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Human Trafficking

# Introduction

Human trafficking is a global problem and it affects many businesses in the United States.

The accommodating nature of the hotel industry and the ease of access into hotel properties makes them one of the most widely favored places used by criminals engaged in human trafficking. Despite the stereotypical belief that seedy motels and those on the 'wrong side of town' are common trafficking locations, traffickers will take advantage of every type of hotel, motel, and casino - it depends on the clientele they seek to serve.

**Trafficking any human, adult or minor, is a federal crime.** The possibility of an instance occurring on their property should motivate hotel owners to implement policies and procedures that discourage any activity before it happens. It is a necessary action to protect the property, owners, and managers against costly lawsuits for activities done on their properties. Implementing no-trafficking procedures also exemplifies a property's stance toward employees and guests, which goes a long way toward providing good relationships.

**There are two types of human trafficking<sup>1</sup>:**

- + **Sex trafficking** is when a commercial sex act is induced by force, fraud, or coercion, or when the person induced to perform such act has not attained 18 years of age.
- + **Labor or indebted services** is when force, fraud, or coercion is used for the purpose of involuntary servitude, peonage, debt bondage, or slavery.

In this article, we discuss sex trafficking, how traffickers exploit the hotel/casino industry, and ways to prevent, detect, and combat the activity on its premises. However, it is important for hotel owners to know that human trafficking for labor is an issue for many of the same reasons as sex trafficking. Fortunately, the efforts to combat sex trafficking onsite are applicable to the trafficking of human slave labor as well.

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# Sex Trafficking and the Hotel & Casino Industries

Using today's technology, trafficking operations are more sophisticated than ever. The National Human Trafficking Hotline<sup>2</sup> has been documenting reports of sex trafficking in the United States since 2007. In 2021, the latest year statistics are available, there were over 51,000 reports of sex trafficking. In the first seven years that statistics were kept there were 55,000 such reports. This could be due to an increase in public awareness and media coverage about trafficking, which means scrutiny has grown for the hotel industry, and that has increased liability issues.

## CASE STUDIES

Lawsuits on behalf of sex trafficked victims are targeting hotels, both independent and chain operators. A provision in the Trafficking Victims Protection Authorization Act allows victims of sex trafficking to bring civil charges against people and businesses who should be reasonably aware of trafficking on their properties and when they profit from it.<sup>3</sup>

Over the past few years, over 1,500 sex trafficking claims have been reported in the United States, some involving very well-known global brands. Defending against the claims comes at a cost; fighting on the legal front and in the court of public opinion damages the reputation and bottom line. In the end, a defendant can still realize a drop in revenue and an increase in insurance rates, which could be especially difficult for a franchisee to take on.<sup>4</sup> **Trafficking cases are often filed years after the events took place.**

### CASE ONE

A Massachusetts case was filed and settled in 2015 and occurred in 2011.<sup>5</sup> In this case, the victim testified she was being held captive by a man in a hotel, and on two occasions, hotel employees knew she was in distress but did not intervene. "It is not that any hotel is liable just because trafficking occurred on their premises," explains Cindy Vreeland, a partner at the firm WilmerHale, which handled (victim's) case pro bono. "The question is whether the company that's been sued knew or should have known about the trafficking."

### CASE TWO

In April 2024, an Ohio judge denied Red Roof Inn's motion to dismiss nine lawsuits by victims who accused the hotel chain of knowingly profiting from and participating in sex trafficking on their properties across several states from 2011 to 2019.<sup>6</sup> The suits allege the hotel chain failed to implement policies against sex trafficking despite apparent red flags. In the ruling, the judge found Red Roof Inn had at least constructive knowledge that sex trafficking was taking place on its properties, such as frequent room rental and signs of abuse on the victims.

## Human Trafficking Training

Hotels have the obligation to ensure the well-being and safety of every guest. They also must make sure to take actions necessary to protect the business itself. Taken independently, many signs of trafficking may appear subtle.

**Detecting and preventing this activity requires vigilance, training, and adoption of best practices by all members of the hotel staff – front desk, housekeeping, parking attendants, and others.**

For example, a front desk clerk might think nothing of a young female guest whose partner is holding her identification and wallet for her, but when the room she checks into then has a “Do Not Disturb” sign hanging from the door for several days, there’s reason for suspicion.

The American Hotel & Lodging Association (AHLA) has partnered with organizations such as the National Alliance to End Sexual Violence, End Child Prostitution and Trafficking, and the U.S. Department of Homeland Security (DHS) to develop tools and training specifically for staff to help them identify and safely address suspected trafficking situations.<sup>7</sup> AHLA’s Foundation offers this training through its No Room for Trafficking Initiative.<sup>8</sup> DHS also provides toolkits for specific business settings to raise awareness of human trafficking, along with guidance on how to recognize and report suspected situations.<sup>9</sup>



Hotels should be aware of the following signs, bring attention internally when more than one is present, and report when suspicious behavior continues or these patterns escalate:

- + Large numbers of non-hotel guests consisting of mostly men frequenting the same room.
- + Guests who appear disheveled, tired, inappropriately dressed, malnourished, scared, nervous, confused, or under the influence of drugs or alcohol.
- + Dominant figures that will speak on other's behalf and constantly monitor them.
- + Housekeeping noticing large amounts of condoms in the trash, sex paraphernalia, lingerie, alcohol, drugs, or cash.
- + Unusual cleaning requests, either refusing housekeeping services or requesting unusually large numbers of sheets and towels.
- + Checking in without luggage.
- + Paying for rooms with cash – even for extended stays.
- + A young person wearing clothes not appropriate for their age or the weather.
- + A young person traveling with an adult at an inappropriate time of day, either during school hours or late on a weeknight.
- + A guest requesting a room that is isolated or near an exit.

Additionally, hotel and motel managers can supplement this national-level information and training with support from local law enforcement and investigatory experts to incorporate into staff training sessions to discuss regional trends, best practices, and state and local laws. Along with incorporating information and training from law enforcement, property managers should also consult with their own attorneys and insurance providers in developing policies and implementing training programs.

**All these policymaking and training activities should be well-documented.**

## What to Do

Because traffickers seek to exploit the hotel industry's accommodating nature, there are security measures that can be implemented to safeguard against trafficking on their properties. **The AHLA and DHS suggest the following measures for hotels to take:**

- + Background checks on all employees.
- + Ground floor stairwell doors are equipped with a self-closing mechanism, and open, close and latch properly.
- + Guest room keys are only issued to registered guests with proper identification.
- + Guest room telephones are functioning properly.
- + Loading dock and service entrances are secured when not in use.
- + Main entrance is secured after hours and limited to guests with key card.
- + Perimeter entrance doors are secured and restricted to guests with key cards.
- + Room attendants are prohibited from allowing access to guest rooms.
- + A strict policy is in place regarding propping doors open for any reason.
- + Using a third-party security firm to monitor internal and external cameras.

**Implementing measures can not only act as a deterrent for trafficking on a property. They can mitigate the costs associated with trafficking cases.**



It is important to know that sex abuse and sex trafficking laws vary by state. Keeping up-to-date on the legislation is also an important part of ensuring compliance and maintaining proper procedures. Insurance-based products and risk transfer strategies can be tools to utilize against risks and their consequences. To help protect your business, look for Abuse and Molestation along with specific Trafficking-based exclusions on your policies.

Talk to your insurance broker about the risk prevention strategies introduced above. It is in all parties' best interests to prevent or mitigate these risks to avoid the occurrence, reduce costs, and minimize punitive and compensatory damages within the legal setting.

These actions can prove to be a very valuable investment of time and resources.





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<sup>3</sup> Cohen, Arianne. (2020, March 5). Lawsuits accuse Marriott, Hilton, and other hotel chains of ignoring sex trafficking. Fast Company. <https://www.fastcompany.com/90472842/lawsuits-accuse-marriott-hilton-and-other-hotel-chains-of-ignoring-sex-trafficking>

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<sup>5</sup> Business & Human Rights. (2024). USA: Plaintiff settles lawsuit against motel where she was allegedly sex trafficked. Business & Human Rights. <https://www.business-humanrights.org/en/latest-news/usa-plaintiff-settles-lawsuit-against-motel-where-she-was-allegedly-sex-trafficked/>

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<sup>7</sup> American Hotel & Lodging Association. September 6, 2018. 5-Star Promise: AHLA & The Hotel Industry's Commitment to Enhancing Employee Safety. [https://www.ahla.com/sites/default/files/5Star\\_PR\\_Brand.pdf](https://www.ahla.com/sites/default/files/5Star_PR_Brand.pdf).

<sup>8</sup> American Hotel & Lodging Association Foundation. Website. <https://www.ahlafoundation.org/nrft/>.

<sup>9</sup> U.S. Department of Homeland Security. Blue Campaign Toolkits. Webpage. <https://www.dhs.gov/blue-campaign/materials/toolkits>.

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