

The hospitality industry's lurking liability

Posted On: Aug. 7, 2017 12:00 AM CST

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The hospitality industry must rethink its approach to service, privacy and security as it faces growing allegations that, at best, it is not doing enough to combat sex trafficking in hotels and motels.

At worst, lawsuits allege, some hotel employees are turning a blind eye as mostly girls and woman are virtually imprisoned on properties around the country and forced to work in the sex industry.

And it's not just run-down lodgings offering rooms by the hour on the seedier side of town that are being used by sex traffickers, legal and law enforcement experts say.

Global hospitality brands could be drawn into the litigation surrounding the activities taking place on their properties and face civil penalties and reputational damage, experts say, and new laws on the books or proposed in several states seek to make hotels directly liable for sex trafficking on their properties.

As a result, some in the industry are taking a proactive stance on fighting sex trafficking and training staff to spot and report suspicious activity. Housekeepers, front desk staff and room service are seen as being on the front lines of the fight against sex trafficking and need to be alert to the crimes taking place on their properties, experts say.

Unlike prostitution, sex trafficking transpires when a purveyor forces a victim into the lifestyle.

Any lodging facility, including the plushest major city establishments, can be used by sex traffickers, said Cook County Sheriff Tom Dart in Chicago.

"It's everywhere," he said. "The common notion is it's all in the shady hotels and the rundown hotels near airports. ... You name a hotel and I guarantee we've made an arrest or we could."

Hotels are considered an ideal setting by sex trafficking purveyors, experts say.

Purveyors, who usually deal in cash, can easily move their enterprise from establishment to establishment, making it more difficult for law enforcement to track them. In addition, hotels offer a high degree of anonymity and obscurity that comes from numerous entryways and, in the case of motels, doors that lead directly to parking lots.

"It's so radically moved from the streets to the internet and into every conceivable hotel," said Sheriff Dart, whose work fighting sex trafficking made national headlines when he went after the credit card companies for doing business with such websites as [backpage.com](http:// backpage.com), a notorious platform for



traffickers to advertise their victims. “If you are running a hotel and have a bizarre notion that you are immune to this, you are out of your mind.”

In Pennsylvania, which in 2014 revised its criminal code against human trafficking and other sex offenses to allow victims of sex trafficking to sue hotels, one of the first lawsuits against a hotel is currently in the courts: M.B. and her guardian William A. Calandra, Esquire v. Roosevelt Inn L.L.C., Roosevelt Motor Inn Inc., UFVS Management Company L.L.C., and Yagel Patel.

According to the lawsuit filed in March, a 17-year-old girl referred to as M.B. was walking around the hallways of a bargain hotel along a leafy, busy thoroughfare of working-class Philadelphia when she was 14 years old.

Scantly dressed, exhibiting fear and anxiety in her mannerisms, she was accompanied by an older man, the lawsuit claims.

For weeks at a time she lived in one of the rooms at the Roosevelt Inn, where a do-not-disturb sign dangled on the doorknob for days, swatting away daily maid service, and along the hallways numerous men lingered.

Inside the room, boxes and torn wrappers of condoms poured out of unemptied wastebaskets, the lawsuit alleges.

The housekeepers, front desk clerks and managers of the motel allegedly knew M.B. was a victim of sex trafficking. And did nothing, the lawsuit alleges.

The federal government classifies the crime as a form of “modern-day slavery” that involves the use of force, fraud or coercion into the underground business of commercial sex.

If a person is under 18, it’s sex trafficking regardless of force, fraud or coercion, according to both federal and state laws, with all 50 states having laws on the books.

“We will hold this industry accountable for its profiting of this horrible, immoral, criminal activity,” said M.B.’s attorney, Nadeem Bezar, of Kline & Specter P.C. in Philadelphia. “Bottom line is not only are you supposed to stop what you see plainly in front of you, but you are supposed to help prevent what you know of going on in your hallways, in your stairwells and in your rooms. ... This (lawsuit) is a wake-up call.”

Mr. Bezar said those who sold M.B. were arrested, charged and sentenced.

The first of its kind in Pennsylvania, the scathing lawsuit against the Roosevelt Inn and its proprietors is not alone. Similar well-publicized lawsuits were filed in Alabama, Maryland and Texas in 2017.

“Right now we are on the forefront of this becoming a big issue,” said Jason Riley, Chicago-based vice president and account executive within the real estate, hospitality and construction practice for Lockton Cos. L.L.C. “It is starting to get more attention in the media.”

Numbers tell the story

The Washington-based nonprofit Polaris Project, which works to combat and prevent modern-day slavery and human trafficking, has documented 1,434 cases of human trafficking in hotels and motels

between 2007 and 2015, with 1,867 victims identified — 92% of the cases involving sex trafficking. Human trafficking is an umbrella term for all forms of slave labor.

A map of the United States provided by Polaris features small red splotches from coast to coast, representing cities and towns where such crimes have taken place in hotels.

Shea Rhodes, director of The Institute to Address Criminal Sexual Exploitation at the Villanova University School of Law in Villanova, Pennsylvania, asserts there are probably more because victims often don't identify themselves as such, she said.

According to Polaris, only 22% of the calls reporting trafficking in hotels and motels were made by victims self-reporting the crimes against them.

“Who is a sex trafficking victim who is going to be pimped out at hotel? Probably a teenager ... probably doesn't have family, probably addicted to something deliberately or forced, because that's what traffickers do to keep them compliant,” said Ms. Rhodes, whose experience with the crime goes back to her decade as an assistant district attorney for the City of Philadelphia.

“Traffickers or pimps have convinced these young adults that no one will ever believe them, that they are the throwaways, that they are the trash,” she said.

With awareness and outreach on the rise, the hotel industry should brace for additional lawsuits alleging they allowed sex trafficking on their properties, Ms. Rhodes said.

A year of reckoning in the courts In Houston on March 10, the same day a legal team in Philadelphia filed its lawsuit against Roosevelt Inn, a mother filed a lawsuit in Harris County District Court against Plainfield Inn, alleging the three-story motel in the city's southwest corner knew her 21-year-old daughter had been trafficked there. Last September, her daughter, Natalie Fisher, was found dead in a ditch less than 10 miles away from the hotel, where, the lawsuit alleges, the young woman had been exploited for two years.

A little more than two weeks earlier, on Feb. 22, the Circuit Court of Wicomico County, Maryland, saw four separate lawsuits filed by four Jane Does, all accusing America's Best Value Inn in Salisbury, Maryland, of knowing that they had been held there against their will and were forced to perform sex acts with men who had been seen — by hotel staff and by customers writing reviews of the establishment on travel websites, reporting obvious signs of trafficking — in and around the hotel.

America's Best Value Inn, along with Vantage Hospitality Group Inc. and Subh Properties L.L.C., were named in the Maryland lawsuits, which list nearly every telltale sign of sex trafficking: the do-not-disturb signs, the forgoing of housekeeping services and the “extraordinary number of male individuals entering and exiting the rooms ... (the) signs of verbal and/or physical abuse, restraint and/or confinement.”

About a month earlier, Houston County Circuit Court in Alabama saw a similar filing against the Quality Inn in Dothan, Alabama, a small motel that is owned by the Rockville, Maryland-based parent company Choice Hotels International Inc., which is also named in the lawsuit.

The Alabama lawsuit asserts the defendants “conspired, enabled and/or otherwise worked together in a sex trafficking venture in which (the woman) was victimized when she was just 17 years old.” In each of the cases, local law enforcement had been aware or made arrests — and ended up with

convictions, in some cases — of the purveyors. Hotel defendants could not be reached for comment or said they would not comment on pending litigation when contacted by *Business Insurance*.

An emerging risk

While civil liability for hotels is garnering the most attention, criminal liability, if an employee is found to be an accomplice in the crime, and reputational risk are other soft spots for the industry that could be facing an onslaught if more victims come forward, experts warn.

“Why the sudden shift? I think it is because, one, it is a hot-button issue and nobody wants to be known in the papers that there is trafficking in my hotel; and, two, there are laws in every state,” said Charles Spitz, a Philadelphia attorney and co-chair of law firm Post & Schell P.C.’s hospitality and retail practice group. “There are advocacy groups that are really pushing this issue, saying here are lists of red flags. If you knew these red flags were raised, it will be hard to argue that you did not know.”

Reputation risk is a big consideration for hotels, said Lance Ewing, executive vice president of global risk management and client services for Katy, Texas-based Cotton Holdings Inc. and a seasoned risk manager who previously worked for Caesars Entertainment Corp. and American International Group Inc.’s hospitality and real estate practice. “It puts a black eye on your hotel and your brand,” he said.

Currently, most hotel liability policies don’t mention human trafficking, but they could, said Lockton’s Mr. Riley.

“We haven’t seen any cases against our clients, but if that starts to become more normal we will start to see more written exclusions or narrowing of coverage in liability policies,” he said. “We are bringing this up to our hotel and hospitality clients.”

Mar Brettmann, founder of Seattle-based Businesses Ending Slavery and Trafficking, said as a result of court cases and greater awareness, the hotel industry is slowly getting louder on the issue.

“What I keep hearing from businesses is that this creates risk,” she said, adding another element to the mix: when the safety of other guests is at stake with traffickers — described by the federal government as both those who buy and sell forced sex with individuals — roaming hotel properties.

See something, say something

Today, training is the best defense, according to experts.

“The way we counsel our hospitality client is ... training,” said Mr. Spitz. “You can’t bury your head in the sand. If it gets in front of a jury (and) you say didn’t know ... it doesn’t pass the smell test at all.”

Gradually, more and more hotels are providing training to staff on how to identify sex trafficking, although training is not yet as widespread as it will likely be in the future, said Mr. Ewing. “You will see that educational piece stepped up in hospitality,” he said.

Mr. Riley called Bethesda, Maryland-based Marriott International Inc. the “biggest corporate flag out there” when it comes to providing training for hotel workers. Other chains contacted by *Business Insurance*, including Hilton Worldwide Holdings Inc., have programs in place.

Marriott owns several chains under the Starwood Hotels and Resorts Worldwide brand and Ritz Carlton L.L.C. The company's training program was developed in 2016 and consists of a 30-minute presentation "portal" offered online in 15 languages.

It addresses employees in nearly every facet of the business, from housekeeping and room service to front desk and restaurant workers, and tells them what to look for.

According to clips of the presentation provided to *Business Insurance*, in-room staff are told to watch for clues such as: "Insists on little or no housekeeping ... Victim has little or no luggage ... Evidence of pornography ... Room is frequented by different men." Restaurant workers are told to watch for victims who are "dressed inappropriately" or are "seen with many older men."

The training also covers the protocol for reporting, encouraging employees to behavior. Managers are then directed to notify law enforcement. Sheriff Dart, who is familiar with Marriott's approach, called the program "fantastic." Tu Rinsche, director of social impact and global responsibility at Marriott — a role created in 2016 — said the company made the training mandatory this year. Marriott wants to have 100% of its staff trained by the end of 2018 and over 100,000 associates worldwide had been trained as of July.

Ritz Carlton has 65% of its staff trained, according to a Marriott spokeswoman.

The program is now offered to members of the American Hotel & Lodging Association for a fee, with the money donated to advocacy groups, Ms. Rinsche said.

Meanwhile, other organizations — such as Polaris and the U.S. Department of Homeland Security — offer tips that can be posted in employee areas.

Craig Kalkut, vice president of government affairs for the Washington-based American Hotel & Lodging Association, said he hopes to see the training as standard practice in all hotels going forward.

A call to arms

Emerging laws could encourage the spread of the training.

Lincoln, Nebraska, Mayor Chris Butler in July called on the city's hotels and motels to begin training their staffs on identifying human trafficking.

Earlier that month in Jacksonville, Florida, City Councilman Tommy Hazouri introduced a proposal to require hotels and restaurants to post signs that educate employees and customers alike on how to spot the crime.

Meanwhile, Connecticut is the only state that requires all lodging staff to be trained in identifying human trafficking, under An Act Concerning Human Trafficking law passed in 2016, which mandated that workers be trained by Oct. 1 of that same year.

The training in Connecticut is free and is the program developed by Marriott.

New York could be next, said New York Assemblywoman Amy Paulin, D-Scarsdale, who introduced legislation there in April and wants the bill passed by January 2018.

“We want to go where the girls are, we want to find them and help them,” she said. “You have to go where they are, and they are at hotels and motels. The workers need to know what to look for.”

Standing beside Assemblywoman Paulin when she introduced the legislation in April was Anneke Lucas, a slender, fair-skinned yoga instructor who lives in Brooklyn but was born and raised in Belgium — until she herself was trafficked from age 9 to 11, carted to different hotels in Europe by purveyors.

Ms. Lucas, now 54 years old, read about the Connecticut law in the newspaper last year and started a petition to bring the requirement to New York. She sees hotels as the prime spot to curb sex trafficking, and, in an interview, recalled times from her past where someone could have done something to help her.

“If there were some people who had the awareness and were passionate, it could have made a difference for me,” Ms. Lucas said. “Someone in the hotel, any of the people in the service positions, if one person had known.”

SIGNS OF HUMAN TRAFFICKING

- Individuals show signs of fear, anxiety, tension, submission and/or nervousness.
- Individuals show signs of physical abuse, restraint and/or confinement.
- Individuals exhibit evidence of verbal threats, emotional abuse and/or being treated in a demeaning way.
- Individuals show signs of malnourishment, poor hygiene, fatigue, sleep deprivation, untreated illness, injuries and/or unusual behavior.
- Individuals lack freedom of movement or are constantly monitored.
- Individuals avoid eye contact and interaction with others.
- Individuals have no control over or possession of money or identification.
- Individuals dress inappropriately for their age or have lower-quality clothing compared with others in their party.
- Individuals have few or no personal items, such as no luggage or other bags.
- Individuals appear to be with a significantly older “boyfriend” or in the company of older males.
- A group of girls appears to be traveling with an older female or male.
- A group of males or females have identical tattoos in similar locations, which may indicate “branding” by a trafficker.

Source: Hospitality Toolkit, U.S. Department of Homeland Security
