



HUMAN TRAFFICKING

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DEFINITIONS

AGENDA

Topics for Discussion

- Definitions
- Additional Statistics
- Identifying Human Trafficking
- Detection Methods
- Q & A



DEFINITIONS



Human trafficking involves abusing men, women or children for the purpose of forced labor or commercial sexual exploitation



47 countries have not recognized human trafficking as a crime



71% of enslaved people are females.



Human trafficking earns global profits of **\$150 billion** each year.



Human smuggling involves the provision of a service – typically transportation or fraudulent documents – to an individual who voluntarily seeks to gain illegal entry into a foreign country.



In **2000**, the UN ratified the Protocol against the Smuggling of Migrants by Land, Sea and Air.



There are an estimated **3 million** irregular entries into the US annually, according to the UNODC.



Global Revenue is difficult to project, but likely exceeds **\$10 billion.**

Sources: [11 Facts About Human Trafficking](#), United Nations, Polaris Project.

ADDITIONAL STATISTICS

GLOBAL – HUMAN TRAFFICKING

20 million to **40** million people are exploited in modern slavery internationally.

Asia and the **Americas** have witnessed the largest increase in the numbers of victims detected.

Identified traffickers are comprised of **63%** men and **37%** women



It is estimated that globally only **.04%** of human trafficking cases are identified.

43% of victims are trafficked domestically within national borders

Sources: [11 Facts About Human Trafficking](#), [Global Report on Trafficking in Persons 2018: Key Facts](#).

US – HUMAN TRAFFICKING

U.S. is ranked as one of the worst countries in the world for human trafficking

50,000 people are trafficked into the US each year, most often from Mexico and the Philippines

The National Human Trafficking Hotline receives an average of **150** calls per day.

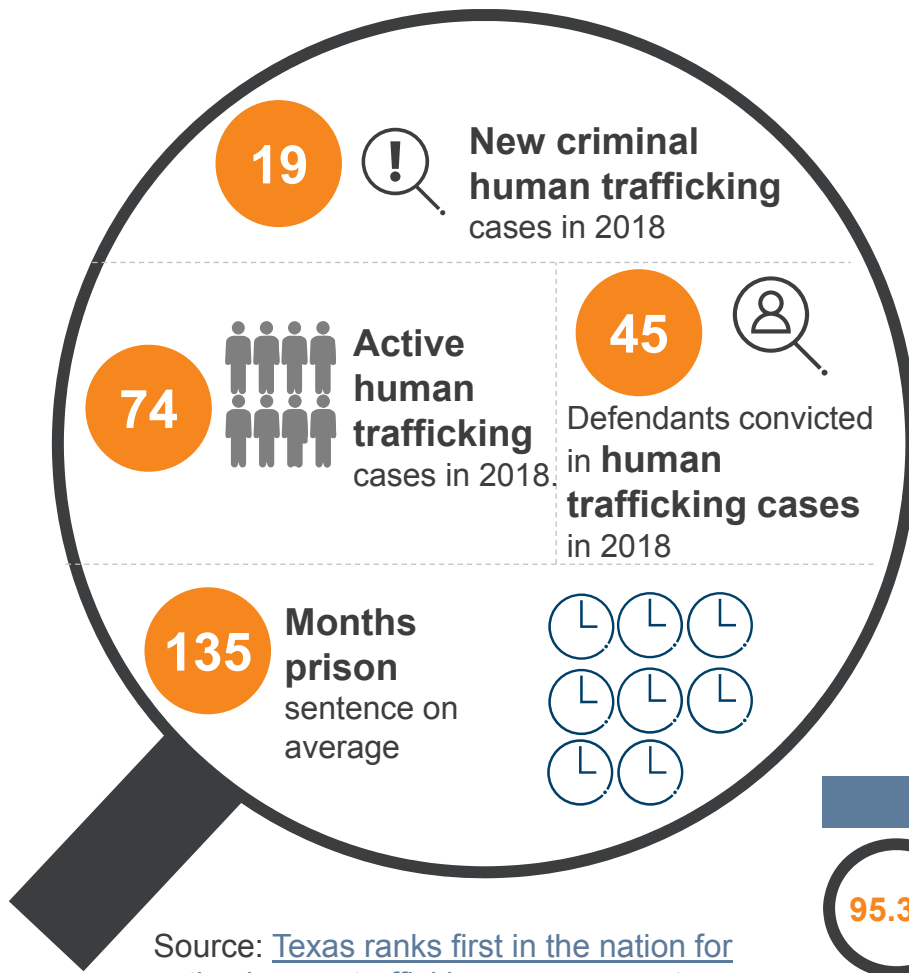
Most child sex trafficking survivors in the US were at one time in the **foster care system.**

The average age a child enters the sex trade is **12 – 14.**

Sources: [11 Facts About Human Trafficking](#), [Global Report on Trafficking in Persons 2018: Key Facts](#).

In 2018, **51.6%** of the criminal human trafficking cases active in the US were sex trafficking cases involving only children.

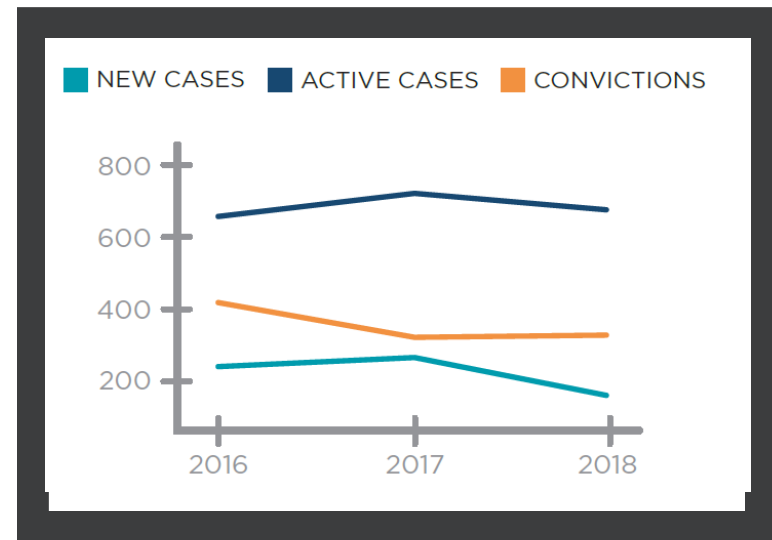
TEXAS – HUMAN TRAFFICKING



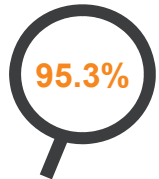
Source: [Texas ranks first in the nation for active human trafficking cases, report says](#)

Criminal Human Trafficking Cases

Texas ranks **1st** in the nation for active human trafficking cases.



New Criminal Cases



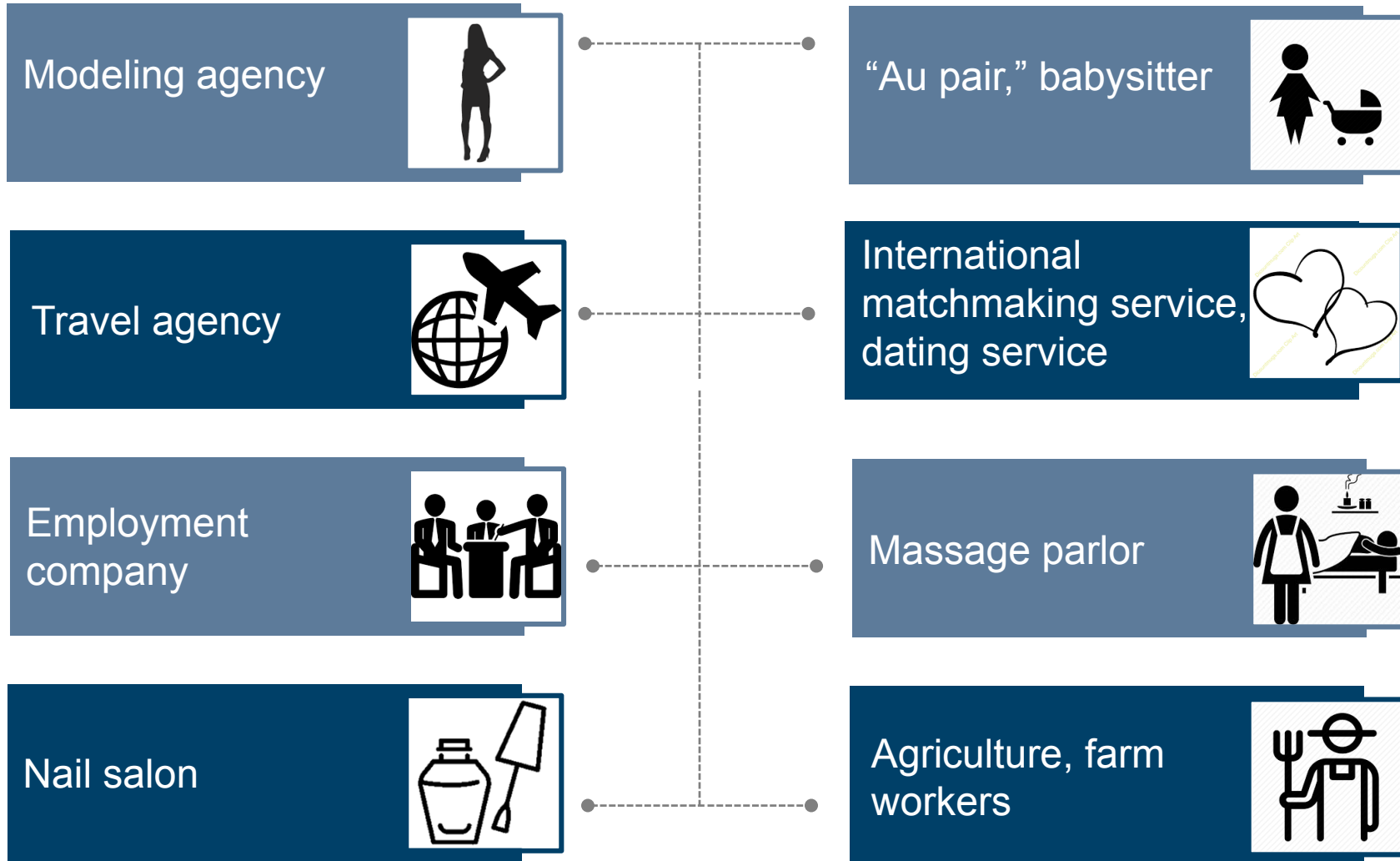
Sex trafficking cases



Labor trafficking

IDENTIFYING HUMAN TRAFFICKING

COMMON BUSINESS FRONTS



EXAMPLES OF RED FLAGS 1/2



- Transactions conducted by individuals, escorted by a third party under the pretext of needing an interpreter.
- Customer account appears to be controlled by a third party.
- Unrelated individuals as joint account holders or authorized users of accounts such as credit cards.
- Accounts for foreign workers where the employer serves as custodian.
- Business owner does not exhibit normal payroll expenditures.
- Frequent, unexplained wires to counties at higher risk for human trafficking.
- Frequent exchange of small denomination currency for larger denominations for customers not in cash extensive businesses.
- A property, when looked at using Google Street View, which could only comfortably accommodate 2 -3 people, but seems to have more people living there,
- Employee(s) living with employer.

See: The Cornerstone Report, Volume XIII, No 1, Summer 2017, Fin-2014-A0008, and FATF Financial Flows from Human Trafficking, July 201 for additional information.

EXAMPLES OF RED FLAGS 2/2



- Repetitive transfers of funds to the same third party (often in round dollars).
- Numerous personal checks deposited in business accounts for no apparent purpose.
- Frequent transactions, inconsistent with the line of business of the customer, that appear to be related to providing sustenance to individuals, such as payment of lodging, vehicle rentals, food purchases, etc.
- Payments to employment or student recruitment agencies that are unlicensed or have labor violation.
- A customer's account appears to function as a funnel account, where cash deposits occur in cities/states where the customer does not reside or conduct business.
- Frequent exchange of small denomination currency for larger denominations for customers not in cash extensive businesses.
- Unusually large ATM transactions, particularly during late night hours.

See: The Cornerstone Report, Volume XIII, No 1, Summer 2017, Fin-2014-A0008, and FATF Financial Flows from Human Trafficking, July 2018 for additional information.

DETECTION METHODS

DETECTION



But for the first time in history, the financial community now has the resources and ability to leverage AI processes to keep up and even stay one step ahead of illicit actors. The screening technology available today allows institutions to aggregate relevant information from throughout the world and pinpoint potential red flags with fewer false positives than ever before, providing a quicker and more accurate profile of a firm's existing and potential customers.

Tom Walsh, CEO of RDC, as reported in U.S. News & World Report, July 30, 2019



TARGETED AND TIME SENSITIVE MONITORING



Targeting monitoring more effectively identifies transactions that may warrant additional review. For example:

- Recurring payments to online advertising sites websites
- Recurring payments to unlicensed employment agencies
- High volume of hotel charges in multiple geographies
- Multiple rent/leasing payments

Adding timestamp information to basic monitoring scenarios improves their usefulness for identifying potential human trafficking. For example:

- Frequent payments late at night at businesses where such payments would be considered unusual.
- Recurring payments for transportation services late at night or early in the morning.

USE OF DATA MINING AND ARTIFICIAL INTELLIGENCE

– (1/2)



Case Studies

- **JP Morgan** reported in 2009 that it cross-checked the contact information of accounts tied to high-risk industries with the contact details of escort and labor services advertised on internet classified providers, detecting apparent links between prostitution services and nail salons and other seemingly unrelated companies.
- Leading up to the 2018 Super Bowl at U.S. Bank Stadium, **U.S. Bank** worked with law enforcement and an outside vendor to identify out-of-market phone numbers associated with adult services websites that may have moved into the area around the time of the Super Bowl; the Bank then cross-referenced those phone numbers with its own customer data and also operationalized special monitoring routines, for example, to identify usage of ATMs by these suspected traffickers

USE OF DATA MINING AND ARTIFICIAL INTELLIGENCE

– (2/2)



Other Techniques

- A large global bank used a data visualization tool to mine public information to identify potential business partners and associates of a known sex trafficking ring. What they identified were individuals, existing active and trading companies, and transportation companies that appeared to have some sort of connection to the traffickers. They then overlaid their own customer data against the visual network to identify any customers that may have had dealings with any of the parties in the network.
- Banks have linked their correspondent banking activity with open source reports, such as the Global Slavery Index, to identify human trafficking “hot spots” and associated trafficking corridors and subject activity that falls within these corridors to enhanced scrutiny.

Q & A

Q & A



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