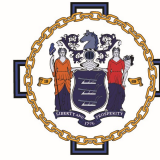


NJ STATE COMMISSION OF INVESTIGATION



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SCI FINDS INDICATORS OF HUMAN TRAFFICKING AT NEW JERSEY MASSAGE BUSINESSES

TRENTON – The State Commission of Investigation (the SCI or the Commission) found in a report released today that hundreds of massage entities operating in New Jersey had been associated with questionable and potentially unlawful conduct, including some with indicia of human trafficking.

The SCI’s comprehensive investigation examined approximately 250 massage businesses throughout the state and found owners and operators of those establishments routinely manipulated laws and rules that govern the industry, engaged in efforts to conceal certain business activities and exploited female employees – who were typically Asian immigrants with minimal English-speaking skills – through coercive and oppressive labor conditions.

All of the questionable massage businesses examined during the inquiry were registered with state or local government entities or had taken deliberate actions to

appear otherwise legitimate. State government oversight strictly regulates massage therapists but minimally oversees businesses, owners, and operators. The Commission found that the weak and fragmented statutory and regulatory framework that underpins the industry was subverted in some instances, enabling corrupt operators to engage in unlawful conduct, including fraud and tax evasion, without detection.

Among the findings uncovered at numerous massage businesses throughout New Jersey that cultivated an environment for human trafficking:

- Evidence that female employees lived inside the massage establishments
- Practices to ostensibly obscure activities occurring inside the facilities, such as darkened windows, the use of back entrances, and a lack of signage
- Illicit business practices that included operating primarily in cash, reporting little to no taxable income and installing straw owners to hide true ownership
- Business owners lived lavish lifestyles despite having modest reportable incomes

The Commission recommended a series of reforms to strengthen the State's regulation of massage businesses, to hold owners accountable for exploitative conduct and to protect the women victimized through the industry. Specifically, the SCI recommended reforming the licensing mechanism to include businesses and their ownership and amending the criminal laws in the state to impose stricter penalties for individuals who have benefitted from promoting prostitution and human trafficking-related activities. Further, the SCI recommended the development of guidance to assist law enforcement agencies, local inspectors and other regulators in both identifying

conditions indicative of human trafficking, investigating trafficking and combating its rise in New Jersey.

"The Commission's findings illuminate seemingly innocuous conditions that have persisted unmonitored and contravene law enforcement and advocacy norms around the detection and prevention of human trafficking," said SCI Chair Tiffany Williams Brewer. "The reforms proposed by the SCI directly address vulnerabilities in our regulatory structure that will improve the massage industry and eradicate abuses, positioning New Jersey to lead nationally in preventing the victimization of women working in the massage industry."



The State Commission of Investigation is an independent New Jersey watchdog agency established in 1968 to investigate organized crime and corruption, waste of tax money and other abuses of the public trust. Copies of public reports are available at the Commission's offices or via its Web site at www.nj.gov/sci.