

## The false claim that human trafficking is a '\$9.5 billion business' in the United States

By Glenn Kessler  
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(FARSHAD USYAN/AFP/Getty Images)

*"It's estimated that child sex trafficking in the United States alone is a \$9.8 billion industry."*

**—Rep. Bob Goodlatte (R-Va.), statement, May 19, 2015**

*"This [human trafficking] is domestically a \$9.5 billion business."*

**—Rep. Ann Wagner (R-Mo.), remarks at a congressional hearing, May 14**

Readers should always be wary of false precision. The sex trade is an underground industry, so on what basis would the revenues from the trafficking of children—or children and adults—in the United States be calculated so precisely, either as \$9.8 billion or \$9.5 billion?

That's what jumped out at The Fact Checker when we first spotted these figures, uttered by lawmakers as the House of Representatives considered the Justice for Victims of Trafficking Act. The figures came from two different sources, but it turns out both were practically invented out of whole cloth. Let's explore.

### The Facts

For the \$9.8 billion number, Goodlatte's office originally directed The Fact Checker to an informational graphic posted on the Internet by Shared Hope International, which says it aims to eradicate sex trafficking. The graphic indicated that the statistic concerned all human trafficking in the United States—not just "child sex trafficking" as Goodlatte's statement said.

"His statement should have said human trafficking, not child sex trafficking," said Goodlatte spokeswoman Jessica Collins. "That was a staff error."

But there's a bigger problem. Shared Hope's graphic gave as its source a 2005 International Labour Organization report on human trafficking. But that report contains no mention of a \$9.8 billion figure for human trafficking in the United States.

Instead, there is only a broad estimate of about \$13 billion in profits for "forced commercial sexual

exploitation” for 36 industrialized countries (of which the U.S. represents about 30 percent of the population). ILO officials say they have never given a breakdown by country, only for broad groups of different types of economies.

The full methodology for the numbers in the report suggests the actual revenue for sex trafficking in this group would be close to \$20 billion. It assumed turnover of \$100,000 per prostitute, and then assumed profits of nearly 70 percent, or \$67,000 per person. The report also estimated there were 200,000 people forced into prostitution in these 36 countries.

But these profit and revenue figures were based only a handful of examples and then applied across the board, making it a fuzzy number. The estimate of the number of people forced into prostitution is also a broad estimate that could be off by as much as 25 percent, ILO documents say.

So the number is a result of multiplying two guesstimates, both with large sampling errors. Trying to figure out the U.S. share of that total would introduce even more fuzziness.

Taryn Offenbacher, a spokeswoman for Shared Hope, acknowledged the \$9.8 billion number was a mistake. “It was released as a misreading of the ILO report and has been fairly widely circulating,” she said. After being contacted by The Fact Checker, the group immediately withdrew the graphic from its Web site—a proactive step that we applaud.

“We pulled our fact sheet with that stat until we are able to update it,” she said. “We are careful to conduct our own primary research or only cite stats that can be supported by credible sources. I’ve read numerous articles questioning the accuracy of human trafficking statistics and want to ensure our office isn’t spreading inaccurate or unsupported information about the seriousness of this crime.”

So what about Wagner’s claim of \$9.5 billion? Her office’s Web site cites the same 2005 ILO report, but after we pointed out that the ILO did not give an estimate for the United States, spokeswoman Moira Bagley Smith cited another source: the 2006 State Department Trafficking in Persons report. In the report, there is this statement:

*“According to the U.S. Federal Bureau of Investigation, human trafficking generates an estimated \$9.5 billion in annual revenue.”*

First of all, although Wagner choose to interpret this as a figure for the United States alone, that is wrong. The report clearly states this is a worldwide estimate. Moreover, there is little to suggest that this figure relates specifically to sex trafficking of children or even sex trafficking in general.

But there’s a bigger problem: This is not an FBI estimate.

FBI officials, after checking the files, say they have no record of having produced such a figure; certainly, they say, no such report was issued. Eventually, The Fact Checker determined this

originated as a figure offered in 2004 congressional testimony by an official at the U.S. Immigration and Customs Enforcement—except he was referring to worldwide profits from both human smuggling and trafficking. (Smuggling does not involve the use of force or coercion.) ICE originally issued a news release about its estimate for profits in “human smuggling” in 2003.

The State Department’s 2004 TIP report attributed the figure (as “revenue” from “human trafficking”) to “the U.S. intelligence community.” Somehow, for reasons the State Department cannot explain, it became an “FBI” figure about just human trafficking in the 2005 and 2006 reports. The number was never repeated in any subsequent State Department report. But unfortunately, because of the State Department’s error, it since has been wrongly cited as an official FBI estimate in books, a Congressional Research Service report and other studies.

A State Department official said it was “highly likely” the number originated with the ICE estimate and it also was “highly likely” that the agency pulled it from a news report that incorrectly labeled it as an FBI figure. “Please let me acknowledge that it is an old Report (2004-2006) and we just don’t use that number anymore,” the official added.

Thus, we also must treat “\$9.5 billion” as a fantasy, unconnected to any real data. The State Department should take steps to correct the record.

The ILO in 2014 released another report on human trafficking with updated profit estimates. This report provided a calculation of \$26 billion in profits for “forced sexual exploitation” in the 36 industrialized countries, based on the assumption of 300,000 prostitutes, earnings of about \$115,000 a year, and profits of \$80,000. This time, the revenue figures were based on the book, “Sex Trafficking: Inside the Business of Modern Slavery,” by Siddarth Kara.

But Kara, in his book, writes that “despite what you might read in the papers and see on television and movie screen, trafficking for sexual exploitation is not a fast-growing epidemic within U.S. borders....The majority of human trafficking in the United States is not for commercial sexual exploitation.”

“The truth is that we really do not have very good data on this question,” Kara said in an email.

In 2014, the Urban Institute published a detailed study of the sex trade in eight major U.S. cities, including Washington, D.C. It estimated that the total size of the underground commercial sex market in 2007 in those cities was \$975 million, which represented a decline from \$1.02 billion in 2003. But this figure includes all forms of sex work, not just people who are victims of trafficking.

Meredith Dank, the primary researcher, said the estimates were unique for each city and thus “should not be extrapolated to the entire country.” She said she “couldn’t even begin to venture a guess as to the total value of the UCSE [Underground Commercial Sex Economy] in the U.S.”

## **The Pinocchio Test**

In the end, we find that there is no reliable estimate for the business of human trafficking in the United States, let alone child trafficking. (As we have noted previously, estimates for both child victims of trafficking and victims of trafficking are highly suspect.)

One could certainly say that the underground sex trade in the United States likely is worth more than a billion dollars, but it would be a serious mistake to conflate that with human trafficking. Until more reliable and careful research is done, that figure is simply unknown.

In any case, claiming that child sex trafficking, or even simply human trafficking, is a \$9.5 billion or \$9.8 billion business in the United States is worthy of Four Pinocchios.

## Four Pinocchios



Glenn Kessler has reported on domestic and foreign policy for more than three decades. He would like your help in keeping an eye on public figures. Send him statements to fact check by emailing him, tweeting at him, or sending him a message on Facebook. Follow @GlennKesslerWP