

## **Human Trafficking Investigation**

November 19, 2015

Senator Claire McCaskill

### Opening Statement

Thank you, Chairman Portman, for holding this hearing.

Four months ago, a 15-year-old girl walked into Cardinal Glennon Children's Hospital in St. Louis, Missouri, and asked for help. Along with four other girls between the ages of 12 and 18, she had been sold for sex at truck stops across Missouri, Florida, Texas, and New Mexico for almost two months. She was lucky to be alive. According to her police report, another girl traveling with her during those months had died in her arms.

The 15-year-old girl who walked into Cardinal Glennon, like the majority of children who are sold for sex in the United States today, was trafficked using Backpage.com. Throughout the Subcommittee's investigation, we have received information indicating that Backpage has built a hugely successful business in part by posting advertisements of children and other victims of human trafficking on its website.

And despite knowing that its website has hosted advertisements of children being sold for sex, Backpage has apparently signaled to its moderators that those ads should remain on the site. In April 2012, for example, Backpage initially told its outside moderators that they should "fail," or remove, ads containing references to certain sex acts or words, including "schoolgirl," "teen," "human trafficking," and "Y-U-N-G" (a misspelling of "young"). Two days later, Backpage reversed that policy. The employee responsible for moderation issued "clarifications" regarding

the banned words. He instructed that moderators should no longer delete ads that “use ‘young’ or misspellings of ‘young.’” Those deletions were capturing too much volume, he explained, because “there are too many legitimate uses of the word to warrant a removal every time.” Instead of deleting advertisements for services with “young,” the Backpage employee instructed moderators to send the ads to him for additional review.

We don’t know how many, if any, ads were removed following that additional review. We do know that Backpage instructed its moderators to be very cautious about deleting ads. According to the manager of the moderators, “The definition of underage is anyone under the age of 18. But for the purposes of making reports, we err on the side of caution and try to report anyone that looks under the age of 21.” Importantly, guidance from Backpage emphasized, in all capital letters: “IF IN DOUBT ABOUT UNDERAGE: the process for now should be to accept the ad ...” and “ONLY DELETE IF YOU REALLY VERY SURE PERSON IS UNDERAGE.”

The result of Backpage’s guidance, of course, is that the site contains innumerable advertisements for sexual transactions with children. The National Center for Missing and Exploited Children (or NICK-MICK), for example, reports that 71% of the child sex trafficking reports it receives involve ads posted on Backpage. And according to Shared Hope International, “[s]ervice providers working with child sex trafficking victims have reported that between 80% and 100% of their clients have been bought and sold on Backpage.com.”

We have also learned that Backpage has failed to preserve information that would help law enforcement and other entities locate victims and put pimps and traffickers in jail. Backpage has also failed to implement other free, widely available technologies that would help law enforcement build cases against suspected sex traffickers. Moreover, Backpage representatives

and third-party consultants have informed the Subcommittee that Backpage moderators edit and delete content in ads in ways that may conceal evidence of illegal activity from law enforcement.

The Subcommittee has also found that Backpage's business model has been highly profitable. Based on information obtained by the Subcommittee, Backpage had net revenue of \$135 million in 2014 and is expected to net more than \$153 million this year—nearly all of it profit. The company's fair-market value, taking into account its lack of marketability, is approximately \$430 million. As a former sex crimes prosecutor, I know that behind these cold financial statistics are survivors traumatized from abuse and degradation—and families suffering through years of terror and uncertainty concerning the fate of their loved ones.

Today, I hope to hear from our first witnesses about the impact of Backpage on the efforts of law enforcement officials and advocacy groups to curb sex trafficking in the United States. I am confident that their testimony will make clear the importance of Subcommittee efforts to press Backpage for information on its operations and procedures. I also hope that we will, at some future date, have the opportunity to question Backpage CEO Carl Ferrer, who received a subpoena to appear before the Subcommittee today but has refused to attend. I have many questions for him.

I thank the witnesses for being here today, and I look forward to their testimony.