



September 19, 2022

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
1500 Pennsylvania Avenue, NW
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
1500 Pennsylvania Avenue, NW
Washington, D.C. 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Leader McCarthy:

On behalf of Polaris, a leading national nonprofit organization working to eradicate sex and labor trafficking and restore freedom to survivors, I write to urge you to include the bipartisan [ENABLERS Act as amended](#) in the final version of the fiscal year 2023 National Defense Authorization Act (NDAA).

In communities across our country, human traffickers are exploiting loopholes in federal anti-money laundering laws to establish, finance, and grow their illicit operations. Data from the Polaris-operated [National Human Trafficking Hotline](#) has shown illicit massage parlor trafficking to be among the most common human trafficking business models reported. As such, Polaris has conducted research into this nefarious world in order to identify the types of interventions that can disrupt—and ultimately end—trafficking in these venues.

Our ensuing report, *Hidden in Plain Sight*, identified some 9,000 locations across all 50 states that were likely to be illicit massage businesses. It found that most illicit massage businesses are part of an organized crime network that includes at least one other illicit massage venue, as well as non-massage venues such as nail salons, restaurants, grocery stores, and cleaners.

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It is these non-sex related businesses that are used to launder the money generated by the illicit massage businesses, and thus keep them operating. **None of these businesses could have been established without the involvement of a corporate formation agent or similar company service provider.** Critically, had the service providers who set up these companies been required to perform due diligence on the clients, that due diligence could have uncovered underlying criminal activities, and thus denied those clients the means of laundering the proceeds of their trafficking operations. Furthermore, had these service providers been required to flag suspicious financial transactions made by those clients—by filing suspicious activity reports (or SARs), just as banks do, that are available to police, prosecutors, and government regulators via the federal SARs database—such filings could have alerted local, state, and/or federal law enforcement to their illegal activities and helped cut off the financing necessary to maintaining their trafficking operations.

The ENABLERS Act would make the difference in these situations. It empowers the U.S. Treasury Department to obligate company service providers, including those who form or register companies for others, to conduct due diligence on their clients, file SARs, collect and verify beneficial ownership information, and adopt other anti-money laundering (AML) safeguards that can detect and disrupt the money laundering schemes that finance human trafficking operations.

In particular, the new streams of SARs data that could be created by ENABLERS would help police and prosecutors conduct money laundering and/or tax evasion investigations that hold accountable those who own and operate the trafficking venues identified in our report. These investigations often lead to significant prison sentences, fines, and, most importantly, disruption of the broader trafficking network.

Yet absent such requirements—absent the ENABLERS Act—company service providers and other middlemen will continue to facilitate human trafficking and exploitation under the guise of plausible deniability.

To meaningfully combat human trafficking, we must enlist those middlemen in the fight against it, and must equip our police and prosecutors with more information to investigate and shut down such operations. The ENABLERS Act would do both. We strongly urge you to make this bill a reality by including it in the final version of the NDAA.

Sincerely,

Allison Grossman
Director of Public Policy and Strategic Advocacy