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**David Y. Ige**  
Governor

**Chris Tatum**  
President and Chief Executive Officer

Statement of  
**CHRIS TATUM**

Hawai'i Tourism Authority  
before the  
**SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

Monday, February 3, 2020  
2:55 PM  
State Capitol, Conference Room #414

In consideration of  
**SENATE BILL NO. 2551**  
**RELATING TO HUMAN TRAFFICKING**

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Chair Wakai, Vice Chair Taniguchi, and members of the Committee on Energy, Economic Development, and Tourism: the Hawai'i Tourism Authority (HTA) **supports** Senate Bill 2551, which requires transient accommodations operators to provide training, signage, and reporting policies to employees regarding human trafficking awareness.

SB2251 would help Hawai'i in its efforts to fight human trafficking. We have been working with Ho'ōla Nā Pua (HNP), a Hawai'i nonprofit that helps victims of sex trafficking, to educate workers in Hawai'i's visitor industry on what they can do to help combat this crime. This bill would make the training mandatory. HNP says many of the victims are young Hawai'i residents, and that sex traffickers often take advantage of the privacy and anonymity accessible through the hospitality industry.

It is for these reasons that the HTA **supports** SB2551. We appreciate this opportunity to provide testimony.

DAVID Y. IGE  
GOVERNOR

JOSH GREEN  
LIEUTENANT GOVERNOR



SCOTT T. MURAKAMI  
DIRECTOR

ANNE EUSTAQUIO  
DEPUTY DIRECTOR

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

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February 3, 2020

To: The Honorable Glenn Wakai, Chair,  
The Honorable Brian T. Taniguchi, Vice Chair, and  
Members of the Senate Committee on Energy, Economic Development, and  
Tourism

Date: Monday, February 3, 2020  
Time: 2:55 p.m.  
Place: Conference Room 414, State Capitol

From: Scott T. Murakami, Director  
Department of Labor and Industrial Relations (DLIR)

**Re: S.B. No. 2551 RELATING TO HUMAN TRAFFICKING**

The Department of Labor and Industrial Relations administers labor law and programs, not criminal law, and therefore requests that it not be given the additional responsibility as proposed in the measure. The DLIR strongly opposes this proposal.

§26-20 Department of labor and industrial relations. The department shall administer programs designed to increase the economic security, physical and economic well-being, and productivity of workers, and to achieve good labor-management relations, including the administration of workers' compensation, employment security, apprenticeship training, wage and hour, and industrial relations laws. The department shall also have the function of developing, preparing, and disseminating information on employment, unemployment, and general labor market conditions.

The Department currently has insufficient resources to accomplish its core missions. DLIR is requesting a general fund increase of approximately 25% to its budget to address the lack of critical resources to carry out basic functions, including \$5,000,000 to the Unemployment Insurance Program. The Unemployment Insurance (UI) system is the federal government's major means of providing income maintenance assistance to the unemployed and to assist in the counter-cyclical stabilization of the national economy during economic downturns. This focus makes it one of the most effective targeted tools

for maintaining American families' purchasing power and keeping the economy on track during an economic downturn.

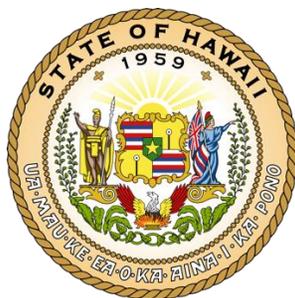
The UI Division has been replacing a critical loss of federal resources by tapping the Special Unemployment Insurance Administration Fund for the past three fiscal years. The use of the special fund was instrumental in enabling the Unemployment Insurance Division to avoid a reduction-in-force and maintain its federal performance standards.

The balance in the special fund will not be able to sustain the current staffing levels and future shortfalls in federal funding and will reduce services and increase wait times for claimants as well as impact the federal performance measures. The impact to services will likely include the closure of the Neighbor Island offices and consolidation of operations in Honolulu, significant increases in claims processing errors, reduced tax collection capability, and a decline in federal benchmarks, among others.

Should workloads suddenly rise, the UI Division would be unable to get adequately train staff processing claims as quickly as necessary, which would involve significant delays in benefits distribution and impede the ability for the program to function as a countercyclical method to cushion an economic downturn.

SB2551 would require the DLIR to police this poster function as described in subsection (e) for the 80,554 visitor units as reported in the Hawaii Tourism Authority's 2019 Visitor Plant Inventory. In addition, it would require DLIR to work with all the departments of the executive branch and their attached agencies to ensure compliance.

In considering the combination of a critical lack of resources and the additional responsibilities required by this measure, the DLIR strongly opposes this measure.



‘O kēia ‘ōlelo hō’ike no ke  
**Komikina Kūlana Olakino o Nā Wāhine**

Testimony on behalf of the  
Hawai‘i State Commission on the Status of Women  
**Khara Jabola-Carolus, Executive Director**

Prepared for the Senate Committee on EET

In Support of SB2551  
February 3, 2020, at 2:55 p.m. in Room 414

Dear Chair Wakai, Vice Chair Taniguchi, and Honorable Members,

The Hawai‘i State Commission on the Status of Women supports SB2551, which requires transient accommodations operators to provide training, signage, and reporting policies to employees regarding human trafficking awareness.

This measure could have a profound impact on the issue of sex trafficking. In 2018, the Hawai‘i State Commission on the Status of Women found that non-residents augment demand for transactional sex in Hawai‘i by up to 30%.<sup>1</sup> In 2019, tourists to Hawai‘i recently went over the 10 million benchmark.<sup>2</sup> In 2019, twenty-two sex trafficking victims and family members who participated in the State’s first qualitative research on sex trafficking reported that they were sold in multiple venues including hotels. The report concluded:

*“Sex trafficking victims were seen by hotel staff during their sex trafficking experiences. None of these bystanders offered support to the victims in this study. Many of the participants reported a sense of shame and stigma.”<sup>3</sup>*

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<sup>1</sup> Roe-Sepowitz, D. & Jabola-Carolus, K., *Sex Trafficking in Hawaii Part I: Exploring Online Sex Buyers*, Arizona State University, Aug. 2018.

<sup>2</sup> Schaeffers, A., “Visitor Arrivals to Hawaii Exceeded 10 Million in 2019,” Jan. 29, 2020, <https://www.staradvertiser.com/2020/01/29/breaking-news/visitor-arrivals-to-hawaii-exceeded-10-million-in-2019/>.

<sup>3</sup> Roe-Sepowitz, D. & Jabola-Carolus, K., *Sex Trafficking in Hawaii Part II: The Stories of Survivors*, Arizona State University, Jan. 2019.

Sex trafficking and sexual exploitation are occurring at scale in Hawai'i. From April to May 2019, Arizona State University and Child and Family Service conducted the first large-scale victimization survey focused on sex trafficking across Hawai'i. The study identified ninety-seven (97) sex trafficking victims, as defined by federal law. All sectors of Hawai'i, especially the tourist industry, should be actively engaged in tackling this crisis through prevention and intervention.

Sincerely,  
Khara Jabola-Carolus



**LATE**

## **SB 2551, RELATING TO HUMAN TRAFFICKING**

FEBRUARY 3, 2020 · SENATE ENERGY, ECONOMIC  
DEVELOPMENT, AND TOURISM COMMITTEE ·  
CHAIR SEN. GLENN WAKAI

**POSITION:** Support.

**RATIONALE:** IMUAlliance supports SB 2551, relating to the human trafficking, which requires transient accommodations operators to provide training, signage, and reporting policies to employees regarding human trafficking awareness.

IMUAlliance is one of the state's largest victim service providers for survivors of sex trafficking. Over the past 10 years, we have provided comprehensive direct intervention (victim rescue) services to 150 victims, successfully emancipating them from slavery and assisting in their restoration, while providing a range of targeted services to over 1,000 victims and individuals at risk of sexual exploitation. Each of the victims we have assisted has suffered from complex and overlapping trauma, including post-traumatic stress disorder, depression and anxiety, dissociation, parasuicidal behavior, and substance abuse. Trafficking-related trauma can lead to a complete loss of identity. A victim we cared for in 2016, for example, had become so heavily trauma bonded to her pimp that while under his grasp, she couldn't remember her own name. Yet, sadly, many of the victims with whom we work are misidentified as so-called "voluntary prostitutes" and are subsequently arrested and incarcerated, with no financial resources from which to pay for their release.

Sex trafficking is a profoundly violent crime. The average age of entry into commercial sexual exploitation in Hawai'i may be as low as 14-years-old, with 60 percent of trafficked children being under the age of 16. Based on regular outreach and monitoring, we estimate that approximately 150 high-risk sex trafficking establishments operate in Hawai'i. In a recent report conducted by the State Commission on the Status of Women, researchers from Arizona State University found that 1 in every 11 adult males living in our state buys sex online. When visitors are also counted, that number worsens to 1 in every 7 men walking the streets of our island home and a daily online sex buyer market of 18,614 for O'ahu and a total sex buyer population for the island of 74,362, including both tourists and residents.

ASU's findings are grim, but not surprising to local organizations that provide services to survivors of sex trafficking. IMUAlliance, for example, has trained volunteers to perform outreach to victims in high-risk locations, like strip clubs, massage parlors, and hostess bars. More than 80 percent of runaway youth report being approached for sexual exploitation while on the run, over 30 percent of whom are targeted within the first 48 hours of leaving home. With regard to mental health, sex trafficking victims are twice as likely to suffer from PTSD as a soldier in a war zone. Greater than 80 percent of victims report being repeatedly raped and 95 percent report being physically assaulted, numbers that are underreported, according to the United States Department of State and numerous trauma specialists, because of the inability of many victims to recognize sexual violence. As one underage survivor told IMUAlliance prior to being rescued, "I can't be raped. Only good girls can be raped. I'm a bad girl. If I *want* to be raped, I have to *earn* it."

Accordingly, we support measures to advance our state's ability to crack down on sexual slavery, including this proposal's requirement that transient accommodations operators provide training, signage, and reporting policies to employees regarding human trafficking awareness. **Hawai'i's visitor industry is plagued by sexual exploitation, with hotels serving as primary locations at which trafficking victims—especially those who are exploited through online advertisements—are forced to sexually service sex buyers.** Moreover, the American Hotel and Lodging Association has launched "No Room for Trafficking," a campaign to ensure that hotel employees are continuously developing a better understanding of ways to identify traffickers and potential victims in hotels, which includes free toolkits and training materials. Thus, this measure is in alignment with AHLA's own efforts and commitment to end trafficking in the tourism sector.

**LATE**

**SB-2551**

Submitted on: 2/2/2020 11:36:57 PM

Testimony for EET on 2/3/2020 2:55:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Midwives Alliance of Hawaii	Testifying for Midwives Alliance of Hawaii	Support	No

Comments:

**LATE**

**SB-2551**

Submitted on: 2/2/2020 11:39:27 PM

Testimony for EET on 2/3/2020 2:55:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lea Minton	Individual	Support	No

Comments:

**LATE**

**SB-2551**

Submitted on: 2/3/2020 6:00:55 PM  
Testimony for EET on 2/3/2020 2:55:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melody Stone	Individual	Support	No

Comments:

I support the passage of SB 2551 because these measures follow best practice procedures and protocols by employers to educate, inform and offer protection to employees working in transient accommodations operations. Using best practice protocols within all community sectors should be the gold standard. This standard is not difficult to impliment and is actually cost effective, in that an ounce of prevention is worth a pound of cure.

Respectually submitted,

Melody Stone, founder Hawai'i Island Coalition Against Human Trafficking, Hawai'i Island Sage Net