



THE NATIONAL JUDICIAL COLLEGE

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LABOR TRAFFICKING: WHAT JUDGES NEED TO KNOW

Professor Terry Coonan

OBJECTIVES:

As part of a collaboration with the National Association of Women Judges, the Center for Public Policy Studies and the Center for Court Innovation, this program is presented by the National Judicial College and sponsored by the State Justice Institute. After this session, you will be able to:

1. Describe how the Trafficking Victim Protection Act of 2000 and state law have changed previous definitions of slavery;
2. Define how force, fraud, and coercion are employed against victims in modern labor trafficking cases;
3. Identify how labor trafficking is typically manifested in the U.S. economy; and
4. Summarize how federal and some state laws address the issue of labor trafficking.

REQUIRED READING:

PAGE

Terry Coonan and William Brunson, *Labor Trafficking: What Judges Need to Know* (Sept. 2014) [NJC PowerPoint]1

Program Sponsor and Collaboration



This program, as part of a collaboration with the Center for Public Policy Studies and the Center for Court Innovation, is presented by The National Judicial College and sponsored by the State Justice Institute.

Labor Trafficking: What Judges Need to Know

Presented By:
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Florida State University



What Is Human Trafficking?

- > Forms of modern-day slavery that involve the exploitation of persons for commercial sex or forced labor
- > Often involves crossing an international border but does not require movement
- > Traffickers use *force, fraud, or coercion* to control their victims

A Human Rights Crisis

- Approximately 27 million people held in slavery worldwide
- Estimated 500,000 to 2 million people trafficked worldwide annually
- Estimated 15,000 to 18,000 trafficked annually into the United States

A Global Phenomenon

International trends since late 1980s led to the rapid growth of trafficking:

- Increased ability by people to cross borders
- Increased poverty worldwide
- Result: desperately poor people immigrate to seek work

Origin & Destination Countries



The "Natasha Trade"
Emerges in Eastern Europe



Trafficking of Asian Migrants by
"Snakeheads" Becomes Lucrative
International Business



Children Are Routinely Enslaved
in West African Cocoa Farms



Children Are Also Exploited in
Conflict Zones Around the
World as Child Soldiers



Women Continue to Comprise
70% of the Victims Worldwide



Migrant Farmworkers
Are Exploited Routinely



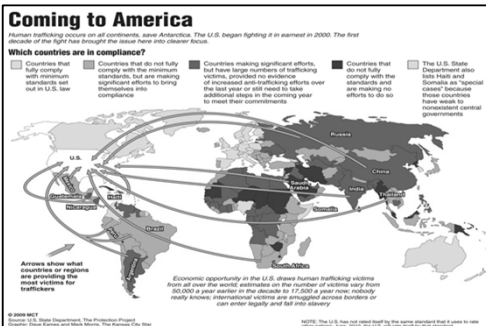
A Lucrative Business

- Yields an estimated \$32 billion in profits each year world wide
- An estimated \$9 – \$12 billion earned in the United States

Organized Crime

- After drug trafficking, human trafficking is the most lucrative business for organized crime
- Unlike drugs, humans can be resold again and again

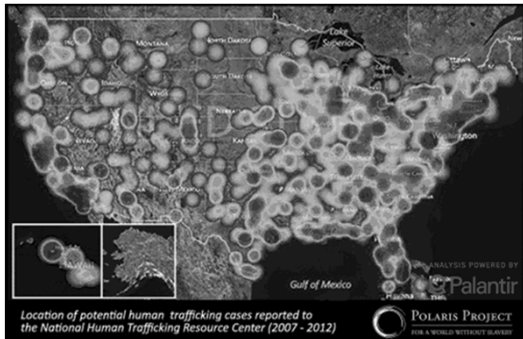
It's Here in the United States



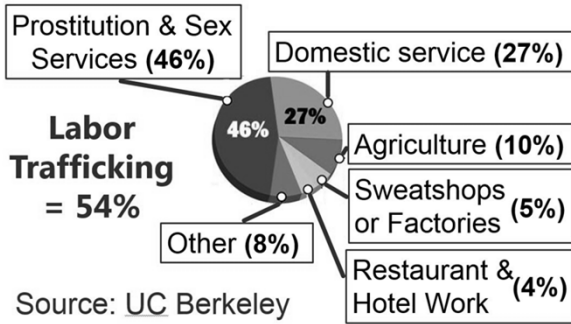
National Trafficking Hotline



U.S. Map of Hotline HT Calls



Even More Labor Trafficking Than Sex Trafficking Cases



U.S. Labor Trafficking Cases



U.S. Labor Trafficking Cases

- The largest number of trafficking cases nationwide
- The largest number of victims
- Often occur “in plain sight”
- Often involve legitimate U.S. businesses (willful blindness)

U.S. Venues for Labor Trafficking

- Agriculture
- Domestic Servitude
- Hotels & Resorts
- Massage/Nails
- Sweatshops & Heavy Industry
- Strip Clubs
- Service Industry

U.S. Labor Trafficking Trends and Cases



1. Labor Trafficking in Agriculture

- Exploits both foreign nationals and U.S. citizens
- Typically the trafficker is the farm labor contractor
- But demand for trafficking comes from large agribusiness & from consumers

Global Horizons Case

Groups of Thai workers brought to farms on mainland & Hawaii on H-2A agriculture visas



Utah Farms



Hawaii Farms

Global Horizons Case

- Global Horizons a Beverly Hills company run by Israeli immigrant Mordechai Orian



- Orian marketed his services promising that Thai laborers were compliant, hard-working, and could be secured through recruiting debts (of \$15,000 - \$25,000)

Global Horizons Case

- Between 2005 and 2007, Global Horizons brought over 700 Thai workers into the U.S. to perform agricultural labor
- The workers were sent to California, Washington, Florida, Hawaii, and Utah and subcontracted out to local farms
- Workers' travel documents were confiscated by Global Horizons

Global Horizons Case

- Thai workers housed in storage containers, kept in isolated locations, and threatened with deportation if they objected
- Company instructed the workers that Americans hated Asians
- Workers' wages were garnished by Global Horizons and supposedly sent to Thailand

Global Horizons Case

- > U.S. Justice Department moves to prosecute Global Horizons and Orian
- > Comprised largest human trafficking case prosecuted to date in the United States
- > USDOJ abruptly drops all charges in July 2012 with vague explanation that it could not prove case beyond a reasonable doubt

Forced Agricultural Labor *Evans Case (Florida)*

Homeless men and women recruited from public shelters for exploitation on potato and cabbage farms in North Florida



Forced Agricultural Labor *Evans Case (Florida)*



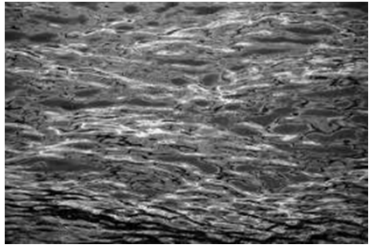
Evans Case (Florida)

Were held on isolated farms and plied daily with alcohol and crack cocaine . . . Drug and alcohol costs became the source of debt servitude



Evans Case (Florida)

Investigation begins when EPA detects high level of human feces in St. John River



Trafficker Johnny Evans



**Ongoing Idaho Labor Trafficking Case
Pure Forest EEOC Lawsuit**

Oakley Idaho forestry company sued on human trafficking charges (April 2014)



**Ongoing Idaho Labor Trafficking Case
Pure Forest EEOC Lawsuit**

Suit filed in California District Court

Alleges that Mexican workers brought in on H-2B visas had been brutally labor trafficked in remote parts of Sierra Nevada Mountains in northern California

**Ongoing Idaho Labor Trafficking Case
Pure Forest EEOC Lawsuit**

Suit claims that Pure Forest owners Jeff and Owen Wadsworth isolated the workers, confiscated their ID documents, worked them 13 hours a day, 7 days a week, and defrauded them of wages



**Ongoing Idaho Labor Trafficking Case
Pure Forest EEOC Lawsuit**

- Suit includes allegations that Pure Forest supervisors were always armed and threatened to kill workers if they refused to work or tried to escape
- Suit further alleges that the Wadsworths threatened harm to the workers' families in Mexico
- Suit on hold for criminal investigation

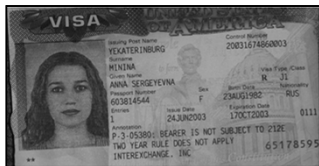
**2. Labor Trafficking in U.S.
Hotels & Resorts**



San Destin Hilton Case (Florida)

The Victims:

- Eastern European college students admitted on J-1 student visas
- Arrived with plane tickets that would cost \$2000+ to change



San Destin Hilton Case

The Traffickers – Eastern European Organized Crime Groups:



Eurohouse (2 companies)
Southern Amenity et al
Sigor, Inc. ISS Inc., et al
High Quality Services
MVA Right Services
EBS
DarPol & AmPol Maint

Florida Panhandle Locations



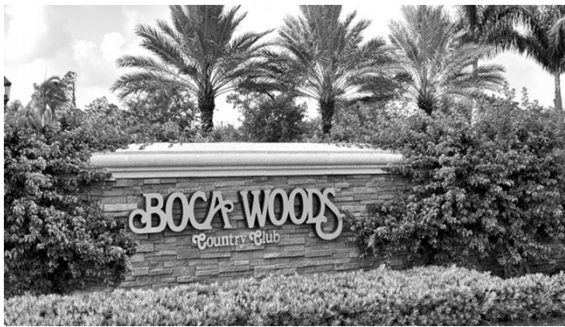
Southeast Locations



2010 Manuel Case (Boca Raton)

- > Husband & wife Filipino subcontractors lure Filipino cruise ship employees to Boca Raton promising high paying “land” jobs
- > 50+ Filipinos are held in a gated neighborhood and contracted out to the Boca Woods Country Club

2010 Manuel Case (Boca Raton)



2010 Manuel Case (Boca Raton)

- Upon arrival in Florida victims have their passports and ID documents confiscated
- Victims told that perpetrators have special relationship with local ICE officer



2010 Manuel Case (Boca Raton)

- Victims rescued when found begging for food outside a Catholic Church
- Florida Attorney General opens case as wage and hour violation
- Federal case follows



3. Labor Trafficking in Sweatshops & Industry



Sweatshop Trafficking El Monte Case (California)

- 72 Thai women rescued in 1995 in East Los Angeles . . . Some held over 7 years
- Had been held in residential neighborhood and exploited in a sweatshop ringed with barbed wire
- Debt servitude enhanced by “company store” coercion

The Suburban Sweatshop

The front view



The back view



The Victim Rescue



Sweatshop Trafficking El Monte Case (California)

Key victim care role by LA-based CAST
(Coalition Against Slavery & Trafficking)



Suit Against Signal International



May 21, 2013 Lawsuits Announced

Several of the most prestigious U.S. law firms announce they will pursue multiple human trafficking lawsuits on a pro bono basis against Signal International on behalf of 500+ guest workers from India

Largest Labor Trafficking Lawsuit in U.S. History



Lawsuit Alleges Massive Fraud & Abuses by U.S. Company

- Suit claims Signal defrauded Indian workers of tens of thousands of dollars with “recruitment fees”
- Further alleges workers confined to overcrowded & unsanitary shipyard camps in Texas, Mississippi, and Alabama

Workers allege visitors not allowed in camps and that company officials regularly searched their belongings



Workers who complained were threatened with deportation



More lawsuits filed against Signal International alleging human trafficking of Indian workers

4. Domestic Servitude



Domestic Servitude

- Forms of house slavery
- Perpetrator often from the same country as the victim
- Victims most often female
- “Cultural misunderstanding” the typical defense of the trafficker

Ibrahim / Motelib Case (2006)

- Affluent Egyptian couple Abdel Ibrahim & wife Amal El Motelib purchase 9 year old girl from her parents in Egypt
- Victim brought to Orange County and held as house slave in Irvine

Ibrahim / Motelib Case (2006)

Girl lived in unheated garage and served as a slave to the couple and their 5 children (including a daughter the same age and younger twins)



Ibrahim / Motelib Case (2006)

- Victim not allowed to go to school and woke at 5:30 AM to get other children ready for school before 16+ hours of daily housework
- Victim fed family leftovers once a day
- Made to wash her clothes outside in a bucket

Ibrahim / Motelib Case (2006)

- Neighbor phones in anonymous tip to child services
- When rescued the traffickers instruct her in Arabic, "Don't tell them you work for us, say you're here for a visit."
- Victim's own family in Egypt is unsupportive after her rescue

Ibrahim / Motelib Case (2006)

Ibrahim & Motelib plead guilty to involuntary servitude, forced labor, and harboring illegal immigrant



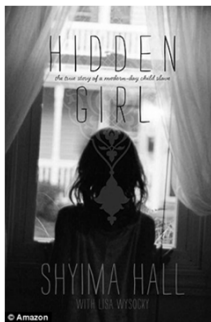
36 month sentence 22 month sentence

Ibrahim / Motelib Case (2006)

Victim Shyima Hall goes on to become naturalized U.S. citizen and leading anti-trafficking advocate



Ibrahim / Motelib Case (2006)



5. Forced Labor in the Service Industry

- Often involves “Mom and Pop” family retail or ethnic businesses
- Victims typically exploited by a trafficker from their own home country

Lakireddy Reddy Case (2001)

Reddy a multi-millionaire from India who owned numerous apartments and restaurants in Berkeley



Lakireddy Reddy Case (2001)

- Regarded “as a god” in his native state of Andhra Pradesh in India
- Smuggled dozens of girls from India (untouchable class) for forced labor and to serve him & his sons sexually

Lakireddy Reddy Case (2001)

Reddy earned over \$1 million monthly from Raj Properties and the Everest Indian Restaurant



Lakireddy Reddy Case (2001)

- Case breaks when 17 year old female victim dies from carbon monoxide poisoning in one of Reddy's apartment units
- Reddy mounts "cultural defense" painting himself as benevolent philanthropist

Lakireddy Reddy Case (2001)

- Reddy given 97 month jail sentence and required to pay \$2 million in restitution
- In 2011 Reddy forced to pay \$8.9 million in damages to victims
- Released in 2008 . . . Reportedly still living in California . . . Family continues to operate businesses

Lakireddy Reddy Case (2001)



Morales Case (2012)

Filipino couple Maximino & Melinda Morales smuggle nine Filipinos into the U.S. using fraudulent visas and exploit them in four elder care facilities in Paso Robles.



Morales Case (2012)

- Debt servitude used to keep Filipino victims controlled
- Victims work 24 hour shifts and sleep in closets in the facilities
- Case breaks when one victim confides in the family of one of the elderly residents he is caring for

Morales Case (2012)

Couple given 18 month federal sentence and required to pay \$600,000 in restitution



6. Massage & Nail Establishments



Massage & Nail Establishments

- Can be fronts for sex trafficking
- But also for labor trafficking of women from China, Korea, S. Asia
- Victims can owe smuggling debts as high as \$100,000 . . . Are among the least cooperative victim witnesses for U.S. law enforcement

Operation Gilded Cage (2005)

Raids conducted on several dozen Asian massage establishments in San Francisco & Los Angeles



Operation Gilded Cage (2005)

- More than 100 Korean women rescued from alleged interstate sex and labor trafficking operations
- More than \$3 million in illicit proceeds seized
- But almost none of the victims agree to testify Almost all are deported.

Operation Gilded Cage (2005)

- Investigation reveals massive criminal prostitution scheme
- Women smuggled from Korea through Mexico & Canada
- “Korean taxi service” shuttles women between cities
- Brothels “rent” chiropractor licenses for up to \$1,500 per month

7. Labor Trafficking in Strip Clubs

- Foreign born dancers typically forced to pay off immigration & recruiting debts
- Dancers often exploited by personal drug habits



2005 Trakhtenberg Case (NY)

Russian entertainment promoter exploits immigrant women in NY & NJ strip clubs



2005 Trakhtenberg Case (NY)

- Lev Trakhtenberg brings women from Russia to Brooklyn with visa fraud scheme
- Women driven nightly to N.J. and forced to work in strip clubs to pay off travel costs
- Trakhtenberg threatens women with harm to families in Russia

Trafficking Victims Protection Act (TVPA)



TVPA Background

- Meant to counter emerging trends in human trafficking nationwide
- Meant to legislatively respond to 1988 *Kozminski* Supreme Court decision (holding that slavery cases required showing of force or threat of force).

TVPA = Victim-Centered Law

- Trafficking victims, even if in U.S. illegally, viewed as crime victims.
- Programs created to assist victims including T visa immigration remedy.
- Same benefits afforded refugees given to HT victims willing to assist in prosecutions.

Human Trafficking Defined

- In U.S. law, human trafficking is now defined as criminal acts of involuntary labor or commercial sexual exploitation that are induced through force, fraud, or coercion
- Similar to the definition under international law (U.N. Protocol)

Other TVPA Provisions – Terms

- Force: physical violence such as beatings, rape, shootings, starvation, or physical confinement
- Fraud: can include false or deceptive offers of employment, marriage, or a better life

Other TVPA Provisions – Terms

Coercion can include:

- Threats of serious harm to the victim, the victim's family, or another person
- Document confiscation
- Abuse or threatened abuse of the legal system (e.g., a threat of deportation)

Physical Force Not Required

- Physical force is no longer required
- Showing of fraud or psychological coercion now suffices
- Prosecutors now have new tools to prove up slavery in U.S. courts

TVPA Victim Protections

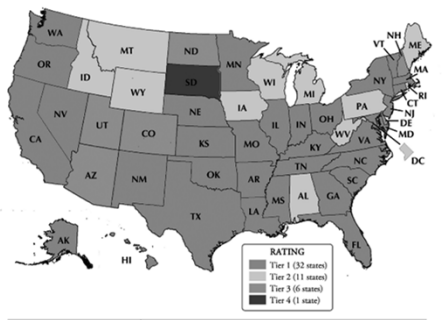
Enable trafficking victims to:

- Obtain medical care, witness protection, housing assistance, other social services
- Obtain civil remedies for financial losses
- Sue traffickers for punitive damages

Trafficking Victim Protection Reauthorization Act of 2008

- Creates new offense of Fraud in Foreign Labor Contracting
- Criminalizes recruitment of foreign laborers using materially false or fraudulent representations
- Meant to address prevalent abuses by U.S. workforce recruiters overseas

Polaris Project State Ratings



Polaris Project State Ratings

Does state criminalize sex trafficking induced through force, fraud, or coercion?

\$ Sex Trafficking Category 1
Sex Trafficking



Polaris Project State Ratings

Does state criminalize labor trafficking induced through force, fraud, or coercion?

👤 Labor Trafficking Category 2
Labor Trafficking



Polaris Project State Ratings

Does state have provisions allowing seizure of assets and profits of traffickers?



Polaris Project State Ratings

Does state classify trafficking as a RICO offense or provide investigative tools such as wiretapping?



Polaris Project State Ratings

Does state mandate or encourage training on human trafficking for law enforcement?



Polaris Project State Ratings

Does state mandate or encourage a statewide Commission or Task Force?



Category 4(b) HT Task Force

- Met Requirement (19 States)
- Requirement not met (31 states + DC)

Polaris Project State Ratings

Does state mandate or incentivize posting of the national human trafficking hotline number in public venues?



Category 5 Posting HT Hotline

- Met Requirement (22 States)
- Requirement not met (28 states + DC)

Polaris Project State Ratings

Does state have "Safe Harbor" law granting immunity or diversionary treatment to minors found engaged in commercial sex?



Category 6 Safe Harbor for Minors

- Met Requirement (12 States)
- ▨ Half Point Given (6 States)
- Efforts recognized (4 States)
- Requirement not met (28 states +DC)

Polaris Project State Ratings

Does state exempt child sex trafficking victims from having to demonstrate non-consent (i.e., force, fraud, or coercion)?



Polaris Project State Ratings

Does state have victim assistance measures?



Polaris Project State Ratings

Does state provide victims with access to civil damages (actual, compensatory, punitive)?



Polaris Project State Ratings

Does state have a mechanism to allow sex trafficking victims to vacate convictions?



Innovative State Laws

California Transparency in Supply Chains Act

- Entered into force January 1, 2012
- Any manufacturer or retailer doing business in state with annual gross receipts of \$100 million must disclose what, if any, efforts they have made to combat trafficking in their supply chain

Innovative State Laws

Note: the California law is essentially limited to disclosure requirements.

A company need not actually be doing anything to combat trafficking.

Innovative State Laws

- But over 3,200 global companies have been impacted
- Provides consumers and potential business partners useful information for decision making

Innovative State Laws

Florida Civil Fine for Solicitation (2012)

- Fine of \$5,000 imposed on anyone pleading to or found guilty of solicitation of prostitution
- Fines allocated to fund safe harbor facilities for child sex trafficking victims

Innovative State Laws

Mississippi Corporate Liability

- Corporations can be prosecuted if an agent of the enterprise knowingly commits human trafficking while acting within the scope or employment or
- The offense was part of a pattern or illegal activity for the benefit of the business

Innovative State Laws

Mississippi Corporate Liability

The court may consider the severity of the enterprise's offense and order:

- Fines up to \$1 million
- Disgorgement of profit
- Debarment from government contracts

Innovative State Laws

Mississippi Corporate Liability

It is an affirmative defense if the enterprise had in place adequate procedures . . . designed to prevent persons associated with the enterprise from engaging in unlawful conduct and to promptly correct violations.

Questions?

Thank You!

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Resource for Judges and Courts

<http://www.htcourts.org>



- Information Cards
- Fact Sheets
- Educational Materials
- HT Guide
