

**TESTIMONY OF ELIZABETH L. McDOUGALL**  
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**BEFORE THE U.S. HOUSE OF REPRESENTATIVES JUDICIARY COMMITTEE**  
**SUBCOMMITTEE ON CRIME, TERRORISM AND HOMELAND SECURITY**  
**HEARING ON DOMESTIC MINOR SEX TRAFFICKING**

**SEPTEMBER 15, 2010**

Thank you Chairman Scott, Ranking Member Gohmert, and Subcommittee Members. My name is Elizabeth (Liz) McDougall. I am a partner with the law firm Perkins Coie LLP, and I am counsel to craigslist on safety, security and abuse issues. I have been working with craigslist regarding these issues for over two years.

The scope of my representation and work with craigslist includes preventing and combating the misuse of craigslist's services, particularly misuse in connection with unlawful activities, and most especially misuse in facilitation of crimes such as human trafficking. To this end, I have provided and continue to provide counsel to craigslist; I have met with government officials to address concerns and work collaboratively to further improve measures to prevent harm; and I implemented an enforcement program to identify, investigate and stop abuses of craigslist's services, including through the prosecution of civil claims.

I have a personal interest in combating human trafficking, including the sexual exploitation of women and children, and have dedicated personal time and *pro bono* efforts to this grave societal concern. My work with craigslist has enabled me to further advance these causes with a willing and able partner. Consequently, I am personally and professionally interested in helping this Committee further understand the efforts of craigslist in addressing this complex problem.

As a preface to my own factual testimony, which will follow, I have been authorized to make the following statements on behalf of craigslist:

1. On September 3, 2010, craigslist closed its U.S. "adult services" category.
2. craigslist is employing proprietary technical measures to force the migration of adult services ads from craigslist to other venues. Frequent spot-checking by craigslist and third parties indicate that these efforts have been largely successful, and traffic at other venues for adult service ads has risen significantly due to this migration. For example, a blog article by the AIM Group from September 9, 2010, enclosed with my testimony, notes the effect of these measures.
3. craigslist abhors and has a long track record of vigorously combating crimes such as human trafficking and child exploitation in the context of adult services, and is highly sympathetic to the victims of such unspeakable abuses.
4. Migration of the relatively small percentage of total U.S. adult services advertising that had been posted on craigslist to less socially responsible venues uninterested in best practices is an unfortunate step backward in the fight against trafficking and exploitation. An article authored by researcher danah boyd on this point is enclosed with my testimony.
5. The many former craigslist adult services advertisers who posted appropriately and legally are understandably resentful of being mischaracterized as criminals or victims, and object to being excluded from craigslist.

## **HUMAN TRAFFICKING AND THE TRAFFICKING OF MINORS**

Human trafficking, particularly and especially the trafficking of minors for sex services, is a horrific social scourge. Few would disagree with this premise. Certainly, craigslist and I do not.

However, the dearth of verifiable data regarding the scope, causes and possible solutions to this quiet plague is striking. Even more striking is the divergence and clash of views across a broad array of largely well-intentioned public interest organizations focused on this issue.

In meetings, discussions and the many media interviews and reports about craigslist's previous adult services category, many agendas have become apparent. The agenda of craigslist – that I have had the privilege to help them pursue – has been to try to balance the often conflicting input of politicians, law enforcement agencies, a broad array of NGOs and advocacy groups, and other concerned parties, in a best practices approach to socially responsible Internet classified advertising.

### **CRAIGSLIST'S JOINT STATEMENT WITH 43 ATTORNEYS GENERAL AND THE NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN**

In late 2007, craigslist entered into a dialogue with representatives of Connecticut Attorney General Richard Blumenthal. Although I was not directly involved in these early discussions, colleagues of mine were, and I understand that craigslist listened to and considered carefully the concerns of Attorney General Blumenthal and the other state Attorneys General whose interests he represented. The meetings and discussions were cooperative and constructive. With no legal obligation and no compulsion, and at a time when it was already the best practices leader among online classified services, craigslist came to the table with the National Center for Missing and Exploited Children (NCMEC) and the Attorneys General to explore effective ways that craigslist could do even more to battle human trafficking and child exploitation. (An article by the Electronic Frontier Foundation (EFF) explaining why craigslist is and was not legally obligated to take any action is enclosed with my testimony.) NCMEC, the Attorneys General and craigslist left the table with a Joint Statement that laid out additional measures and plans the parties collectively agreed were positive steps toward this objective. Of all of the thousands of traditional and online media hosting ads for adult services, craigslist, and only craigslist has worked with the Attorneys General to collaboratively fashion such a Joint Statement.

Although the "Joint Statement" was not a binding legal document, craigslist fully performed its commitments.

Here is a summary of some of the major points covered in the Joint Statement:

- **Telephone Verification.** In March 2008, craigslist implemented a system of telephone verification, whereby each erotic services ad posted was tied to a working telephone number. This information was available to law enforcement pursuant to a subpoena.
- **Credit Card Verification.** At the suggestion of the Attorneys General, craigslist also commenced charging a fee for each erotic services ad. This tied each ad to a working credit card to reduce the volume of ads (which were previously free) and provide information available to law enforcement pursuant to a subpoena.

- **Legal Actions.** craigslist also launched an aggressive enforcement program to stop the sale of tools (software and services) that facilitate circumvention of craigslist's Terms of Use and misuse of its services. To date, the program has included twenty federal lawsuits, cease and desist demands to scores of distributors and operators, and investigation of hundreds of targets. Prominent distributors have been taken down, and craigslist has obtained judgments with injunctive relief and significant financial penalties and deterrents against many defendants. However, new software and services launch to replace the old ones, and the enforcement program is actively continuing.
- **Cooperation with Law Enforcement.** The Joint Statement referenced law enforcement tools that craigslist had previously developed and made available to NCMEC, including national search tools for images and telephone numbers. These tools have been actively improved over time according to ongoing feedback from NCMEC and FBI, and have now been widely distributed to law enforcement agencies across the country.
- **Educational Materials.** The Joint Statement referenced educational materials and acknowledged that craigslist would continue to work to refine those materials. An example of the educational information and links to resources made available on the craigslist website is provided in the materials enclosed with my testimony.
- **Future Efforts.** The Joint Statement contemplated future meetings, a commitment by craigslist to "explore" new technologies to block image uploads, and cooperation with the Attorneys General for screening language used in ads.

The Joint Statement also mentioned that craigslist planned to contribute 100% of the net revenues from the erotic services category to charity. I have been advised that this undertaking, as well as all other undertakings of craigslist described in the Joint Statement, have been fulfilled.

## **SUBSEQUENT MEETINGS WITH ATTORNEYS GENERAL**

As provided for in the Joint Statement, craigslist met again with representatives of the Attorneys General in May 2009, to continue to explore methods to combat misuse of the craigslist service. At the time of the meeting, it was craigslist's perspective that the measures that craigslist had implemented as contemplated by the Joint Statement had been very successful. Data was shared with the Attorneys General showing dramatic declines in the number of erotic services advertisements in four United States cities, which contrasted with dramatic growth in two comparable Canadian cities, where the measures described in the Joint Statement had not been implemented. A copy of the presentation by craigslist at this meeting is enclosed with my testimony.

However, at the meeting the Attorneys General in attendance, Attorneys General Blumenthal, Koster and Madigan, pressed craigslist for still further action. Following this meeting, craigslist made the voluntary decision to eliminate the "erotic" services category throughout the United States and create a new "adult" services section that would continue to require telephone verification and a fee paid by verified credit card, but would also entail manual review of every ad submitted for compliance with craigslist's Terms of Use and posting guidelines before being

posted in the category. craigslist implemented the new adult services category with manual screening in May 2009. To ensure the highest possible quality of review, craigslist arranged at considerable expense to have the review of each ad conducted by a team of US-licensed attorneys.

The combination of telephone verification, credit card verification and manual review was a deterrent to many abusers of the "adult" service category and craigslist began to observe such ads migrating into the therapeutic services category. As a result, in June 2009, craigslist also implemented telephone verification, credit card verification and manual review in the therapeutic service category.

In September 2009, in a meeting that I attended, craigslist met again with Attorneys General Blumenthal and Koster, as well as (either in person or by conference call) representatives of other Attorneys General. Prior to the meeting, I participated in a number of calls with staff of the Attorneys General of various states, sharing data regarding the migration of ads for adult services from craigslist to other online venues in their particular states. We also shared summaries that contrasted craigslist ads and practices with adult advertising and practices in local media publications in the Attorneys General's states. A sample of these summaries for Kansas City, Missouri, is enclosed with my testimony (excluding the very graphic images at the embedded links.) At the meeting with Attorneys General present and participating by phone, craigslist described and demonstrated the measures, particularly the manual review, it had implemented. Among other topics, we reviewed the detailed screening procedures that had been implemented by craigslist and described the manual screening process in detail. The Attorneys General expressed general praise and appreciation for these measures. No specific further requests or measures were discussed or decided, and all parties left with a commitment to continue their dialogue. Unlike the May meeting, there was no public announcement made.

## **COOPERATION WITH LAW ENFORCEMENT**

Police, the FBI and other entities that are charged with enforcing the law have opted to work with craigslist to identify and implement practical measures to help rescue victims of trafficking and exploitation, and bring those responsible to justice. Over the years, craigslist has earned a reputation for being especially responsive to the needs of law enforcement.

As an example, when the Polk County (Florida) Sheriff's Office publicly announced concerns about suspected ads for prostitution appearing on craigslist in and around Polk County, craigslist promptly contacted the Sheriff's Office and requested a meeting to discuss the Sheriff's concerns. The Sheriff agreed, and I flew to Polk County with another craigslist representative and met with the Sheriff and his prosecuting attorney. By the conclusion of this meeting, we got to the heart of the particular enforcement challenge he was encountering and we mutually committed to develop a mechanism to address the problem - which working together, we did.

Similarly, when agents of the Royal Canadian Mounted Police (RCMP) leading that country's enforcement efforts against human trafficking and child exploitation had questions about craigslist's services, I flew to Toronto with another craigslist representative. We met with the agents, answered questions, and launched an ongoing dialogue about problems and potential solutions in combating trafficking and exploitation.

## **CONCLUSION**

All people of conscience, myself and the management of craigslist included, abhor human trafficking and child exploitation, and wish to see these scourges eliminated to the greatest extent possible. In craigslist, law enforcement and NGO advocates had a highly responsive partner that listened to and was willing to meet with all concerned parties, and worked collaboratively to develop and implement best practices for minimizing such harms in the context of adult services advertising. As a legal counselor with a strong personal interest in combating human trafficking and child exploitation, it has been my sincere privilege to assist this exceptionally conscientious company and it is sadly dismaying to see craigslist's good deeds in this regard be unduly punished.



Legal Counsel to Great Companies

# May 2009 Progress Report

craigslis and Law Enforcement:

Making Progress Toward

Common Goals

# **craigslist is the most used classifieds service worldwide**

- 50 million Americans use craigslist each month, posting over 40 million classified ads in over 100 categories, and generating over 22 billion page views.
- craigslist is 7<sup>th</sup> overall among Internet companies in terms of English-language page views served.



Americans rely on craigslist for their most basic human needs – employment, shelter, commerce, romance.

Job Sites	Page Views
craigslist jobs	1,999,296,445
Monster.com	889,884,767
careerbuilder	481,454,511

Personals	Page Views
craigslist personals	4,665,025,038
Match.com	789,008,918
eHarmony.com	382,024,549

Housing Sites	Page Views
craigslist housing	1,777,152,395
Realtor.com	456,024,863
Apartments.com	151,054,918

Service Directories	Page Views
craigslist services	2,443,584,544
Yelp	217,539,073
Yellowpages.com	228,540,853

Merchandise	Page Views
craigslist for sale	10,662,914,373
eBay	14,106,623,255
Amazon	2,802,514,523

**Q: Why does craigslist have an "erotic services" category in the first place?**

**A:** It was established at the request of users, who had been seeing ads for escort services, massage parlors, adult web cams, phone sex operators, exotic dancers, adult websites, nude housecleaners, etc. mixed into the personals and services categories. They asked to have them in one place, behind a warning screen, where those uninterested would not see them.

Illegal activity is absolutely unwelcome, and craigslist has gone to considerable lengths to prevent and eliminate it — and has earned a reputation for being unusually responsive to requests from law enforcement when they need assistance in their investigations.

# The Joint Statement: November 2008

## JOINT STATEMENT

craigslist, the Attorneys General listed below, and the National Center for Missing and Exploited Children ("NCMEC"), announce new measures that craigslist is taking to help combat unlawful activity and improve public safety on its web site.

This agreement culminates a series of discussions and in person meetings between Jim Buckmaster, CEO of craigslist, Richard Blumenthal, Attorney General of the State of Connecticut, and NCMEC.

craigslist is a popular internet classifieds service that provides the public with many benefits. Like all communication tools, it can unfortunately be misused to facilitate unlawful activity.

craigslist has a long record of implementing measures to prevent misuse of its web site, assisting law enforcement investigations, and of improving safety for craigslist users. Law enforcement personnel have called craigslist's attention to misuse of craigslist's "erotic services" category to facilitate unlawful activity. This problem requires new safeguards for craigslist and new ways of working together with law enforcement. Further innovation and collaboration in addressing these issues will be beneficial for the safety of craigslist users and the general public. Accordingly, craigslist, the Attorneys General, and NCMEC, announce the following measures for combating unlawful activity and improving public safety on craigslist:

### **I. DIGITAL TACING, COMMUNITY FLAGGING, ELECTRONIC SCREENING**

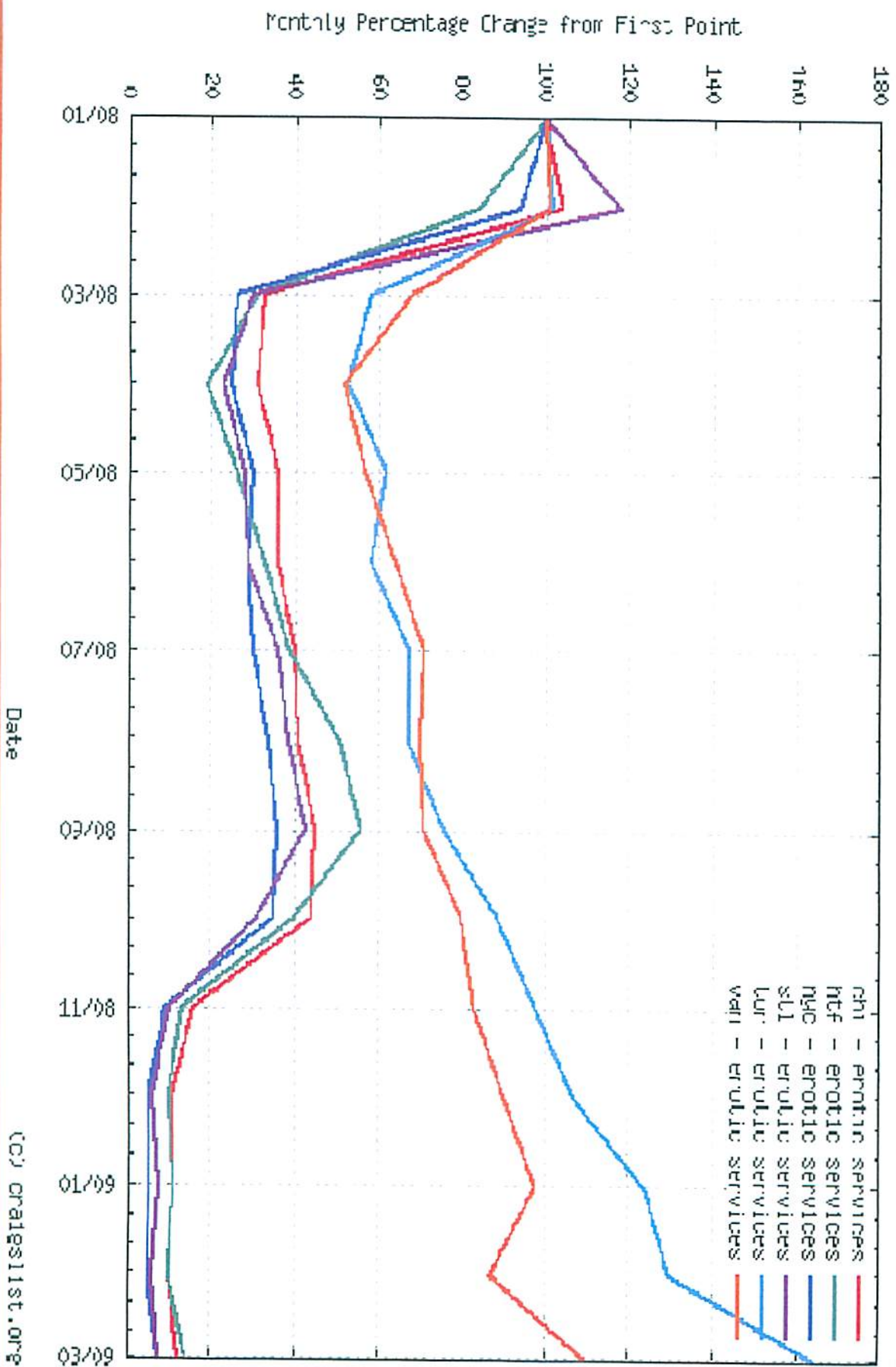
- craigslist has implemented a community self-policing program which allows users to "flag" a

**Six months after the Joint Statement was announced, “erotic services” ads have decreased dramatically in US cities\*\*\*.**

**Compliance with craigslist Terms of Use is much improved for the ads that remain.**

**\*\*\*Compare with trend in Canada, where craigslist is now being approached about establishing a framework for collaboration similar to the one for the US that was announced in the November Joint Statement.**

# “Erotic service” ad volume trend in US and Canada



## **Introduction of new measures in the past year has yielded dramatic improvements**

- Telephone Number Verification
- Credit Card Authorization
- Keyword Filtering System
- Image Blocking Software (testing phase)

# Telephone Verification Program

In order to post in “erotic services,” user must provide a phone number. Number is dialed by craigslist systems, a series of digits is read to user, user must type code into web page to continue. Number is kept on file, associated with all postings by user, and made available to law enforcement under search warrant.

### Telephone Account Verification

We need you to provide a valid, working phone number so that we can verify your account.

To help enforce our terms of use, craigslist requires an account verified by phone for posting in certain categories. Terms of use violations will be subject to account suspension and blacklisting of the phone number used to verify the account.

Shortly after entering your phone number below, you will receive an automated phone call during which an authorization code will be provided to you.

Enter this authorization code on the next page, and your account will be verified.

Problems? [Let us know.](#)

Phone Number: 1 (  )

Give verification code via:  voice  text

Send verification code in:  english  français



# Credit Card Authorization

Users must submit valid credit card credentials and pay a \$5 fee to post in “erotic services.”

Information is kept on file and can be made available to law enforcement pursuant to search warrant.

[new york craigslist](#) ([manhattan](#)) > [erotic services](#) > create posting

[ logged in as [eam4755@h](#) ]

Your posting will expire from the site in 7 days.

**Description**

Demo Post

*erotic services*

**Price**

5.00

**Total To Be Charged:**

**5.00**

Required fields are in **green**.

The address entered in this form must **EXACTLY** match the billing address on your monthly credit card statement.

Please enter your Credit Card information: [\(security info\)](#)

Card Number:

Verification Number:

[\(What's this?\)](#)

(We accept American Express, MasterCard, and Visa - No gift cards or pre-paid credit cards!)

Expiration Month / Year:  /

Card Name, First:

Last:

Card Address:

City:

State:

Zip/Postal Code:

Country:  US  Canada

Who should we contact if we have questions about your posting?

Contact Name:

Contact Phone Number:

Contact Email Address: [eam4755@hotmail.com](#)

**(Please click ONLY ONCE, this step may take up to 60 seconds.)**

Submit Credit Card Payment

# Keyword Filtering

During the week of April 23, 2009, keyword filters blocked 26% of "Erotic Services" ads submitted in US cities.

New technologies designed to identify and address attempts to circumvent keyword filters are being tested.

# Image Blocking

New measures currently being tested have shown potential for a 90% or greater reduction in “erotic services” images being posted in violation of craigslist Terms of Use.

Specific images found in violation of craigslist Terms of Use can be blocked from being re-posted.

Even before these new measures, craigslist hosted far fewer and far less graphic images than can easily be found on some of the largest, most mainstream, “family friendly” sites.

# **craigslis cracks down on those facilitating misuse of its services**

- 14 federal lawsuits filed against defendants violating craigslis's Terms of Use or facilitating violation by others.
- Most targeted operations shut down immediately.
- 4 cases resolved, three with permanent injunctions.
- 10 ongoing.
- 65 cease and desist demands issued.

# **craigslit goes above and beyond in supporting law enforcement efforts**

- Image Search Tool developed for law enforcement permits rapid scanning of images to facilitate location of missing/exploited minors.
- Telephone Search Tool developed for law enforcement permits rapid location site-wide of ads containing telephone numbers of interest.
- craigslit personnel go on “standby” at request of FBI for large scale “sweep” actions.
- craigslit has earned reputation among law enforcement departments for being especially prompt and cooperative.

## **Charitable efforts will include combating human trafficking and child exploitation.**

- craigslist Charitable Fund launched winter 2008.
- Unprecedented 100% of net revenues from "erotic services" ads earmarked for charity.
- Fund-raising campaign to fight child exploitation and human trafficking preparing for roll-out.
- Other charitable campaigns being planned.

## Net Effects:

Inappropriate “erotic services” ads have decreased dramatically since the Joint Statement 6 months ago.

Compliance with craigslist Terms of Use in ads being posted to the “erotic services” section today is much improved.

Far from resting on its laurels, craigslist continues to develop new methods for eliminating inappropriate activity.

Law Enforcement efforts are being augmented by custom tools, information, and assistance provided by craigslist.

Grants from the craigslist Charitable Fund will make a large positive impact in addressing societal issues like human trafficking and child exploitation.



Wouldn't it be easier to just shut down "erotic services," to prevent advertising by escorts and massage parlors, which can sometimes serve as fronts for illegal prostitution?

craigslist users prefer having legal erotic services ads in a separate category behind warning screens, rather than having them posted throughout the personals and services categories, as had happened previously, and would happen again should the "erotic services" category be removed.

Having "erotic service" ads in a separate category facilitates targeted warnings, monitoring, filtering, messaging, and law enforcement efforts when required.

Compared to a veritable "who's who" of very large and prominent public companies that feature "erotic service" ads, craigslist has taken the leadership role in terms of social responsibility, by the breadth of protective measures it has taken, the lengths to which it has gone to assist law enforcement, and by choosing to contribute an unprecedented 100% of net revenues to charitable causes.

**craigslist and Law Enforcement are logical partners in pursuing a common goal:**

Eliminating postings which violate craigslist's Terms of Use while preserving all utility and benefit for the tens of millions of law-abiding Americans who value and depend on craigslist's free local community services in their everyday lives.