

SNAPSHOT – THE ILLICIT MASSAGE INDUSTRY AT A GLANCE

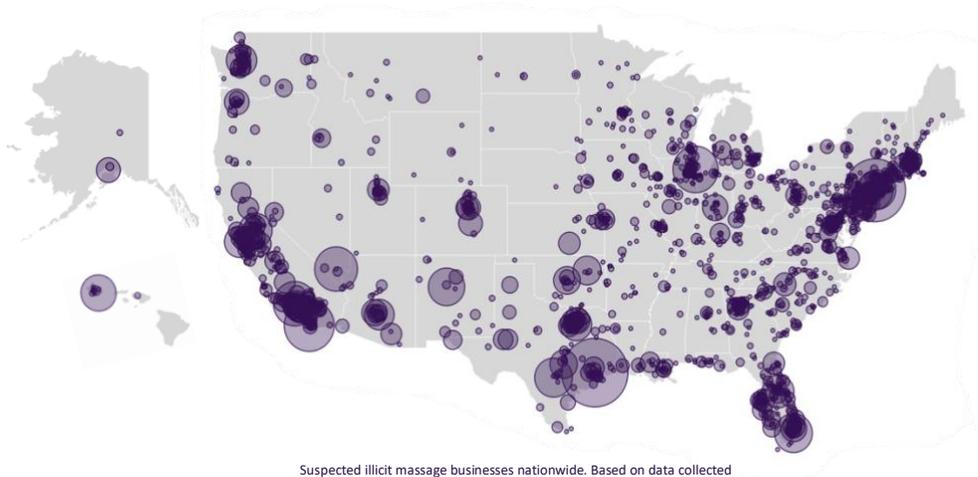
July 2021

The Illicit Massage Industry (IMI) is one of the largest—and most networked—sex trafficking markets in the United States. We assess that as of mid-2021, there were approximately 11,000 illicit massage businesses (IMBs) in the country; a figure derived from data analysis of sex buyer review sites. While the precise number fluctuates as storefronts open and close rapidly, the overarching trend has been a steady increase in the number of IMBs since we started measuring in late 2016.

THE STOREFRONTS

IMBs are successful in part because they hide in plain sight. Because they often appear in places like strip malls alongside other everyday businesses, they—and their clients—have a veneer of legitimacy.

- The location and outward appearance of most IMBs allows both clients and owners to maintain plausible deniability: locations are in the open, usually co-located with other businesses, given spa-like names and often have stock photos and massage service price lists on display.
- However, more than a superficial look tells a different story: hours are often later than normal, clientele is almost exclusively male, entrances are private and sometimes include door screeners or a rear, buzz-in entry vs. an open front entrance, and windows are covered. Clearly salacious online ads for these businesses are posted on websites aimed at adult “entertainment”; sometimes a simple Google search of the phone number affiliated with the IMB can reveal these ad sites.
- The names and locations may change frequently to avoid detection or the building of successful law enforcement investigations; even as the beneficial owners, managers, and contact information remain unchanged.



Suspected illicit massage businesses nationwide. Based on data collected February 2020 from [Rubmaps.ch](https://rubmaps.ch), an explicit sex buyer review website.

VICTIM WORKERS

The average victim worker in the IMI is 30-50 years old and Asian; many come from poverty and enter the U.S. on tourist or other visas intending to work, but some are then coerced or tricked into performing commercial sex work after arrival. It is important to remember that human trafficking includes “force, fraud, or coercion”, as many people do not realize that someone can be trafficked without the use of violence or physical restraints.

- Debt bondage is sometimes used to keep victim workers beholden to staying in the IMI. “Travel agencies” in China charge thousands or even tens of thousands of dollars to help women successfully apply for a visa and arrange travel. In some cases, interest rates on this debt can reach 20%—compounded monthly. Once the women arrive to seek employment, they quickly realize that this debt cannot be repaid with restaurant work or other low-paying jobs, and then they can be lured with promises of undefined but well-paying work.

- Victim workers are rotated frequently between storefronts and cities in part to keep them from developing relationships with sex buyers or other workers. Traffickers endeavor to make victim workers too frightened of police to seek their help; in some cases traffickers have shown them videos of police shootings to convince them that American police are violent and untrustworthy. Very low rates of English fluency, and low rates of literacy in Chinese as well, keep workers dependent on employers and their networks.
- We assess that over 80% of IMB workers are Chinese, and that traffickers abuse elements of their culture to manipulate and coerce victim workers. They create a sense of indebtedness because they have provided a job—even if the type of work is exploitative or unwanted. Should that fail, the stigma of commercial sex work provides ample leverage should traffickers threaten to disclose this information to the victim workers' families and communities, which would make it difficult to ever return home.

PROFITABILITY

The IMI is a highly profitable business model. Demand studies in different cities—in which IMBs are observed and daily customers counted—combined with online information regarding the costs of sex acts from buyer review sites, have shown a range of revenue from \$277,000 to \$1.2 million a year per storefront.

- The IMI, while probably not entirely centralized, consists of a number of well-connected organized criminal networks that engage in multiple crimes in addition to human trafficking and prostitution, notably money laundering of and tax evasion on illicit proceeds as well as labor law violations. In some instances, states have successfully prosecuted RICO cases against IMI networks.
- Traffickers go to lengths to disguise their profits, making use of multiple bank accounts, legal and underground money remitters, and casinos and other legal businesses to launder money. In some cases, traffickers move money that they have sent into China, Taiwan, or other places *back* into the U.S. financial system to purchase real estate, which both launders their illicit proceeds and provides yet more revenue streams.
- Traffickers rely on networks of support to conceal and move these profits, including complicit CPAs and underground money remitters in places like Flushing, NY and San Gabriel and Monterey Park, CA. Traffickers normally claim a very small fraction of their income and take pains to hide assets such as real estate by placing them under the names of multiple associates.