.

I am the founder and CEO of Sourcemap, a leading provider of technology for supply chain transparency.

As this Committee has underscored in bipartisan fashion, forced labor is endemic to many supply chains. At the same time, no company can afford to audit every supplier, every day. Business needs a scalable solution.

I founded Sourcemap at MIT with the goal of leveraging the reach of the internet to monitor global supply chains to a degree that was never before possible.

Let me describe how it works:

First, we set up a unique social network to help companies identify all of the actors in their supply chain, down to the names and addresses of every mine, every farm, every factory and every warehouse.

Second, companies use this network to regularly collect data from *all* of the actors in the supply chain, which our software then analyzes to detect patterns that indicate the presence of forced labor. We can even collect data in remote supply chains where there is little to no internet access using a smartphone app that works on- and offline.

Third and most importantly, we never take the information that has been provided at face value. Instead we continuously analyze data from suppliers for errors and omissions, and for patterns of fraud, waste, and abuse. To do this we use the best available techniques including satellite imagery, mobile device tracking, machine learning and artificial intelligence.

The demand for this level of supply chain transparency is growing. Sourcemap is used today by some of the largest companies in the US, companies responsible for tens of billions of dollars in US imports. Thousands of their suppliers log into Sourcemap from every corner of the globe to share extensive information on their supply chains. That's because supply chain transparency is a very small price to pay for access to the U.S. Market.

For the first time in the history of globalization, companies can have a map of their global supply chain that's verified and up-to-date. It's not transparency for transparency's sake: this map is the foundation for identifying and remediating forced labor in the end-to-end supply chain, so that one day every container arriving in the U.S. can have a clean bill of health.

Is this a panacea? No. But it represents a step change in the degree of supply chain transparency businesses and governments can expect in support of their ongoing fight against forced labor.

Mr. Chairman: supply chain transparency is good for business in many other ways: it reduces risk, it saves money, it helps to secure hard-to-get materials, and it helps to monitor for quality, counterfeiting, environmental conditions, and health and safety.

This Committee has an important role to play. This hearing itself sends a message that you expect action from all stakeholders. Mr. Chairman, I know that you have been working with Sen. Brown (D-OH) on new tools to empower CBP. I encourage you to put supply chain transparency technology at the center of those efforts.

Supply chain transparency needs to become the norm. At a minimum, companies should disclose the names and the addresses of their direct *and* indirect suppliers. This evidentiary standard will establish the US as the leader in combating forced labor in supply chains, while saving companies and CBP millions of dollars.

Setting a simple standard for supply chain transparency will help create a level playing field for all companies importing goods into the US.

It's not just the right thing to do for our values: it's the smart thing to do for US business and for US workers.

Thank you for the opportunity to testify, and I look forward to your questions.