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# Addressing Illicit Massage Business (IMBs) in Denver

*Denver Police Department, Denver City Attorney's Office, Denver Department of Excise & Licenses, Denver District Attorney's Office*

# Outline

- Introduction
  - *Moderator*
- Understanding the Issue
  - *District Attorney's Office*
- Addressing IMBs
  - *Denver Police Department*
- Licensing Logistics
  - *Dept. of Excise & Licenses and City Attorney's Office*



# Introduction

## Goal

- Address Illicit Massage Businesses (IMBs) through a victim-centered response by creating a city ordinance and collaborating with community partners.

## Partnership History

- Denver DA formed their Human Trafficking Unit in November 2017.
- Multidisciplinary stakeholder discussion on IMBs in April 2018.
- Denver Police Department formed their Human Trafficking Unit in April 2019.

## IMB Initiative Partners

- Denver Police Department, City Attorney's Office, Department of Excise & Licenses, Denver District Attorney's Office
- Community stakeholders, massage professionals, etc.

# Defining the Issue

## What is Human Trafficking?

A crime involving the **exploitation** of someone for **forced labor** and/or **commercial sex**, through **force, fraud, or coercion**.<sup>1</sup>

## What are IMBs?

An Illicit Massage Business (IMB) is a business structured to operate as if it were a legitimate massage entity, while providing sexual services.

# How do Human Trafficking and IMBs Overlap?

Illicit sexual activity (both consensual and non-consensual) occurs in IMBs.

Traffickers hide behind loopholes to commit this victimization.

Forced illicit sexual activity/human trafficking causes lasting trauma.

Current tools to address this issue are insufficient. Licensing will allow for more appropriate business oversight.

*“...they answer an ad for a massage therapist and discover, too late, that ‘massage’ is a euphemism and that they are expected to provide services for which they will be paid some portion of the tips they earn, if they are lucky, or less, if they are not. They live in substandard conditions, work illegal hours ‘on call,’ and many feel they have no choice but to comply with the mandate to perform sex acts.”<sup>2</sup> –Polaris IMB Report*

## Who is being Victimized and How?

- **Anyone** can be a victim of human trafficking in IMBs; however, law enforcement has seen a disproportionate number of **women** and **foreign nationals** targeted and exploited by traffickers in our community.
- Sex buyers tend to be risk averse and capitalize on the cover that IMBs provide.

Nationally, it is estimated that there are **more than 9,000** Illicit Massage Businesses currently operating across the country with about **\$2.5 billion** in annual revenue.<sup>3</sup>

# Addressing IMBs in Denver

## Historic Law Enforcement Approach

- Respond to citizen complaints/tips
- Investigate
- If charges result, they were often related to prostitution and focused on the victim.

## Shifts in Approach

- Victim Centered – recognize potential cultural/language barriers
- Collaboration with Community Partners
- Victim Services

## Improved Approach

- Prioritizes supporting victims
- Combines both regulatory & enforcement tools
- Regulates the business, not the profession
- Protects legitimate massage businesses
- Identifies ownership through the application process
- Discourages/removes IMBs through inspections and the application process
- Prohibit practices specific to IMBs

# Public Health Priorities

- Victims and/or workers are often residing within commercial buildings
- Potential building & fire code violations
- Limited oversight for environmental and public health issues
- Unlicensed massage practitioners have direct and unregulated contact with the public





# Examples

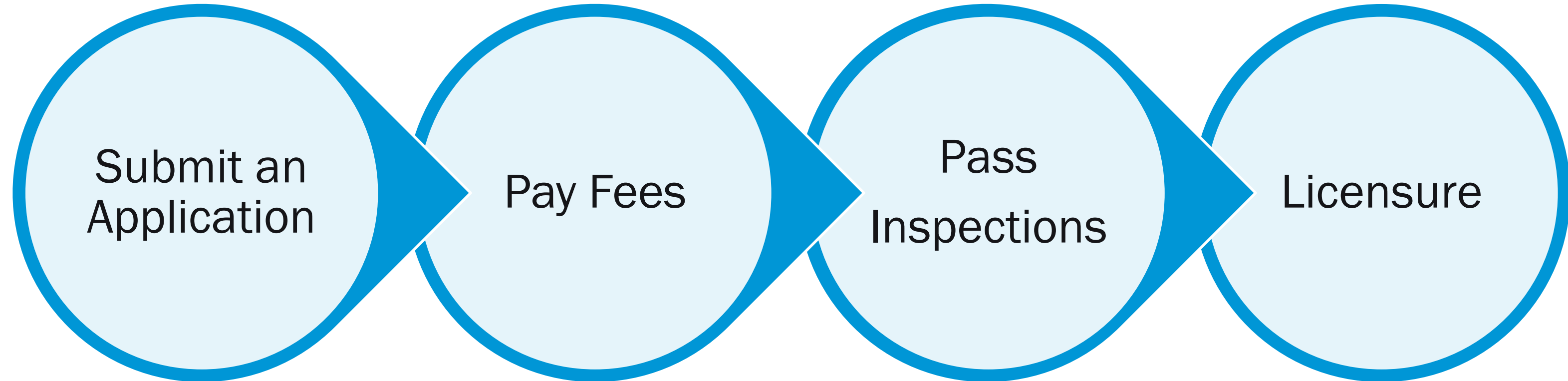


# Framework for A New Ordinance

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- Transparency regarding business ownership, management, and financial beneficiaries
- Background checks for business owners and operators, and other standards for application approval
- Defined hours of operation
- Disciplinary action for noncompliance

# Applicant Licensure Process



# Who Will Need to be Licensed?

## License Needed

- Any place of business where any massage is practiced or administered in exchange for remuneration, except for those who are exempt.
- Any exempt business that is found to be engaging in a pattern of criminal conduct.

## Exempt from Licensing

- Accredited massage schools
- Government-owned facilities
- Athletic training rooms
- Healthcare offices & clinics
- Barber shops & beauty salons
- Charity events with temporary massage services
- Solo practitioner massage therapists
- Businesses where practitioners provide alternative methods that employ contact

# Application Requirements

- Contact information for the business operator
- Disclosure of criminal history and background check
- Disclosure of previous licensure disciplinary action
- Proof of possession of the premises
- Any additional documentation required by the EXL Director

# Record Keeping Requirements

Contact information  
and date of birth for all  
employees and  
contractors

Employment start and  
end date of all  
employees and  
contractors

A valid copy of the  
massage therapist  
license for each  
employee or contractor  
required by state law to  
be licensed as a  
massage therapist

***These records must be retained for all employees and contractors who have worked at the massage business within the past five years.***

# Estimated Fees

Application Fee \$500	Licensing Fee \$250
Paid one time for each new license application	Paid yearly to receive & renew a license
Covers the cost of processing your application	Covers the cost of administration and enforcement
Non-refundable	Refunded if your license application is denied

# Causes for Denial

In addition to the grounds set forth in chapter 32 of this Code, any license for a massage business may be denied under this article if the applicant or any principal:

1. Has voluntarily surrendered any license to practice as a massage therapist or operate a massage business in any jurisdiction as a result of, or while, under civil or criminal investigation;
2. Has had a license to practice as a massage therapist or operate a massage business denied or revoked;
3. Has been convicted of or released from incarceration for any felony, misdemeanor, or municipal offense within five (5) years of the application date;
4. Is required to register pursuant to article 22 of title 16, C.R.S., as amended.
5. Has been convicted of or released from incarceration for any offense where the underlying factual basis has been found to include any sexual act; or
6. Has a character and reputation showing a pattern of conduct or personal history that does not demonstrate honesty, fairness, and respect for the rights of others or for the law.
7. Has been previously denied a license under this chapter 33.5 or has had a license issued under this chapter suspended or revoked within five (5) years of the application date.



# Unlawful Acts

In addition to any other acts prohibited by this chapter, it shall be unlawful for any person who operates a licensed massage business, or any supervisor, manager, independent contractor, or employee thereof to commit the following acts on the premises:

1. Perform or allow any person to perform massage if the person is required by state law to be licensed as a massage therapist and the person does not hold such license;
2. Fail to provide a valid copy of a massage therapist license for each person required to be licensed pursuant to state law;
3. Use or allow any other person to use the premises of a massage business for the purposes of temporary or permanent housing, shelter, living quarters, or sleeping quarters;
4. Perform, offer to perform, or agree to perform any sexual act, or allow another person to perform, offer to perform, or agree to perform any such sexual act;
5. Violate article 7 of title 18, C.R.S. as amended, or Chapter 38, Article 5, Division 2 of the Code;
6. Fail to call the police department when violations of city, state, or federal laws occur on the premises or fail to cooperate in the investigation of such criminal activity when requested by law enforcement;
7. Place, publish, or distribute, or cause to be placed, published or distributed, any misleading or false advertising that would reasonably suggest to prospective clients that sexual acts occur on the premises; or
8. Operate between the hours of 11:00 p.m. and 5:00 a.m.

# Summary

- Business licensing is a tool that will help address Illicit Massage Business (IMB) activity, support the legitimate massage industry, and combat human trafficking in Denver.
- This ordinance development is a collaborative and ongoing process. Your input and feedback is requested and welcome.



# Next Steps

## Incorporate Feedback

- Continue stakeholder engagement to receive community feedback.

## Propose Ordinance

- Work with Denver City Council and other local officials to enact a Denver appropriate ordinance.

## Implementation Upon Passage

- Effectuate licensing requirement.
- Work with businesses to become compliant.
- Licensure enforcement.

# Questions

## Contact Us

**Email:** [messagebusiness@denvergov.org](mailto:messagebusiness@denvergov.org)

**Phone:** 311

**Website:** [denvergov.org/businesslicensing](https://denvergov.org/businesslicensing)

# Sources

1: United States. (2000). *Victims of Trafficking and Violence Protection Act of 2000*. Washington, D.C.: U.S..

2: Polaris. (2019). *Human Trafficking in Illicit Massage Businesses*. Retrieved from <https://polarisproject.org/wp-content/uploads/2019/09/Human-Trafficking-in-Illicit-Massage-Businesses.pdf>. Page 5.

3: Polaris. (2019). *Page 8*.