

Understanding labor trafficking laws as litigation surges

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AUGUST 7, 2025

With an increase in labor trafficking litigation, this article provides an overview of recent examples as well as the elements needed to prove a claim. With this knowledge, companies can implement proper policies and procedures to defend against a labor trafficking allegation, should one arise.

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The Trafficking Victims Protection Reauthorization Act (TVPRA), codified at 18 U.S.C. §§ 1581–1597, is a federal statute addressing human trafficking, including labor trafficking and forced labor. While the TVPRA initially focused on criminal liability for traffickers, Congress expanded its reach to include a civil remedy for victims. Especially important is the “beneficiary” or “venture” liability provision, which allows victims to bring civil actions not only against direct perpetrators but also against entities that knowingly benefit from participation in ventures that engage in trafficking or forced labor.

Under 18 U.S.C. § 1595(a), a victim may bring a civil action against “the perpetrator (or whoever knowingly benefits, or attempts or conspires to benefit, financially or by receiving anything of value from participation in a venture which that person knew or should have known has engaged in an act in violation of this chapter).” This provision has become a focal point for litigation against companies alleged to have benefitted from labor trafficking in their supply chains or through contractors.

Recent trends in labor trafficking lawsuits

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Examples include:

- *Doe v. Starbucks* (United States District Court for the District of Columbia, Case No. 1:25-cv-01261): Plaintiffs

alleged that Starbucks knowingly benefited from forced labor and trafficking on Brazilian coffee farms, citing deceptive recruitment, debt bondage, and abusive working conditions. The complaint emphasized Starbucks’ long-term relationship with a supplier cooperative and alleged that Starbucks’ monitoring program was ineffective. Starbucks has until Sept. 1, 2025, to file a Motion to Dismiss.

- *Bumble Bee Foods* (United States District Court for the Southern District of California, Case No. 3:25-cv-00583): Indonesian migrant fishers alleged that Bumble Bee Foods benefited from forced labor and human trafficking on tuna fishing vessels supplying the U.S. market. The complaint detailed physical violence, debt bondage, and wage theft, and referenced widespread reports of forced labor in the global tuna industry. Bumble Bee Foods moved to dismiss the Complaint on June 2, 2025.
- *Navarrete v. Conexus MedStaff* (United States District Court for the Southern District of Texas, Case No. 4:25-cv-00635): Healthcare workers from the Philippines alleged that Conexus used sham contracts with illegal penalties to trap workers in long-term employment, threatened immigration and legal consequences, and paid below prevailing wages. Conexus answered, denying Plaintiffs’ claims.
- *Melendres v. Pruitt Health* (United States District Court for the Middle District of Tennessee, Case No. 3:25-cv-00070): Plaintiffs alleged that Pruitt Health used fraudulent contracts with severe financial penalties and legal threats to coerce foreign healthcare workers into continued employment, constituting forced labor and trafficking. Pruitt Health moved to dismiss Plaintiffs’ Complaint in March 2025.

Elements of a TVPRA beneficiary claim

A Section 1595 claim has four elements to establish civil liability. These include:

- (1) A predicate violation of the TVPRA
- (2) Participation in a venture

- (3) Knowing benefit
- (4) Knowledge, actual or constructive, of the violation

Predicate violation: forced labor

A Section 1595 beneficiary claim requires an underlying violation. This includes forced labor under 18 U.S.C. § 1589. Forced labor is defined as knowingly providing or obtaining labor or services by means such as force, threats of serious harm, abuse or threatened abuse of law or legal process, or any scheme intended to make a person believe they must perform labor to avoid harm.

Courts have found that threats of deportation, confiscation of passports, debt bondage, and abusive working or living conditions can constitute “serious harm” or “abuse of legal process” under the statute. For example, in *Norambuena v. Western Iowa Tech Cmty. College*, 773 F.Supp.3d 628 (N.D. Iowa 2025), the Northern District of Iowa found threats of deportation and tying food and housing to continued labor could support a forced labor claim.

Similarly, in *Gomez v. Purpose Point Harvesting*, Case No. 1:22-cv-00314 (W.D. Mich. 2023), allegations of passport confiscation, threats regarding immigration status, and underpayment of wages were sufficient to state a claim. Likewise, in *FC v. Jacobs Solutions, Inc.*, 2025 WL 1766069 (D. Colo.), the district court found that along with confiscating passports, inhumane living conditions with insufficient air conditioning, bedbugs, and being forced to routinely work overtime plausibly plead a violation of Section 1595.

Participation in a venture

Section 1595 does not define “participation in a venture.” Given that, courts have turned to the “ordinary” meaning. In the labor context, this has led courts to define the phrase as: “taking part or sharing in an enterprise or undertaking that involves danger, uncertainty, or risk, and potential gain.” *Doe 1 v. Apple Inc.*, 96 F.4th 403, 415 (D.C. Cir. 2024).

Ordinary buyer-seller relationships, or routine “business relationships,” on their own are not enough. This was *Apple*’s point. In *Apple*, the court found purchasing a commodity from a supplier that uses forced labor is not participation in a venture. Something more is required. *Apple* contrasted the arm’s-length supplier relationship with cases in which the defendant provided direct, tailored support to the perpetrator’s operations. *Apple* clarified that even a buyer that has significant market power or contractual rights to inspect or audit supplies does not, without more, “participat[e] in a venture.”

By contrast, in *FC v. Jacobs Solutions Inc.*, 2025 WL 1766069 (D. Colorado), the court found that providing customized project management and compliance services for World Cup constriction projects, with knowledge of forced labor, could constitute participation in a venture.

Knowing benefit

Courts have interpreted “knowing benefit” broadly, but with important limitations. The benefit must be more than incidental or speculative, and the defendant must know that they are receiving some value because of their participation in the venture.

Courts have found the following to qualify as benefits: direct profits or revenue, cost savings, reliable supply of labor or goods, operational advantages, or business opportunities or market access. See, e.g., *Lewis v. Monks of Most Blessed Virgin Mary of Mount Carmel*, 2024 WL 3374140 (D. Wyo.) (working to package coffee for the defendant to sell was a benefit); *Norambuena v. Western Iowa Tech Cmty. College*, 773 F.Supp.3d 628 (N.D. Iowa) (program supplying a stream of workers to alleviate a labor shortage was a benefit).

Knowledge, actual or constructive

The TVPRA requires that the defendant knew or should have known that the venture engaged in trafficking or forced labor. Courts have found that the knowledge must relate to the specific venture at issue, not to the industry or region as a whole. In *Ratha v. Phatthana Seafood*, 35 F.4th 1159 (9th Cir. 2022) the 9th U.S. Circuit Court of Appeals explained that “sweeping generalities about the [relevant] industry are too attenuated to support an inference that [the defendant] knew or should have known of the specifically alleged TVPRA violations at the [relevant facility].”

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The court rejected the notion that evidence, such as government and NGO reports about widespread labor abuses in the Thai shrimp industry, was sufficient to establish knowledge that the defendant knew or should have known about abuses at the particular factory at issue.

Similarly, in *Mia v. Kimberly-Clark Corp.*, 2025 WL 752564 (D.C. Cir.), the court held that “it is not enough to allege that a defendant knew or should have known of labor abuses in a particular country or industry ‘generally.’” The relevant question is whether the defendant “knew or should have known of the specifically alleged TVPRA violations at the [relevant] factory.” General awareness of labor issues in Malaysia’s glove industry was not enough.

Conclusion

These cases show that labor trafficking lawsuits do not discriminate based on type of claim (supply-chain v. direct employment) or industry. Instead, Section 1595 presents significant risks for companies with complex supply chains

or reliance on contractors, especially in high-risk industries or regions. Companies should ensure that they have effective compliance programs, conduct targeted due diligence, and maintain clear documentation of supplier relationships and oversight efforts.

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This article was first published on Reuters Legal News and Westlaw Today on August 7, 2025.