

Civil TVPRA Litigation and Emerging Risks for the Hospitality Industry

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Louisville's continued growth as a national destination for tourism, major sporting events, festivals and professional conferences has driven significant expansion in its hospitality sector. In 2024 alone, tourism generated approximately \$4.4 billion for the local economy, reflecting the scale and density of hospitality activity across the region. That growth was on full display last month during the 152nd Kentucky Derby, which drew hundreds of thousands of visitors and strained lodging, staffing and security resources citywide. While these developments are undeniably positive, they also heighten legal exposure for entities operating in event-driven hospitality environments. One area in particular, civil litigation under the Trafficking Victims Protection Reauthorization Act (TVPRA), has undergone rapid evolution, reshaping risk considerations for hotels and their onsite partners.

I. TVPRA Civil Liability and the Shift Toward Enterprise Litigation

Although the TVPRA was enacted primarily as a criminal enforcement framework, its civil cause of action has expanded sharply in recent years. Over the past five to six years,

filings under 18 U.S.C. § 1595 have increased substantially, with well more than 1,000 civil cases filed nationwide and a disproportionate share concentrated in recent years. What was once a niche remedy has become a recurring feature of federal civil dockets, particularly in suits targeting lawful commercial enterprises.

Most civil cases proceed not with allegations that a defendant directly trafficked the plaintiff, but under a beneficiary theory of liability. Plaintiffs commonly allege that hotels and related businesses financially benefited from trafficking ventures by renting rooms or providing services in circumstances where trafficking indicators were allegedly present. Courts have consistently rejected strict liability, emphasizing that generalized awareness of trafficking risks within the hospitality industry is insufficient. The

inquiry instead turns on whether plaintiffs plausibly allege participation in, and benefit from, a venture that advanced the specific trafficking activity at issue.

Civil TVPRA litigation has moved well beyond its origins as an ancillary remedy to criminal prosecution and now represents sustained civil exposure for hospitality and event-driven businesses.

As filings have increased, TVPRA litigation has taken on an increasingly enterprise level character. Plaintiffs frame trafficking not as an isolated criminal act, but as a risk intertwined with operational practices and commercial relationships. This evolution has expanded the range of defendants named in civil actions and sharpened the focus on corporate structure, delegated authority and control,

reshaping how civil exposure is assessed across the hospitality ecosystem.

II. Anatomy of a TVPRA Civil Claim Against Hospitality Defendants

Civil TVPRA claims against hospitality

defendants generally follow a familiar structure, regardless of the specific property or brand involved. Plaintiffs rarely allege that a hotel is directly engaged in trafficking. Instead, claims typically proceed under the statute's beneficiary liability provision, asserting that the defendant knowingly benefited from participation in a venture engaged in sex trafficking, most often through room rental revenue or related services.

Courts evaluating civil TVPRA claims have increasingly converged around a common pleading framework. To state a claim for beneficiary liability, a plaintiff must plausibly allege that the defendant "(1) knowingly benefited (2) from taking part in a common undertaking or enterprise involving risk and potential profit, (3) that the undertaking or enterprise violated the TVPRA as to the plaintiff, and (4) that the defendant had constructive or actual knowledge that the undertaking or enterprise violated the TVPRA as to the plaintiff." *Doe #1 v. Red Roof Inns, Inc.*, 21 F.4th 714, 719 (11th Cir. 2021); see also *G.G. v. Salesforce.com, Inc.*, 76 F.4th 544, 552-53 (7th Cir. 2023). This

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formulation has provided a unifying analytical structure even as district courts continue to apply the statute across varied factual and commercial settings.

To plead participation, complaints commonly rely on allegations of repeated commercial interactions rather than isolated incidents. Plaintiffs assert that traffickers rented rooms for extended periods, made multiple stays or repeatedly returned to the same property, coupled with allegations that continued rentals, failure to intervene or lack of escalation facilitated the trafficking activity. At the pleading stage, courts often focus on whether such allegations plausibly suggest a continuous or tacit commercial relationship supporting the alleged venture.

The knowledge element is typically advanced through allegations of constructive, rather than actual, knowledge. Complaints identify purported indicators, often described as “red flags” though not defined by the statute, such as heavy foot traffic, cash payments, refusal of housekeeping services, repeated supply requests or disturbances. Although defendants regularly challenge both the accuracy and significance of these allegations, courts tend to treat the knowledge inquiry as fact intensive and often decline to resolve it on a motion to dismiss.

Courts have repeatedly emphasized that civil TVPRA liability remains a case specific, fact driven inquiry. As one court observed, “federal district courts across the country

are tackling these suits and interpreting the TVPRA on a case-by-case basis.” *J.M. v. Choice Hotels Int’l, Inc.*, 2022 WL 10626493, at *1 (E.D. Cal. Oct. 18, 2022). As a result, early motion outcomes often vary, and liability frequently turns on granular allegations concerning a defendant’s specific conduct and operational role.

Finally, complaints commonly layer in agency or vicarious liability theories, particularly against franchisors or parent companies removed from day-to-day operations. These claims hinge on allegations of control over policies, training, staffing or operational standards and often dominate early motion practice.

III. A Recent Expansion of TVPRA Claims to Third Parties

A recent development in TVPRA litigation is plaintiffs’ increasing effort to bring third party service providers, such as hotel security contractors, into cases traditionally focused on hospitality entities. These theories extend enterprise level liability by alleging that contractors benefitted from trafficking ventures through service contracts while failing to act on alleged indicators of trafficking.

This expansion is illustrated by *L.H. v. Red Roof Inn, Inc.*, 2025 WL 714385 (W.D. Ky. Mar. 5, 2025). There, a security company moved to dismiss a third-party indemnity claim brought by the hotel franchisor. The court denied the motion and, in the same ruling, granted the plaintiff leave to amend the complaint to assert direct TVPRA claims against the security company, accepting

at the pleading stage allegations that the contractor benefitted from participation in a joint venture with the hotel.

The court emphasized the early procedural posture and did not resolve whether the security company ultimately participated in a trafficking venture or possessed the requisite knowledge. The case was later settled before the court addressed any motion to dismiss directed at the plaintiff’s TVPRA claims against the security company. While such claims may face substantial hurdles at summary judgment, *L.H.* is significant for what it signals. The statute’s civil remedy may reach entities beyond franchisees and franchisors, expanding the pool of defendants required to litigate fact intensive TVPRA claims.

IV. Practical Takeaways for Hospitality and Event Driven Businesses

The expansion of civil TVPRA litigation presents tangible challenges for hospitality operators and event-driven businesses, particularly in cities that host large-scale, high-density events.

- Clarify operational roles and escalation protocols. Courts assess participation and knowledge through day-to-day practices. Clear policies governing escalation and reporting, especially during peak events, matter.
- Scrutinize third party relationships. Security contractors, staffing vendors and others may face direct exposure. Contracts should define scope, authority and reporting obligations with precision.

- Emphasize training and documentation. While not dispositive, training and contemporaneous records often become critical evidence in constructive knowledge disputes.
- Plan for litigation beyond the pleading stage. Fact intensive claims frequently survive dismissal. Early case assessment and coordinated record management can meaningfully affect cost and posture.

V. Conclusion

Civil TVPRA litigation has moved well beyond its origins as an ancillary remedy to criminal prosecution and now represents sustained civil exposure for hospitality and event-driven businesses, particularly in markets like Louisville where tourism density and large-scale events are defining features. Courts’ reluctance to resolve participation and knowledge issues at the pleading stage means that litigation risk often lies less in ultimate liability than in the cost and duration of defending these claims. As plaintiffs continue to test enterprise level and third-party theories, informed operational and contractual planning has become essential to managing how that risk unfolds once suit is filed.

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