

in recess subject to the call of the Chair.

Thereupon, the Senate, at 3:13 p.m., recessed subject to the call of the Chair and reassembled at 4:17 p.m. when called to order by the Presiding Officer (Mr. CASSIDY).

The PRESIDING OFFICER. The Senator from Ohio.

INVESTIGATION ON INTERNET SEX TRAFFICKERS

Mr. PORTMAN. Mr. President, I rise today during Human Trafficking Awareness Week to talk about the scourge of human trafficking, and, specifically, about an investigation that the Senate has just concluded that matters to every single State represented in this Chamber and to every American.

We are told now that human trafficking, including sex trafficking, is a \$150 billion a year industry. That makes it the second largest criminal enterprise in the world, behind the drug trade. Unfortunately, it is happening in all of our States, including my home State of Ohio. It is growing as a problem.

A couple of weeks ago, two people were arrested in my home town of Cincinnati in connection with sex trafficking. Police charged a woman with luring an underage girl to commit a sex act with a 56-year-old man.

That was just 2 weeks after police in Blue Ash, OH, just up the road, broke up what they said was a sex trafficking ring at a hotel. Police said that two men and two women rented two rooms at a hotel, paying cash, and forced four different women to perform sex acts. The women were given crack cocaine and heroin, presumably to keep them dependent on their traffickers.

This is what I am hearing back home a lot when I talk to victims of sex trafficking. Typically, drugs are involved. In Ohio, it is usually heroin. These cases are alarming, and, unfortunately, we have reasons to believe that the problem is getting worse not better. The National Center for Missing and Exploited Children, really, the expert on this issue, particularly of kids who get involved in sex trafficking, reports an 846-percent increase in reports of suspected child sex trafficking from 2010 to 2015. That is an over 800-percent increase just in those 5 years.

The organization found this spike to be “directly correlated to the increased use of the Internet to sell children for sex.” So it is kind of the dark side of the Internet, isn’t it. What I am told sometimes by survivors of trafficking is that they say: Rob, this has moved from the street corner to the cell phone. There is widespread evidence that sex trafficking is increasingly doing that all over our country.

In order to confront this problem, as chairman of the Permanent Subcommittee on Investigations, along with my colleague and ranking member Senator CLAIRE MCCASKILL, I

opened a bipartisan investigation into sex traffickers and their use of the Internet. This investigation began about 2 years ago. The National Center for Missing & Exploited Children says that nearly three-quarters—73 percent—of all suspected child sex trafficking reports it receives from the general public through its cyber tip line are linked to one Web site—a single Web site. That Web site is called Backpage.com.

According to a leading anti-trafficking organization called Shared Hope International, “[s]ervice providers working with child sex trafficking victims have reported that between 80 and 100 percent of their clients have been bought and sold on Backpage.com.” Eighty to 100 percent of their clients have been bought and sold on Backpage.com.

Again, that is consistent with everything I have heard when I have been back home and spoken to and met with sex trafficking survivors. Backpage now operates in 97 countries, 934 cities worldwide. It is valued at well over half a billion dollars. According to an industry analysis, in 2013, 8 out of every 10 dollars spent on online commercial sex trafficking in the United States went to this one Web site, Backpage.

Others, by the way, have chosen not to engage in this. There have been a number of cases around the country, including in Ohio, where Backpage.com was used by traffickers to sell underage girls for sex.

Last spring, in my own State of Ohio, a man, who by the way has nine children of his own, was sentenced to 12 years in Federal prison for trafficking four underage girls who had run away from home in Akron and Canton, OH. He kept them locked in a hotel, supplied them with drugs like marijuana, heroin, and ecstasy, and sold them for sex on Backpage.com. When he was arrested, by the way, he was found with more than 8,000 bags of heroin.

Just this week, or a week later after that, a man from Fort Wayne, IN, was charged with human trafficking and child prostitution after he was arrested on his way to Ohio. His intention, police say, was to traffic a 14-year-old girl whom he had met on Facebook, raped, and whom he planned to sell on Backpage.com.

Backpage says it leads the industry in its screening of advertisements for illegal activity. In fact, Backpage’s top lawyer has described their screening process as the key tool for disrupting and eventually ending human trafficking via the World Wide Web.

But despite these boasts, this Web site and its owners consistently have refused to cooperate with our investigation, with other investigations relating to lawsuits around the country. With regard to our situation, we subpoenaed them for the documents, and they still refused to provide the documents or to testify. As a result, as my colleagues will remember, this body, the Senate, for the first time in over 20

years, voted unanimously to pass a civil contempt citation to require them to supply the documents, to come forward with this information.

In August a Federal court order rejected Backpage’s objection to that subpoena and compelled the company to turn over the subpoenaed documents to the subcommittee. Backpage appealed that and asked for a delay in that order. They took it all the way up to the Supreme Court of the United States. But their request was rejected. Since then, the subcommittee has been able to review the documents that have been submitted—over 1 million documents—including emails and other internal documents.

What we found was very troubling, to say the least. After reviewing the documents, the subcommittee published a staff report on Monday of this week that conclusively shows that Backpage has been more deeply complicit in online underage sex trafficking than anyone imagined. We reached three principle findings: first, that Backpage has knowingly covered up evidence of criminal activity by systematically editing its so-called adult ads; second, that Backpage knows that it facilitates prostitution and even child sex trafficking; and third, that despite the reported sale of Backpage to an undisclosed foreign company in 2014, taking them outside of the United States, the true owners of the company are the founders—James Larkin, Michael Lacey, and Carl Ferrer, their chief executive officer.

First, on the editing of ads, our report shows that Backpage has knowingly covered up evidence of crimes by systematically deleting words and images suggestive of illegal conduct, including of child sex trafficking. That editing process sanitized the content of millions of advertisements in order to hide important evidence from law enforcement.

In 2006, Backpage executives instructed staff to edit the text of adult ads, not to take them down but to edit them, which is exactly how they facilitated this type of trafficking, including child sex trafficking. By October 2010, Backpage executives had a formal process in place of both manual and automated deletion of incriminating words and phrases in ads.

Backpage CEO Carl Ferrer personally directed his employees to create an electronic filter to delete hundreds of words indicative of sex trafficking or prostitution from ads before they were published.

Again, this filter did not reject the ads because of the obvious illegal activity. They only edited the ads to try to cover it up. The filter did not change what was advertised, only the way it was advertised. So Backpage did nothing to try to stop this criminal activity. They facilitated it knowingly.

Why did they do that? Backpage executives were afraid they would erode their profits. It is a very profitable business. In Ferrer’s words, they were

afraid they would “piss off a lot” of customers. What terms did they delete? Beginning in 2010, Backpage automatically deleted words including “lolita”—referencing a 12-year-old girl in a book who was sold for sex—“teenage,” “rape,” “young,” “little girl,” “teen,” “fresh,” “innocent,” “school girl,” and even “amber alert”—and then published the edited versions of the ads on their Web site. Backpage also systematically deleted dozens of words related to prostitution.

This filter made these deletions before anyone at Backpage even looked at the ad. When law enforcement officials asked for more information about the suspicious ads, as they have routinely done, Backpage had already destroyed the original ad posted by the trafficker, and the evidence was gone.

So this notion that they were trying to help law enforcement is in the face of the fact that they actually destroyed the ads that had the evidence. We will never know for sure how many girls and women were victimized as a result. By Backpage's own estimate, the company was editing 70 to 80 percent of the ads in the adult section by late 2010.

Based on our best estimate, that means Backpage was editing more than half a million ads every year. Internal emails indicate the company was using the filter to some extent as late as 2014. We simply don't know if they are still using a filter. Eventually, Backpage reprogrammed its filters to reject some ads that contained certain egregious words suggestive of sex trafficking.

But the company did this by coaching its customers on how to post clean ads to help facilitate the criminal conduct of these traffickers. So they did reject some ads, but then they went back to the customer to say: This is how you could do it better. For example, starting in 2012, a user advertising sex with a teen would get this error message: “Sorry, ‘teen’ is a banned term.”

With a one-word change to the ad, the user would be permitted to post the same ad, the same offer. In October 2011, Backpage CEO Carl Ferrer directed his technology consultant to create an error message when a user entered an age under 18 years old. Just like the word filter, the customer could just enter a new age that the ad would then post.

With regard to ownership, our investigation revealed that acting through a series of domestic and international shell companies, Backpage's founders lent their CEO, Carl Ferrer, more than \$600 million to buy the Web site. While Ferrer is the owner of Backpage, Backpage's previous owners retain near total debt equity in the company and continue to reap Backpage's profits in the form of their loan repayments.

They can also exercise control over Backpage's operations and financial affairs pursuant to the loans and to other agreements. The elaborate corporate structure under which Ferrer pur-

chased Backpage through a series of foreign entities appears to provide absolutely no tax benefit—based on their accountant's information to us—and serves only to obscure Ferrer's U.S.-based ownership.

Based on all of these findings, it is clear that Backpage actively and knowingly covered up criminal sexual activity—sex trafficking—that was taking place on its Web site, all in order to increase its profits at the expense of the most vulnerable among us.

Backpage has not denied a word of these findings. Instead, several hours after our report was issued, the company closed what they call their adult section. They closed it down. Frankly, this just validates our findings.

The National Center for Missing & Exploited Children said this about Backpage's closure of its adult site: “As a result [of this closure], a child is now less likely to be sold for sex on Backpage.com.”

No one is interested in shutting down legitimate commercial activity and speech, but we do want to put a stop to criminal activity.

I want to thank Senator McCASKILL and her staff for their shoulder-to-shoulder work with my team on the Permanent Subcommittee on Investigations on this bipartisan investigation. I am also grateful to the members of the full committee and the Senate as a whole for unanimously supporting us as we pursued the enforcement of this subpoena against Backpage.com.

But we are not done. In the weeks and months ahead, I intend to explore whether potential legislative remedies are necessary and appropriate to end this type of facilitation of online sex trafficking.

At a hearing on the report on Tuesday, Backpage CEO and other company officials pled the Fifth Amendment, invoking the right against self-incrimination, rather than respond to questions about the report's findings.

The subcommittee also heard powerful testimony from parents whose children had been trafficked on Backpage.com. One mother talked about seeing her missing daughter's photograph on Backpage.com, frantically calling the company to tell them that was her daughter and to please take down the ad.

Their response: Did you post the ad? Her response: Of course I didn't post the ad. That is my daughter. Please take it down.

Their response: We can only take it down if you paid for the ad.

I urge my colleagues to join me in this effort to ensure that does not happen again. What happens to these kids is not just tragic; it is evil.

I urge my colleagues to join me in reforming our laws so they work better to protect these children.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BLUNT). The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER LEGISLATION FOR THE NEXT SECRETARY OF DEFENSE

Mr. LEAHY. Mr. President, the Senate is faced with a clear but complicated choice: support this expedited legislation that will pave the way for the confirmation of the next nominee to be Secretary of Defense or embroil one of the most consequential Cabinet positions—and with it the lives of thousands of men and women, as well as our national defense—in what would surely become a legal and legislative morass.

The Framers of the Constitution established that the Senate should provide advice and consent in the appointment of such Cabinet nominees. Congress subsequently, in the aftermath of World War II, sought to implement limitations on who could serve as Secretary of Defense, specifically, a cooling off period for members of the military nominated to serve as Secretary of Defense. The goal? To ensure that America's military would remain under civilian control. Circumventing these limitations requires an act of Congress. It has been done just once before, ironically almost immediately after Congress first enacted those limitations.

In Gen. Mattis, the President-elect—who is inexperienced in the world of military affairs and has sometimes proven rash in his public comments—has identified an able leader, who is tremendously popular and who has time and again shown himself worthy of the respect he has earned. I believe he will be a voice of reason in the Department of Defense and was encouraged to hear at his confirmation hearing this morning that he understands the importance of civilian control of our Defense Department and intends to preserve that tradition.

As Senator REED said earlier today in the Armed Services Committee, this is a once-in-a-generation waiver. Chairman McCAIN similarly emphasized that he supports the law that this legislation would temporarily waive. I do not support efforts to change the law to permanently eliminate this statutory cooling off period. I am disappointed that the Senate majority has insisted on creating an expedited debate on such a critical question. I cannot support such an abrupt and accelerated revision of the law, even in the form of a one-time-only exemption. I couldn't support such a haphazard process, regardless of who the President, President-elect, or the nominee is.

As I said in December when the Senate considered the legislation that paved the way for this rushed process today, my vote on this bill does not foreshadow my vote on Gen. Mattis's nomination. I do believe that Gen. Mattis can respect the boundaries that