



Memorandum

TO: PUBLIC SAFETY, FINANCE, AND
STRATEGIC SUPPORT COMMITTEE

FROM: Edgardo Garcia

**SUBJECT: PERSONAL CARE BUSINESS
COMPLIANCE INITIATIVE
FOLLOW-UP REPORT**

DATE: November 4, 2020

Approved

Angie Maguire

Date

11/10/20

RECOMMENDATION

Accept a follow-up report on the Personal Care Business Compliance Initiative with respect to the status of illicit massage businesses.

BACKGROUND

On October 24, 2019, the Public Safety, Finance, and Strategic Support Committee (PSFSS) accepted the Personal Care Compliance Initiative Report. The report highlighted best practice interventions for human trafficking survivors and an enforcement/education program which resulted in the closure of 186 illicit massage business (IMBs).

This memorandum will provide an update on these efforts and continued enforcement.

ANALYSIS

The Vice Unit continued to target IMBs suspected of commercial sex activities, however, efforts were somewhat limited due to Covid-19 and the County Health Order mandating the closure of personal care businesses. Many of the commercial massage business suspected of being IMB's had closed due to the order. Additionally, Vice Unit resources were diverted at times to assist with protests occurring in the City.

With the decrease in commercial massage business, Vice began to see an increase in residential brothels. Vice continued to use the following program to address IMB's and residential brothels.

- 1) Collaborative effort between the Vice Unit, Code Enforcement, City Attorney's Office, and the Permits Unit.
- 2) Covert investigations.

- 3) Landlord Education Program. The aim of LEP is threefold: to inform landlords of possible illegal activity on their property; to educate landlords about human trafficking; and, to motivate landlords to terminate or not renew the leases of IMBs.

The Vice Unit maintains a list of suspected IMBs based on complaints from residents and explicit online postings. At the time of the September 2019 report to the PSFSS Committee, 246 suspected IMBs had been identified. Since that time, the Vice Unit identified 10 additional suspected IMBs, bringing the total number to 256. 212 have closed from Vice related efforts. The remaining 44 were found to have complied with the County Health Order and temporarily closed.

Results of Implementation Efforts

This year's strategy yielded the following results related to commercial IMB's with comparative results as of September 2019, as applicable:

- 26 more IMBs have closed from Vice efforts, totaling 212 (186 in September 2019).
- 5 suspected IMBs are left to be processed (6 in September 2019).
- 1 IMB is in-process and is expected to close (18 in September 2019).
- 6 covert investigations were completed (82 in September 2019).
- 2 covert investigation revealed no prostitution was occurring (30 in September of 2019).
- 7 Landlord Education Meetings were completed (21 in September 2019).
- Of the 10 new massage businesses identified this year, 8 have been closed by Vice. 2 of the 8 were "covert massage parlors" disguised as giftshops.
- 3 IMBs where commercial sex was occurring had uncooperative landlords; this resulted in City Attorney involvement (2 in September 2019).
- 1 fully permitted massage business was found to be offering commercial sex services. Their permit was revoked, and they have closed (9 in September 2019).
- The Permits Unit saw a decrease in massage business owners applying for a Massage Business permit compared to 2018-2019:
 - 2016 - 4 applicants
 - 2017 - 7 applicants
 - 2018 - 67 applicants
 - 2019 - 31 applicants
 - 2020 - 9 applicants to date.
- 24 massage businesses are currently fully permitted and 10 are in process.
- Code Enforcement Division conducted 93 inspections (some businesses were inspected more than once), issued 12 compliance orders and 5 citations (320 inspections, 51 compliance orders and 30 citations in September 2019).

New Trend Identified

The Vice Unit's original effort focused on suspected IMB's with erotic reviews on illicit websites such as RUBMAPS.COM. After the Unit's success at closing 212 IMBs by the end of September 2020, combined with closures caused by the County Health Order, erotic reviews and

advertisements of IMB's declined sharply. Vice began to see an increase in online escort adds directing customers to residential brothels, corroborated by an increase in complaints related to residential brothels. Several anonymous tips also identified previously closed IMB's relocating to residences. These factors led Vice to believe IMB's were transitioning from commercial to residential properties to circumvent the County Health Order. To address the increase of residential brothels, Vice amended its program and established a list of suspected residential brothels separate from commercial IMB's. Vice worked in conjunction with the Police Department's Human Trafficking Unit to establish the list and applied the Landlord Education Program to effect closures.

This year's strategy has yielded the following results related to Residential Brothels:

- A total of 48 residential brothels were identified.
- 20 residential brothels were closed (41%) using the Landlord Education Program. The remaining 28 are still operating.
- 3 search warrants were served on residential brothels (1 from Vice and 2 from the Human Trafficking Unit). 6 human trafficking victims were recovered, 4 exploiters were arrested, and \$25,000 cash was seized.
- 18 were operating out of houses, 23 in apartments, 7 in condominiums.
- A majority of the City's apartment brothels are operating in large apartment complexes off N. 1st Street in-between Highways 880, 237 and 101.

It should be noted that of the 20 residential brothels closed by Vice, 2 were in apartments. The Landlord Education Program was found to be less effective with apartment managers who are managing hundreds of units compared to a single property owner who has a vested interest in their property. Apartment complex corporate policies, the eviction moratorium and the need for definitive proof further frustrated the unit's efforts. One apartment complex manager stated they knew they were renting to individuals they suspected were setting up brothels, (renting multiple units at once) but internal policies prohibited them from denying the lease.

To address this challenge, the Vice Unit will pursue both covert operations and further engagement with residential property managers. In the absence of cooperation from residential property managers, the unit will need to collect sufficient evidence to obtain a search warrant for residential brothels through covert operations. Capacity for covert operations has been limited over the past year due to other urgent priorities, but the unit plans to begin covert operations against residential brothels in early 2021. The unit also intends to continue to work with residential property managers. Additional efforts to engage property managers are discussed in more detail under bullet 5 in the Partnerships and Best Practices section below.

Partnership and Best Practices

The Vice Unit continued to partner with Community Solutions and South Bay Coalition to End Human Trafficking to provide services to victims of human trafficking, however, interactions were limited due to the reduction of covert operations caused by Covid-19. This year's efforts focused heavily on addressing the increase in residential brothels with an emphasis on the

Landlord Education Program. As part of last year's best practices Vice continued to:

- Have advocates respond to IMBs during Vice Unit operations to include search warrants served at residential brothels.
- Avoid arresting sex workers in IMB's or residential brothels.
- Provide Human Trafficking brochures to IMB workers.

As part of the information sharing component of our best practices, Vice conducted outreach to other Santa Clara County Police Departments regarding the regional law enforcement database LEAP to allow for county wide IMB information sharing. All Santa Clara County police agencies were contacted and educated on the benefits as well as the process of migrating IMB intelligence into LEAP. Each agency was agreeable to using LEAP to impute their IMB intelligence. Additional information sharing and collaboration included the following:

- 1) In October of 2019, Vice presented at the Regional Bay Area Human Trafficking Meeting which included agencies from outside Santa Clara County on the benefits of using LEAP to share IMB intelligence. Vice also presented the Landlord Education Program as an effective tool in facilitating the closures of suspected IMB's.
- 2) Vice worked with Presidium Partners, a national human trafficking advocacy group, and Heyrick Research, which conducted an in-depth study on the success of the San Jose Landlord Education Program. The study was published on their website (see below web address) as an effective model in combating IMB's.
<https://www.heyrickresearch.org/landlord-education>
- 3) Vice continued to work with the Employment Development Department (EDD) regarding two IMB's where prostitution was suspected. EDD conducted two site inspections and levied fines totaling \$90,000.
- 4) Vice worked closely with the CAO regarding an uncooperative landlord who owned 5 separate commercial properties where IMB's continually operated. After the CAO filed a lawsuit the owner entered a permanent injunction with the City. The owner agreed to various conditions to prevent future IMB's and paid \$30,000 in fines.
- 5) Vice continued to collaborate with the South Bay Coalition to End Human Trafficking to establish effective strategies to address the issue of residential brothels occurring in large apartment complexes. Approaches being considered include educating apartment managers and other stakeholders about human trafficking and establishing a mutually acceptable policy, allowing for the eviction of tenants suspected of running residential brothels. Additionally, residential brothel intelligence should also be migrated into LEAP to facilitate regional information sharing.

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CONCLUSION

The results demonstrate the Police Department's approach continues to be successful in addressing IMB's and residential brothels. Our partnership with Community Solutions and the South Bay Coalition to End Human Trafficking continues to assist us in providing services to survivors of human trafficking. The Department recommends focusing on continued enforcement, education and implementation of our existing best practice strategy.

COORDINATION

This memorandum has been coordinated with the Code Enforcement Division of the Department of Planning, Building and Code Enforcement, and the City Attorney's Office.

A handwritten signature in black ink, appearing to be 'Edgardo Garcia', with a stylized flourish and the word 'For' written below it.

EDGARDO GARCIA
Chief of Police
By Acting Chief of Police
DAVE KNOPF

For questions, please contact Lieutenant Paul Messier at (408) 537-1447.