

COMBATING TRAFFICKING IN PERSONS

HEARING
BEFORE THE
SUBCOMMITTEE ON
DOMESTIC AND INTERNATIONAL
MONETARY POLICY, TRADE AND TECHNOLOGY
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED NINTH CONGRESS

FIRST SESSION

APRIL 28, 2005

Printed for the use of the Committee on Financial Services

Serial No. 109-22



U.S. GOVERNMENT PRINTING OFFICE

23-248 PDF

WASHINGTON : 2005

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

HOUSE COMMITTEE ON FINANCIAL SERVICES

MICHAEL G. OXLEY, Ohio, *Chairman*

JAMES A. LEACH, Iowa
RICHARD H. BAKER, Louisiana
DEBORAH PRYCE, Ohio
SPENCER BACHUS, Alabama
MICHAEL N. CASTLE, Delaware
PETER T. KING, New York
EDWARD R. ROYCE, California
FRANK D. LUCAS, Oklahoma
ROBERT W. NEY, Ohio
SUE W. KELLY, New York, *Vice Chair*
RON PAUL, Texas
PAUL E. GILLMOR, Ohio
JIM RYUN, Kansas
STEVEN C. LATOURETTE, Ohio
DONALD A. MANZULLO, Illinois
WALTER B. JONES, Jr., North Carolina
JUDY BIGGERT, Illinois
CHRISTOPHER SHAYS, Connecticut
VITO FOSSELLA, New York
GARY G. MILLER, California
PATRICK J. TIBERI, Ohio
MARK R. KENNEDY, Minnesota
TOM FEENEY, Florida
JEB HENSARLING, Texas
SCOTT GARRETT, New Jersey
GINNY BROWN-WAITE, Florida
J. GRESHAM BARRETT, South Carolina
KATHERINE HARRIS, Florida
RICK RENZI, Arizona
JIM GERLACH, Pennsylvania
STEVAN PEARCE, New Mexico
RANDY NEUGEBAUER, Texas
TOM PRICE, Georgia
MICHAEL G. FITZPATRICK, Pennsylvania
GEOFF DAVIS, Kentucky
PATRICK T. MCHENRY, North Carolina
BARNEY FRANK, Massachusetts
PAUL E. KANJORSKI, Pennsylvania
MAXINE WATERS, California
CAROLYN B. MALONEY, New York
LUIS V. GUTIERREZ, Illinois
NYDIA M. VELAZQUEZ, New York
MELVIN L. WATT, North Carolina
GARY L. ACKERMAN, New York
DARLENE HOOLEY, Oregon
JULIA CARSON, Indiana
BRAD SHERMAN, California
GREGORY W. MEEKS, New York
BARBARA LEE, California
DENNIS MOORE, Kansas
MICHAEL E. CAPUANO, Massachusetts
HAROLD E. FORD, Jr., Tennessee
RUBEN HINOJOSA, Texas
JOSEPH CROWLEY, New York
WM. LACY CLAY, Missouri
STEVE ISRAEL, New York
CAROLYN MCCARTHY, New York
JOE BACA, California
JIM MATHESON, Utah
STEPHEN F. LYNCH, Massachusetts
BRAD MILLER, North Carolina
DAVID SCOTT, Georgia
ARTUR DAVIS, Alabama
AL GREEN, Texas
EMANUEL CLEAVER, Missouri
MELISSA L. BEAN, Illinois
DEBBIE WASSERMAN SCHULTZ, Florida
GWEN MOORE, Wisconsin
BERNARD SANDERS, Vermont

Robert U. Foster, III, *Staff Director*

SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL MONETARY POLICY, TRADE AND
TECHNOLOGY

DEBORAH PRYCE, Ohio, *Chair*

| | |
|---|-----------------------------------|
| JUDY BIGGERT, Illinois, <i>Vice Chair</i> | CAROLYN B. MALONEY, New York |
| JAMES A. LEACH, Iowa | BERNARD SANDERS, Vermont |
| MICHAEL N. CASTLE, Delaware | MELVIN L. WATT, North Carolina |
| FRANK D. LUCAS, Oklahoma | MAXINE WATERS, California |
| RON PAUL, Texas | BARBARA LEE, California |
| STEVEN C. LATOURETTE, Ohio | PAUL E. KANJORSKI, Pennsylvania |
| DONALD A. MANZULLO, Illinois | BRAD SHERMAN, California |
| MARK R. KENNEDY, Minnesota | LUIS V. GUTIERREZ, Illinois |
| KATHERINE HARRIS, Florida | MELISSA L. BEAN, Illinois |
| JIM GERLACH, Pennsylvania | DEBBIE WASSERMAN SCHULTZ, Florida |
| RANDY NEUGEBAUER, Texas | GWEN MOORE, Wisconsin |
| TOM PRICE, Georgia | JOSEPH CROWLEY, New York |
| PATRICK T. MCHENRY, North Carolina | BARNEY FRANK, Massachusetts |
| MICHAEL G. OXLEY, Ohio | |

CONTENTS

| | Page |
|----------------------|------|
| Hearing held on: | |
| April 28, 2005 | 1 |
| Appendix: | |
| April 28, 2005 | 35 |

WITNESSES

THURSDAY, APRIL 28, 2005

| | |
|---|----|
| Frundt, Tina, Polaris Project | 23 |
| Hotaling, Norma, Executive Director, SAGE | 20 |
| Miller, Hon. John, Director, Office to Monitor and Combat Trafficking in Persons, U.S. Department of State | 6 |

APPENDIX

| | |
|--------------------------------------|----|
| Prepared statements: | |
| Oxley, Hon. Michael G. | 36 |
| Wasserman Schultz, Hon. Debbie | 38 |
| Frundt, Tina | 41 |
| Hotaling, Norma | 48 |
| Miller, Hon. John | 58 |

COMBATING TRAFFICKING IN PERSONS

Thursday, April 28, 2005

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL
MONETARY POLICY, TRADE AND TECHNOLOGY
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:07 a.m., in Room 2128, Rayburn House Office Building, Hon. Deborah Pryce [chairman of the subcommittee] presiding.

Present: Representatives Pryce, Biggert, Leach, Castle, Kennedy, Harris, Gerlach, Neugebauer, Price, McHenry, Maloney, Lee, Sherman, and Wasserman Schultz.

Chairman PRYCE. [Presiding.] This hearing of the Subcommittee on Domestic and International Monetary Policy, Trade and Technology will now come to order.

Good morning.

I would like to begin by welcoming my distinguished colleagues and our expert panelists to this hearing this morning.

The topic before us today in the subcommittee is wrought with emotion. It yanks at our heartstrings because it is about real people. More often or not, it is about young people, girls and boys. It is about innocent children, women and men who are stripped of their dignity and robbed of their human rights. It is slavery. Today, in the 21st century, it is trafficking in persons.

Trafficking in persons, or TIP, as the State Department calls it, is a term used in U.S. law and around the world. The term encompasses slave trading and modern-day slavery in all its forms.

It takes only a brief history lesson to jog our memories that President Abraham Lincoln's Emancipation Proclamation of 1863 commenced the effort to end slavery in this country. Two years later, by way of the 13th Amendment to the Constitution, a ban on slavery and involuntary servitude was enacted in the United States.

We should all be shocked and horrified that 140 years later slavery is still rampant in America.

As I have been learning more and more about the reality that we call trafficking in persons, I found myself sharing what I learned with friends and family and colleagues. To those of you in this room who have been working on this issue for a long time, I am sure you have shared the same experience and the reaction of your friends.

People quite simply have no idea that slavery still exists. They have no idea that somewhere upwards to 17,500 people are traf-

ficked across U.S. borders every year. They are astounded to learn that between 600,000 and 700,000 children, women and men are trafficked across international borders every year.

But the numbers are not enough. They do not mean a thing until you give each number a name, a face, an age, an identity. So let me tell you about one.

Her name is Aurica. She is 19 years old from the country of Moldova, the poorest country in Europe, between Ukraine and Romania.

I met Aurica when I traveled overseas earlier this month on an investigative mission to address trafficking in persons in Europe. Aurica had just arrived at a rehabilitation center run by a non-governmental organization in Moldova's capital.

Like any typical young woman, Aurica just wanted to make a life for herself. She wanted to get a job, provide for herself and one day have a family of her own.

But Moldova's lack of natural resources and dismal economy is making it terribly difficult for young people to carve out a meaningful or even a hopeful future there. It also makes it a breeding ground for traffickers.

Aurica became friendly with a young man who told her about an exciting job opportunity in Turkey. Her spirits lifted when he told her about all the money that she could make. She might even earn enough to send home to her poor parents in Moldova.

The alternative, finding a job in Moldova that paid a decent wage, was a nonstarter. It was an impossibility in this ambitious and realistic young girl's eyes.

Upon her arrival in Istanbul, however, Aurica was immediately not given a job; she was sold into a brothel.

After coming to the devastating realization that she would be forced to stay in the brothel with other young women who had been held there as sex slaves, she attempted to escape by jumping from the sixth story of the building. Sadly, she incurred significant injuries, a broken spine. She spent 4 months in a Turkish hospital without adequate medical care, finally to be returned to Moldova where we met her.

She is one girl, but she is one of thousands and thousands.

In an ideal world, we would be out rescuing every last victim we could. But we do not live in an ideal world, and we must do what we can. And we did what we could for Aurica.

Congresswoman Kay Granger lined up a doctor in Dallas, Texas, that would give her free surgery. I lined up MedFlight from Columbus, Ohio, that would give her free transportation. And just yesterday she endured 12 hours of surgery, and they believe that she will be able to walk.

We did what we could for Aurica, but there are thousands like her. Each and every day, nongovernmental organizations across the world are doing what they can to help innocent victims of this horrendous practice.

Governments across the world are on notice that, thanks to the annual TIP report that Ambassador Miller's office puts out every year, we are watching. And the U.S. is lending support across the globe to help provide other countries with tools to combat trafficking inside of their borders.

The scale of this issue is almost incalculable. But we have to start somewhere, and we have.

Congress, under the strong leadership of Frank Wolf of Virginia and Chris Smith of New Jersey, among many others, has enacted critical legislation such as the Trafficking Victims Protection Act, and the Protect Act.

Congresswoman Maloney, my colleague and good friend, and I will be introducing legislation later this week that focuses on ending—well, we will be introducing it today, as a matter of fact—focusing on ending the demand for sex trafficking here in the United States of America. It still exists here.

More needs to be done. We must continue to build awareness about this crisis and identify new and improved ways to combat it. It is a multi-dimensional, very complex and ever-changing issue. That is why we have to continue the fight.

I would like to close by quoting what I believe to be an incredibly powerful statement articulated by President Bush before the United Nations General Assembly in September of 2003. The President said: “There is a special evil in the abuse and exploitation of the most innocent and vulnerable. The victims of sex trade see little of life before they see the very worst of life—an underground of brutality and lonely fear.”

I commend the President for his commitment to unleashing the forces that he has to fight this special evil. Only by building awareness that this abuse exists, enacting and implementing sound policies to combat the abuse, and ensuring the availability of support for victims can we truly invoke real change in communities across this country and in communities throughout the world.

Thank you, again, to all of our panelists for joining us this morning. I look forward to hearing your assessment of the current dynamics surrounding trafficking in persons both in the U.S. and abroad.

Without objection, all Members’ opening statements can be made part of the record.

And I now would like to recognize my good friend, the gentlelady from New York and Ranking Member of this subcommittee, Congresswoman Maloney, for her opening statement.

Mrs. MALONEY. I thank Chairwoman Pryce.

And I congratulate her on chairing this committee and for holding this important hearing. I think it is very meaningful that her first hearing is on domestic and international anti-trafficking efforts and especially what our country can do to combat trafficking. This is a topic that we both personally care about deeply and one that I have worked on for many years in Congress.

A very special thank you to Ambassador Miller for your efforts and your passion and your dedication for being here today with your testimony and for all that you have done so far. You have truly already made a tremendous difference in the international trafficking in the world. I have seen it for many years. This is the first time I have seen real strides and differences take place, and a great deal of it is due to your leadership.

I also would like to thank our witnesses—Norma Hotaling and Tina Frundt. They are in the trenches, and they work every day

to combat trafficking at the most direct level, helping the individual women and girl victims.

I must say a very, very special word to Tina. I was not aware that it was so prevalent in our own country until she told me about it. I think it takes a great deal of courage to speak out about your personal tragedy and to share it with others. But it is important for policy-makers and other people to know about it.

She is a brave woman who survived years of forced prostitution at the hands of her own foster mother and was later victimized by a pimp. She not only survived but went on to become a fierce advocate for others who are trapped in the same life of violence.

At present, there is very little funding for survivors like Tina and virtually no recognition or support. Instead of helping, we prosecute, and then we allow the real criminals to go free.

Tina says that she often goes into court to help victimized young women and that pimps are literally waiting outside the courtroom to pick them up. Yet, many judges tell me they have never had a pimp or a john brought into their courtroom; it always is the victimized woman.

And that is why I am so very proud to join with Representative Pryce to end this unconscionable practice. The bill that we are introducing today will provide \$15 million a year for 5 years to jurisdictions that prosecute the perpetrators of this terrible crime.

This bill focuses on prevention. This bill is designed to starve the \$5 billion a year beast that the illegal sex industry has become in our country. It is an industry that profits from the victimization of individuals who cannot defend themselves.

One-third of this money, if it passes, will go toward helping victims of sex trafficking become survivors, like Tina, so that they can become part of the effort of helping others. The rest will be awarded to fight the real criminals—the pimps, the johns, the brothel owners—who currently function without fear in our own country.

Sweden has aggressively pursued and prosecuted pimps and brothel owners since 1999. And according to one study, just 2 years after beginning the program, they reduced the number of women working as prostitutes by 50 percent and the number of men buying sex by 75 percent.

For too long in our country, we have focused on blaming those who are kidnapped, coerced or tricked into working as prostitutes and in brothels against their will. Now we are taking on the perpetrators of this terrible crime rather than the victims. It is a major policy shift and a major bill.

This problem affects every city in our country. And it is happening now even in my own district in New York which I represent, and I am astonished and horrified to learn this. I researched it preparing for this hearing, and it is so widespread in our country.

Each year, up to 20,000 men, women and children from all over the world are brought to the United States for the sole purpose of being bought and sold by Americans, and we are going to do something about it.

I just want to conclude by saying that it is a lot easier to look at sex trafficking in other countries rather than our own. In Congress, we have looked to cut off funding for foreign nations that tol-

erate or support the sex trafficking industry. But only now have we turned to combat the problem in our own backyard by helping victims and providing local jurisdictions incentives to target and prosecute the users of commercial sex acts.

We will make significant strides in ending this horrendous crime in our own country.

I became interested in this issue because of a firm in the district that I represent called the Big Apple Tours. And this firm would literally advertise in brochures and on the Internet to go on their trips to Indonesia and to Thailand, and they would advertise that if you went on their trips, they would be provided with young children-virgins and “please describe the age that you would like”—just disgusting.

I went to the D.A. and they said they could not close them down because they had to prove intent and it was very difficult to do. But with the work of Deborah Pryce and others, we have really closed down a lot of these sex trafficking firms and made the laws tougher.

This is a continuing effort, and I am proud to join with this effort, and I thank all that have been part of it.

I yield back.

Chairman PRYCE. Thank you, Ms. Maloney. I appreciate your cooperation and your assistance in the drafting and putting together this bill and this hearing today.

At this time it is my very special honor to introduce an extraordinary and passionate leader in the effort to combat trafficking in persons, Ambassador John Miller.

Ambassador Miller directs the State Department’s Office to Monitor and Combat Trafficking in Persons. The Trafficking in Persons Office coordinates U.S. government activities in the global fight against modern-day slavery, including forced labor and sexual exploitation.

I have had the privilege to work with Ambassador Miller and his staff for some time now and have seen firsthand their incredible dedication on behalf of this president and to ensuring that the U.S. is a world leader in efforts to combat trafficking in persons.

Ambassador Miller, as a credit to you, on our journeys in Moldova and Albania and other places, our country and our president were given great accolades for their leadership. And if you have not heard that, you should hear it firsthand.

He is no stranger to Capitol Hill. He served in Congress for 8 years representing the state of Washington. While in Congress, Mr. Miller held a seat on the House Committee on International Relations and was a member of the Congressional Human Rights Caucus.

We are very grateful to have him here this morning. His unwavering commitment to ending modern-day slavery is clear, and his energetic spirit is contagious.

Ambassador Miller, thank you so much for joining us. Without objection, your written statement can be made part of the record.

You are now recognized.

**STATEMENT OF HON. JOHN MILLER, DIRECTOR, OFFICE TO
MONITOR AND COMBAT TRAFFICKING IN PERSONS, U.S. DE-
PARTMENT OF STATE**

Mr. MILLER. Well, thank you, Madam Chairman. I will submit a statement for the record.

I have to tell you that I feel very honored to come before this committee to speak about the United States' role in trying to abolish slavery in the 21st century.

Madam Chairman, your CODEL, your trip to Greece, Moldova, Albania and Italy, contributed significantly to our efforts in this area. As far as I know, I think it was the first CODEL exclusively devoted to the trafficking-in-persons issue. And I commend you.

And, Congresswoman Maloney, your speech, which I heard—was it a week or 2 weeks ago?—at the Congressional Women's Caucus was one of the most moving and eloquent expositions on the issue of slavery in the 21st century.

So the leadership that you all are giving is most welcome.

Now, you are going to listen to me describe the U.S. efforts, but you also have an all-star panel following me. And I know that Tina from the Polaris Project is testifying. The Polaris Project has done some great work, not only at home but abroad. We worked with them in Japan, for example.

You also have Norma Hotaling, the director of SAGE, who really, among other things, started the Johns' school movement in this country. It is one of the first education efforts to change society and to change the mores of the perpetrators here. I had the privilege of visiting her school just a couple of weeks ago in San Francisco.

Well, when we start talking about this, as the Chairman said, it is easy to get into figures and reports. But, of course, all of us here have met victims. Both of you referred to victims that you have met. And I have met so many abroad.

So when I think of these figures, the 800,000 across international borders every year and all these other figures, I do think of people like Khan and Lord that were put into factories and had chemicals dumped on them, and I think of Katya, who was trafficked across Europe from the Czech Republic to the Netherlands and forced to work in a brothel in the Amsterdam red-light district—and hundreds of more of these cases.

And as you said, Congresswoman, this challenge extends to every country in the world, including the United States of America.

The categories are vast—sex slavery, domestic servitude slavery, factory slavery, farm slavery, child camel jockey slavery. And when you talk with victims in these categories, you cannot do anything else but become a 21st century abolitionist.

I think President Bush did set the tone for our efforts when almost a year-and-a-half ago he went to the U.N. and devoted over 20 percent of his speech to how nations in the world must wake up and join in fighting this scourge.

Let us begin with our efforts in the U.S. government. I will talk briefly about my office, which was set up by you, by Congress, in the Trafficking Victims Protection Act of 2000, reauthorized in 2003.

What are some of the things we do?

We have the annual report that you referred to that evaluates countries throughout the world.

There is another report that we participate in, that Justice takes the lead, evaluating U.S. efforts in this area.

And I can say—I mean, this is true of this whole area. I get a little concerned about talking about efforts, because it implies that, you know, great progress has been made and the problem is on its way to solution. And this is not true. There is so much more to do.

However, steps are starting to be taken. And we see with this report, whether it is due to countries awakening on the issue, or whether they want a better rating in the report, or whether they have a fear of the sanctions that may come from being rated low, we see tremendous efforts that were not there before—we see 3,000 convictions worldwide of traffickers last year; we see almost 50 countries in the last 2 years passing comprehensive anti-trafficking-in-persons laws.

Then we have programs abroad, and they are not just State. Department of Labor, USAID, and now we are getting Justice and HHS involved.

The last 4 years, there has been an increase every year. It is now getting up between \$80 million and \$90 million a year. It is a modest amount, given the challenge, but of course it is probably five, 10 times more than any other country is spending on this issue abroad.

Lastly, we are trying in our office to put the spotlight on this issue—not just the report, not just our prosecution prevention and protection programs—but to get the news media to start covering this issue around the world. We are starting to see that. And when the awareness increases, then good things happen.

We also have another role in our office. We chair the senior policy operating group that you set up. First you set up a presidential task force, the Cabinet officers. They meet once a year. But then you set up a senior policy operating group to do the day-to-day coordination work. All the agencies are represented. I chair this group. And through this group, we are doing a lot of interesting things.

The President asks that every agency come up with its own strategic plan for how they were going to fight trafficking in persons, and that has now been done.

The group is trying to coordinate the grants so that we do not have duplications, so that we have a coordinated approach.

We are trying to put more emphasis on child-sex tourism, which the President singled out at the U.N.

We are trying to put more emphasis on demand, which you both referred to.

I think at the beginning when we started looking at this issue, we said, “Well, where are these trafficking victims, slaves, coming from?” And we looked to the less-developed countries in the world. But demand exists all over the world, in some of the wealthiest countries of the world—Western Europe, Japan, the United States.

And we are trying to see how we can do more to address demand, whether it is through projects such as Ms. Hotaling’s or other projects.

Now, one of the reasons I am really pleased that you are holding this hearing is that you can bring new energy to looking at the financial aspects of this crime.

We know human trafficking fuels organized crime. We know organized crime flourishes because of this. We know it can weaken governments. We know that people suffer.

According to the Congressional Research Service, human trafficking is now considered the third largest source of profits for organized crime worldwide, after the drug trade and the arms trade.

Our government estimates \$9.5 billion in annual revenue for organized crime. UNODC, the U.N. organization, concludes that trafficking, the globalization of trafficking, has allowed crime groups formerly active in specific routes or regions to expand the geographic scope of their activities to explore new markets.

So here we have this lucrative criminal industry, high profit margin, low risk. A trafficker receives a few hundred to thousands of dollars from the work of a trafficked child laborer. A brothel owner may obtain profits of a few thousand to tens of thousands of dollars for each trafficked woman forced into prostitution.

And they benefit because the recruiting, the transportation, the documentation costs are low, and the risk of prosecution is not as low as it was, but it is still low.

In many of the poorer countries that are the targets, the money that could be going to productive enterprises is going to these crime units.

So I really believe we need more research to get a better understanding of how traffickers and organized crime groups are using the modern-day slave trade to launder money and finance other criminal activities. And your subcommittee can play a vital role.

It has been 5 years since we issued the first report, long before many of us here got interested in this issue. So many countries did not recognize the issue.

In that 5 years, the U.S. has increased its efforts. Domestically we now have Department of Homeland Security taking an aggressive approach around the world arresting, processing, detaining, removing traffickers from the U.S.

Department of Health and Human Services started this year a public awareness campaign in 10 pilot cities—it is going to be increased to 20—and the first national 24-hour hotline.

If you look at the Justice Department over the last several years, there has been a tripling of prosecutions.

The Department of Defense, the first defense department that I am aware of in the world, possibly excepting Sweden that issued a zero tolerance policy on trafficking in persons for its members and now is following up with education and training for its members.

And there are other agencies involved.

We cannot underestimate the importance of this work. We have a threat to human rights, we have a threat to public health, we have a threat to public safety. It is a crime that has troubling implications, not just to Kahn, to Lord, to Katya—to Aurica, that you talked about—to Tina. It has implications for us all.

I am happy to take your questions.

[The prepared statement of John Miller can be found on page 58 in the appendix.]

Chairman PRYCE. Thank you, Mr. Ambassador. Your enthusiasm is contagious. We have all learned a lot from you. Thank you for your efforts.

This is the first of a series of hearings on this issue that I would like the subcommittee to hold. And you have suggested that we pursue the laundering aspect and how this may fuel organized crime.

Do you have any other suggestions? I thought that perhaps the tourism aspect of this is another one. Are there other things that come to mind that you might suggest for us to shed some spotlight on?

Through our travel and through these hearings we can continue to assist you in putting the light of day on this increasingly horrid subject. Any suggestions you have, we would appreciate.

Mr. MILLER. Well, what you have already done in talking with foreign governments, in talking to local governments and talking to the news media is a tremendous help.

I mentioned the financial aspects because our office does not believe there has been enough research done in this area, the actual links. And we get asked a lot of questions about this money—where does it go, and what groups end up with it, and what happens to the billions, and does it fund other organized crime units, and does it lead to terrorist groups, and all this.

And I have not seen hard research and evidence to answer these questions. I just have not seen it.

So to me, this would make a tremendous contribution, and it obviously fits the mandate of your committee.

Child-sex tourism has tremendous financial implications.

And I think it was either you or Congresswoman Maloney who referred to the sex-tour operators. You can get on the Internet, still today, as the congresswoman said, since the passage of the Child PROTECT Act, where we can throw people in jail for 30 years that are caught abusing children abroad and sent back, maybe there has been a lessening.

But you can still get on the Internet today—there are groups like Equality Now that monitor this—you can get on the Internet today and find slave-auction sites, sex-tour sites that are very clearly marketed to those Americans who will go on trips to abuse children.

It is a very complicated legal issue. Our Justice Department has worked on this, various state attorneys general offices have worked on it. There has not been a dramatic success.

There may be an area to explore here in terms of the financial links of these child-sex-tourism tour operators. To what extent, where do they get their money from, to what extent do they take advantage of credit card and banking networks? Any work in that area I think would be most welcome.

If I come up with some other suggestions, I will get back to you.

Chairman PRYCE. Well, I appreciate that.

And we will continue to work very closely with your office, because you certainly are a resource that we cannot do without, and your staff has been wonderful to us. So thank you so much.

At this time, I will yield back my time and recognize my Ranking Member, Congresswoman Maloney, for questions.

Mrs. MALONEY. In your work internationally, are there certain countries that are particularly successful? I gave the example of Sweden. I read a report where they were able to cut the activity and really proceed with prevention.

If you have seen some case studies in other countries that have been able to prevent sex trafficking or to control it or to convict it, could you share them with us?

Mr. MILLER. Sure.

I think you started with a good example. We are looking with great interest and sympathy at the Swedish experiment, where, as you said, they have decriminalized the conduct of the women engaged in prostitution and have criminalized the conduct not only of the brothel owner, the trafficker and the pimp, but the sex buyer. We are looking at that with interest.

We have cooperated with Sweden, the two of us, our countries, in opposing legalization of prostitution abroad and in international forums.

Another country that is taking some interesting steps is Korea. And this has just started.

Korea has also started to prosecute, as Sweden has. Korea prosecutes the women as well as the men. They have not decriminalized. But consistent with the purpose of your bill, for the first time they are prosecuting the men as well as the women, which is what your bill is trying to get at. This just started this past year, so it is too early to see what happens.

We are working with Korea, Norma Hotaling of SAGE is working with Korea, to try to see if we can help them set up some education programs so that the men who are arrested get some special education on how prostitution contributes to the phenomenon of trafficking, how they are likely to be interacting with trafficking victims in demeaning women.

So Korea is interesting.

I will just take another example: Gabon, in Africa. Gabon is strapped for resources but has shown tremendous interest in doing things that are low-cost—working with groups, taking ideas, going into the villages.

There is another example. I like to cite it because you do not have to be a rich country to do a lot of things. It helps to have resources, do not get me wrong.

So those are a few examples.

Mrs. MALONEY. Other studies that I read showed that in the countries that have gone to the steps of legalizing prostitution that trafficking has increased and the oppression of women has increased.

Now, this was a very interesting statistic to me, because every now and then I have someone who comes to me and says, "One way we could alleviate the problem is to make it legal." The studies that I read, internationally, last night showed that making it legal increased the problem and increased trafficking. Was that your experience, too, and do you have any concrete examples?

Mr. MILLER. No, that is our experience. I think trafficking can increase when it is illegal and tolerated, and it certainly can increase and has increased when it is legal.

What happens—and we have seen numerous examples of this—it is legalized, but the illegal sector does not go away. Organized crime is so involved in it. The illegal sector just expands.

The legal sector serves as somewhat of a front. And we have looked at countries from the Netherlands to Australia to New Zealand—Australia, it is just legalized in some provinces—and the studies show no decrease in the number of trafficking victims. What has happened is, you create magnets which draw more trafficking victims. So it does not seem to work.

The idea of regulating has some appeal to people. I think, Congresswoman Maloney, of the trans-Atlantic slave trade a few centuries ago when I hear that argument. Because at that time there were people that said, “We can control this by having better ventilation on the slave ships, providing doctors on the slave ships, better rations.”

There is nothing wrong with that. I mean, who would be opposed to it? Those are good things. But that is not abolishing slavery. And it did not lead to a decrease in the Atlantic slave trade, and it did not lead to the abolition of slavery.

Mrs. MALONEY. My time has expired.

Chairman PRYCE. Your time has expired, thank you.

I would like to recognize the Vice Chairman of the subcommittee, Judy Biggert, for questions.

Mrs. BIGGERT. Thank you very much, Madam Chairman. I am delighted to be here at your opening hearing of the 109th Congress for this subcommittee. Congratulations.

Ambassador Miller, you talked about the various departments or agencies of the federal government—the Department of Labor, obviously the State Department, Homeland Security—that are all involved in this issue. But you did not mention the Treasury. What is their part in working with you?

Mr. MILLER. I think Treasury has gotten involved in our process when countries are in danger of falling on Tier 3. And Treasury is concerned that this may lead to their having to oppose, under the law, International Monetary Fund or World Bank assistance for various projects.

I think this subcommittee—there is an issue to explore, how to get the Treasury Department involved as part of this 21st century abolitionist movement. I think you will find that they are certainly willing to listen to ideas.

I know the President would like to find ways—and maybe there are ways that we have not explored, that I have not thought of and should have thought of—for the Treasury Department to get more involved in this.

Mrs. BIGGERT. You indicated that the departments have strategic plans, so I would assume that that is probably not true with the Treasury. Since we deal with that in this committee, this would be another committee that we would want to focus on.

Mr. MILLER. I am going to get back to you on that. I know all the agencies that I referred to have strategic plans. Let me get back to you on whether Treasury has such a plan, and if it does

not, what it could do, and if does, what it includes. I apologize for not knowing the answer to that question.

Mrs. BIGGERT. Thank you.

Then regarding the coordination of the TIPS-related aid, does the interagency process focus only on coordinating bilateral aid? Or does it encompass multilateral aid to international organizations and development banks?

Mr. MILLER. Both, and I should have mentioned that.

Yes, there is bilateral aid to other governments; yes, there is aid through NGOs, U.S. NGOs, the foreign NGOs—there is also aid through international and multilateral organizations. Now, a lot of their aid, in turn, goes through NGOs—but UNICEF, International Organization of Migration, to cite two examples of international organizations that are heavily involved in this and that the U.S. government has given a lot of support to.

Mrs. BIGGERT. And then you suggested that a name-and-shame campaign through a publication of the annual TIPs report may be at least as effective as sanctions as a means of encouraging government action. Is this a correct interpretation of your testimony?

Mr. MILLER. Well, I think it all has an effect. I think our diplomacy, our engagement, has an effect. I think the publicity for countries that are doing well and the publicity for countries are doing badly has an effect.

And I think that the threat that a country at the lowest rating, Tier 3, potentially, if they do not shape up in the 3 months after the report, could face sanctions—I think that has an effect, and I can document—I will give you why I say this.

If this did not have an effect, why, in the 2 months before the report, do we find nations stepping up their efforts? I mean, it is incredible. I have ambassadors calling on me—our office, that cannot find evidence of things being done, suddenly is deluged with evidence of things being done.

And, then, on the sanctions part, after the report comes out—well, just to give two examples.

It was very notable a couple of years ago. We had two allies, Greece and Turkey, listed in Tier 3. And in the 3 months after the report came out, before the President had to make a decision on sanctions, they, and other countries, did remarkable things: arrests, prosecutions increased, shelters were set up, referral systems for getting victims to NGOs were set up. It was truly remarkable. And they were lifted off Tier 3.

So these are all examples of how I think these effects take place, although I cannot scientifically measure it in each case.

Mrs. BIGGERT. Thank you. My time has expired. But thank you very much for your spirited testimony and your continued passion in this field.

Thank you.

Chairman PRYCE. The Chair now recognizes Patrick McHenry.

Mr. MCHENRY. Thank you. Thank you, Madam Chairman.

Ambassador Miller, thank you so much for being here today. I certainly appreciate your testimony.

Can you talk about maybe the logistics of this, I mean, in terms of a national security risk? When you are trafficking people, for whatever purpose, I think it goes, at its heart, could bleed over into

national security issues. And so, could you speak maybe to the logistics?

Mr. MILLER. Well, if you are trafficking people across borders, whether you are doing it “legally or illegally,” obviously it shows that either there are some holes or there is some corruption or there is not as efficient approach as there should be.

When you traffic a victim from one country to another and he is held in slavery, and this activity continues and he is held several years, and the police do not do anything, either it is—it might be a lack of knowledge, or it might be inefficiency, or it might be corruption.

In many countries, if you have—all of you have wrestled with this; you are more knowledgeable on this than I am—if you have a corrupt or inefficient police, you have not only got a problem in law enforcement, it does affect national security.

I will give you an example of a country—I do not like to do this, but I will.

There is a country, Cambodia, in Southeast Asia, where we have seen evidence that the traffickers are apparently so powerful that the government, in one notorious example, not only released suspects that were arrested by a U.S.-trained anti-trafficking unit, but then when the traffickers were released, the government did nothing when the traffickers then went to where the 80 victims, potential victims, were being held and grabbed them.

Now, if this goes on in a country, what sort of stability or security are you going to have?

Mr. MCHENRY. Well, an additional question—I realize that trafficking comes from countries that have been adversely affected by events such as the tsunami or war. But also totalitarian regimes are notorious for encouraging this if not, at the very least, not discouraging it.

And just right off the tip of Florida, we have one of the worst abusers of this: Cuba. Can you speak to the Cuba problem—

Mr. MILLER. Yes.

Mr. MCHENRY.—and what we can do in terms of taking it on as someone that is very close to our borders?

Mr. MILLER. Well, if you look at our annual report last year, without getting into what our report is going to say this year, if you look at our report last year, we gave Cuba a very poor rating. And the reason we gave Cuba a poor rating is that Cuba officially supports travel-industry ventures that encourage and promote child-sex tourism.

And not just under our law; under international covenants, under international laws, this is per se a form of slavery. The victim of child-sex tourism cannot “consent.”

We offered, through our Interest Section in Havana, to work with the Cuban government on this issue, but that offer was refused. And the leader of Cuba made his hour-and-a-half or two-hour speech denouncing our report, among other things.

So I would like to see the situation in Cuba, as in every country, improve.

When you talk about slavery and totalitarian states, North Korea is an example. There is no question there is slavery in North Korea. Some of the victims of slavery flee across icy rivers and bor-

ders, and then are returned on occasion by the Chinese government to North Korea. These are problems we comment on in our report.

Mr. MCHENRY. Thank you, Madam Chairman.

Thank you, Ambassador, for your testimony.

Chairman PRYCE. Thank you, Patrick.

The Chair recognizes the gentleman from Georgia, Mr. Price.

Mr. PRICE. Thank you, Madam Chair. I am honored to serve on this committee, and I, too, commend you for your new chairmanship and am pleased to be with you.

Ambassador Miller, I welcome you as well, along with others. I am astounded by the magnitude of this problem, and I commend you for your work.

I am interested in how we define the magnitude of the problem and kind of what the triggers are. Recently, as I understand it, with the tsunami there was an increase in human trafficking.

Help me understand how we knew that. What were the indicators?

Mr. MILLER. I think the tsunami, Congressman, focused attention on this issue. But in that area, East Asia, Pacific, there was and is a huge trafficking problem. I cannot say that the tsunami greatly increased it. I think it focused needed attention on it.

But you asked the more difficult question and that is, how do you measure this issue?

It is very hard, because the victims do not stand in line and raise their hands to be counted. Okay? So the estimates are guess-timates, in my opinion. You take law enforcement figures, prosecutions, victims. You go to NGOs and you get their reports of victims. You go to academic studies, news media reports, et cetera.

This leads to our government coming up with an estimate that as many as 800,000 men, women and children are trafficked into slavery across international borders every year, and up to 17,500 trafficked across our borders into slavery every year.

Mr. PRICE. Those numbers are extrapolations, or are those actual—

Mr. MILLER. They are partly extrapolations and they are partly based on—yes.

But is it a scientific figure? Of course not. Nobody counted 800,000.

Mr. PRICE. Right.

Mr. MILLER. And some people think the figure is too low, and some people think the figure is too high. But, remember, that is annual across international borders. That does not count internal slavery in the brick kilns of India or Pakistan, for example. That does not count those who were in slavery at one time. That is just counting traffic across international borders in one year.

So obviously, if you are looking at a total slavery figure, and you give any credibility to that 800,000 figure, the total figure of those in slavery in a year has to be in the millions.

Mr. PRICE. Which gets to my next question: If we cannot quantify the magnitude of the problem, how do we measure success?

Mr. MILLER. Well, the first speech I ever gave when I took over this position 2 years ago, I went out to Georgetown and I gave this speech, and I was all fired up, and some sociology professor got up

and asked the same question: How are you going to measure success in this?

Our office is right now, we are working with the CIA—there is going to be a conference in the next couple of months; we are inviting academics—we are trying to get a better handle on measuring success.

What we do now, we can measure prosecutions—and now we can measure them around the world pretty much. We can measure convictions. We can measure sentences. We can measure victims served in shelters. We can measure victims reemployed. We can measure how many people are reached by education programs, either warning potential victims or trying to change the attitude of society—that we can start to measure, and we know those measurements are showing progress.

And so we conclude if those things are happening—there are more convictions, more anti-trafficking-in-persons laws, more leaders speaking out—we hope that the corner is being turned.

But can we prove it scientifically? Not yet.

Mr. PRICE. I have a very specific question about the countries of Sudan and Venezuela and Equatorial Guinea that I understand are under sanctions, or have had sanctions against them, but they have been given exceptions. Can you enlighten me as to why we would give countries that are under sanctions exceptions and in what national interest we—

Mr. MILLER. Sure.

You mentioned Sudan—

Mr. PRICE. Venezuela and Equatorial Guinea.

Mr. MILLER.—and Equatorial Guinea.

I am not aware of an exception on—well, Sudan, I will tell you the exception on Sudan.

The exception was, if Sudan were to sign a peace accord, that AID would be allowed to implement the peace accord. The decision was made, I think appropriately, by the Secretary of State and the President that in an effort to stop the killing and the genocide that it was important not to cut off all aid to Sudan, if they signed the peace accord, which they did.

Chairman PRYCE. Then gentleman's time is expired.

Mr. MILLER. Let me get back to you—

Mr. PRICE. Thank you.

Mr. MILLER. I will get back to you on Equatorial Guinea and Venezuela. They did see some sanctions, but it may not have been the full panoply, and I will get back to you on that.

Mr. PRICE. Thank you, Madam Chair.

Chairman PRYCE. The Chair would like next to recognize the former Chairman of this committee, Mr. Leach.

Mr. LEACH. Well, thank you. I am delighted to serve under you in your maiden voyage here.

It is hard to put perspective on issues of the day, particularly this kind of issue.

I want to make a couple of comments about you, Madam Chair.

In the Congress of the United States, committees have certain jurisdictions, but people have certain rights to do what they want to do. And you have chosen to take on one of the most profound issues in the world. We are all in your debt, and we thank you.

In terms of jurisdiction, in one sense, when I looked at the subject of this hearing, I thought, "Why this subcommittee?" And then you think, we have jurisdiction over trade. And of all the extraordinary things, there is a trade in people. That is very profound. And it fits.

We also have certain jurisdiction over technology. And you indicated that on the Internet slave-trading sites appear. I had no idea that something so terrible would be on the Internet. I guess I am beyond an age that I would think such things exist, but the idea of sex-tour sites is really horrifying.

And so one of the things that comes immediately to mind, it seems to me that if someone tracks us from a governmental point of view, instantaneously one would communicate with a country, "This site has appeared. What are you doing about it?" Do you do that sort of thing?

Mr. MILLER. I am sorry, say that last—

Mr. LEACH. You suggest things appear on the Internet.

Mr. MILLER. Right.

Mr. LEACH. Let us say it is an auction site.

Mr. MILLER. Right, right.

Mr. LEACH. Do you instantaneously contact the government of that country with this information: "This site is here, this is the information, what are you doing about it?"

Mr. MILLER. Well, interestingly, Congressman Leach, the sites that have been brought to my attention are in the United States.

Mr. LEACH. Okay.

Mr. MILLER. And what I do is, I ship this over to the Justice Department when I get this material, and they are trying to figure out a way to get at these sites. I do not think yet they have solved that riddle.

The New York attorney general brought a lawsuit against one of these sites, Big Apple Tour, and lost the lawsuit. There are free speech, intent—all these issues—how do you know the person is going to commit the act when they get there, how do you—you know, all the defenses that can be raised.

So we have to, in government—I am speaking as somebody not directly involved in this—but I think, clearly, we in government have to focus more attention on how we get a handle on this. And I do not have the magic-bullet answer right now. The lawyers are going to have to come up with that answer. Because people send this stuff to me, and it is outrageous. It is really outrageous.

And we will get some of this to you so you can look at it.

Mr. LEACH. Well, I am less inclined to look at it. But someone else should, someone who is accountable for doing something about it.

Mr. MILLER. I understand.

Mr. LEACH. There is a distinction between prurient interest and the national interest, and we have to be very careful here.

Do you contact the governments of the countries that are advertised?

Mr. MILLER. Yes, yes, we do, we do. And we are in communication—we know the countries that have most of the sex-tourism facilities. I can name them. They are countries like Thailand, Cambodia, Costa Rica, The Gambia, et cetera.

We are in touch with those countries, and we do urge them to take action.

But at the same time, when we talk with them, we say we recognize that we, and other so-called developed nations, are contributing to this problem.

I mean, when I visited Chiang Mai, Thailand, which is a child-sex-tourism center, and I talked with the kids and NGOs there, and I said, "Where do these tourists come from?" they were not coming mostly from Thailand. They were coming from the Netherlands, Germany, United Kingdom, United States, Japan, Australia.

So this is what led you to pass the Child PROTECT Act a year-and-a-half ago to crack down on this.

This is not just the problem for the country where the site is—the President recognized this in his speech to the U.N. We, the countries that are sending the tourists, have a challenge.

Mr. LEACH. Let me just conclude very quickly, Madam Chair.

I am very impressed with the speech of the President. His words were thoughtful, on the target and, frankly, eloquent.

I am also very impressed that he has designated you to head this office, Ambassador. We are very impressed with your work and your commitment, and thank you very much.

Mr. MILLER. Thank you for the kind words.

Mr. LEACH. Thank you, Madam Chair.

Chairman PRYCE. Thank you, Mr. Leach.

I would like now to take an opportunity to recognize Ms. Lee.

I believe you are here with your granddaughter—

Ms. LEE. Thank you very much.

Chairman PRYCE.—introduce her.

Ms. LEE. Yes. Let me just say thank you for this hearing and thank our Ranking Member.

And this is my granddaughter who is from Sierra Madre, California, Miss Jordan Lee, 11 years old. She will be 12 on Saturday.

And I am very delighted to have her with me today, especially during this very important hearing because young girls and young women, first of all, are so affected by this issue. And secondly, I think women are going to have to really figure how to address it. This is such a horrendous problem. What it is, is modern-day slavery.

So I just want to thank you, Ambassador Miller, for being here.

And I again thank our Chair and Ranking Member for this hearing.

I am glad that we do have young people here to listen to this.

Let me ask you a couple of things just about the mechanisms that are in place that maybe we have not utilized. And I want to read you what this says in terms of the Convention on the Elimination of Discrimination Against Women.

Now, 20 years ago the United Nations General Assembly adopted this convention, and so Part 1, Article 6 of the treaty obligates governments which are party to CEDAW to take, and this is what Part 1, Article 6 says: Take all appropriate measures, including legislation, to suppress all forms of trafficking in women and the exploitation of prostitution of women.

Now, the United States signed the treaty in 1980, but we have yet to ratify it.

So, Mr. Ambassador, I wanted to know: Given the concern of the President, and of course your concern, and the magnitude of this problem, why in the world does not this administration lobby the Senate to ratify CEDAW?

And I just want to know, have you and Secretary Rice weighed in with the White House or Senate in terms of just trafficking, sex trafficking, and utilize this as a vehicle to really help us come to grips with addressing it and eliminate it?

Mr. MILLER. Well, Congresswoman, I do not pretend to be an expert on that treaty, but I think the administration's objections do not relate to the trafficking section.

And if you are talking about international covenants to oppose trafficking, the U.N. passed a wonderful covenant on sex exploitation in 1949, which we did ratify. The U.N. just recently, several years ago, adopted a special protocol to fight trafficking. And the present administration fully supports it, sent that to the Senate over a year ago.

We are hoping to get Senate ratification soon. Many countries are starting to ratify it. And it lays out—and to a large extent it is based on our law, the law you passed, and it lays out a whole array of tools that countries can and should use on this issue.

Ms. LEE. But in terms of CEDAW, again, I think anytime we have any laws or treaties that address sex trafficking and the human exploitation of women, we should be party and we should ratify those treaties.

Mr. MILLER. Well, I will say this: Here I have told you about this U.N. protocol that we signed and the President wants us to ratify, but I am also going to say that while I am all for this protocol, I will give my opinion that while protocols are helpful, my experience, traveling around the world, is that the will of governments is more important.

Ms. LEE. Sure.

Mr. MILLER. And when I talk to justice ministers and foreign ministers and sometimes prime ministers and they say, "Well, we signed this agreement," and I say, "That is nice, but what are you doing to throw the traffickers in jail and free the slaves?"

Ms. LEE. Sure.

Mr. MILLER. And that comes from willpower at the ground level.

Ms. LEE. And by signing and by ratifying CEDAW, that would show that the will of our government is right there with the international community in terms of eliminating all forms of discrimination against women and using another mechanism to address sex trafficking, especially since so many of the customers come from the United States of America.

Let me just conclude by asking you about Africa, in terms of countries in Africa where many applied for asylum in the United States because of the dangers of human trafficking. Do you have any handle on the numbers of Africans that have requested asylum based on this notion or this part of the asylum provision of our laws?

Mr. MILLER. I do not. And I am not sure that the asylum provisions specifically include a trafficking section. You raise a very interesting point. I think asylum is directed to fear of persecution.

Fear of persecution could involve persecution by traffickers, if you get sent back home, as well as governments.

But let me check into that further and get back to you, Congresswoman.

Ms. LEE. I would appreciate getting your response on that.

Thank you, Madam Chair.

Thank you, Mr. Ambassador.

Chairman PRYCE. We have vote on. We have 10 minutes and 30 seconds left. It is probably 10 minutes now. We will take another 5-minute question and recognize Ms. Harris from Florida.

Ms. HARRIS. Thank you, Madam Chairwoman. Thank you so much for your outstanding leadership on this incredibly important issue.

I truly appreciate your scheduling this hearing on human trafficking, which continues to grow in scope and intensity. And I share your very passionate concern and look forward to working with you to find a solution to this scourge.

I also wish to welcome our distinguished panel.

And, Ambassador Miller, in particular, thank you for your outstanding work. We think you are doing a magnificent job to end this evil practice.

A couple of questions real quickly: The sentencing guidelines under the Protect Act of 2003 limits sentences for sex crimes against children to 30 years. The punishment seems lenient, particularly when fines and parole remain options.

Do you think it would be more appropriate to define these offenses as violent crimes—we have discussed this before—that would be subject to federal sentencing guidelines, as such? And, then, perhaps we could strengthen asset-forfeiture laws regarding them as well.

Mr. MILLER. Well, Congresswoman Harris, you have taken a great interest in this issue, and I want to thank you.

I agree with the spirit of your question. I think we can always look at strengthening the laws.

The sentences that have been handed down—and I do not have them in front of me—but my recollection is, the sentences that have been handed down, while they are much heavier than in other countries, I am not aware of anybody getting 30 years. If there was, that was an exception. You know, there is this plea bargaining that goes on.

But from my point of view, when you are talking about people that have committed kidnapping and rape, the sentences ought to be equivalent.

Ms. HARRIS. If they were reclassified as a violent crime, then the federal guidelines would be associated as such. Because right now, even though it says 30 years, when you can waive the fines and waive the parole, it just does not seem it is adequately being addressed.

Mr. MILLER. Well, I am not knowledgeable on the nuances of the sentencing rule, but I appreciate your concern and welcome your looking into it.

Ms. HARRIS. Thank you, sir. Thank you for your service.

Chairman PRYCE. At this time we have to leave for our vote. I would like to recess the hearing for 15 minutes, at which time we will return to our second panel.

Once again, our gratitude to you, Mr. Ambassador, for being here today and for your work on this issue.

Mr. MILLER. Thank you for holding this hearing, Madam Chairman.

Chairman PRYCE. Recess, 15 minutes.

[Recess.]

Chairman PRYCE. We left in haste.

I would like to say before dismissing the panel and Ambassador is still here, the Chair notes that some members may have additional questions for this panel which they may submit in writing. And without objection, the hearing record will remain open for 30 days for members to submit written questions to our last witness and to place his response on the record.

Without further ado, we will move on to the second panel of witnesses.

Norma Hotaling is a familiar face to many, many of you here today. She is an innovative and effective voice for survivors of prostitution, exploitation and trafficking and a founder of the SAGE Project in the San Francisco area and soon all across the United States, very thankfully.

Ms. Hotaling is joined on the panel by Tina Frundt, a representative from the Polaris Project, a multicultural, nonprofit organization based in Washington, D.C., and Japan.

This organization is recognized internationally for their efforts in outreach and service to victims of trafficking.

We welcome these witnesses here today, recognize them for a 5-minute summary of their testimony.

Without objection, your written statements will be made a part of the record.

We are very, very pleased to have you here, and, Tina, especially for your very courageous words that we will hear.

And who would like to go first? Ms. Hotaling?

**STATEMENT OF NORMA HOTALING, EXECUTIVE DIRECTOR,
SAGE**

Ms. HOTALING. That would be fine.

Madam Chairman, I am so honored to speak here today and am especially honored that this is the opening subcommittee of the 109th Congress. I am particularly happy to see so many women standing up for the rights of other young human beings, both boys and girls and women.

And I would like to start my speech by saying how proud I am to know Ambassador Miller. I consider him to be a beacon of light in the efforts to eradicate the accepted and endorsed rap and torture of millions of women and girls.

I hope you make every effort to give him and the TIP office all the support, tools and resources they need. He is an absolute champion for those women and girls who are exploited, abused and forced into slavery.

I am proud to call him a friend and to know him as a colleague.

My name is Norma Hotaling, and I am the executive director and founder of the SAGE Project in San Francisco.

SAGE is the first and the foremost organization providing integrated trauma, mental health and substance abuse services for survivors of prostitution, exploitation and trafficking.

Because our programs are designed and delivered by survivors of prostitution, we effectively provide support and engender trust without re-traumatizing even the most fragile of clients.

Each week we serve over 350 women and girls, most of whom are life-long victims of sexual, emotional and physical abuse. And then they suffer the humiliation of arrest after arrest.

SAGE, in coordination with the San Francisco district attorney's office and police department, developed the nation's first restorative justice program that addresses the demand side of prostitution. And that was developed in 1995, and it is called FOPP, or First Offender Prostitution Program.

Over 7,000 men have attended this program. They are arrested, they pay a fee. Those fees fund rehabilitation services for the real victims of sexual slavery: women and children.

The program has been replicated in over 35 jurisdictions throughout the country.

SAGE is a dynamic departure from the previous practice of revolving-door arrests of individuals involved in prostitution with little or no services available. And because the average age of entry into prostitution is 12, 13 and 14, the issue is not only one of violence but also sexual abuse and rape of our children.

Every day vulnerable girls of color as well as white, blue-eyed, blond girls and any girl who is vulnerable and naive and between the ages of 12 and 17 are brutally and cunningly recruited by violent or smooth-talking pimps from high schools, streets and shopping malls, and they are delivered in our U.S. major cities.

Poor, vulnerable Asian, Central American and Russian women and girls are smuggled, kidnapped and raped and tricked and coerced by traffickers and organized crime syndicates into highly invisible and mobile sex trade that includes strip clubs, escorts, massage parlors, brothels and street prostitution.

These women and children make up the supply side of prostitution. The demand side of prostitution is comprised mostly of educated, middle-class and upper-class men.

In prostitution, we see the fragility of the human mind. We see it brutally manipulated and molded to serve the purposes of perpetrators.

Universally, we experience the victims being targeted, blamed and punished by social service, mental health, medical and criminal justice systems.

Vanessa, who came to us at 18, said, "My pimp knocked me out with a baseball bat. I woke up, and he was sewing up my head. He would not even take me to the hospital. How can I get away? He would kill me first. Besides, he was all I knew. I had been with him since I was 12."

Through SAGE, we shed light on a subject that thrives in darkness, secrecy, silence and shame.

SAGE raises community awareness regarding international and domestic trafficking in addition to providing direct service to the

victims of trafficking. But combating trafficking requires coordination between law enforcement, legislators, the judiciary and community-based organizations.

We have found that unlike domestic-trafficked victims, international trafficking victims are less likely to be found in jails. They are found in quasi-legal, U.S. government-licensed and tolerated prostitution systems commonly known as massage parlors.

We have, therefore, been involved in significant prostitution abatement and legislative reform efforts aimed at massage parlor licensing, as well as nail salons and acupuncture clinics. These type of businesses have proven to be destinations for individuals who come to the country under promissory arrangements in which women and girls are forced to work off their debts.

The trend we observed is that arrestees who are being solicited out of private residences are immediately relocated once arrested. This indicates that there is a third-party oversight of these women's activities and that resources, which pay for plane tickets and relocation costs, are directed towards keeping them working in the sex trade.

We have heard story after story told and retold about the billions of dollars made from trafficked women and girls that enrich transnational crime networks, the corruption of officials through bribes and the collaboration of criminal networks with government officials that enable traffickers to operate.

But what is historic, what is heroic and what is transpiring now is that we have awakened to the fact that these networks are financed \$1 at a time by men, who we call "the demand," who we have allowed to buy human beings and use them though they are nothing more than receptacles, like toilets and sewers.

We have normalized their behavior while criminalizing the real victim.

I can tell you story after story where there were no bribes of officials. These are the stories that involve "the demand," the men. They are always free to go. They are released without ever paying a bribe, without an arrest, to enjoy their dinners, their families, their jobs while continuing to pretend that their hands are clean, and the millions of wounded, missing, dead women and children a result of other very bad, very organized people doing very bad deeds.

Today, with your efforts, and the introduction of the End Demand For Sex Trafficking Act of 2005, this protection and collusion with the real perpetrator is ending.

Dollar by dollar paid by "the demand," the line between the state and criminal networks starts to blur, making it seem impossible to intervene in the succession of corruption, collaboration, crime and profit.

Dollar by dollar, the money that the men pay to buy, have delivered, harmed, toss aside women and children is laundered through bank accounts in offshore accounts.

We like to fool ourselves into thinking that domestic and international trafficking is driven by economic despair and not by the protection and collusion with the men who demand to buy women, human beings, and thus create the market for sex slaves.

As long as we point our finger away from ourselves, away from the institutions that blame and criminalize women and children for their own rape, their own sexual abuse, their own trafficking, their own slavery, as long as we point our fingers away from the men who we normalize as johns, and as long as we disconnect adult prostitution and the exploitation of children, and disconnect prostitution and trafficking in human beings for the purposes of rape, of sexual abuse, of sexual slavery, then we are to blame.

Like most of SAGE's clients, I was exploited as a child through prostitution. I suffered years of trauma, drug use, criminalization and involvement in this adult-sex trade.

It is my job and my purpose to prevent sexual slavery and to end the demand for prostitution while providing women and girls like myself and the staff of SAGE the opportunity to lead healthy and fulfilling lives.

Thank you for my chance to speak to you today. It is such an honor and a dream come true. With your continued assistance and the recommendations that are forthcoming from this committee, we can put an end to sexual exploitation and slavery of millions of women and girls in and outside of our borders.

Thank you.

[The prepared statement of Norma Hotaling can be found on page 48 in the appendix.]

Chairman PRYCE. Thank you, Norma, very much.

Tina?

STATEMENT OF TINA FRUNDT, POLARIS PROJECT

Ms. FRUNDT. Chairwoman Pryce, Ranking Member Maloney and subcommittee members, thank you for convening this hearing on trafficking in persons, for giving me an opportunity to share the experience of Polaris Project, as well as my experience as a survivor of sex trafficking.

I also want to thank you for supporting the End Demand For Sex Trafficking Act. It is historic legislation and addresses a terrible long-overlooked problem. Your leadership means a tremendous amount to myself and to all of our clients.

Polaris Project is a multicultural nonprofit organization based in Washington, D.C. We also have an office in Tokyo, Japan, with a national advocacy and local direct intervention programs.

We serve victims of all forms of trafficking, including both foreign nationals and U.S. nationals, exploited in both sex and labor trafficking.

Today, however, I am going to focus on domestic sex trafficking of U.S. citizens within our own borders.

I understand this problem very well. Because 20 years ago, my first pimp was my foster mother's boyfriend who forced me to have sex with strange men who came to our house.

When I was 14 years old, I was forced out on a street in Chicago. I ran away from home to be with a wonderful man, I thought, an older man who sold me great dreams of living together, making money and becoming rich. He told me that if I loved him, I would help make money for us.

At first, it was the just two of us. But then he introduced me to other women, and I soon learned he was a pimp.

He brought us to Cleveland, Ohio, and told us how we will make for us and then that we were a happy family. He told me to have sex with one of his friends. I did not want to, so his friend raped me.

Afterwards he said that would not have happened if I just listened to him from the very beginning. So I took it as my fault. Instead of being angry at him for being raped, I was angry at myself for not listening to what he said.

Right after that he started telling me what to wear, what to do, and forced me to go out on the streets to have sex with men.

When I was first on the streets, I walked back and forth for hours, hiding until the morning. Our quota was \$500, but I had only \$50 that night to give to my pimp. So he beat me. He beat me in front of the other girls as a lesson and made me go outside until I made the money.

My second night out, I came back with \$500, but it still was not enough. It was not enough for him. He told me to go out again. I was out for a straight 24 hours. When I went back, he finally bought me something to eat. But as a punishment, he locked me in a closet to sleep.

I will sleep in that closet for many, many times more.

This is the same man who took me out to eat, listened to me when I wanted to complain about my parents and gave me words of advice. But increasingly, I was seeing a side of him that I never saw before. I was shocked and I was scared. What will happen to me if I did try to leave? And who will believe me if I told them what was going on?

After a while, I became numb to the abuse. It happened so much, it is like eating breakfast in the morning: You may not like what you eat, but you get used to the routine.

Pimps are very sadistic. They train you and they manipulate you. After my pimp broke my arm with a bat, he told me to sit on his lap and asked me what was wrong. When I said, "You broke my arm," he beat me some more. He kept beating me until my answer changed: that I fell down.

When he broke my finger, I was not allowed to see a doctor, so I wrapped it with some tape, and it never set correctly.

What happened to me 15 to 20 years ago is still going on today across the U.S. In some cases, today's young women and girls have it much worse than I did.

Our clients include a young woman first prostituted by her mother when she was 12. Another was sold to a pimp by her mother 2 days before her 14th birthday. Another was kidnapped and prostituted on a national circuit when she was 12 years old.

The reality of our clients is sex with men 7 days a week, year round, usually between the hours of 10 p.m. and 5 a.m. On an average night, they are forced to have sex with 10 to 15 people a night so that their pimps can buy luxury cars and houses, have quotas ranging from \$500 to \$1,000 every night for each woman.

This is a lucrative, criminal industry. Some estimate profits from human trafficking range from \$7 billion to \$9 billion annually.

We recently sat down with a survivor of sex trafficking who was first prostituted in her early teens. Representing a typical case, her trafficker generated an estimated \$130,000 from her profits each

year alone. He made approximately \$24,000 a month off her and other women and made about \$642,000 a year between her and the other women, tax-free.

The pimps are cocky now. They are not afraid of the police. They are not afraid of the judicial system. We as Americans have made them untouchable by not recognizing the problem and solving it.

If we are judging the efforts of other countries to combat trafficking, we certainly must aggressively fight the traffickers of our own U.S. citizens, ensuring that no sex trafficker feels he can profit from modern-day slavery.

Undermining demand is the key to cutting off the funding at its source, preventing traffickers from generating and laundering profits.

Like foreign national victims, domestic victims are also moved away from their home. The pimps move these young girls and women from state to state where they have no one to trust and no one to turn to. They cannot go back because they are ashamed and they are afraid to tell their families.

On the outside looking in, we think, "There are so many resources for them." But in reality, where are the resources and how do they know about them? How can you ask for help from the police when they have done nothing but arrest you and they treat you as a criminal and not as a victim?

The domestic sex trafficking of women and children across the United States can only be described as a crisis. To begin to address his problem, I would like to make the following recommendations:

First, recognize all victims of trafficking, including adult citizens who are trafficked by force or coercion.

Two, provide funding for comprehensive and specialized service, especially shelter, for domestic trafficking victims in cities across the U.S., complementing the existing funding for foreign national trafficked persons.

Three, we need to train local units and youth service units in police departments, and especially Child Protective Services to combat trafficking, including domestic sex trafficking.

Four, we need to modify the sex offenders registry to flag sex traffickers, pimps and johns who commit sexual abuse. A tracking system is necessary, because the sex trafficking of pimps, they move from state to state, selling women and children.

Five, we need to prosecute of hotels and advertisers and other legal businesses that knowingly profit from or launder profits from human trafficking.

As a voice among hundreds of thousands who have been unheard, I thank you again for supporting the End Demand For Sex Trafficking Act and for your commitment and continuing leadership on this issue.

Now that you have the knowledge, what will you do with it?

Thank you.

[The prepared statement of Tina Frundt can be found on page 41 in the appendix.]

Chairman PRYCE. Thank you both very much for your testimony. You both have exhibited great courage here today and in your daily work.

I sense that your stories are very common, that there is something similar in each victim, and that is very sad.

And, Tina, thank you for your suggestions. Hopefully much of what you would like to propose that we do is touched upon in the bill that we are going to introduce later today. So once we get that done, you can help us as you continue in your work to help us get it passed too.

I am curious if either of you have an opinion as to what the most effective measure that we as the United States government can take in combating trafficking, both at home and overseas?

Ms. FRUNDT. I think one of them would be that sex-offenders registry, because the pimps and johns are pedophiles. They are abusers, they are rapists. Adding them to the sex registry, because they move from state to state, and flagging them for what they truly are, as pimps as johns, will make everyone aware and put them in the spotlight and showing that this is glamorized, that these are sex abusers who are preying on our children and women. I think that is one way we can help.

Ms. HOTALING. In my experience and with working with johns—which is a term I hate—when we start talking to them about what would happen, what would they do if they were going to be arrested as rapists and sexual abusers, they immediately say they will stop.

I think that there needs to be an advocacy program that says—I do not believe that you criminalize your way out of this. I think you can criminalize and advocate your way out of this, but it has to start with the men. They are the ones that are supplying the money for all of this, for all of the harm.

And we have to be very serious that their behavior is not normal, it is not just normalized prostitution, and that when it involves a child that it is sexual abuse and it is rape, and they are going to be arrested and charged with that.

And one of the hardest of folks to work with are the police on this. They let the men go. Every girl that has been through our program has said, “They have found me in a sex act. They have told the guy, ‘What are you doing out here with this dirty little whore?’ and they have let the guy go, and they have arrested the girl.” And that has to end. The good ‘ole boys network has to end.

And the criminal justice folks really need to take this seriously and look at the men as what they are, as real predators.

We are teaching men through especially child prostitution how to be pedophiles, and then we are normalizing their behavior, and we are creating—we have created a group of children that it is okay to sexually abuse and rape. We just set them aside, and then we arrest them.

So we have to change our language and how we address this issue.

And I love the idea of a sex registry. They should be registering.

Chairman PRYCE. Well, Norma and Tina, let me just say, as a former judge, I am here to attest that there is a definite ingrained bias in our system. It is centuries old, and it is going to take a lot to change the mentality.

Can you think of ways besides the registry that we can shine light on this and make Americans, especially, more aware?

Ms. HOTALING. In California, we just passed a law which is—it is so common-sense it is hard to even talk about—and we have changed the sexual abuse in the statutory rape law to add years to it. We have enhanced that law that says: If you use money, goods or services in order to gain sexual access to a child, you are not only going to be charged with sexual abuse and statutory rape, you are going to be—there are going to be extra years added to your time.

And what we need to do is, we need to make sure that it is not only being investigated and prosecuted that way in San Francisco but throughout the country, that the laws that we are using on child exploitation, especially, are the sexual abuse and the statutory rape laws—end of story.

Even the Center for Missing and Exploited Children still call it child prostitution. They do not analyze the sexual abuse in the statutory rape laws. They do not look at how those laws are being used throughout the country, and they are directing criminal justice folks throughout the country to go after the pimps and the traffickers but not the johns.

Chairman PRYCE. Well, I appreciate those suggestions, and we will take them to heart. It is certainly important that we keep the spotlight on this issue.

Thank you both very much for being here today and sharing with us.

I now recognize my Ranking Member, Ms. Maloney.

Mrs. MALONEY. I want to thank you both for your very brave and moving testimony. It is very difficult to talk about yourself publicly, but I feel that your story helps to educate us, inspire us, and will help us be more effective in preventing such actions towards others.

So I want to compliment you for what you have done with your life. You have taken a tragedy and turned it into a success in helping others, and it is truly remarkable.

As you know, in our bill a third goes to helping-victim programs that would help young girls and boys, and two-thirds goes to grants that would be an incentive to states and localities to prosecute pimps and johns, or perpetrators.

What would be a better word of johns? Perpetrators?

Ms. HOTALING. Perpetrators, “the demand.”

Mrs. MALONEY. “The demand” side. But currently it is against the law now. They are just not doing it.

Ms. HOTALING. Exactly.

Mrs. MALONEY. Earlier, I remember we used to give grants to educate the police and the prosecutors across this country about rape as a crime, that beating up your wife was not an acceptable activity and that rape should be treated like a serious crime.

We have made a tremendous effort, and maybe we need to do the same thing.

I think another thing that one of your advocacy groups—it may have been Polaris—said to me, that in their research on the criminal cases, it is always the women, never the men—

Ms. HOTALING. Yes, right.

Mrs. MALONEY.—and possibly keeping a report—or just requiring a report; it would not cost government money—of how many

women are convicted versus men when it is illegal for both. That would be another way of providing a spotlight on it.

I would like to ask Tina: In your second recommendation you said that we needed funding for services and support for domestic trafficking victims that complemented the existed funding for foreign national victims of trafficking persons.

I would ask you to clarify: Are we funding for foreign trafficking of victims but not for domestic trafficking of victims?

Ms. FRUNDT. Yes.

Mrs. MALONEY. Do you know how much funding we put in for foreign trafficking of victims?

Ms. FRUNDT. That I honestly will have to check on that and come back with that amount for you.

Mrs. MALONEY. I find this so troubling, because your story tells a failed story of a government that I believe in and that I support—the foster care system not reporting the foster mother being an extreme abuser, and the fact that our existing systems that we were hoping were helping people are not.

As two victims, could you advise us: What could we have done better as a government?

Many of us have served in local government and funded foster care, supported it. Obviously the system did not work, and if you could share how you got out of it. Was it an age item, that you got old enough to realize what was happening to you so you left?

Could you share that so we would understand how we could help other young ladies and men get out victimization?

Ms. FRUNDT. Well, fortunately, I was lucky enough to get adopted when I was 13. However, I went through years—

Mrs. MALONEY. Tina, how did you get out? Did you just one day realize and run away? How did you get out?

Ms. FRUNDT. No, I ran away numerous times when I was 10 years old to sleep in abandoned buildings in Chicago. I told my social worker repeatedly what was going on, who did not choose to believe me.

I was taken to a doctor, 11 years old, who did not want to believe me.

I tried to commit suicide when I was 11, and they stuck me into a mental hospital for children in Cook County.

The problem is, social workers are telling them, telling children, “Look, I have too many cases. Try to behave. Try to behave and calm down.” But what they are doing is sweeping the problem under the carpet.

So do I have some plan on how to stop this? No, but it is a problem. They need better training. They need training of recognizing sex crimes, that we are being trafficked.

We need someone to listen to us when we are telling them what is going on, not that “I have too many cases and I cannot address the problem.”

Ms. HOTALING. I had my staff do an experiment of calling CPS, Child Protection Services, on every child that came in that was exploited through prostitution and tried to put in a claim, they would not take them.

And the calls went something like, “I have a child here who has been exploited, sexually abused by over 300 men.” They would say,

“Well, what is the name of the man?” and we would say, “We don’t know.” And they would say, “Well, we are not going to take a case, we are not going to make a claim.”

Probation officers, a child comes in for prostitution, that should be an assumption right there that that child has been raped and sexually abused, and they are mandated reporters and they need to be held accountable as that.

And we fight continually with probation officers, and they scream at us, saying, “How dare you try to make this child the victim. She is a perpetrator.”

And we cannot get victims-of-crime money for these children, because they are considered involved in a crime at the time of their victimization.

So the discrimination goes all the way up.

So, one, we have to redefine, first, “child exploitation.” We have to do away with the term of “child prostitution” and make it “child rape” and “child sexual abuse.” Period. End of story.

Mrs. MALONEY. My time is up. I just want to say that changing attitudes is a huge hurdle, but we have to go really to the core in our society of changing attitudes.

I think both of your testimonies were excellent. Thank you.

Ms. HOTALING. I would like to just say one thing, that a study just came out in Denmark about 3 days ago on customers, and they found that when men started in prostitution as youth, they are the ones that continue throughout their lifetimes as customers.

And so really starting prevention education programs for men around this is very, very important.

Chairman PRYCE. Thank you.

I would like now to recognize the gentlewomen from Florida who is working very hard on some of your suggestions already, Ms. Harris.

Ms. HARRIS. Thank you so much, Madam Chairman.

I do want you to know we are working in law in honor of Carly Brucia—who was kidnapped, brutally raped and murdered—that will address some of these things, including a national sex registry.

I think Chairman Pryce’s explanation and opportunity she said she would work with me on it, so I am looking forward to doing that.

I want to say how grateful I am to both SAGE and Polaris for your leadership for these kind of things. I would like to see it firsthand and know more what we can do.

I was going to ask the name, what we should call them instead of johns, predators. But definitely to change the definition. I mean, to call it child prostitution when they do not have a choice is unconscionable.

So certainly to change it to exploitation, that then you would have no choice but to take the case instead of saying they were part of a crime, they were a victim.

As for my questions: Do you think that organizations such as yours receive enough cooperation and support that it takes from local communities and local governments for your work? Or is there something lacking?

What can we do to be more supportive? How can we help communities get more engaged, communities in our states?

Ms. FRUNDT. Well, Polaris Project is currently on a task force trying to change the police minds on, one, that these are victims and they are forced into prostitution and not willing want to be into prostitution.

That is the hardest part, is having them understand the victim status, even of the young women—and also recognizing that there are lots of young children that go through the adult court system, and they paper them as 18 and they go through the court. They are 14, 15 years old, going in front of the judge, going into D.C. jail. And we have talked to a few people on the police force who had said, “Well, it is so much paperwork to paper them as juveniles.”

Ms. HARRIS. This is just unbelievable testimony. And I think the most thing, when we talk about it takes a long time to change a mindset, I think it is also because people do not know, when you talk about sex trafficking or human slavery, you just do not think that exists in this century, and if it does, it is in some remote area. And when you hear that it actually occurs in our nation where we, you know, consider it to be just and moral, it is discouraging.

But I do not know that it will take that long once you shine the spotlight on it, because everybody will be just as mortified as we are.

I am grateful for your testimony.

But Polaris, the statistics I have, it said that your materials included about 225 high-risk individuals, but you only were able to give 14 people support. What is it—you know, are we missing a lot of victims? Do you need more support? How can we help?

Ms. FRUNDT. Well, again, victims do not shout out and say, “Hey, I am a victim, come help me,” one, because of trust issues, of not even wanting to believe that there is someone that actually cares enough.

When I come in contact with our clients, the first, initial contact, first of all, is, “Oh, my goodness, I never heard of anything like this, and someone actually cares about me”—that is one.

And then just realizing that, yes, we can do—it is a mind frame. Once you have been trained to think a certain way, it is very hard to be trained out of thinking that way, to think on your own, to say that you can do something on your own without someone controlling you.

So, yes, of course, you are not going to reach—unfortunately, not everyone is going to come up and jump up and say, “I am a victim, please help me.” It is a process.

Ms. HOTALING. At SAGE we see around 350 women and girls a week in our services. The girls are referred to by juvenile probation. They are referred by Child Protection Services now.

The police department, because of a very serious murder of a young girl, before she was murdered she was arrested when she was 14 when she was found in a sex act with a 45-year-old man. The man was let go. She was arrested. A month later she was found dead.

And as a result of that, we have made sure that the police department identifies any child or anyone that they suspect to be a child so that we can have a continual record of that child and know who she is and who she belongs to and everything else.

The girls in our program are also self-referred. They bring in other girls to the program. Their parents bring them to us. And it is a very, very intensive program.

We are starting a safe house for girls in June.

Ms. HARRIS. I would like to know about that. Just one last question—

Ms. HOTALING. And we are starting with a budget deficit the moment we open the door, but we are going ahead with it.

Ms. HARRIS. In Sweden they have criminalized the behavior of men, and it is drastically reduced, this type of behavior, when they are criminalized and not the victims, particularly the children.

The most important thing we can do is end this type of behavior.

Do you have any other suggestions with regard to being able to shut down the brothels and the massage parlors, those kinds of things, that would deal in human trafficking or child exploitation?

Ms. HOTALING. Well, a number of places throughout the Bay Area—Oakland just started brand new ordinances to shut down massage parlors that are known to be fronts for prostitution. So they have an ordinance that would be very important to look at.

San Francisco today is putting forth an ordinance to change the way massage establishments are licensed and that it has to be approved by the community. So they have to go through a community awareness.

They have to go through the planning department and the community becomes advised that this establishment is opening up. So the communities are going to really stop these establishments.

We are also training fire department, planning departments, other people that can go into these establishments and identify trafficking victims and identify prostitution—and if there is prostitution, there is trafficking—and then have a whole procedure of working with the victims.

Chairman PRYCE. The gentlewoman's time has expired.

Now I would like to recognize Mr. Castle from Delaware.

Mr. CASTLE. Thank you, Madam Chairwoman. And let me just thank you for having a hearing on something of vital importance.

Let me thank both of you for being here. These are stories that are probably not that easy to tell in public, and I think it makes a great impression on everybody here.

I have been sort of sitting here thinking a little bit perhaps differently, and I must admit that my questions may not be on international trafficking as much as just stopping the problem on a local basis, which could perhaps apply internationally.

But just to get some ideas: I am from Delaware, and I know when we stop drunk drivers in roadblocks, it changed the behavior of people I know dramatically. They put their names in the paper, changed it even more.

Every now and then they do that with the so-called perpetrators, johns, whatever you wish, they put their names in the paper when they stop them. And to me it seems to have changed behavior. I do not know if you have seen that before or whatever.

I am going to add something else to that: The other aspect to it is visible prosecution of these individuals, particularly the pimps, where the evidence can be put together. I have seen very strong evidence that if you have strong, visible prosecution, that also

changes behavior. You know, all of a sudden you see 3 days in the paper, whatever it may be.

Are we doing—I mean, you can comment on those two things, that is, publishing the names of the perpetrators and the prosecution.

But those kinds of things which actually shine a light on the problem and on those who really are the ones who are causing the problems, the pimps and the perpetrators, with the young people, I would be interested in your comments on that kind of an approach.

In addition—do not get me wrong, I realize it cannot be alone, but in addition to other things that we are doing.

Ms. HOTALING. I am a health educator, so I design health education programs, public health programs, and I really believe that there are number important aspects to the first-offender prostitution program.

One is that the men's personal life, their intimate relationships, are very fragile at best, at very best. The minute you get involved in prostitution, you lose the ability to create meaningful relationships, intimate relationships. You just lose it. And you do not develop that way.

So publishing the names the first time, for the first arrest, I think has the capacity of tearing apart whatever personal relationships and intimate relationships they have. So our program is really about building on those relationships, giving them one chance and giving them an education and saying—

Mr. CASTLE. All right, well, then what about the second or the third time? I mean, in other words, you do not bury murderers and rapists, I mean, the kind of rape you think about with violence, not child rape, I mean, we do not bury their names.

So at what point—

Ms. HOTALING. The second time, anything goes—

Mr. CASTLE. So at some point—

Ms. HOTALING. Hang them up and strip them, I do not care.

Ms. FRUNDT. It is continuous, continuously putting their name in the paper.

And as far as the pimps are feeling untouchable, because when the women are arrested, sometimes the pimps are right there. They yell, they scream at the police, and they are not arrested, saying that they do not have enough evidence, saying that they are pimps in this supposed situation.

So we need to come down on that, on how the police receive that.

Because of course the woman's not going to say in front, "Yes, that is my pimp, please arrest. Him."

So we need to also look at those laws for that.

Mr. CASTLE. Exactly. And I think you said something in your answer that you just sort of said, which was "continuous," and I think you are right about that. I do not think you can do this once and let it go for 5 years. This has to be something that recurs enough that it is going to get everybody's attention.

Let me expand it to another area, and that is dedicated law enforcement.

I am on the Education Committee, and we have all kinds of people playing all kinds of games with degrees and selling them and

everything else. There used to be sort of a couple of guys in the FBI who really focused on this and really sort of kept it away because of their focus. Now there is really nobody doing that.

I sort of sense the same problem with local police departments, maybe all the way through even the FBI with international trafficking or whatever it may be.

Do we lack the law enforcement focus, shall we say, on this? Do you see that as you deal with all the women that you deal with, that they are dismissive of the claims or whatever it may be? Do we need to educate the law enforcement people and go to these chiefs and see if they will take three people and make sure that they are educated and prepared for this so they can help with that? Or is that already going on?

Ms. HOTALING. No, you need specialized teams. We have a crimes-against-prostitutes team in San Francisco that focuses on this. I have a dedicated district attorney, and I have had one through three elected district attorneys, fortunately. And you really build on that when you have specialized individuals that are focused. And we have had extremely good prosecutions of pimps in San Francisco.

And it is not always on pimping. You get them on—you know, we put a guy away for some of the longest time on clone phones, because we had teams that were educated on what they could get them on: Get them on guns, get them on silencers.

They have things in their apartments, get immediate search warrants for their apartments. Because a lot of times the victims are going to go sideways. If you rely on the victims as the ones that make the case—and that is what the police say over and over again, “Well, we do not have a victim so we do not have a case,” you know. But they are not doing the work.

And it is so much easier to arrest women—and I think for police officers, it is a lot more fun.

Ms. FRUNDT. Also, quickly, I wanted to note that we also work with a prostitution unit. But, again, training is great; mind set is hard to change.

Chairman PRYCE. Well, the gentleman’s time has expired.

We have come to the end of our hearing.

Before we dismiss the panel, the Chair notes that some members may have additional questions for this panel which they may wish to submit in writing. Without objection the hearing record will remain open for 30 days for members to submit written questions to these witnesses and to place their responses in the record.

I cannot thank you enough, ladies, for being here.

Mrs. MALONEY. May I ask one last question?

One of the things you said just keeps running in mind, when you called it “discrimination.” And we in Congress spend a great deal of time on discrimination, because we feel everyone should have a fair shot and a fair deal and be treated equally. I would say all Americans believe that.

But you mentioned it several times, you said, “This is discrimination against women, it is discrimination against women.” Would you elaborate?

Ms. HOTALING. Well, the laws are written in nondiscriminatory fashions, and if you analyze how the arrests are going throughout

the country, you will find that around 98 to 100 percent of the arrests on prostitution are against women and children, that the failed policies that we have applied towards women are now being applied towards children.

So just the arresting of women has now become the standard for children. And to get—San Francisco is one of the I think very good examples where our arrests, since we started the first-offender prostitution program, has always been more arrests of men than women. And the women, if they are arrested, are sent to diversion programs and funded by the men.

So they get services. Nobody clogs—they do not clog up the court system; they get appropriate services. The men pay for the services, so it is a restorative justice program. And I think that that is really important.

Discrimination, the way that I frame it is that it is—being a police officer is a great job if you can get it. You get to wear a badge, carry a gun, go out solicit a woman, which means asking them for a sex act, very blatantly, and then you get to arrest her and you get to spend the time of charging her, and you usually do it on overtime. And so they are getting charged overtime for this.

But to get them to arrest men, they believe that the men—and I have heard this from some of the experts that DOJ is using now, “Who are the men anyway? They are just kind of fuel the fire,” or, “You know, we are not going to waste our resources on them.” So that really has to change.

Chairman PRYCE. Once again, thank you very, very much. We look forward to continue to work with your organizations and with you and with everyone else who is present and interested today.

The committee thanks you all.

Ms. Maloney and I thank you for your cooperation and your insights into putting this bill together. We look forward to introducing it very shortly.

Ms. HOTALING. Thank you.

Chairman PRYCE. With that, we are adjourned.

Ms. FRUNDT. Thank you so much.

[Whereupon, at 12:27 p.m., the subcommittee was adjourned.]

A P P E N D I X

April 28, 2005

Prepared, not delivered

Opening Statement
Chairman Michael G. Oxley
Committee on Financial Services

**Domestic and International Monetary Policy, Trade, and Technology
Subcommittee**
**Combating Trafficking in Persons: Status Report on Domestic and
International Developments**
April 28, 2005

Good afternoon, Mr. Ambassador. Let me start by congratulating my friend, Subcommittee Chairman Pryce, on the occasion of this, her first hearing as Chairman of the Domestic and International Monetary Policy, Trade and Technology Subcommittee.

I would also like to offer my congratulations to Subcommittee Chairman Pryce for her leadership in the Congress and beyond regarding the need to fight trafficking in human persons. These are issues that are difficult to comprehend in a free society. They involve cruelty, deception, and mistreatment of human beings for monetary gain: kidnapping; servitude in the sex trade; selling of children for adoption; selling of children for servitude in the sex trade.

Modern societies should not and must not tolerate such violence. I commend Subcommittee Chairman Pryce for working on this issue.

I understand that the multilateral development institutions over which this Committee has jurisdiction are becoming engaged in the fight against human trafficking. For instance, the World Bank has an initiative in the Greater Mekong region to analyze labor migration patterns. The International Finance Corporation has just started to work on assisting women who are escaping trafficking and are raising awareness of this issue. Many multilateral banks are working on updating their focus on core labor standards to include trafficking-related issues. Finally, at least some of the regional development banks, such as the European Bank for Reconstruction and Development have been active in the former Soviet Union countries.

We need to better understand the activities of the development banks in fighting human trafficking. Today, we will discuss the activities of these institutions, as well as how we can measure their impact. Additionally, we need to examine the implications for development work if we ask the multi-lateral development banks to become more engaged in the fight against human trafficking. I look forward to learning more about the training of law enforcement officials in this area of international crime.

Oxley, page two
April 28, 2005

Of course, as the authors of the anti-money-laundering title of the USA Patriot Act, Financial Services Committee members have a great deal of expertise in fighting money laundering. As we all know, wherever illicit dollars are earned, criminals will need to use the financial system to make them appear legitimate.

Subcommittee Chairman Pryce, I understand that today's hearing is an initial step to raise awareness of this issue and its implications. I look forward to future hearings on these and related topics. I also look forward to reviewing the outcome of the GAO study that you have commissioned.

###

Honorable Debbie Wasserman Schultz
Opening Statement
April 28, 2005

Thank you Chairwoman Pryce and Ranking Member Maloney for holding the first of what I hope will be many hearings to bring the tragic and heartbreaking issue of human trafficking to the attention of our colleagues and to all Americans. I commend you both on the moral leadership you have displayed through your efforts to help defeat this barbaric practice.

I want to also thank our panelists for appearing before us today, especially “Tina” [not her real name], who will be testifying during the second panel. Tina’s strength and courage goes beyond the limits I expect most of us could bear to consider.

This issue hits home for me. During the summer of 2004, Marie Pompee, a woman from Fort Lauderdale, pleaded guilty to keeping a young Haitian girl as a household slave for three years. The child, an immigrant whose mother had once worked as a maid for the Pompee family, had been raped repeatedly by Pompee’s son. The girl was 12 when police officers found her in the family’s \$400,000 house in the affluent Pembroke Pines community. Police reports affirmed that the

Young girl was half-starved, slept on the floor and was the victim of sexual abuse. Marie Pompee's husband and son fled the country.

According to a report from the Center for the Advancement of Human Rights at Florida State University, modern-day slavery is very much alive in Florida. Human traffickers bring thousands of people to the United States every year, and it is believed that Florida, New York and Texas are the three main destinations of these slavery operations [<http://www.cahr.fsu.edu>].

While this insidious practice appears to be on the rise – aided by the boom in internet technology, the federal government's focus has shifted away from human trafficking as resources are diverted toward terrorism. According to a June 2004, State Department report, each year, 600,000 to 800,000 men, women, and children world wide are trafficked. While the State Department estimates that between 16,000 and 18,000 are trafficked into the United States each year, the CIA estimates that number to be as high as 50,000. I hope today that Ambassador Miller will be able to shed some light on this apparent disparity.

The overwhelming majority of these individuals are women and young girls. Violence against women pervades our society, cuts deep into our psyches, and, more often than not, is misunderstood and misrepresented. These undercurrents influence the way children are taught and what they see on television. Ideas and opinions about the place and role of women are formed at a young age. They affect us in our daily lives. They influence policy decisions at the highest levels, which is why I echo the calls we've heard here today and encourage my colleagues on both sides of the aisle to work together and defeat the trafficking of human beings.

41

TESTIMONY

of

TINA FRUNDT

Street Outreach Specialist, Polaris Project

Before

Subcommittee on Domestic and International
Monetary Policy, Trade, and Technology
Committee on Financial Services
United States House of Representatives

April 29th, 2005

Chairwoman Pryce, Ranking Member Maloney, and Subcommittee members,

Thank you for convening this hearing on trafficking in persons and for giving me an opportunity to share the experience of Polaris Project, as well as my experience as a survivor. I also want to thank you for supporting the End Demand for Sex Trafficking Act – it is historic legislation that addresses a terrible and long overlooked problem. Your leadership means a tremendous amount to myself and to all our clients.

Polaris Project is a multicultural nonprofit organization based in Washington, DC and Tokyo, Japan combating trafficking in persons. We work nationally on policy advocacy and training, and work locally in the DC area conducting outreach and providing case management and services to victims of trafficking. We advocate for and serve all trafficked persons, both foreign nationals and U.S. nationals, exploited in both sex and labor trafficking. Today, however, I am going to talk about the domestic sex trafficking of U.S. citizens within our borders, an urgent crisis that has long been ignored.

I want you to think about the women and children that you have seen late at night, when you may be coming home from work or a social event. Maybe you have seen women in the streets in short dresses. You turn your heads to look away. We don't look at the faces of these young women and girls who are forced to be out in the street. Maybe we think this is what they want to do or they wouldn't be out there.

I'm going to take you back 15-20 years ago, in Chicago, IL, when I was forced to be on the streets at the age of 14. When I was 14, I ran away from home to be with a "wonderful guy I met" that was in his mid-20's. We had a great plan about us living together, making money together, and becoming rich. I thought this was everything I had always wanted, until he told me that if I loved him, I would help make money for us. By the time I thought I was in love with him, he had given me too much to go back home. I was then introduced to the other women that he was pimping, who I hadn't known about before. That's what happens with pimps - at first, it's just you and them, but then there were four of us.

We went to Cleveland, OH, and he immediately said that I was going to go “out” with the 3 other women, so they could show me how to make money for “us,” “for all of us together,” as if we were like a family. Later on that evening, his friends that he knew came by the motel. At first he told me to have sex with one of them, and I didn’t want to, so his friends raped me. Afterwards, he said “that wouldn’t have happened if I would have just listened to him at first.” So I took it as my fault. Instead of being angry at him for being raped, I was angry at myself for not listening to him in the first place. Right after that is when he picked my clothes out, told me what to wear, and forced me to go out on the streets.

When I first went out into the streets, and I had to meet my first John, I felt like this was something I didn’t want to do. I walked around the streets back and forth for hours, hiding, until the morning. Our quota was \$500 but I had only made \$50 that night to give back to the pimp. So he beat me in front of the other girls and made me go outside until I had made the money. This is the same man that took me out to eat, listened to me when I wanted to complain about my parents, and gave me words of advice, but increasingly, I was seeing a side of him that I had never seen before – a brutal side, where he repeatedly hit me in front of the other girls to show us all a lesson. Not only was I shocked, I was scared. What would happen to me if I did try to leave, and who would believe me if I told them that this was going on? So I worked from 6am until 10pm that next night, without eating or sleeping. I came back with the \$500, but in his mind, I still hadn’t learned my lesson. So I had to go back outside until 5AM the next morning. After the second day, he finally bought me something to eat, but as a punishment to never to do it again he locked me in the closet to sleep.

Pimps are sadistic. They train you. Since that first night, I’ve been locked in the closet on numerous occasions, had my arm broken with a bat, and had my finger broken which has never set right. After the abuse, the pimp would tell me to sit on his lap and ask me what was wrong. When I said, “You broke my arm,” he hit me, and asked me again what was wrong. I had to say, “I fell down.” No one else helped me. They just said I shouldn’t have upset him, which helped teach me to blame myself. I wasn’t allowed to see a doctor, so after my finger was broken, I just wrapped it with some tape.

This did not just happen to me when I was 14. It first started when I was 10 years old, in the foster care system, when I was abused by my foster mother's boyfriend. For money, he forced me and my foster brother, who was 13 years old, to have sex with men. When I tried to get assistance with social workers and let them know what was going on, it fell upon deaf ears. This brings us to the question of who is listening when our children are talking? Do we choose not to believe things because it's too hard for us to believe it's true and it's easier to ignore the problem? Or would it force us to realize that something needs to be done to the foster care system. The women and children we have come into contact with have started out on the streets at the age of 12-14, either by kidnapping from the pimp, forced into prostitution by a family member, or in the foster care system by foster parents.

What happened to me 15-20 years ago is still going on today. The young girls and women that we work with at Polaris Project are still going through the same things or worse than what I went through when I was young. Girls as young as 12 years old have to have sex 7 days a week, 365 days a year, usually from 10pm-5am. On an average night, they have sex with 10-15 people and have to meet a quota which is usually \$500-1,000 a night. The young girls and women never keep their money. Who are you going to talk to about the abuse? After awhile, you become numb to the abuse. It happens to you so much, it's just like eating breakfast in the morning. You may not like what you eat but you get used to the routine.

When we look at a victim from another country, we can immediately see, "This is a terrible thing that happened to them. They are forced to go to a foreign country where they know no one and don't know how to get help." But when we see a woman on the street here in the U.S., we think "Why is she doing it? This must be her choice. She can walk away any time she wants. She can leave." There is less sympathy for the domestic victims. Like foreign national victims, domestic victims are also moved away from their home. The pimps move these young girls and women from state to state, where they have no one to help them. They can't go back because they don't know where they are or they are ashamed to tell their families of what has happened to them. On the outside looking in, we think that there are so many resources for them, but in reality, where are the resources and how do they know about them? How can they not be afraid of what's going to happen to them on a

daily basis? How can you ask help from the police when they have done nothing but arrest you, not recognizing you are a victim of sex trafficking?

Sex trafficking of U.S. citizens is reality in every city in the United States, including right here in our nation's Capitol. Recently, we had a client who is now out of the trafficking situation. She is 22 years old, and she has been forced into prostitution for 10 years. She started out in prostitution forced by her mother at 12 years old, and then was sold to a pimp 2 days before her 14th birthday. Another client of ours was kidnapped when she was 12 years old and forced into prostitution. I can go on and on and tell you more horror stories from our clients, but that will still not create a solution to stop these pimps and sex traffickers from getting away with this mental and physical abuse of children and women and profiting from their anguish. The pimps are cocky now, not afraid of the police, not afraid of the judicial system, because they feel like they are untouchable. We, as Americans, have made them untouchable by not recognizing the problem and solving it. If we are judging the efforts of others countries to combat trafficking, we certainly must aggressively fight the trafficking of our own citizens, ensuring that no sex trafficker feels he can profit from modern-day slavery with impunity.

In addition to the human suffering they cause, traffickers generate and launder tremendous amounts of criminal profits every year. The hidden nature of these activities makes estimating its scope difficult, but some estimates of profits from trafficking range from 7-9 billion dollars annually. Taking advantage of the globalized economy and modern technology and communications, traffickers are easily transferring these funds across international borders, making it more difficult to track and combat as it moves into international banking systems.

Profits from a single sex trafficking operation are enormous, with even relatively small brothels in the United States making over a million dollars each year for the owners. Street pimps who traffic children and women using violence and threats also make tremendous profits, with their victims usually making nothing at all. In one typical case of ours at Polaris Project in the DC region, a victim sex trafficked from her early teens was generating an estimated \$130,000 in profits for her trafficker each year. We sat down and figured out that

the pimp was making about \$24,000 a month between her and other women and about \$642,000 a year tax free.

Undermining demand is key to cutting off the funding at its source, preventing the trafficking networks from generating and laundering the profits. Increased funding for training and staff for financial investigation units is necessary to match the sophistication of the criminal networks with specialized capacity within law enforcement. Use of a financial crimes strategy in investigation and prosecution has been a successful approach to dismantling trafficking networks in the United States in the past. In *United States v. Stanley Chan, et al.* the lead trafficker received 52 months imprisonment for conspiracy to commit money laundering. In *United States v. Cheryl Chadwick et al.*, an attorney was indicted for laundering money for a prostitution operation in Las Vegas that is alleged to have sex trafficked minors. In *United States v. Quinton Williams*, the defendant was sentenced to 125 months for money laundering and running a sex trafficking operating victimizing women and children.

The domestic sex trafficking of women and children across the United States can only be described as a crisis. To begin to address this problem, I would like to make the following recommendations:

- 1) Recognize ALL victims of trafficking, including adult citizens who are trafficked by force or coercion.
- 2) Funding for comprehensive and specialized services, especially shelter, for domestic trafficking victims, complimenting the existing funding for foreign national victims of trafficking in persons. This is a problem in every city in the United States, and we need comprehensive services in each of those cities.
- 3) Increased funding for local training of Vice Units and Youth Service Units in police departments and of Child Protective Services to combat trafficking, including domestic sex trafficking.
- 4) Modify Sex Offender Registry to flag sex traffickers, pimps, and johns who commit sexual abuse. A federal tracking system is necessary because the sex traffickers and pimps move from state to state selling women and children.

- 5) Prosecution of hotels, advertisers, and other legal businesses that knowingly profit from or launder profits from human trafficking.

Our main focus today needs to be on protecting women and children and prosecuting pimps and sex traffickers and the demand. There is so little funding for services for domestic survivors of trafficking, though by some estimates there are hundreds of thousands of survivors like me across the United States. We must provide comprehensive and specialized care for the victims of this terrible crime, and we must make the demand and the traffickers accountable for the emotional and physical abuse they have inflicted on us and for the long-term effects that we have to live with on a daily basis. As a voice among the many who have been unheard, I thank you again for supporting the End Demand for Sex Trafficking Act, and for your commitment and continuing leadership on this issue. Now that you have the knowledge, what will you do with it?

NORMA HOTALING**SPEECH TO the SUBCOMMITTEE ON DOMESTIC AND INTERNATIONAL
MONETARY POLICY, TRADE, AND TECHNOLOGY****APRIL 28, 2005**

I would like to start by saying that I am very proud to know Ambassador Miller. I consider him to be a beacon of light in the efforts to eradicate the accepted and endorsed rape and torture of millions of women and girls. I hope you make every effort to give him all the support, tools and resources he needs. He is an absolute champion for those women and girls who are exploited, abused and forced into sexual slavery.

My name is Norma Hotaling and I am the Executive Director and Founder of the SAGE Project. SAGE is the nations first and foremost organization providing highly innovative and effective consumer driven trauma, mental health and substance abuse services for survivors of prostitution, exploitation and trafficking, including a residential services for sexually exploited girls ages 11-17. SAGE has received the Innovations in American Government Award, Peter F. Drucker Award, and Oprah's Angel Award. We are currently in formal replication processes with 12 additional cities through a project of Senator Dianne Feinstein and OJJDP. SAGE is a founding member of the Survivor Services Education and Empowerment Network.

- 1) Because our programs are designed and delivered by survivors, we effectively provide support and engender trust without re-traumatizing even the most fragile of clients. Each week we serve and heal over 350 women and girls, most of whom are life long victims of sexual, emotional and physical abuse, domestic trafficking and have suffered the humiliation of arrest after arrest. SAGE is one of the leading organizations in the Bay Area Anti-Trafficking Coalition, which is comprised of public and private organizations, social service providers, the U.S. Attorneys Office, Immigrations and Customs Enforcement, the Department of Labor, and local police departments. Within the last year, SAGE has rescued 22 internationally trafficked women from the grasp of their traffickers. Nine of the women have been granted continued presence and three have been granted T-Visas and are taking legal action against their traffickers.
- 2) SAGE, in coordination with the San Francisco District Attorney's Office and Police Department, developed the nation's first and largest restorative justice program that addresses the demand side, the customers of prostitutes. Over 7000 men have attended this program after being arrested. They pay a fee, and that fee funds a wide array of rehabilitative services for the real victims of the sexual slavery: women and children.
- 3) SAGE is a dynamic departure from the previous practice of revolving door arrests of individuals involved in prostitution with little or no services available. The former approach resulted in extremely high recidivism rates (80% of individuals arrested are repeat offenders), continuing sexual exploitation and violence, and enormous costs to the criminal justice and public health systems. Because the

average age of entry into prostitution is 13-14, the issue is not only one of violence, but also of sexual abuse and rape of children.

Everyday in densely populated, urban areas vulnerable and naïve girls ages 12-17 are brutally and cunningly recruited by violent or smooth talking pimps from local high schools, streets and shopping malls and delivered to major cities all through the U.S. Poor and vulnerable Asian, South and Central American and Russian women and girls are smuggled, kidnapped, raped, tricked and coerced by traffickers and organized crime syndicates into the highly invisible and mobile sex trade that includes strip clubs, escort, massage parlors, brothels and street prostitution. These women and children make up the Supply Side of Prostitution. The Demand Side of Prostitution is comprised mostly of educated, middle and upper class men.

In prostitution we witness the fragility of the human mind. We see it brutally manipulated and molded to serve the purposes of perpetrators. Universally we experience the victims being targeted, blamed and punished by social, mental health, medical and criminal justice systems.

Vanessa who came to us at eighteen said “My pimp knocked me out with a baseball bat. I woke up and he was sewing my head up. He wouldn’t even take me to the hospital. How could I get away? He’d kill me first, besides he was all I knew. I had been with him since I was 12.”

Through SAGE we shed light on a subject that thrives in darkness, secrecy, silence and shame.

SAGE raises community awareness regarding international and domestic trafficking in addition to providing direct service to the victims of human trafficking. But combating trafficking on a street level requires coordination between law enforcement, legislators, the judiciary and community based organizations.

We have found that, unlike domestic trafficking victims, international trafficking victims are less likely to be found in jails or involved in street prostitution. They are found in the quasi-legal, US government licensed and tolerated prostitution systems commonly known as massage parlors. We have therefore been involved in significant prostitution abatement and legislative reform efforts, aimed at massage parlor licensing, as well as nail salons and acupuncture clinics.

These types of businesses have proven to be destinations for individuals who have come to this country under promissory arrangements, in which women and girls are forced to “work off” their debt.

The trend we have observed is that arrestees, who are being solicited out of private residences, are immediately relocated out once arrested. This indicates that there is third party oversight of these women’s activities, and that resources (which pay for plane tickets and relocation costs) are directed towards keeping them working in the sex industry.

We have heard stories told and re-told about how the billions of dollars made from the sexual exploitation and enslavement of trafficked women and girls enriches transnational criminal networks. The corruption of officials through bribes and the collaboration of criminal networks with government officials enable traffickers to operate, but what is historic, heroic and happening right now is that we have awakened to the fact that these networks are financed one dollar at a time by men, ***the DEMAND***, who we have allowed to buy human beings and use them as though they are nothing more than receptacles, like toilets or sewers. We have normalized their behaviors while criminalizing the real victims. I can tell you story after story where there were no bribes of officials. These are the stories that involve the demand, the men, they are always free to go, released without ever paying a bribe, without arrest, to enjoy their dinners, families, and their jobs while continuing to pretend that their hands are clean and the millions of wounded, missing and dead women and children are a result of other very bad, very organized people doing very bad deeds. Today, with your efforts, and the introduction of the End Demand for Sex Trafficking Act of 2005, ***this protection and collusion with the real perpetrator is ending.***

Dollar by dollar, the influence of criminal networks deepens; the corruption goes as far as to block legislation that would hinder the groups' activities. Dollar by dollar paid by the demand, law enforcement personnel and government officials become more corrupt and criminals gain more influence, the line between the state and the criminal networks starts to blur, making it seem impossible to intervene in the succession of corruption, collaboration, crime, and profit. As long as we point the finger away from ourselves, away from the institutions that blame and criminalize women and children for their own rape, sexual abuse, trafficking and slavery, away from the men who we normalize as "Johns," and as long as we disconnect adult prostitution and the exploitation of children and disconnect prostitution and trafficking in human beings for the purposes of rape and sex slavery; then we are to blame and we have assisted in creating well funded transnational criminal networks-dollar by dollar.

Dollar by dollar, the money men pay to buy, have delivered, harm and toss aside women and children is laundered through bank accounts of criminal bosses in financial centers, such as the United States and Western Europe or in offshore accounts. We like to fool ourselves into thinking that domestic and international trafficking is driven by economic despair, and not by our protection and collusion with the men who demand to buy human beings and thus create the market for sex slaves. Individuals that have been trafficked within and to our country should be offered the same benefits as political prisoners. These people are truly the "huddled masses" that are spoken of at the foot of the Statue of Liberty. I feel that it is not only my job, and my civic duty as an American citizen but truly the reason I was spared death. Like most of SAGE's clients I was exploited as a child through prostitution, I suffered years of trauma, drug use, criminalization and involvement as an adult in the sex trade. It is my job, duty and purpose to prevent sexual slavery, end the demand for prostitution and sex slavery while providing women and girls, like my self and so many of the staff of SAGE, so dreadfully harmed with hope, freedom, and the opportunity to lead a safe, healthy and fulfilling lives.

Thank you for the chance to speak to you today. With your continued assistance and the recommendations that are forthcoming from this committee, we can put an end to the

sexual exploitation and slavery of millions of women and girls in and outside of our borders.

CURRICULUM VITAE

Norma Hotaling

NORMA HOTALING77 Pomona St.
San Francisco, CA 94124
(415) 505-6811**Areas of Expertise**

- ◆ Criminal Justice Treatment Programs
- ◆ Drug Abuse Among Women and Girls
- ◆ Drug Treatment, Women and HIV
- ◆ Violence Against Women and Girls
- ◆ Systems of Prostitution and Sexual Exploitation
- ◆ Domestic and International Trafficking of Women and Girls
- ◆ Demand Side of Prostitution

Work Experience**Executive Director, SAGE Project, Inc.**

January 1996—Present

Responsible for fundraising, grant writing, program planning and development, board development, staff and volunteer training. Oversees programs for youth and adult prostitutes in the criminal justice system, out-of-custody programs, and direct service programs in the community. Coordinates and facilitates out-of-custody programs for customers of prostitutes. Coordinates services between mental health, substance abuse and criminal justice for women and girl survivors of sexual exploitation and violence.

**Health Educator, Program Designer
First Offender Prostitute Program**

January 1995—Present

Designed, implemented and now facilitates program for customers of prostitutes with fines being redirected for youth and adult prostitution programs. Designed and implemented both youth and adult prostitution treatment and prevention programs.

Co-Principle Investigator

July 1994—Present

Research project sponsored in part by Bay Area Homelessness Program. Study consists of 130 men, women, youth and transgender prostitutes, studying violence and recruitment into prostitution, PTSD, and assessment of needs.

**Research Associate, Kaiser Hospital
Psychiatric Department**

March 1994—June 1995

Conducted research interviews, investigating the long-term physical and psychological effects of physical and sexual abuse in women.

Project Director, Prevention Research Center

October 1993—June 1994

Norma Hotaling

Investigated connections between sexual and domestic violence, drug use, entry into prostitution and high HIV-risk behavior as part of a NIDA-funded research project of IDU's, drug treatment and AIDS. Interviewed respondents and coordinated activities of other project staff, including research assistant, program analyst, and secretary. Prepared monthly status reports for study director. Coded and analyzed qualitative and quantitative project data. Presented project data at national and international conferences. Assisted in write-up of research findings, assisted the study director in writing, and preparation of final reports.

Project Coordinator, Mandated Services, March 1992—October 1993
Forensic AIDS Project, San Francisco Department of Public Health

Directed all and out-of-custody court ordered HIV testing and counseling programs for women, men and transgender street prostitutes as mandated by the San Francisco County courts. Interfaced with all San Francisco Criminal Justice bodies. Generated all written reports to the San Francisco courts concerning enrollment and completion of program. Performed assessment, screenings and linkages to substance abuse treatment. Collected, analyzed, and presented data from prostitute, HIV, and education programs. Revised program activities and developed strategies as necessitated by changes in clients' needs. Selected appropriate methods for evaluating program effectiveness. Presented Drug-Court Model to San Francisco Probation Department, Public Defenders Office, District Attorneys Office, judges, and the Sheriff's Department.

Health Information Specialist, Marin AIDS Project 1990—1991

Developed appropriate data-gathering instruments for field research and outreach project. Investigated the physical, social, emotional, environmental, and intellectual factors influencing drug use and high HIV risk behaviors. Conducted trainings for CJ/CPS and presented data gathered from prostitutes and drug users involving sexual assaults, trauma, crack and needle use, and associated sexual and high-risk behavior. Trained and supervised Community Health outreach teams and research associates in street ethnography and data-gathering techniques.

Community Health Outreach Worker Trainer, 1989—1991
State of California Office of AIDS, California AIDS Intervention Training Center

Ethnographic presentations on women at high-risk for HIV infection, including women in prostitution, IDU's, sexual partners of IDU, and incarcerated women.

Research Associate/Special Projects Coordinator, 1978—1983
Santa Cruz Community Counseling Center/ Walden House

Designed and implemented the first licensed health and nutrition program for a residential drug and alcohol treatment program in the U.S. Gathered qualitative and quantitative data on pre- and post-treatment client characteristics and outcomes. Designed and supervised opening of rural drug rehabilitation center. Trained and supervised new staff.

HONORS AND AWARDS

DEGREES

| | |
|-------|---|
| 1992, | Bachelor of Science, Health Education (H.E.D.), Magna Cum Laude, San Francisco State University, San Francisco, CA |
| 1975, | Associate of Science, Cardio-Pulmonary Technology, University of Florida, Gainesville, FL |
| 1972, | Associate of Arts, Liberal Arts, Santa Fe Community College, Gainesville, FL |

HONORS AND AWARDS

| | | |
|------|--|----------|
| 2001 | Oprah Angel Network "Use Your Life Award" | S.F., CA |
| 2000 | Peter F. Drucker Award for Non-Profit | W., DC |
| 2000 | Violence Against Women Award | S.F., CA |
| 1999 | Barbara Boxer "Women of Courage and Action" | S.F., CA |
| 1999 | "Honoring Women of Courage and Action" | S.F., CA |
| 1999 | With Gratitude for you Wisdom and Leadership | S.F., CA |
| 1998 | Innovation in American Government Award | S.F., CA |
| 1998 | The S.F. Women's Center "Resourceful Women" | S.F., CA |
| 1998 | Marketing a Difference for Women | S.F., CA |
| 1996 | Patient's Rights Advocacy Award | S.F., CA |
| 1992 | 1992, HOOD Recipient (HPERL/S) San Francisco State University | S.F., CA |
| 1991 | Cox Scholarship, San Francisco State University | S.F., CA |

PRESENTATIONS

| | |
|------|--|
| 2005 | "Best Practices in Responding to Child Sexual Exploitation" Presented at Fourth National Symposium on Victims of Federal Crime-U.S. Department of Justice , Atlanta, Georgia |
| 2004 | "Bringing Justice Home: Ending Violence Against Women" Presented at Bioneers: Visionary & Practical Solutions for Restoring the Earth & People , San Rafael, California |
| 2004 | "The Sexual Exploitation of Children" Presented at Faces of Children Prayer Summit 2004 , Washington, D.C. |
| 2004 | "Recognizing & Treating the Psychological Outfalls of Trauma and Abuse in Trafficked Individuals" Presented at 2004 National Refugee Program Consultation , Washington, DC |

- 2003 **"Increased Demand Resulting in the Flourishing Recruitment and Trafficking in Women and Girls"**
Presented at **The Expert Meeting on Prevention of International Trafficking and Promotion of Public Awareness Campaign**, Seoul, Korea
- 2003 **"The Abuse, Rape and Trafficking of Children and Adults Through Prostitution Will End by Eliminating the Demand and Focusing on Protection"**
Presented at **Demand Dynamics Conference**, Chicago, Illinois
- 2002 **"Protecting Our Children-Working to End Child Prostitution"**
Presented at **The Office of Juvenile Justice and Delinquency Prevention, Office of Justice Programs- U.S. Department of Justice**, Washington, DC
- 2001 **"Increased Demand Resulting in the Flourishing Recruitment and Trafficking in Women and Girls"**
Presented at **The Annual Conference on Criminal Justice Research and Evaluation**, Washington, DC
- 2001 **"The Demand Side of Prostitution"**
Presented at **The 2nd World Congress Against The Sexual Exploitation of Children**, Yokohama, Japan
- 2000 **"Trauma and Drug Recovery for Abuse and Prostitute Survivors in the Criminal Justice System,"**
Presented at **The Tenth UN Congress On The Prevention of Crime and Treatment of Offenders**, Vienna Austria
- 1996 **"Prostitution, Violence and Post Traumatic Stress Disorder"**
Presented at **The American Public Health Association Conference**, New York City, New York
- 1996 **"Peer Programs for Girls Used in Prostitution"**
Key Note Presenter at **"Violence, Abuse and Women's Citizenship"** Conference, Brighton, England
- 1995 **"Trafficking in Women"**
Presented at **The Fourth United Nations Conference on Women**, Beijing, China

PUBLICATIONS

- 2003 Hotaling, N., Burris, A., Johnson, Julie B., Bird, Yoshi M., Melbye, Kirsten A.; **"Been There Done That: SAGE, A Peer leadership Model Among Prostitution Survivors,"** Journal of Trauma Practice
- 2002 Bush, N., Bell, H., Monto, M., Hotaling, N.; **"Power, Control and Violence as Central Themes Among Customers of Prostituted Women,"** Violence Against Women

- 2002 Hotaling, N. & Lavitis, L.; **"Increase Demand Resulting in the Flourishing Recruitment and Trafficking in Women and Girls"**, Hastings Law Journal
- 2002 Hotaling, N., Johnson, J., Burris, A., Melbye, K.; **"Peer Leadership & Training Program for Prostitutes"**, Journal of Traumatic Stress
- 2001 Monto, M. & Hotaling, N.; **"Predictors of Rape Myth Acceptance Among the Male Clients of Female Street Prostitutes"**, Violence Against Women, Volume 7, Number 3, PP 275—293, March 2001
- 1995 Farley, M. & Hotaling, N.; **"Prostitution, Violence and PTSD"**, San Francisco Examiner, April 16th, 1995

REFERENCES

Michael Smith, M.D., Executive Director, Lincoln Clinic, Bronx, New York

Joseph Goldenson, M.D., Director, Forensic Services, Jail Medical, San Francisco Department of Public Health, San Francisco, CA

Bev Overbo, Ph.D., Professor, Department of Health Education, San Francisco State University, San Francisco, CA

**NORMA J. HOTALING TESTIMONY
SAGE PROJECT INC.
Financial Disclosure Statement
April 28, 2005**

SAGE: Fiscal Year 2002-2003:

Office of Refugee Resettlement - \$100,000
STOP Program

SAGE: Fiscal Year 2003-2004:

Office of Refugee Resettlement - \$140,000
STOP Program

Office of Juvenile Justice Programs
Federal Earmark - \$544,000

SAGE: Fiscal Year 2004-2005:

Office of Refugee Resettlement - \$281,437
STOP Program

Office of Juvenile Justice Programs
Federal Earmark - \$568,875

U.S. Government Efforts to Combat Trafficking in Persons

Testimony by Ambassador John R. Miller
Director, Office to Monitor and Combat Trafficking in Persons
U.S. Department of State

House Committee on Financial Services
Subcommittee on Domestic and International
Monetary Policy, Trade, and Technology

April 28, 2005

Thank you, Madam Chairwoman. It is my honor to be here today to talk about America's leadership in the global effort to eradicate trafficking in persons, and I am pleased to have the chance to thank you for your personal action in this fight. Your recent CODEL on human trafficking to Moldova, Albania, Italy, and Greece drew the attention of the governments in those countries, and it is a trip we hope will lay the groundwork for other successful CODELs focused on human trafficking. I also want to thank Mrs. Harris, Mrs. Maloney, and others on this committee for their commitment to ending modern-day slavery.

It is nearly impossible for me to begin a discussion of trafficking in persons without presenting the human face of the issue, because it is, after all, real women, real children, and real men we are fighting for.

When you see, as I have, young girls and boys like Khan, who have been trafficked into forced labor, subjected to inhumane working conditions, brutally abused, even scarred by industrial chemicals deliberately poured on them, you must speak out on their behalf.

When you see, as I have, teenage girls and young women like Katya, who have been trafficked into commercial sexual exploitation, threatened with their lives and the lives of their children, violated by unthinkable numbers of men day after day, and cruelly treated, you are compelled to oppose this crime.

When you see, as I have, people from all corners of the globe, trafficked — bought and sold — forced into domestic servitude slavery and camel jockey slavery and even made to be child soldiers, you become nothing less than a 21st century abolitionist.

President Bush eloquently set the tone for U.S. action on this issue at the United Nations General Assembly when he said to the world, "We must show new energy in fighting back an old evil. Nearly two centuries after the abolition of the transatlantic slave trade, and more than a century after slavery was officially ended in its last strongholds, the trade in human beings for any purpose must not be allowed to thrive in our time."

I'm here today to give you an overview of U.S. efforts to fight this old evil. And while we have much yet to do, under the leadership of Congress and the President, you'll see we have gotten off to a positive start.

The Office to Monitor and Combat Trafficking in Persons

I'll begin with the efforts of my office in the State Department, the Office to Monitor and Combat Trafficking in Persons, which was created by the Trafficking Victims Protection Act of 2000.

First, we are monitoring worldwide human trafficking patterns and issuing a comprehensive annual report in order to stimulate increased action by foreign governments and regional coordination. This report has achieved very promising results. For instance, in the months leading up to and directly following the 2003 and 2004 *Trafficking in Persons Reports*, we saw a surge in government activity around the world: the passage of new anti-trafficking laws, increased prosecutions of traffickers, national public service announcements and much more.

Whether it was countries' own awakening to the issue or their desire to improve their rating on our report, we can't say for sure. But what we do know is the report has become an invaluable diplomatic tool the State Department uses to accelerate progress abroad, and we are working vigorously with governments to achieve positive actions. We hope the 2005 report covering 150 countries, to be released by Secretary Rice on June 1, will achieve even greater results for people vulnerable to trafficking.

In addition to the report, a second core function of my office is coordinating U.S. financial assistance to support anti-trafficking programs around the world. With fiscal year 2004 funding, the U.S. obligated more than \$96 million to anti-trafficking in persons efforts abroad, boosting our total to more than \$295 million over four years. USAID and the Departments of State, Labor, Justice, and Homeland Security are involved in these efforts in foreign countries. We are investing in prevention, protection, and prosecution to stop the flow of new people into trafficking, to ensure they are safe once rescued from slavery, and to ensure justice is served by putting traffickers in jail for significant amounts of time.

Finally, my office takes its congressional mandate to increase public awareness very seriously. We are reaching millions of people around the world through media, public speaking engagements, and other creative communications efforts. This public outreach is leveraged to increase the effectiveness of the report and assistance programs. It is shining a bright light on this problem, accelerating our momentum.

Senior Policy Operating Group

In addition to my role as director of the TIP Office, I serve as chairman of the Senior Policy Operating Group, which implements the policies set forth by the President's Interagency Task Force to Monitor and Combat Trafficking in Persons headed by Secretary Rice.

From this perspective, I can tell you that each of the U.S. government agencies involved in anti-trafficking in persons efforts has developed a strategic plan to guide its anti-TIP efforts. Through the SPOG, we are working to coordinate these plans and all of our actions to end modern-day slavery.

A couple of important SPOG developments to note. First, we are bringing new energy to fighting trafficking in persons by coordinating our grant programs. We are analyzing where funds are most needed, where governments have the will and capacity to participate, and where we can have the most impact for victims.

Secondly, we are making the fight against child sex tourism a top priority. This heinous type of human trafficking highlighted by President Bush's speech to the U.N. General Assembly involves people traveling to foreign countries to pay for sex with children. By U.S. law, and by international agreement, all children under 18 who are exploited abroad for commercial sex are considered trafficking victims, and we are working to stop this abuse.

We also are increasing attention to the "demand" side of modern-day slavery and how consumer countries have a responsibility just as source countries do. These are important directions, and the Senior Policy Operating Group is committed to seeing them through.

Financial Implications of Trafficking in Persons

Now, before I conclude, I want to say how pleased I am that this subcommittee is bringing new energy to the anti-trafficking movement by examining the financial aspects of this crime.

We know human trafficking fuels organized crime, and there is a great danger in this, because where organized crime flourishes, governments and the rule of law are weakened, and people suffer.

According to the Congressional Research Service, human trafficking is considered the third largest source of profits for organized crime worldwide after the arms and drug trades, and the U.S. Government estimates it generates \$9.5 billion in annual

revenue. The U.N. Office on Drugs and Crime has concluded that the globalization of trafficking has allowed crime groups formerly active in specific routes or regions to expand the geographical scope of their activities to explore new markets.

Trafficking in persons is clearly a lucrative criminal enterprise closely connected with money laundering, drug trafficking, document forgery, and human smuggling. It is an illegal activity with high profit margin and low risk, making it very attractive to criminals. A trafficker may receive a few hundred to thousands of dollars from the work of a trafficked child laborer, and a brothel owner may obtain profits of a few thousand to tens of thousands of dollars for each trafficked woman forced into prostitution.

Traffickers benefit from this crime because the costs of recruitment, transportation, and documentation are small compared to the enormous profits and because there is a low risk of prosecution.

Many poor countries, which are main targets for traffickers, find much-needed money going to crime bosses instead of the countries' economies.

More research is needed for us to get a better understanding of just how traffickers and organized crime groups are using the modern-day slave trade to launder money and finance other criminal activities. Your subcommittee can play a vital role in improving our understanding in this area.

Conclusion

In just five years since we began issuing a report on human trafficking, nations have found so much common ground. So many countries that did not recognize their slavery problems four years ago are now committed to eradicating it. The U.S. has dramatically increased its efforts as well, investing significant amounts of money internationally to fight human trafficking.

Domestically, the Department of Homeland Security has taken an aggressive approach to the worldwide problem of human trafficking investigating and providing short- and long-term immigration relief to trafficking victims as well as arresting, processing, detaining, and removing undocumented traffickers from the United States. Additionally, the Department of Health and Human Services has launched a public awareness campaign to help rescue victims, including the first national 24-hour hotline. In comparing the last three years to the previous three years, the Department of Justice has nearly tripled the number of prosecutions of human traffickers. The Department of Defense has issued a zero-tolerance policy

on trafficking in persons for its 3,000,000 service members, civilian employees and contractors, and Defense personnel overseas receive education and training on human trafficking. Other agencies are doing great work as well.

The importance of this cooperation and action cannot be underestimated because trafficking poses a serious multidimensional threat to human rights, public health, and the safety and security of communities worldwide. It is a crime that has troubling implications, not just to Khan and Katya and other trafficking victims, but to us all.

I am now happy to take your questions.

