

NO VACANCY

Closing the Door on Labor
Trafficking in the Hospitality
Industry

January 2025

INTRODUCTION



The Bureau of Labor Statistics estimates that the traveler accommodation industry, more commonly referred to as the hospitality industry, employed over 1.7 million people in May 2022, with housekeeping and front desk staff accounting for 35% of the industry employment.¹ Despite being responsible for the most forward-facing parts of a guest's experience, housekeeping staff and desk clerks earned, on average, around \$30,000 annually.² Low wages can make it challenging to attract applicants, so many businesses turn to labor contractors to manage the enormous task of recruiting and hiring workers, many of whom are temporary migrants or recently arrived immigrants.

In an effort to find new pathways for collaboration between the anti-human trafficking movement and the hospitality industry, Polaris has analyzed data from the National Human Trafficking Hotline to answer questions about labor trafficking that are particularly relevant for this industry. The analysis shows that the most common victims of labor trafficking in the hospitality industry are foreign national workers recruited from outside the United States.³ While labor trafficking is not a challenge exclusive to hospitality, situations of labor trafficking in the hospitality industry are an under-identified and growing human rights issue that present significant legal and brand integrity risks to hospitality companies, especially as many brands move towards a franchise model.^{4,5}

The good news is that hospitality industry leaders are uniquely positioned to be key players in preventing labor trafficking and violations of workers' rights on their properties, while protecting their companies from risk and ensuring their guests get the desired experience. By providing this data and exploring the trends identified by the analysis, Polaris aims to facilitate new opportunities for the anti-trafficking movement and hospitality leaders to work together to end labor trafficking in the industry.

1 <https://www.bls.gov/opub/ted/2023/recognizing-hotel-employees-on-national-hotel-employee-day.htm>

2 <https://www.bls.gov/opub/ted/2023/recognizing-hotel-employees-on-national-hotel-employee-day.htm>

3 Of labor trafficking cases reported to the hotline between January 1, 2015 and August 31, 2022, hospitality was the eighth most commonly reported venue/industry for labor trafficking.

4 Bracy, K., Lul, B., & Roe-Sepowitz, D. (2021). A four-year analysis of labor trafficking cases in the United States: Exploring characteristics and labor trafficking patterns. *Journal of Human Trafficking*, 7(1), 35-52.

5 Owens, C., Dank, M., Breau, J., Bañuelos, I., Farrell, A., Pfeffer, R., ... & McDevitt, J. (2014). *Understanding the organization, operation, and victimization process of labor trafficking in the United States*. Washington, DC: Urban Institute.

ABOUT THIS REPORT



A Snapshot of Labor Trafficking in the Hospitality Industry

This report is intended for hospitality industry partners looking to prevent worker rights violations and labor trafficking on their properties, both owned and franchised. It will help industry leaders identify the ways labor trafficking occurs within hospitality, and provide recommendations on how to change business practices effectively. This is intended to be the first in a series of reports that will provide industry leaders with insights into both sex and labor trafficking using a variety of available datasets.

This report uses data from the Polaris-operated National Human Trafficking Hotline, a 24/7 crisis hotline that connects victims, survivors, and those close to them, to a network of more than 3,100 care & support organizations and trauma-informed law-enforcement agencies. Importantly, the Trafficking Hotline data set is not representative of the prevalence of human trafficking in the United States, nor in any individual industry. Rather, this data set represents known situations of trafficking that the Trafficking Hotline was made aware of through signals made by victims and survivors, their friends and family, or others with proximity to the situation.

The data received and analyzed by the Trafficking Hotline represents only the tip of the iceberg of trafficking situations in the United States. It is likely that there are far more cases of trafficking than what is represented by this data. The situations and victims identified by the Trafficking Hotline are those that have the awareness, resources, and confidence seeking support, and that they choose the Hotline for their support option, rather than a different resource, when reaching out. Therefore, this data should be understood as a snapshot of trafficking in the United States, not the sum of the problem.

This report includes an analysis of workers rights violations and labor trafficking situations where the hospitality industry was identified as the industry in which the trafficking occurred.⁶ It does not include analyses of situations where hotels, motels, or other hospitality businesses were used solely as a location or venue for commercial sexual exploitation or sex trafficking.

⁶ The Trafficking Hotline collects data on a voluntary basis or if the information is relevant to the signaler's needs at the time of contact with the Hotline. Individuals contacting the Hotline are never asked to provide information for data collection or research purposes. Furthermore, the information above is limited to the experiences of victims and survivors who were able to contact the hotline themselves, or information reported by a third party. This data may therefore not be representative of all trafficking situations or trafficking victims.

KEY TERMS



Employer- An individual or an entity who has a formal written or verbal agreement, or other business arrangement with their worker(s) to perform specific work for pay. In this report, “employer” can refer to either the hospitality company or a labor contractor. Specifically, “employer” is referred to not as the location of work but rather as the company that pays employees’ wages.

Hospitality- A broad industry category which encompasses lodging and tourism. Workers in the hospitality industry include both front and back-of-house roles such as front desk personnel, concierge staff, bellhops, and housekeeping staff.

Labor Contractor- An intermediary individual or agency that supplies their client (i.e. hospitality company, restaurant) with temporary outsourced labor and typically has a formal or written business arrangement with their workers that includes terms of employment and payment. All labor contractors are employers, but not all employers are labor contractors.

Labor Exploitation- A situation involving workplace abuse and/or related labor violations. Labor violations may include, but are not limited to, discrimination, hazardous or unsafe working environments, sexual harassment, wrongful termination, or violations of wage and hour laws. Labor exploitation involves situations of workplace abuse that are not for the purpose of compelling forced labor, which is found in trafficking.

Labor Recruiter (non-employer)- An individual or an entity who acts as an intermediary to facilitate or introduce the worker(s) to a specific employment/labor situation.

Labor Trafficking- A situation where a victim is compelled to provide labor or services through force, fraud, or coercion. This includes situations where a victim is made to believe they or someone they care about will be harmed if they don’t keep working. This also includes situations involving debt bondage⁷, threats of blacklisting, and situations where the victim is made to believe they are legally required to continue working.

Signaler- The individual who has contacted the National Human Trafficking Hotline (NHTH).

⁷ Debt Bondage is a situation where a potential victim is made to believe that because they own a debt and agreed to pay off their debt with their labor, they must continue to work even if the value of their labor is not being fairly or accurately applied to their debt.

TRENDS IN LABOR TRAFFICKING IN THE HOSPITALITY INDUSTRY

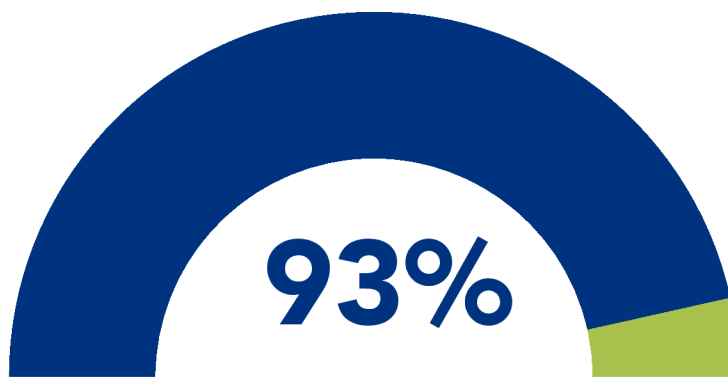


For the period January 1, 2015 to August 31, 2022, the Trafficking Hotline identified 263 situations of trafficking involving workers in the hospitality industry, with as many as 731 possible victims. The vast majority were instances of labor trafficking (93%), while the remainder were instances of combined sex and labor trafficking (7%).

While labor trafficking is a vastly underreported crime, data from the Trafficking Hotline shows that labor trafficking is far from a rare occurrence in the hospitality industry.⁸ In this section, analysis of data from the Trafficking Hotline illustrates key trends on who is trafficked, how labor trafficking is happening in the sector, and the risks associated with these environments. Additionally, anonymized case studies from Hotline callers provide real examples of how situations of labor trafficking unfold in real time.

Later, recommendations for collaboration to end labor trafficking in the industry will be made based on these data trends.

Form of Potential Trafficking



of trafficking involving workers in the hospitality industry reported to the Hotline were instances of labor trafficking.

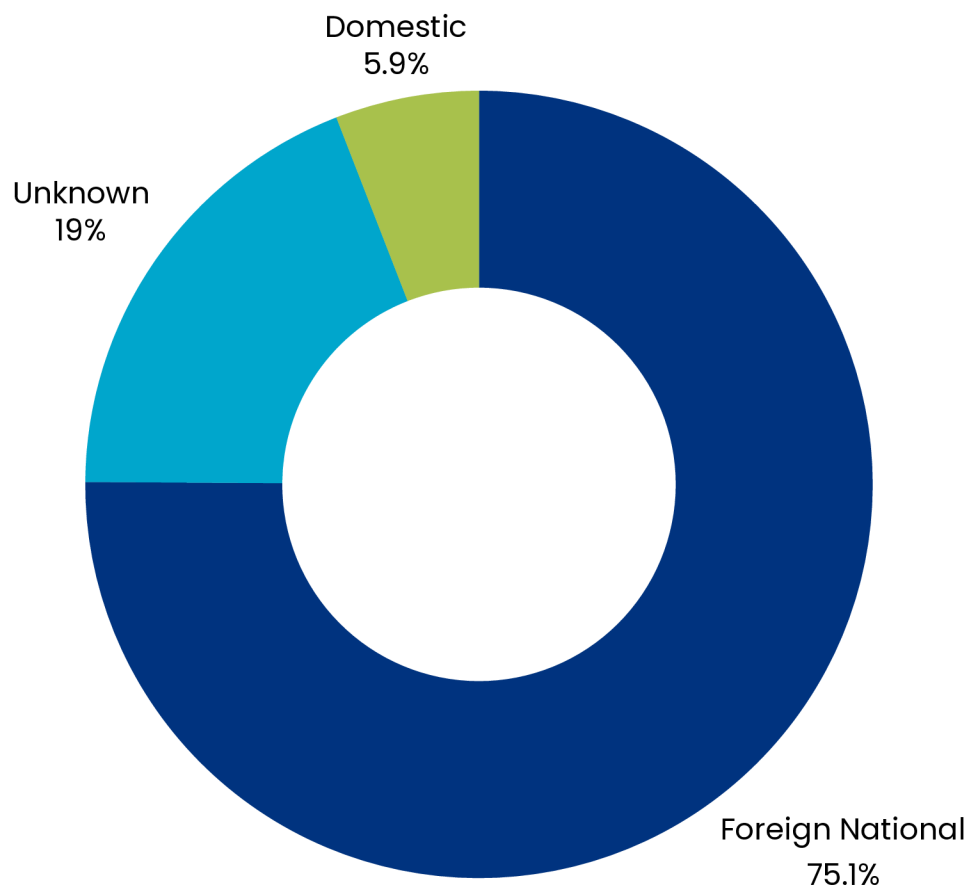
⁸ Of labor trafficking cases reported to the hotline between January 1, 2015 and August 31, 2022, hospitality was the eighth most commonly reported venue/industry for labor trafficking.



Trend 1: Victims of labor trafficking in the hospitality industry are overwhelmingly foreign nationals.

Of the 731 possible victims of trafficking identified, 75% were foreign nationals.⁹ In situations where victims' immigration status was known (n=329), 70% had H2-B visas (temporary non-agricultural worker), 10% had J-1 visas (exchange visitor / work and travel), and 14% were undocumented. While visa status itself is not an indicator of labor trafficking, the high presence of visa-holders among labor trafficking victims suggests there is room for hospitality companies to enforce more strict oversight of recruitment of foreign workers, especially when workers are recruited, managed, and employed by third party labor contractors. Lack of visibility into the recruitment and labor practices of labor contractors by major hospitality companies could open the door to risk to federal crimes such as labor trafficking and visa fraud.

Potential Victim Immigration Status



⁹ 'Foreign National' refers to individuals who have been confirmed to have been born or have citizenship in a foreign country and have not obtained US Citizenship or Legal Permanent Resident status at the time of their first contact with the hotline. "Domestic" includes both US Citizens and Legal Permanent Residents, also frequently known as green card holders. "Domestic" is not used as a default value; if a likely victim's immigration status is unknown, unclear, or not specified, then "Unknown" is selected.



Case Study: Trafficking of Foreign Nationals¹⁰

Two individuals experiencing labor trafficking contacted the Trafficking Hotline to report their situation. They entered the US on H-2B visas after being recruited in their home country of the Philippines by an American-operated employment agency. The individuals had to take out loans to pay for their visas and travel but were told by the agency that they would soon be able to pay off the debt. The agency promised regular work and free housing, but once they arrived in the US, they experienced inconsistent hours with lower pay than promised and had rent deducted from their paychecks. The individuals worked in housekeeping at several hotels owned or franchised by major brands in the area. They were not given adequate safety equipment to handle the chemicals they used and were forced to clean more rooms than other staff members. Their employer at the agency threatened to deport them if they did not work hard enough or complained about work, and took possession of their identity documents. When they requested that their personal identity documents (e.g. passport) be returned, the contracted employer waited several months before returning them. In this case study, all three elements of the definition of labor trafficking – force, fraud, and coercion – were present. Fraud was committed when the individuals were not paid what they were promised and rent was deducted from their pay without their knowledge or consent. Force was committed through the contracted employer’s withholding of personal documents. Coercion was committed through threats of deportation.



Trend 2: Labor traffickers use the same handful of tactics to exploit workers across the country

Within the hospitality industry, the most common tactics traffickers used to control victims were:¹¹

- Economic abuse (65%), such as:
 - Theft or withholding of earnings (46%)
 - Leveraging debt owed to the employer to force exploitative work (19%)
 - Threats to blacklist victims from the industry, blocking future work opportunities (15%)

¹⁰ This case study is a real example of a situation discussed on the National Human Trafficking Hotline that has been anonymized and summarized to protect those involved.

¹¹ Force, Fraud, or Coercion was identified for 95% of the total victims (n = 691)

- Threats (61%)
 - Threat to deport or report to deportation authorities (44%)
 - Other threats to law enforcement (9%)
 - Threats of physical harm against the worker, their friends, or family (6%)
- Fraud or misrepresentation of the job (46%)
- Emotional abuse (39%)
- Forcing victims to work excessive hours (30%)

Similar to the findings in Trend 1, these labor trafficking tactics may not always be visible to corporate headquarters when labor needs are being filled by a contractor.

Force, Fraud, and Coercion in the Hospitality Industry

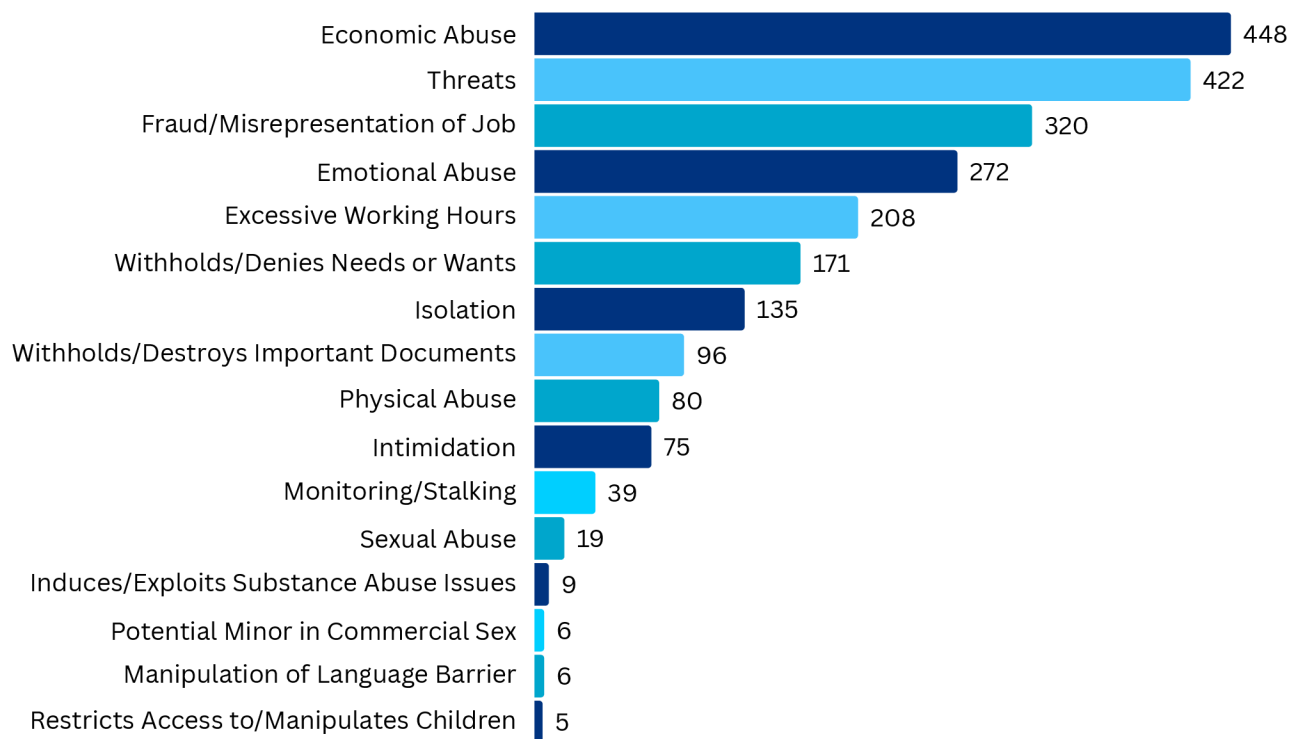


Figure Note: These counts are non-cumulative, as a victim/survivor may experience more than one method of force, fraud, or coercion during their exploitation.



Case Study: Visa Fraud and Debt Bondage¹²

An individual contacted the National Human Trafficking Hotline to report their labor trafficking. They used a labor contractor in their home country to come work in the United States on a J-1 visa at a hotel owned by a major brand.¹³ The individual was charged exorbitant visa and placement-related fees, which are illegal according to US law, causing the individual and their family to take out significant loans. The labor contractor assured the victim that they would be able to pay off this loan through their work – an internship program at the major hotel. Upon arriving in the US, the worker learned that the labor contractor had made false promises to them regarding their position and circumstances. Instead of working as a supervisor as promised, they had to work various jobs around the hotel, including serving and bussing at the hotel’s restaurant and housekeeping. When the individual complained, they were threatened with termination and deportation. Eventually, when it came time for their visa to be renewed, the labor contractor promised to extend their J-1 visa and apply for an H-2B visa. After paying the necessary fees to the labor contractor, they instead received a B-2 (tourist) visa, even though it is illegal to work on a tourist visa. The individual reported feeling trapped by the exorbitant labor-contractor-induced debt. Lacking legal immigration status and now without work authorization, they fell vulnerable and subsequently experienced further labor exploitation elsewhere.



¹² This case study is a real example of a situation discussed on the National Human Trafficking Hotline that has been anonymized and summarized to protect those involved.

¹³ We defined “major brands” as hotels that were owned by, or franchised by, Wyndham, Choice Hotels, Marriott, IHG, Hilton, Best Western, Budget Inn, Red Lion Hotels Corp, Hilton, Hyatt, Radisson Hotels Group, Blackstone Group, Four Seasons Resort Red Roof Inn, or Travel Inn.



Trend 3: Trafficking can be perpetrated throughout recruitment, hiring, and management

Of victims in situations of labor trafficking in the hospitality industry who provided information about their traffickers, 87% identified at least one of their exploiters as their employer, defined as either the hospitality company itself or a labor contractor.

In addition, specific business information was provided for 239 businesses affiliated with 193 situations of trafficking.

- A majority of these businesses (61%) had owners, management, or other staff members who were allegedly complicit in the trafficking (i.e. they were employers).
 - Of the businesses involved in the trafficking¹⁴, the majority were major global brands (32%) and independently owned (non-franchise) hotels and motels (28%).¹⁵
 - Another 22% of businesses were recruitment agencies or visa sponsors who were directly involved in the trafficking.¹⁶
- In addition to hospitality businesses and labor contractors (employers), labor recruiters (non-employers) were reported as traffickers in 17% of situations. This indicates that while the majority of trafficking was committed by employers, non-employer labor recruiters can also pose a risk of labor trafficking for hospitality companies.¹⁷

Victim's Relationship to Exploiter	(N=580)
Employer	87%
Recruiter (Non-Employer)	17%
Intimate Partner of Victim	2%
Familial Relationship to Victim	2%
Other Identified Relationship	2%

As victims can have more than one exploiter, these counts are not cumulative. Ex. A recruiter and hotel management could work together to exploit victims.

14 N=149 businesses.

15 Of the 149 businesses involved in the trafficking case, enough information was provided for 142 for the business brand to be categorized.

16 Affiliated businesses could also be the recruitment agency or visa sponsor, the site of trafficking or exploitation, or the recruitment location. Multiple businesses could be affiliated with a single situation.

17 The victim's relationship to their exploiter was identified for 79% of the total victims (n = 580).



Case Study: Trafficking by hotel franchise operators¹⁸

An individual contacted the National Human Trafficking Hotline regarding a labor trafficking experience. The individual had worked for several hotels in their area all operating under a major global brand. The individual said that the potential traffickers, the hotel franchise operators, were specifically targeting and recruiting vulnerable workers, such as individuals experiencing homelessness or struggling with substance abuse issues, to work in their hotels. The individual reported that all workers are housed at one of the hotels and that their rent is subtracted from their paycheck. However, the individual shared that the workers are not aware of how much rent is being deducted and that they often end up not being paid at all. Due to the lack of pay, the individual shared that many workers go without food.

The individual shared that all workers are expected to be on-call and available to work 24/7 with no time off. The workers are also expected to meet unrealistic expectations such as cleaning multiple rooms in a short period of time. The hotel operators were emotionally and verbally abusive to staff. The operators attempted to keep the workers isolated from one another and from other guests so that they are not able to speak about their conditions. They also used force – the threat of eviction and in at least once instance the threat of physical violence – to keep workers from leaving the premises and/or the job.



¹⁸ This case study is a real example of a situation discussed on the National Human Trafficking Hotline that has been anonymized and summarized to protect those involved.

EXTENDING HOSPITALITY TO GUEST WORKERS, NOT JUST GUESTS



Labor trafficking situations like those illustrated by the Trafficking Hotline's data can pose significant legal and brand integrity risk to hospitality companies. It is important for hospitality companies to take strong action against labor trafficking on their owned and franchised properties to ensure a safe working environment for workers and guests alike. By neglecting to do so, hospitality brands leave themselves open to risk of potentially catastrophic legal challenges.



Case Study: Legal Liability and Financial Loss from Labor Trafficking¹⁹

In the aftermath of Hurricane Katrina, hundreds of H2-B workers from India were brought to the Mississippi coast by marine services company Signal International to support efforts to rebuild oil rigs damaged in the storm. Labor contractors hired by Signal International told prospective Indian workers their placement repairing these rigs would include a US green card, then charged over \$10,000 per placement, a practice outlawed in the H2-B program. Upon arriving in Mississippi, the Indian workers were confined to a guarded labor camp and bunked 24 people per trailer. Some workers were illegally restrained by Signal International's private security force. A fee of over \$1000 was deducted from each worker's monthly wages to pay for these living quarters. The situation was so dire, one worker even attempted to take his own life. The Southern Poverty Law Center and American Civil Liberties Union led the effort bringing multiple cases against Signal International, their lawyer, and their labor recruiter on labor trafficking charges. Signal International argued in the proceedings that the company was also victim to an unscrupulous labor contractor, and any promises made to workers were made by the contractor, not Signal International. A jury rejected that claim and found that Signal International was knowingly complicit in the scheme. Jurors also found that Signal International was liable for labor trafficking, fraud, racketeering and one case of false imprisonment. While it was estimated that Signal International saved \$8 million by outsourcing their labor, they ultimately agreed to pay \$20 million in settlements as a result of the lawsuits.

¹⁹ Davis, et al. v. Signal International, \$20-million settlement reached in guest-worker lawsuits - Los Angeles Times.

Thankfully, there are several pathways for hospitality brands to collaborate with the anti-human trafficking movement to uphold the rights of workers, avoid legal challenges like the ones Signal International faced, and protect their brand integrity. To leverage both the knowledge of the anti-human trafficking movement and the hospitality businesses' existing internal infrastructure Polaris offers the following recommendations:



Recommendation 1: Leverage your contracts

Hospitality brands can leverage contractual requirements to monitor and enforce labor standards for both labor contractors and operations on franchise properties. For example, as a business proprietor, your hospitality company can audit the payroll for labor contractors in your supply chain, and examine whether the contractors are extracting illegal deductions from employee's paychecks, or have financial irregularities that may signal stolen wages, forced overtime or other employment violation. Build in zero-tolerance policies on wage theft, threats of reporting to immigration enforcement authorities, unspecified paycheck deductions, and forced overtime. Enable contract cancellations or other financial penalties for any violations. These additional quality control measures both protect the safety of workers and also reduce reputational and legal risks at all property types.



Recommendation 2: Engage trusted experts, including survivors, to provide training

In franchise agreements or in human resource policies, mandate that all workers on your property, whether they are directly employed by your company or employed through a labor contractor, undergo specific labor rights training prior to beginning work. Provide annual refresher training to establish a culture and norm around upholding labor rights. Major hospitality brands' extensive protocols and personnel dedicated to guest safety and security can be leveraged to combat labor trafficking on company property. Safety and security teams should be trained to understand labor trafficking that may occur among workers and property guests, and support those who may wish to report situations. Partner with labor trafficking experts, including survivors and allies, to ensure these trainings are accessible in terms of language and delivery format and for the duration of their employment, and reflect best practices.



Recommendation 3: Provide a safe way out

When a situation of labor trafficking or exploitation is present, a safe and anonymous way for workers to report their conditions without fear of retaliation or threat of punishment must be available. The reporting mechanism must also be accessible for workers with regard to language and format, and can be operated by a third party or a corporate division. Information about what happens after a situation of labor trafficking has been reported should also be made known to the person making a report. Workers should also be provided with information and access either directly to support services or to the National Human Trafficking Hotline so the appropriate support services can be determined and arranged. By providing this resource and ensuring that workers are reporting unethical or exploitative behavior on properties, hospitality companies can ensure worker safety and that any exploitative situations are stopped and investigated promptly.

These recommendations are non-exhaustive but together can increase visibility and quality control for major hospitality brands seeking to prevent labor trafficking on their properties. The recommendations represent ways that hospitality companies can prioritize worker safety and reduce the risk of labor trafficking, thereby de-risking the business model. Polaris looks forward to partnering with hospitality brands to implement measures like these to end labor trafficking in the hospitality industry.

Corporate Disclaimer

This and all Polaris material is developed by subject matter experts at Polaris in service of its charitable mission to end sex and labor trafficking and support trafficking survivors. This report is educational and intended to develop a general understanding about the realities of human trafficking. No portion of this publication constitutes legal advice, operational guidance, or policy requirements. Delivery of this report does not constitute Polaris's endorsement of any policies, actions, or decisions made in the past, present or future by any company.

Data Disclaimer

Data from the National Human Trafficking Hotline is strictly confidential. The Hotline does not share nor does it publish direct or indirect personal identifiable information from any signals made to the Hotline. Examples of personal identifiable information include but are not limited to individuals' names, locations, specific hotel brands and companies, and personal demographic information.

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