



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

830 PUNCHBOWL STREET, ROOM 321

HONOLULU, HAWAII 96813

www.labor.hawaii.gov

Phone: (808) 586-8844 / Fax: (808) 586-9099

Email: dlir.director@hawaii.gov

February 12

To: The Honorable Scott Y. Nishimoto, Chair,
The Honorable Joy A. San Buenaventura, Vice Chair, and
Members of the House Committee on Judiciary

Date: Tuesday, February 13, 2018

Time: 2:00 p.m.

Place: Conference Room 325, State Capitol

From: Leonard Hoshijo, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1724 HD1 Relating to Human Trafficking

I. OVERVIEW OF PROPOSED LEGISLATION

HB1724 HD1, through the Department's enabling statute, expands the human trafficking poster requirement, increases penalties for violations of the poster requirement, deposits the penalties in the human trafficking victim services fund, and allows the Department to contract with any state or county department or agency for implementation or enforcement.

Act 245 (SLH, 2013) created the posting requirement, but did not furnish any resources to carry out the intent of the Act. Pursuant to §371-20(d), DLIR has made available the poster on its website. However, no enforcement actions have been taken as the Wage Standards Division does not have staff or financial resources to do so. Furthermore, there have been no reports of failing to post the required notice to the department over the five years the law has been in effect.

The human trafficking victim services fund was established in 2014 by Act 119 and housed in an attached agency -- the Office of Community Services. To date, \$1,080.00 has been deposited in the fund. HB1724 HD1 also provides DLIR with the legal authority to contract with an outside state or county department or agency to fulfill the purpose of the statute. Additional funding would be needed to support this contract activity.

To estimate the additional enforcement resources necessary to carry out the intent of this measure, DLIR has determined from information obtained from the County liquor commissions and the Department of Commerce and Consumers Affairs (DCCA) that 483 establishments hold class 5 and class 11 liquor licenses on Oahu, Big Island, Kauai, and Maui:

- Oahu (217 Class 5, 19 Class 11 licenses for Honolulu)
- Hawaii Island (102 Class 5, 1 Class 11)
- Kauai (15 Class 5, 1 Class 11)
- Maui (128 Class 5, 0 Class 11)

These numbers do not include all the establishments that employ one or more erotic or nude massagers or exotic or nude dancers, because many of those establishments do not hold class 5 or class 11 liquor licenses.

In addition, as determined from DCCA's publicly available information, there are 866 active massage establishment licenses and 7,294 active licensed massage therapists in the State.

A Labor Law Enforcement Specialist's salary on 1 July 2018 will be \$45,288 and with the fringe \$70,996. DLIR's rough estimate is that at least one person would need to be based in each county and two for Oahu. Total cost would be in the neighborhood of \$400,000 (salary and fringe \$354,831 plus non-personnel costs).

HB-1724-HD-1

Submitted on: 2/10/2018 10:24:45 AM

Testimony for JUD on 2/13/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dara Carlin, M.A.	Domestic Violence Survivor Advocate	Support	No

Comments:



Aloha Chair Nishimoto, Vice Chair San Buenaventura and members of the House Committee on Judiciary,

The Young Progressives Demanding Action – Hawai‘i, representing nearly 600 registered members, **strongly supports** HB1724. Hawai‘i’s allure as a so-called tropical paradise, and its isolated geography, has many negative consequences for residents and visitors, not the least of which is the archipelago’s status as a sex-trafficking hub. Some estimates put the amount of money spent in the illicit industry at \$625 million, annually.

While it is true that some sex workers are complicit in their work, the majority of the 1,500–2,500 individuals engaged in sex work on any given day in Hawai‘i are coerced in some way or another. Many of them are victims of human trafficking. According to IMUAlliance data, some 90 percent of these victims reported being physically assaulted while they were trafficked, while 77 percent reported being raped while trafficked.

A 2011 report by the FBI states that, “People see a pimp as someone who obtains customers for a prostitute. The reality is that they use manipulation, threats and violence to keep these women from leaving ... Out of fear or a desire to be cared for, hookers protect their pimps.”

In August 2011, the Anaheim Police Department (APD) started offering support services to women that had been arrested for prostitution. After an arrest was made, law enforcement would explain that the women had been victims of abuse, and that they were in a safe place. The women were encouraged to cooperate with police to build cases against their pimps while receiving counseling and other supportive services. APD had arrested just three pimps between 2008 and 2011. During the first 14 months of the new initiative, 38 pimps had been arrested and charged. In those 14 months, 20 of the 38 pimps had been convicted while the remaining 18 were still awaiting trial.

“Most prostitutes recognize their actions as illegal; however, a substantial number of them truly are

victims,” the report continues.

In other words, most victims do not possess the knowledge or tools necessary to remove themselves from their trafficked situation and don't know where to turn to seek help. This is where a bill like HB1724 comes in. By expanding the poster requirement to massage therapy establishments—frequent front for human trafficking operations—that employ three or more people, and increasing the penalties for violations of this poster requirement, crucial information about support resources will stand a better chance of being seen by trafficked victims. Placing revenue from the fines for violation of this requirement in the victim fund ensures that those resources remain solvent and accessible for those who need them most. Please support this bill.

Mahalo,

Will Caron
Social Justice Action Committee Chair
8083874920



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

**TESTIMONY FOR HOUSE BILL 1724, HOUSE DRAFT 1, RELATING TO HUMAN
TRAFFICKING**

**House Committee on Judiciary
Hon. Scott Y. Nishimoto, Chair
Hon. Joy A. San Buenaventura, Vice Chair**

**Tuesday, February 13, 2018, 2:00 PM
State Capitol, Conference Room 325**

Honorable Chair Nishimoto and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in strong support of House Bill 1724, HD 1, relating to human trafficking.

In 2013, lawmakers passed Act 245 (HRS §371-20), which requires certain high-risk establishments—including massage parlors, strip clubs, and hostess bars—to post the National Human Trafficking Resource Center Hotline number in a place accessible to workers. IMUAlliance estimates that 150 high-risk sex trafficking establishments exist on Hawai'i's shores, which are places at which we have documented multiple cases of prostitution (either through police records or our own outreach efforts) within a single month and nearly all of which are required to post the hotline number mandated by Act 245. When crafted, the law was intended to not only provide potentially life-saving information to victims working in high-risk enterprises, but also to catalogue locations that consistently failed to provide such information and use fines collected from violations to subsidize victim services by depositing the fines into the state's Human Trafficking Victim Services Fund pursuant to HRS §706-650.5.

Unfortunately, since the law's enactment, enforcement has been spotty, at best. HB 1724 would rectify that problem and incentivize enforcement by raising penalties for high-risk establishments that violate HRS §371-20's hotline poster requirement to \$500 for the first offense and \$1,000 for each subsequent offense, while also allowing the Hawai'i State Department of Labor to contract with any other state or county agency to enforce the law, which should make enforcement more manageable for DLIR.

Amending this law is crucial to identifying and prosecuting high-risk human trafficking establishments, ensuring that victims have notification about how to obtain assistance (including rescue assistance), and eliminating confusion currently caused by DLIR stating on the department's website that the poster is a requirement that DLIR "doesn't enforce." IMUAlliance provides direct intervention services to victims of human trafficking in the physical locations at which they're being exploited. When we do outreach, frankly, we see very few establishments meeting the hotline poster requirement, to the detriment of the women and children being harmed on their premises.

Slavery has no place in paradise. Mahalo for the opportunity to testify in strong support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



HOUSE COMMITTEE ON JUDICIARY

TESTIMONY—HB 1724, HD 1, Relating to Human Trafficking

TUESDAY, FEBRUARY 13, 2018

Jeanné Kapela, UNITE Hawaii Executive Director

POSITION: STRONG SUPPORT

Chair Nishimoto and committee members,

Hawai'i is home to over 150 high-risk sex trafficking establishments, with the average age a victim is first exploited being only 13-years-old. We are also a target for “cybertrafficking,” with over 110,000 ads for local prostitution posted online each year. Yet, the numbers fail to fully capture the human toll of the commercial sex trade, a tragedy we witness each day in the eyes of the survivors we serve.

UNITE is an educational nonprofit devoted to ending sex trafficking in Hawai'i. Through outreach and awareness in local schools, we provide students with the skills necessary to prevent exploitation by building healthy relationships and learning communities. Our program, “It Ends With Us,” explains how trafficking works in the 21st Century, preparing students to recognize threatening situations and respond to potential abuse. To date, we have provided anti-trafficking education to thousands of keiki in our state’s public school system. Working with UNITE’s strategic partner, IMUAlliance, we have also helped to emancipate sex trafficking victims from local brothels in the Ala Moana area. For both victims who self-identify at the schools we visit and those for whom we’ve provided direct intervention services, a lack of information about how to get help is a common concern.

In 2013, lawmakers passed Act 245, which compels high-risk sex trafficking establishments—including massage parlors and strip clubs—to post the National Human

Trafficking Resource Center Hotline number in a place accessible to employees. When crafted, the law was intended to provide information to potential victims working in high-risk businesses about how to obtain help, catalogue locations that consistently failed to provide such information, and use fines collected from violations to subsidize our state's increasing need for victim services. Since the law's enactment, however, enforcement has been lackluster, with anti-trafficking advocates rarely seeing the poster put up when we perform outreach in high-risk locations. HB 1724 raises penalties for high-risk establishments that violate this law and allows the State Department of Labor to contract with any state or county government agency for enforcement. These changes would make implementation more practicable for the department, advance our state's goal of requiring perpetrators of trafficking-related offenses to pay for victim services, and, hopefully, provide vital information to individuals affected by the human slave trade on our shores.

Thank you for the opportunity to testify in support of this bill.

**PRESENTATION OF THE
BOARD OF MASSAGE THERAPY**

TO THE HOUSE COMMITTEE ON JUDICIARY

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Tuesday, February 13, 2018
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 1724, H.D. 1, RELATING TO HUMAN
TRAFFICKING.**

TO THE HONORABLE SCOTT Y. NISHIMOTO, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Samantha Meehan-Vandike, and I am a member of the Board of
Massage Therapy ("Board"). Thank you for the opportunity to testify on H.B. 1724,
H.D. 1. The Board supports this measure and provides the following comments and
amendments.

H.B. 1724, H.D. 1 seeks to strengthen provisions to combat human trafficking by
amending the hotline poster requirement and increasing the penalties for violations of
this requirement.

This measure amends the definition of "employer" to read "any person that
maintains a massage therapy establishment that employs [~~five~~ three] or more people."
Because many licensed massage therapists work as independent contractors and are
not employees of a massage establishment, the Board recommends that the words "or
contracts" be added after the word "employs".

Thank you for the opportunity to testify on H.B. 1724, H.D. 1