

VERAFIN

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Human Trafficking:

Know the Behavior, Uncover the Crime

Empowering Financial Institutions to Protect Society's Most Vulnerable

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Foreword

Thank you for taking the time to learn more about the impacts of human trafficking — a crime that nearly took my life and affects millions of people around the world every day. My name is Timea E. Nagy, and I am a survivor, educator, and senior advisor on human trafficking to the financial sector.

At the age of 21, I became a victim of human trafficking. That year, I was one of over 40 girls from an Eastern European country who were exploited by a trafficking ring. After that one year, I spent over 25 more rebuilding my life — trying to leave behind the nightmares, heal the emotional and psychological scars, and overcome the financial struggles I was left with.

In 2014, I began a partnership with Verafin. Working with their team, I understood immediately the power that financial institutions have to help human trafficking victims become survivors.

For a long time, human trafficking has been a victim-centered crime — it was up to the victim to testify on the stand and prove, beyond a doubt, that horrible life-changing acts truly happened to them. But the reality is that victims cannot provide

evidence — their injuries are never treated at a hospital, abuse and coercion happen behind closed doors, and the money earned is handed to their trafficker. In the eyes of the court, the victims often appear as willing participants.

In 2014, I was supporting over 400 survivors of human trafficking through my organization, working with them from the moment they were rescued until they appeared in court. Case after case, we watched traffickers walk free, or with little punishment, due to lack of evidence. Cases were dismissed or disregarded entirely because they relied on the victim versus the trafficker's words.

When a financial institution acts on suspected human trafficking, they open the door to the possibility of a victim being rescued from a life of being trafficked. The less time a victim spends in a trafficking situation, the less trauma they endure. When we minimize the amount of trauma, we drastically reduce their time to heal.

If someone had detected my situation and acted on my behalf early on, I could have been rescued instead of needing to escape on my own. I would have had support from the police and the evidence to back up my story. Instead, I was called a liar. I was threatened with jail. For two years I felt the need to hide from authorities. It took me 10 years

to finally get legal status in Canada. During this time, I was vulnerable. I was not eligible to go to school, for health care, and I had no ability to build credit or even apply for a credit card.

I was 21 years old when this happened to me, and I survived the rest of my 20's on 20-hour workdays in dead-end jobs, getting paid under the table, and leasing apartments in scary areas from predatory landlords. I was 46 when I was finally able to make large purchases without needing a co-signer. With every step I took to move beyond what happened to me, I was constantly faced with barriers.

Financial institutions are essential in preventing human trafficking. You can help save people and give them a foothold in life that they desperately need. Thank you for taking the time to read and become familiar with human trafficking investigation techniques and their financial indicators. You truly have the power to rescue people from one of the worst forms of crime that can occur to a human being.



Timea E. Nagy

*Senior Advisor - Founder
Timea's Cause Inc.*

The Reality of Human Trafficking

According to the U.S. Department of State, an estimated 27.6 million¹ people across the globe are impacted by human trafficking and forced labor at any given time.

While the sheer scope of this number seems incomprehensible in modern times, human trafficking activity is largely underreported² and generates billions of dollars annually.³ With large volumes of illicit funds to launder, financial institutions may unknowingly be banking traffickers or their victims, and front-line staff may even interact with traffickers and victims personally.

Despite the prevalence of this issue, the United Nations Office on Drugs and Crime *“found that most victims rescue themselves instead of being proactively identified, they escaped exploitation by coming forward on their own. The analysis also found girls and women are three times more likely to suffer explicit or extreme violence during trafficking compared to boys and men, and children overall are two times more likely to be subjected to violence than adults.”*⁴

Verafin’s aim, through our partnerships with financial institutions in the United States, Canada and around the world, is to help financial institutions identify this heinous crime and help victims of human trafficking become survivors.



“Human trafficking occurs when a trafficker uses force, fraud, or coercion to compel another person to work or engage in a commercial sex act.”

U.S. Department of State

Resources

¹ About Human Trafficking, U.S. Department of State, N.D.

² Human Trafficking, National Human Trafficking Hotline, N.D.

³ Human Trafficking: people for sale, United Nations Office on Drugs and Crime, N.D.

⁴ Global Report on Trafficking in Persons, United Nations Office on Drugs and Crime, 2022

Where Human Trafficking and Financial Institutions Interact

Financial institutions are in the unique position to help identify human trafficking. From a customer's age to their listed occupation, account history, transactions and account balance, the stories of human trafficking victims and perpetrators are told every day through banking data and customer behaviors.

Combining insights from lived experience gathered from survivors and law enforcement, along with financial evidence in transactional data, financial institutions can recognize illicit activity related to human trafficking and save lives by reporting actionable intelligence to law enforcement.

With financial red flag indicators, analysis of historical customer behavior, related external data and innovative technologies, financial institutions can detect and disrupt human trafficking activity as it is taking place.



"While human traffickers are becoming more tech-savvy and are able to use technology successfully to their advantage, technology can also become an enhancing tool for the criminal justice system to detect, investigate and prosecute traffickers..."

United Nations Office on Drugs and Crime, 2022⁵



Resources

⁵ Global Report on Trafficking in Persons, United Nations Office on Drugs and Crime, 2022

Types of Human Trafficking

For the purposes of this eBook, we will focus on three types of human trafficking — **domestic sex trafficking**, **international sex trafficking** and **forced labor**. While there are many other forms of human trafficking, from forced marriage to child labor, these three can most easily be recognized by financial institutions through customer behavior and transactional activities.



Domestic Sex Trafficking

Domestic sex trafficking targets citizens within their own borders, cities, towns, and neighborhoods. Victims typically enter domestic sex trafficking between the ages of 14 to 17, are disproportionately female⁶ and they can be in these situations for many years. Traffickers prey on vulnerable individuals through a variety of coercive tactics, but primarily through psychological manipulation and violence. Victims are forced to work for extended hours each day, deprived of food and sleep, continuously moved to various locations, with little to no personal freedom.

International Sex Trafficking

International sex trafficking occurs when victims are recruited or coerced into the sex trade and moved outside of their native country. People of any age and gender may be recruited. Typically, the victim does not speak English — often having a representative speak on their behalf. Similar to domestic sex trafficking victims, international sex trafficking victims are isolated and controlled through psychological manipulation and the threat of violence, suffer poor living and working conditions, and are given the bare minimum in terms of food, sleep and personal freedom.

Forced Labor

Forced labor is quite often initiated through a job offer; while the employment opportunity may be legitimate, there is a significant power imbalance between the employer and employee. This imbalance results in little to no pay, poor working and living conditions, little food, psychological manipulation, isolation, and the employer exploiting the victim's legal, economic, or residency circumstances. Victims of forced labor have often immigrated or have been recruited from a foreign country with promises of work, accommodations, and a higher quality of life.

Resources

⁶Sex Trafficking in the U.S.: A Closer Look at U.S. Citizen Victims, Polaris, N.D.

Understanding the Flow of Money

Human trafficking is often a predicate offence to money laundering. Passing through victims, family members, associates and businesses, the illicit proceeds of this crime are obfuscated as a means of evading detection.

Customer behavior and transactional activity can establish money laundering patterns within human trafficking rings to help identify traffickers and victims. Analyzing the flow of funds may uncover illicit proceeds, identify victims, traffickers, and related bad actors, or point to transactional evidence such as hotel bookings, online advertising, geographic movement, or transportation. One constant is that the money always flows away from the victims of the crime.

! “Financial activity from human trafficking and human smuggling activities can intersect with the formal financial system at any point during the trafficking or smuggling process.”

FinCEN, June 30, 2021⁷



In 2021, **FINTRAC** analyzed a sample of human trafficking related disclosures from approximately 100,000 transactions between 2018 to 2020. The analysis found that:

“Traffickers frequently used nominees to funnel proceeds of crime, pay for human trafficking running costs, launder funds, or conceal beneficial ownership. These nominees were often victims and family members of traffickers. Victims were used as intermediaries to funnel funds to traffickers and other victims. Some victims had roles within human trafficking rings to collect funds from other victims. Some traffickers also had access to their victims’ accounts or held joint accounts with victims. The family members in FINTRAC’s sample were usually traffickers’ parents and spouses but also included their siblings, and adult and minor children.”

Resources

⁷ Anti-Money Laundering and Countering the Financing of Terrorism National Priorities, FinCEN, June 30, 2021

The Structure of Human Trafficking Organizations

Human trafficking rings have a hierarchical structure with defined roles.

At the head of the ring will always be the trafficker. The structure underneath the trafficker will vary, primarily dependent on the number of victims under their control. A trafficker can typically manage and control two to three victims. Beyond this, additional help is required. Traffickers may also use family members to move and obfuscate trafficking proceeds. Here are some common roles within a trafficking ring that you can identify.



Domestic and International Sex Trafficking *Organizational Roles:*

Trafficker. This is the head of the trafficking ring who oversees the operation. They may be directly involved with the day-to-day activities of their victims or oversee a larger organizational structure.

Family. The primary role of family — typically spouses, siblings, cousins etc. — is to help funnel or otherwise launder illicit funds.

Helper(s). Helpers typically support the operations of the ring serving as drivers, intimidators, and collectors.

Friend(s). This may be another trafficker with their own ring. They can also work as a helper.

Bottom Woman. Often one of the trafficker's first victims, she has gained the trafficker's trust and manages 2 or 3 other victims. She may be allowed to handle money.

Victims. The number of victims will influence the number of people above them in the ring. Their only role is to work and make money for the trafficker.

Forced Labor *Organizational Roles:*

Trafficker. This is the head of the trafficking ring and will likely be locally based. They will oversee the broader structure of activities such as housing, accommodations, transportation, managing and paying handlers, and working with recruiters.

Handler(s). Handlers are responsible for day-to-day activities such as transportation, overseeing living accommodations, and directly controlling the movement and freedom of the victims.

Recruiter. Recruiters are likely located in the country where victims are being exploited. They may provide money to victims initially and make travel arrangements to get them into the country of the trafficker.

Victims. The number of victims could range from a minimum of 3–5 people and up to 50–60 people. These victims likely do not speak English, have minimal education and are often from a country of origin that would be considered higher risk, such as a war-torn or economically underdeveloped region.

How Money Moves

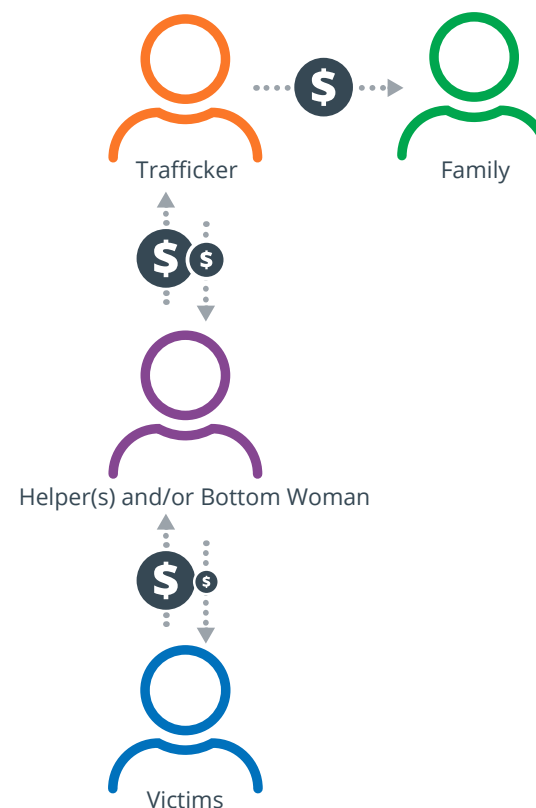
Scenarios: Domestic and International Sex Trafficking



SCENARIO 1

In this scenario, a single trafficker would have two to three victims under their control. Money will typically move to and then away from a victim and to the trafficker. Victims will generally have enough money for day-to-day activities that are strictly related to sex trafficking — purchasing hotel rooms, posting online ads, internet services, and some food and transportation.

Money is directed to the trafficker and subsequently their family members to obfuscate funds and protect the trafficker.



Money will flow from victims to the helper(s) or bottom woman and then to the trafficker. These roles have direct control over the victims.

Money will always move away from the victims. They may have access to nominal funds to purchase food, but primarily its use is only for items or services related to sex trafficking (e.g. hotel rooms, online advertising).

SCENARIO 2

In a larger ring that has numerous victims, there are several layers of people involved to oversee the victims or launder the proceeds.

How Money Moves

Scenario: Forced Labor



Money moves to the trafficker. The trafficker will disperse money out to the helpers and cover the costs associated with the ring such as food and accommodations, as well as other means for laundering the funds. The traffickers are often the business owners which the victims work for, or who contracts them out.



These individuals will move the victims from their living quarters to the work site and back. Money made by the victims will move to the handlers before going to the trafficker.



While victims may receive a paycheck for their work, they are not in control of the bank accounts. Once funds are deposited, the money is moved out almost immediately by the handlers.



Identifying Human Trafficking Activity in your Customer Base

It is critical that financial crime investigators recognize transactional and behavioral red flag indicators to identify human trafficking activity within their customer base.

The following case studies are provided to demonstrate how understanding human trafficking activity and the associated red flag indicators can empower investigators to identify criminal activity, support law enforcement with actionable intelligence and protect society's most vulnerable.

Case Studies



Domestic Sex Trafficking



International Sex Trafficking



Forced Labor

Case Study: *Domestic Sex Trafficking*

Michelle, whose name has been anonymized, is 25 years old and resides in the southeastern United States. She recently opened an account at her local bank and listed her occupation as a server.

Since opening her account, Michelle has been making purchases that indicate she is travelling between North Carolina and Florida, with stops in between. Her social media account is just a few years old and primarily focuses on pictures of her, quite often with stacks of money in view, but without more casual aspects of life like family, friends, pets, or typical day-to-day experiences. Michelle is making regular transactions from her bank account — fast food, internet services, sending P2P transfers, transportation, hotel rooms and online escort ads linked to her destination locations. Her account balance is continually low, usually near zero. While Michelle's banking history could tell the story of many people who travel for work, a closer look at what she is purchasing — and what she is not purchasing — indicates Michelle is a victim of domestic sex trafficking.

What to Look For — Key Indicators

Financial institutions should consider key indicators such as a customer's demographics, occupation, the location and date of account opening, online/social media accounts, behavioral changes, transaction history and account balance.

While examining these indicators, it is also critical to gain an understanding of what is not there. In Michelle's case, she was buying food at fast food restaurants, not from grocery stores, paying for internet phone bills, not rent, and was not receiving regular payroll from her listed job as a server.



Case Study: Domestic Sex Trafficking *continued*

Investigator's Perspective — Breaking Down the Evidence

- **Demographics** - 25, female.
- **Occupation** - Restaurant Server.
- **Location/Date of Account Opening** - Less than five months.
- **Online/Social Media** - Personal account less than four years active, lacking typical social behaviors, large amounts of cash visible in several images.
- **Behavioral Changes** - New bank account, limited history, given age — possibly has or had accounts at other institutions.
- **Transaction History**
 - **Travel** - March to May - Transactions in North Carolina, South Carolina and Florida.
 - **Hotels** - Sporadic room purchases linked to travel destinations.
 - **Ads Purchased** - Ads offering escort services posted in travel destination locations, using human trafficking key words such as “all day, all night” and “24/7 availability.” Displayed phone number linked to customer account.
 - **Internet Services** - Internet data plans are necessary when posting online escort ads from hotels, which block Wi-Fi access to those sites.
 - **Food Purchases** - Only fast-food restaurants. No purchases from grocery stores.
 - **Transportation** - Cabs and ride sharing purchases, linked to travel destination locations.
 - **P2P Transfers** - Regular outgoing transfers to an individual.
- **Account Balance** - Averages near zero. Any funds transferred in are almost immediately transferred out. No payroll transactions.

Michelle's information, taken in context and matched against a list of human trafficking indicators, have all the signs and red flags that she is the victim of human trafficking. As a result of identifying and recognizing these indicators, Michelle's bank filed a SAR identifying her as a likely victim of domestic sex trafficking.

Resources

⁸Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity, FinCEN, 2020



Examples of FinCEN's Behavioral and Financial Red Flag Indicators of Human Trafficking seen in this Case Study⁸

Transactions are inconsistent with a customer's expected activity and/or line of business in an apparent effort to cover trafficking victims' living costs, including housing (e.g., hotel, motel, short-term rentals, or residential accommodations), transportation (e.g., airplane, taxi, limousine, or rideshare services), medical expenses, pharmacies, clothing, grocery stores, and restaurants, to include fast food eateries.

A customer's account shares common identifiers, such as a telephone number, email, and social media handle, or address, associated with escort agency websites and commercial sex advertisements.

Customers frequently appear to move through, and transact from, different geographic locations in the United States.

Case Study: *International Sex Trafficking*

In South Bend Indiana, June 2022, a series of raids were conducted by multiple law enforcement agencies targeting four massage parlors and a local residence after a months-long investigation concluded that international sex trafficking was occurring.

In local media articles published after the raid, 12 potential human trafficking victims were discovered, and over \$88K in cash uncovered. One lone individual was identified as the proprietor of the businesses. At the time of the raid, the 12 potential female victims were noted to only speak Mandarin Chinese, of which only two had been actively cooperating with the police. Residents noted that these women never left the businesses and appeared to be living and sleeping at the locations. The businesses were operating under a single title company that held an account with a local bank. However, as part of the investigation, it appeared that the trafficked women were being driven out of state to another bank to wire money back to China.

What to Look For — Key Indicators

Businesses and storefronts used as part of a sex trafficking ring are more than locations to launder money — they also serve as a physical location to offer services and house the individuals being trafficked. When businesses are linked to international sex trafficking, the victims may not have their own bank accounts and may be in the country illegally. Using a list of indicators to examine businesses that appear suspicious will tell a story of the victims through the deceptive operations of the business.

Financial institutions should consider the types of transactions coming into and out of the business — the absence of expected day-to-day operational costs such as payroll and business supplies may indicate suspicious activity.



Case Study: International Sex Trafficking *continued*

Investigator's Perspective - Breaking Down the Evidence

- **Business Type** - Title company operating four massage parlors.
- **Location/Date of Account Opening** - 14 years.
- **Social Media/Online Accounts** - No business-related social media accounts. Online ads advertising sexual 24/7 services displayed the email address and phone number linked to the account.
- **Behavior Change** - Transaction use inconsistent for a business with operational overhead.
- **Transaction History**
 - No regular reoccurring sales transactions.
 - Inconsistent payment values for a business with a set price for massage services.
 - Sales transactions were occurring during off-hours.
 - No payroll transfers.
 - Owner was regularly cashing large checks from the business.
 - Owner was transferring business funds through a P2P service to a "friend."
 - Deposits into the bank account stopped after the raid while business remained open.
 - All remaining funds were transferred out.
- **Account Balance** - Continuously low balance despite operating four businesses, no identifiable business expenses.

Recognizing the behavior and transactional patterns of a human trafficking front company, the banking financial institution filed a SAR. Included as part of the investigation, the massage parlors and owner's residence were raided by law enforcement and the businesses were shut down. The victims of this crime were identified, and resources and help were offered.



Examples of FinCEN's Behavioral and Financial Red Flag Indicators of Human Trafficking seen in this Case Study⁹

Transactional activity largely occurs outside of normal business operating hours (e.g., an establishment that operates during the day has a large number of transactions at night), is almost always made in cash, and deposits are larger than what is expected for the business and the size of its operations.

A customer frequently makes cash deposits with no Automated Clearing House (ACH) payments.

Frequent transactions using third-party payment processors that conceal the originators and/or beneficiaries of the transactions.

Resources

⁹Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity, FinCEN, 2020

Case Study: *Forced Labor*

Forced labor usually begins with the promise of a better life. For one family that immigrated from Hungary to Hamilton, Ontario, they quickly discovered that the social system that they used to help start a new life was also very easy to exploit for their own purposes.

After starting a stucco business, the family patriarch recruited 28 individuals from his home country over the course of four years. None of the people recruited spoke English, they were poorly educated and were dependent on their employer to help them get established in their new adopted home.

Upon arrival, the family patriarch and his associates took the passports and documents of the immigrating employees. One-by-one, the trafficking ring took their victims to apply for refugee status, government documents and bank accounts. The trafficking ring had seven homes to house their victims, locking them in basements, feeding them very little, and only allowing them out to work long days for the business. As each of the victims were employees of a legitimate business, they would have checks made out to them in their names. However, as these checks were deposited, the traffickers, who were their official translators at the bank, held onto the bank cards and had access to their PIN codes. None of the victims could access their money. As the traffickers created a financial paper trail to make their business appear legitimate, they continually emptied the bank accounts of their victims. In addition to the money the traffickers took for the work, they also had applied for credit cards, loans, lines of credit and purchased vehicles in their victim's names.

What to Look For — Key Indicators

For financial institutions, uncovering victims of forced labor often begins at the time of account opening. For front-line staff, clearly understanding the circumstances and external factors related to your new customer can uncover clues as to their circumstances and be the first line of defence against human trafficking. Knowing their immigration or visitor status would identify their need for a bank account; determining their country of origin may indicate their risk of being trafficked; identifying if they are solely relying on a translator to speak for them can help determine how much autonomy they have; knowing their employer and the type of business they will be working for could flag higher-risk jobs used for human trafficking; and determining if their home address is the same location as their place of employment can reveal if they have appropriate accommodations. This level of information, combined with their banking data and history can uncover human trafficking victims who are compromised in a forced labor situation.



Case Study: *Forced Labor* *continued*

Investigator's Perspective - Breaking Down the Evidence

- **Demographics** - Victims of forced labor can be any age.
- **Occupation** - Stucco installers. Service industry or manual labor jobs, do not require English or a high level of education.
- **Location/Date of Account Opening** - Accounts would be new, opened with a translator or other person acting on their behalf.
- **Online/Social Media** - None.
- **Behavior Change** - Funds transferred in, then transferred out. May see loans, or big item purchases that will stand out compared to the typical behavior.
- **Transaction history**
 - No transactions for day-to day items such as rent, food, gas, or bill payments.
 - Paychecks or payroll withdrawn almost immediately.
 - Payments for loans, lines of credit or large purchase items possible.
- **Account Balance** - Balance would be at or near zero on average.

The perpetrators of this human trafficking ring were ultimately discovered by law enforcement and arrested. Over the course of four years, 28 victims had been recruited and forced to work and live in inhumane conditions. As various victim services agencies became involved, it took a great deal of time and effort to straighten out their credit and social assistance histories, as the traffickers had used their identities in a variety of other fraud scams. Ultimately the victims were freed, but the repercussions of their experiences would take time and effort to recover from.



Examples of FinCEN's Behavioral and Financial Red Flag Indicators of Human Trafficking seen in this Case Study¹⁰

A customer shows lack of knowledge of their whereabouts, cannot clarify where they live or where they are staying, or provides scripted, confusing, or inconsistent stories in response to inquiry.

A third party speaks on behalf of the customer (a third party may insist on being present and/or translating).

A third party attempts to fill out paperwork without consulting the customer.

A third party maintains possession and/or control of all documents or money.

Resources

¹⁰ Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity, FinCEN, 2020

Know the Behaviors, Know the Crime

On the outside, it is not always easy to determine if a person is the victim of human trafficking. Their lives, to the typical onlooker, may seem average or normal by comparison. However, the financial industry has a significant advantage in finding people who are vulnerable and are being victimized in this illicit and devastating activity.

When people are under the direct influence and power of a trafficker, they are left with little recourse to ask for help. When it comes to seeing beyond the surface of a person's outward activities, financial institutions are uniquely positioned to follow the money, and piece together evidence that reveals a tale not accessible to anyone else.



“One of the most striking behaviors to look for in a victim of human trafficking is not the presence of a life being lived, but the absence of one. They don't pay bills. They don't have an apartment, and if they do, they are not focusing on making it cozy or homey. They don't have regular habits, or a favorite grocery store or eatery. They don't go to the movies, or have a dentist, or pets, or hobbies because they don't have freedom to have a life. The trafficker takes everything they have. But it doesn't have to be that way.”

Timea E. Nagy

Often, victims cannot or will not speak out against their perpetrators, especially once the legal system is involved. While their voice may be silenced by their circumstances, financial institutions can tell their story to law enforcement, present the evidence to the judicial system and demonstrate that without the appropriate interventions, these victims will continue to be manipulated and controlled by their traffickers.

With the help of artificial intelligence and an informed bank investigator, the stories of human trafficking victims can be told, and their journey to becoming survivors can begin.

Resources for Financial Institutions

The financial fingerprint of human trafficking puts institutions in a unique position to identify trafficking activity in real-time. Providing transactional evidence and actionable intelligence to law enforcement in a timely manner can change lives.

Human trafficking is often a predicate offence to money laundering — financial institutions in the United States and Canada are obligated under federal regulations put forth by FinCEN and FINTRAC to report potentially suspicious activities to their regulators.

To help identify human trafficking, regulatory bodies and other organizations have developed red flags and resources that provide education, direction and guidance to financial institutions to help identify potentially suspicious activity.



United States

[Guidance on Recognizing Activity that May be Associated with Human Smuggling and Human Trafficking — Financial Red Flags](#)

FinCEN • FIN-2014-A008; September 11, 2014

[FinCEN Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity](#)

FinCEN • FIN-2020-A008, October 15, 2020

[FinCEN Alert on Human Smuggling along the Southwest Border of the United States](#)

FinCEN • FIN-2023-Alert001, January 13, 2023

[Recognizing the Signs of Human Trafficking](#)

Polaris

[National Human Trafficking Hotline](#)

Canada

[Indicators: The laundering of illicit proceeds from human trafficking for sexual exploitation](#)

FINTRAC • FINTRAC-2016-OA003, December 15, 2016

[Updated Indicators: Laundering of proceeds from human trafficking for sexual exploitation](#)

FINTRAC • FINTRAC-2021-OA001; July 2021

[Human Trafficking](#)








Public Safety Canada

[The Centre](#)

Canadian Centre to End Human Trafficking

[Canadian Human Trafficking Hotline](#)

Human Trafficking Indicators for Investigations

	SEX TRAFFICKING	FORCED LABOR
 Demographics	<p>Victims of sex trafficking can be from a diverse background, but globally 99% of the victims are women and girls.¹¹</p> <p>Those at heightened risk include, “Indigenous women and girls; migrants and new immigrants; 2SLGBTQI+ persons; children and youth in the child welfare system; those who are socially or economically disadvantaged.”¹²</p>	<p>Victims of forced labor are more broadly impacted by cultural barriers and isolation, approximately 47% are adult females, 39% adult males and 14% are children.¹³</p> <p>Those at heightened risk include, “migrant workers who may be particularly vulnerable to exploitation and abuse due to many factors, such as language barriers, working in isolated/remote areas, lack of access to services and support, and lack of access to accurate information about their rights.”¹⁴</p>
 Occupation	<p>Higher-risk occupations linked to the service industry or personal services, that are cash based, and/or linked to travel such as: <i>exotic dancer, masseuse, model, server, hospitality.</i></p>	<p>Higher-risk occupations are linked to the service industry or manual labor positions such as: <i>farms, factories, construction, hotels/motels, restaurants, beauty spas, childcare.</i></p> <p>Positions would not require English, or high levels of education.</p>
 Location/Date of Account Opening	Recently opened or new.	Recently opened or new.
 Online Presence/ Social Media Accounts	<p>Online escort ads and/or social media account — active, new, possibly linked to customer information like phone and/or email. Images may contain pictures of cash, or visible tattoos that have typical trafficker markings such as bar codes, initials, crowns and roses, and/or currency.</p>	No accounts. An absence of any public profiles indicates having limited freedoms.
 Behavior Change	Note changes in day-to-day transaction habits. Has the account gone from making expected purchases like groceries and paying bills to limited transactions absent of typical spending seen in most accounts?	Consistent behavior but absent of typical day-to-day purchases like groceries or bills. Funds are transferred in and out. Possibility of unusual big ticket item purchases or loans that would be outliers.
 Transactions	<p>Purchases could show: regular travel to other geographic locations; hotel rooms; online ads for escort or personal services; fast food; transportation; internet bills.</p> <p>The absence of groceries, rent, transportation costs, regular payroll, personal items, or entertainment should be noted.</p>	<p>Likely little to no purchasing activity — no food, rent, bills, or personal or professional related travel expenses. If payroll checks are deposited, the funds will likely be withdrawn almost immediately.</p> <p>May see unusual activity, inconsistent with other transactions, for big ticket items such a vehicles or loans.</p>
 Account Balance	Averages at or near zero.	Averages at or near zero.

Resources

^{11,13} Breaking Down Global Estimates of Human Trafficking: Human Trafficking Awareness Month 2022, Human Trafficking Institute, 2022

^{12,14} About Human Trafficking, Public Safety Canada, N.D.

Verafin, a Nasdaq company, offers enterprise Financial Crime Management solutions, providing a cloud-based, secure software platform for Fraud Detection and Management, AML/CFT Compliance and Management, High-Risk Customer Management, Sanctions Screening and Management, and Information Sharing.

More than 3800 financial institutions use Verafin to effectively fight financial crime and comply with AML/CFT regulations.

Leveraging our unique consortium approach, Verafin significantly reduces false positive alerts, delivers context-rich insights, and uncovers more financial crime. Verafin is proud to have industry endorsements in 48 U.S. states.

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