

TRAVEL WEEKLY

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FOCUS ON BUSINESS TRAVEL

CARROTS OR STICKS?

When striving to get employees to comply with corporate travel rules, companies vacillate between offering incentives and cracking the whip. Success with either will depend on an enterprise's corporate culture.

BY CHRIS DAVIS

12

A visit to Cuba reveals economic pain of Trump's travel ban has been great

By Gay Nagle Myers

HAVANA — At breakfast one morning on the rooftop of Malecon 663, a shared private home overlooking the Florida Straits that separate Cuba from Key West, Gloria Hernandez, a waitress/bartender/concierge, suddenly stopped mid-pour.

"Look, out there," she said, pointing to the horizon. "I think that's a cruise ship. I haven't seen one in so long. I used to see two or three a day coming and going in and out of the harbor."

What she and I both saw was indeed a cruise ship, too far away to be identified by

the specific line but a ship nonetheless. It was bypassing Cuba and headed west, perhaps to Mexico.

No longer are U.S. cruise ships pulling into Havana or other Cuban ports, and they haven't since June 5, when the Trump administration's abrupt shutdown of Cuba as a U.S. cruise destination took effect.

The issue of cruise ships — once present, now absent — came up time and again in dozens of conversations on my recent trip to Cuba. The visit had been organized by the Center for Responsible Travel, a nonprofit, policy-oriented research See **CUBA** on Page 26

MISSING MONEY TOTALS MORE THAN \$2 MILLION

Lawsuits accuse JG Worldwide of bilking partners of millions

By Jeri Clausing

A half-dozen lawsuits have been filed against the New York travel and public relations company JG Worldwide alleging a pattern of fraud that has bilked travelers and business partners out of more than \$2 million.

And the filings appear to just be an initial round, with travelers, travel advisors,

former employees and suppliers around the world saying they are in the process of preparing lawsuits or formal complaints against the company and its principals, Jena Gardner and James Saleh, for unpaid travel, commissions, expenses and various other debts.

Among those who say they are preparing new claims is Adel Mzil, managing director of All Morocco Travel, who said he is owed a half-million dollars for travel services contracted through Heritage Tours, one of the tour operators owned by JG Worldwide. See **LAWSUITS** on Page 24

ON THE RECORD

ASTA's Peter Lobasso discusses Society efforts to exempt California ICs from proposed law. **2**

FEATURED THIS WEEK ON OUR WEBSITE

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Dispatch, Rome: In-home dining breaks the ice www.travelweekly.com/italy-dispatch

MARK PESTRONK

For a disclaimer to pass court muster, your clients must acknowledge and accept it. **25**

Miraval's growth attracts a broader clientele

By Christina Jelski

Though Miraval's footprint remains relatively small, the luxury wellness brand says it has managed to create an outside presence within the hospitality sector.

"We're obviously smaller than our competitors, but we punch way above our weight," said Marc Ellin, global head of the Miraval Group.

Some of the brand's clout can be credited to Hyatt Hotels, which acquired the Miraval Group for \$215 million in 2017. At that time, the brand's hospitality portfolio had just one resort, the 146-room Miraval Arizona Resort & Spa in Tucson, which opened in 1995, and a second location in development, the 117-room Miraval Austin in Texas.

Ellin credited Miraval's dedication to holistic well-being and personalization with helping to bolster the brand.

"Part of the secret sauce is taking into consideration the mind, body and the spirit," he said. "We have programs across all modalities, be it spa offerings, challenge courses, culinary experiences, etc. Our guests are able to, with our help, design an entire personal journey while they're with us."

Now, with the Austin property officially opened in February and the 102-room

Miraval Berkshires set to debut in western Massachusetts next year, Miraval is quickly evolving to embrace a new generation of wellness seekers.

"When Hyatt bought Miraval, our core demographic in Arizona was about 85% women between 35 to 65 years old," Ellin said. "Now, in addition to seeing those guests continue to come, we're seeing more millennials and more men. And we're seeing more men and more couples, in particular, coming to Austin, and I think that will apply to the Berkshires, as well."

This shift toward a younger, more male contingent has led Miraval to tweak operations. Millennials, for example, have

proven somewhat more likely to flout cell-phone guidelines.

"We talk about phones during the pre-arrival experience and have guests sign our policy when they come to the front desk," Ellin said. "But people tend to either forget or ... you know, life happens. We are realists and know that [disconnecting] isn't for everybody."

Miraval's policy currently asks that guests use their phones only in their rooms or in designated areas. But Ellin said the brand has re-evaluated its phone strategy, putting together internal training guidelines to better communicate with "digitally distracted" guests without tak-



The arrival center at the 117-room Miraval Austin, which opened in the Texas capital in February.

ing too strict a stance.

"We want them to use the phones to take pictures of memorable experiences," Ellin said. "If someone's talking on their phone, we have to give our colleagues the tools to be able to go positively engage that guest and say, 'Hey, can I escort you over to that area where you can use your phone?'"

In an effort to better cater to men, Miraval has expanded its focus on physical fitness and challenge-course offerings as well as playing up the fitness aspects of some of the brand's more popular activities.

"Cardio drumming is one of our signature opportunities, and women typically love it," Ellin said. "But we're making sure we're telling men, 'Hey, this is fun, and, by the way, it's pretty cardio intense. This is actually a workout.'"

Meanwhile, with wellness trends continuing to dominate the hospitality space, Hyatt is eyeing additional expansion for Miraval. Ellin cited the Pacific Northwest; Mexico and the Caribbean; and the Carolinas or Tennessee as markets that Miraval could pursue. He emphasized, however, that the brand won't be expanding at a breakneck pace anytime soon.

"You're never going to see a Miraval on every street corner," he said. "We've been very focused at Miraval to embrace our mission and our DNA. We've got the ability to take this wonderful brand and create awareness through World of Hyatt, but at the same time, not Hyatt-ize it."

LAWSUITS

Continued from Page 1

Unable to reimburse his suppliers, Mzil recently told Travel Weekly that he fears he will end up in jail.

"They ruined my life," he said of Gardner and Saleh.

Mzil traveled to New York earlier this month to meet with Saleh. But he said Saleh failed to show up, and he found Heritage Tours' Manhattan offices closed.

"He sent me a quick text telling me, 'Sorry I couldn't meet you. There are many things going on. Trying hard to resolve the situation. I'm risking everything I have,'" Mzil said.

"It's pure lies," he added, recalling that he told Saleh his suppliers are after him.

"They all want a piece of me," Mzil said of the suppliers. "I told him, 'You ruined my business. You destroyed my life. I am about to go back to Morocco without a penny in my pocket. ... I told him, 'You put me in a situation where I am going to jail. I don't know how much time I will be free in this country.'"

Another Moroccan tour operator, Morocco Private Travel, has already filed a lawsuit in New York Supreme Court against JG Worldwide, claiming Heritage owes it more than \$1.2 million for travel services and another \$200,000 for lost revenue on hotel bookings.

African tour operator Steve Turner of Origins Safaris of Kenya has filed a similar suit, alleging that Heritage owes him more than \$340,000.

Both tell similar stories of having worked closely with Heritage for years

without a problem until JG Worldwide bought the company in 2016.

Neither Gardner nor Saleh nor their lawyers returned messages or calls seeking comment on the lawsuits and other allegations. Calls to JG Worldwide and the companies that operate under its umbrella went unanswered.

Numerous travelers and travel advisors have stepped forward in recent weeks to relay tales of booking trips through JG Worldwide's luxury tour operators, Heritage Tours and Reveal America. In some cases, clients have shown up at destinations to find that their hotels and tours had never been paid for. Others were contacted before their departure by local suppliers to say their bookings had been canceled for nonpayment by Heritage or Reveal.

One of those travelers, Sigmund Anderson of San Francisco, has filed a lawsuit against the company in Connecticut, where Gardner and Saleh live, over a \$300,000 family safari he booked last fall. He said he made a \$77,535 deposit in September, then paid the balance in March. But a month before his planned June departure, he alleges in the suit, the ground operator contacted him to say the trip had been canceled for nonpayment.

At the same time, several former employees who spoke on condition that they not be named said former workers are owed tens of thousands of dollars in back pay and expenses. They also said the staff's health insurance was canceled for nonpayment, even though premiums had been deducted from paychecks, and that 401(k) deductions had not always been deposited into retirement accounts.

They said Gardner previously ran a well-respected company that promoted hotels and destinations to the travel trade and the media. Many of the problems began when she brought in her partner, Saleh, as CFO, the former workers said. After that, expenses routinely went unpaid, with young workers having to rack up thousands, sometimes tens of thousands of dollars in debt on their credit cards. To be fully reimbursed, the employees usually had to leave the company, creating a revolving-door atmosphere.

"There was a lot of smoke and mirrors," one former worker said.

The former owners of two companies purchased by JG Worldwide are also suing JG Worldwide in New York Supreme Court, claiming that Gardner and Saleh failed to make good on the purchase agreements.

In his suit, Marc Henry Borremans, who sold his tour operator, Millennium Voyages, to JG Worldwide in 2017, alleges that the company not only breached its purchase agreement but also fraudulently transferred assets from Millennium Voyages to JG Worldwide while running up nearly a half-million dollars in debt on the cards, for which Borremans remains liable.

Borremans said he is still owed almost \$1 million for the initial purchase as well as royalties and the balance, interest and fees on the company credit cards that Saleh had insisted Borremans keep open under the initial purchase agreement.

Soon after taking over, and while Borremans was still employed at the company he founded, Saleh maxed out the cards, the suit alleges.

According to the lawsuit, Saleh continued his profligate spending, "despite Borremans' numerous pleas that his hard-earned credit score was plummeting and his financial security was being irreparably harmed. Indeed, he can no longer obtain a loan for any meaningful purchase."

Saleh, he alleges in the suit, "mocked him in response, telling Borremans to 'quit whining' and to 'put on his big boy panties.'"

The suit further alleges that Saleh transferred \$1.2 million from Millennium's bank accounts into JG Worldwide accounts, adding, "These transfers had no legitimate business purpose other than to loot Millennium and prop up JG Worldwide, which was struggling financially."

As a result, the suit charges, Millennium "quickly spiraled into financial ruin."

In Bozeman, Mont., the former owners of the Mercury advertising firm, which was purchased by JG Worldwide last year for \$310,000, have filed a federal lawsuit alleging that Saleh and Gardner stopped making promised payments on the balance last October. The suit states that the former owners are still owed more than \$210,000 in principal and interest.

Two other lawsuits were filed against JG Worldwide in New York in the past year, one by two travelers in a dispute over whether they were entitled to reimbursement for a canceled trip.

Another was filed by American Express seeking more than \$430,000 in unpaid balances on company credit cards.

Senior editor Christina Jelski contributed to this report.