

FINANCIAL SERVICES INDUSTRY

On-Ramps, Intersections, and Exit Routes:

A Roadmap for Systems and
Industries to Prevent and Disrupt
Human Trafficking

 **Polaris**

On-Ramps, Intersections, and Exit Routes:

**A Roadmap for Systems and
Industries to Prevent and Disrupt
Human Trafficking**

FINANCIAL SERVICES INDUSTRY



July 2018

Acknowledgements

Lead Researcher and Author:

Brittany Anthony,

Manager of Strategic Research at Polaris

Contributing Survivor Authors:

A'ishah H. Amatullah	Ronny Marty
Julia Anderson	Tajuan McCarty
Efraín Freddy Pérez Arias	Moninda
N.M.B.	Audrey Morrissey
Jessa Dillow Crisp	Ranela P. Placides
Laurin Crosson	Caroline Pugh-Roberts
Harold D'Souza	Jamie Rosseland
Hazel Fasthorse	Ella Smillie
Jo Hollis	Tanya Street
Danielle John	Victoria Thompson
Nancy Johnson	Sawan Vaden
Tiffany Liles	Courtney Wendell
Fainess Lipenga	Shandra Woworuntu
Megan Lundstrom	

Additional contributing survivor authors who chose to remain anonymous.

Other Key Contributing Researchers & Authors:

Of Polaris: Sara Crowe, Caren Benjamin, Therese Couture, Elaine McCartin, Elizabeth Gerrior, Lillian Agbeyegbe, and Mary Kate Kosciusko.

Of Truckers Against Trafficking: Lyn Leeburg
Of HEAL Trafficking: Dr. Hanni Stoklosa

Additional thanks to Polaris staff: Sydney Boone, Veronica Buckley, Heidi Cooper, Avery Kennedy, Rochelle Keyhan, Nancy McGuire Choi, Erin Marsh, David Medina, Bradley Myles, Karen Romero, and Keeli Sorenson.

Thank you to our stakeholder partners for their thoughtful reviews: Kendis Paris of Truckers Against Trafficking, Yiota Souras at the National Center for Missing & Exploited Children (NCMEC), David T.

Hutt and Lydia Sharp of the National Disability Rights Network, Duncan Jepson of Liberty Asia, John Byrne of AML Rightsource and ACAMS Special Advisor, Rick Small of BB&T, and Frederick Reynolds.

Survey and Focus Group Assistance: Special thanks to Dr. Danielle Johnson, Dr. Meredith Dank, and Lara Powers who provided their consulting expertise to the Polaris focus groups, and to Jenny Sandra Sell, Edward Lynch, and Lenna Jawdat for their tireless note-taking and transcribing efforts. Thank you to Julia Cordua, Kelbi Ervin, Laurie Bolthouse, Tanise Dixon, Sulan Chang, Bill Bernstein, Kirsten Williams, and Allison Ausband, for their gracious meeting space coordination and donations contributing to the focus groups. Thanks to ACAMS for their ongoing support and work to convene financial services industry experts whose vast knowledge significantly contributed to the content of this report. Many thanks to Chris Seewald, Nick Montgomery, and Bob Vasey for their help with the data analysis efforts. Polaris would also like to extend sincere gratitude to the many NGO partners who recruited participants for our survivor survey by sharing the opportunity with their vast survivor networks.

We are also grateful to Google, Delta Air Lines, and Palantir Technologies whose generous financial support made the survivor survey, focus groups, and data analysis possible.

Finally, and most importantly, our utmost thanks and honor to the contributing survivors can never be overstated. The poignant quotes and experiences, dedicated time and travel, and thoughtful recommendations from the 26 survivors who attended the focus groups or sat for interviews, the 127 survivors who took the survey, and the 9,500+ survivors who have bravely shared their stories with the National Human Trafficking Hotline and public outlets made this report what it is. Their words and experiences will not just be documented in this report, but will be the driving catalyst for any change that comes out of it.

Table of Contents

4	<u>Introduction</u>
6	The Typology of Modern Slavery: A Summary
8	Systemic Change Matrix
9	Methodology
9	Hotline Data
10	Survivor Survey
13	Survivor Focus Groups
15	<u>Financial Services Industry</u>
19	How the Financial Services Industry may be Used in Recruitment
19	The Use of Financial Institutions in the Recruitment Process: Labor Trafficking
22	The Use of Financial Institutions in the Recruitment Process: Sex Trafficking
23	How the Financial Services Industry may be Used in Trafficking Operations
26	Financial Patterns of Illicit Massage Businesses
26	Financial Patterns of Cantinas
27	Financial Patterns of Organized Residential Brothels
27	Financial Patterns of Un-Networked Sex Traffickers
30	Financial Patterns of Multi-Victim Labor Trafficking Types
31	Financial Patterns of Labor Trafficking for Domestic Work
33	Corporate Secrecy Laws In Trafficking Operations
34	How Finances may be Used as a Means of Control
36	How the Financial Services Industry may be Used by Victims & Survivors
36	Restoring Financial Freedom
37	Remittance Services
38	Survivor Contact with Customer-Facing Staff
39	Financial Services Industry: Recommendations & Opportunities
43	<u>Glossary</u>
46	<u>References</u>

Introduction

Harold D’Souza hardly seemed like an obvious candidate for a five-figure bank loan. He had only just arrived from India, with a wife, two young boys, and a job offer that turned out to be fraudulent. Yet somehow, with just a few signatures on a few dotted lines, Harold walked out the door of a bank with what would have been a small fortune had he been allowed to access it. Of course, he wasn’t. Every dime of that money went to the man who actually arranged for the loan – the trafficker. This was the same man who brought Harold to the United States with the promise of a high-paying professional job and instead forced him to work in a restaurant and live in a virtual prison of debt and desperation. Exactly how the trafficker managed to secure a loan of tens of thousands of dollars in the name of a newly arrived migrant worker with no verifiable source of income remains a mystery to Harold. Clearly though, it was not dumb luck. The trafficker knew exactly how to work within and around a highly regulated and legitimate industry – banking – to maximize the profit he made on Harold and his family. It was all part of his business plan.

The man whose lies and manipulations robbed Harold of his freedom was not unique to his field. A successful trafficker, like any successful entrepreneur, begins with a business plan built on a platform of established business models and best practices. Over time, that plan is chiseled to perfection as the trafficker learns new skills and tests out innovative new ways to monetize the exploitation of human beings.

As with any enterprise, the business plan of a human trafficking venture is not built in a vacuum but rather exists within an ecosystem or matrix, depending on and intersecting with a range of legitimate industries and systems – cultural, governmental, environmental. Examples are abundant. Traffickers use banks to store their earnings and buses to move their victims around; hotel rooms are integral to the operations of some sex traffickers, social media is a vital recruitment trawling ground for others.

This report takes a magnifying glass to such private-sector intersections. The details matter. The more that is known

about the business plans of human trafficking, the more possible it becomes to prevent and disrupt the crime and help survivors find freedom. The insights here are gleaned from those in a position to understand the nuances of each business intersection point – the survivors who lived the experience. They are not definitive scientific conclusions but rather valuable baseline narratives that can spark further exploration and collaboration from other sectors.

Each set of insights is followed by detailed recommendations for turning them into action, industry by industry. Like the insights and information that precede them, these recommendations are also not intended to be definitive. They are a beginning; an invitation. What we have learned is only as valuable as the partners who join us in making the recommendations a reality – and by offering more of their own.

This report builds upon Polaris’s 2017 report, [The Typology of Modern Slavery](#), which analyzed data, gleaned from nearly 10 years of operating the National Human Trafficking Hotline, to show that human trafficking in the United States consists of 25 distinct business models. For each, the Typology report illuminated the basic operational plan – the demographics of both victims and traffickers, and how victims are recruited and controlled.

This report focuses on the private and public-private sector because fighting human trafficking will require participation by business and industry partners with resources at a comparable scale.

The sectors explored in this report – **the financial services industry, social media, transportation industry, hotels & motels, housing & homelessness systems, and health care** – are not the only private businesses that intersect with human trafficking. Nor are they “to

blame” in some way for human trafficking. Indeed, as you will read, many stakeholders in each of these systems and industries are already doing innovative work or making powerful commitments to becoming part of the solution.

Clearly, engagement from the private sector alone is not enough. Child welfare agencies, schools and teachers, the criminal justice system, and local, state, and federal government actors are the proverbial tip of the spear, essential to the fight against human trafficking.

But human trafficking is a \$150 billion global industry that robs 25 million people around the world of their freedom. This report focuses on the private and public-private sector because fighting human trafficking will require participation by business and industry partners with resources at a comparable scale to the size of the problem. Participation, in this context, is not a euphemism for making donations to groups that fight human trafficking. The fight against human trafficking requires not just passive support but actual, active commitment and effort on the part of businesses that unwittingly, but regularly intersect with traffickers, victims, and survivors.

The information about how each of these systems and industries are exploited by traffickers as part of their business plans comes from extensive surveys of, and focus groups with, survivors of all types of human trafficking, as well as from the National Human Trafficking Hotline. Those who participated in this work, and in the sometimes painful process of sharing their own stories, did so not to point fingers, but rather to point out opportunities. We are grateful beyond measure to those with the strength to voluntarily speak their truth, again and again, in hopes of keeping others from suffering.

They did so because they know it is possible. Tanya Street lived it. As a recent high-school graduate, Tanya was vulnerable to the machinations of a pimp who showered her with love and attention, then turned her out on the street programmed to believe she was worthless, invisible, unlovable, without him. Most of the doctors at her local health care clinic simply reinforced his brainwashing. Repeatedly, she showed up with urinary tract infections that had her literally doubled over in pain. She felt frowned upon, disapproved of. No

one in the emergency room asked her why this kept happening, if maybe she would like some help beyond antibiotics. She wonders what would have happened if just once during those visits, someone had asked her the right question, or offered her information about getting help or getting out. She wonders how much sooner she would have found her voice, started her life. She wonders what pain she might have avoided.

Harold too knows that if someone at that bank, long ago, had done something a little differently, perhaps everything else would have been different and his family could have avoided some of the pain, fear, and trauma they live with to this day.

If human trafficking is a business, requiring intense planning and depending on other businesses and partners to flourish, so too must the fight against trafficking be a collective undertaking.

Today, Harold and Tanya have been honorably appointed to the United States Advisory Council on Human Trafficking. They share their experiences because they believe others truly can learn from them, and systemic change can be achieved. But they cannot be everywhere, talking to everyone, in every hospital emergency room, bus terminal, at every hotel front desk, truck stop parking lot, or monitoring the millions of social media conversations that fly through the ether at any given time. What Harold, Tanya, and all the survivors who contributed to this project have done is recognize the value of mapping the intersections where human trafficking meets legitimate businesses and systems. In doing so, they have staked out new territory, recognizing that if human trafficking is a business, requiring intense planning and depending on other businesses and partners to flourish, so too must the fight against trafficking be a collective undertaking that is painstakingly plotted and thoughtfully implemented, in partnership with the businesses that unwittingly make it possible.

The Typology of Modern Slavery

A Summary

In March 2017, Polaris released the ground-breaking report, [The Typology of Modern Slavery](#), which classified the 25 distinct types of human trafficking business models occurring in the United States. The following information includes a short description or definition of each type of trafficking as well as updated statistics on cases and potential victims learned about from the National Human Trafficking Hotline through December 31, 2017. The cases below are based off of analysis of 40,000+ cases of potential human trafficking and 11,000+ cases of potential labor exploitation. The following cases only represent the cases that occurred in the United States and where the type of trafficking or labor exploitation was known. This is not a comprehensive report on the scale or scope of human trafficking within the United States. These statistics may be subject to change. Please see the Typology report and the methodology section of this report for further context.

		DEC. 2007 - DEC. 2017	JAN. 2015 - DEC. 2017
Type	Definition	Number of Cases	Number of Potential Victims
Agriculture & Animal Husbandry (Type: Labor Trafficking)	A farming business in which potential victims are exploited for their labor in growing/maintaining crops, cultivating soil, or rearing animals.	556 (HT)	609 (HT)
		1,761 (LE)	844 (LE)
Arts, Sports, & Entertainment (Type: Labor Trafficking)	Potential victims are exploited for their labor in amateur, scholastic, or professional athletics, modeling, or performing arts (including adults in exotic dancing).	135 (HT)	102 (HT)
		40 (LE)	10 (LE)
Bars, Strip Clubs, & Cantinas (Type: Sex & Labor Trafficking)	This category comprises establishments that front as legitimate bars and clubs, selling alcohol while exploiting victims for sex and labor behind the scenes.	992 (HT)	601 (HT)
Carnivals (Type: Labor Trafficking)	Potential victims are exploited for their labor in operating rides, games, and food stands.	59 (HT)	28 (HT)
		80 (LE)	27 (LE)
Commercial Cleaning Services (Type: Labor Trafficking)	Potential victims are exploited for their labor in janitorial/cleaning services performed in private households, office buildings, and other commercial/public properties.	128 (HT)	101 (HT)
		362 (LE)	79 (LE)
Construction (Type: Labor Trafficking)	Potential victims are exploited for their labor in carpentry, masonry, painting, roofing, etc.	202 (HT)	157 (HT)
		458 (LE)	183 (LE)
Domestic Work (Type: Labor Trafficking)	An industry where an individual works for one specific household/family providing personal household tasks, cleaning, child care, or adult caretaking, often living on-site with the family.	1,437 (HT)	753 (HT)
		487 (LE)	202 (LE)
Escort Services (Type: Sex Trafficking)	Commercial sex acts that primarily occur at temporary indoor locations. Includes: hotel-based operations, internet ads, and out-calls to buyers.	6,418 (HT)	4,555 (HT)
Factories & Manufacturing (Type: Labor Trafficking)	Potential victims are exploited for their labor in food processing, clothing/shoe manufacturing, factories producing electronic devices, vehicles, and more.	99 (HT)	77 (HT)
		222 (LE)	54 (LE)
Forestry & Logging (Type: Labor Trafficking)	Potential victims are exploited for their labor as tree farm workers, reforestation planters, loggers, and workers maintaining woodland areas.	57 (HT)	27 (HT)
		173 (LE)	77 (LE)

HT = Human Trafficking | LE = Labor Exploitation¹

Type	Definition	Number of Cases	Number of Potential Victims
Health & Beauty Services (Type: Labor Trafficking)	Potential victims are exploited for their labor in businesses such as nail salons, hair salons, acupuncture businesses, etc.	345 (HT)	122 (HT)
		140 (LE)	46 (LE)
Health Care (Type: Labor Trafficking)	Potential victims are primarily exploited for their labor in residential nursing homes, occupational health facilities, or as home health aides.	64 (HT)	53 (HT)
		70 (LE)	29 (LE)
Hospitality (Type: Labor Trafficking)	Potential victims are exploited for their labor as hotel housekeepers, front desk attendants, bell staff, etc.	151 (HT)	133 (HT)
		585 (LE)	349 (LE)
Illicit Activities (Type: Sex & Labor Trafficking)	A potential victim is forced to provide labor or services to contribute to an illegal/illicit business operation such as drug selling, drug smuggling, drug production, financial scams, gang activity, etc. Potential victims are also often forced into commercial sex acts in addition to this labor.	297 (HT)	294 (HT)
Illicit Massage Businesses (Type: Sex & Labor Trafficking)	Primary business of sex and labor trafficking is concealed under the façade of legitimate spa services.	3,736 (HT)	1,253 (HT)
Landscaping (Type: Labor Trafficking)	Potential victims are exploited for their labor in gardening, maintaining public or private grounds, or within nurseries.	147 (HT)	112 (HT)
		749 (LE)	250 (LE)
Outdoor Solicitation (Type: Sex Trafficking)	Potential victims are forced to find commercial sex buyers in outdoor locations such as on “tracks”/“strolls,” or at truck stops.	1,983 (HT)	1,150 (HT)
Peddling & Begging (Type: Labor Trafficking)	Potential victims are expected to beg for “donations,” or sell small items such as candy, at a stationary, often outdoor locations.	602 (HT)	327 (HT)
		61 (LE)	28 (LE)
Personal Sexual Servitude (Type: Sex Trafficking)	A potential victim is forced to provide sex acts to one/ specific person(s) (oftentimes in a chronic and ongoing situation) in exchange for something of value. The controller and the “buyer” are usually the same person. (See also: Survival Sex , in the Glossary)	587 (HT)	362 (HT)
Pornography (Type: Sex Trafficking)	Pre-recorded sexually explicit videos & images, including child pornography. This can include informally distributed pornographic material, or commercial sex through a formal pornography company. •Note: This type should not be confused with interactive webcam shows. (See Remote Interactive Sexual Acts)	1,107 (HT)	516 (HT)
Recreational Facilities (Type: Labor Trafficking)	Potential victims are exploited for their labor in amusement/theme parks, summer camps, golf courses, and community swimming pools.	44 (HT)	33 (HT)
		265 (LE)	92 (LE)
Remote Interactive Sexual Acts (Type: Sex Trafficking)	Live-streamed, interactive, simulated sex acts/shows. •Note: This type should not be confused with pre-recorded sexually explicit videos & images. (See Pornography)	146 (HT)	119 (HT)
Residential Sex Trafficking (Type: Sex Trafficking)	In-call commercial sex occurring at a non-commercial residential location.	1,800 (HT)	1,665 (HT)
Restaurants & Food Services (Type: Labor Trafficking)	Potential victims are exploited for their labor as servers, bussers, dishwashers, cooks, etc.	595 (HT)	274 (HT)
		1,340 (LE)	392 (LE)
Traveling Sales Crews (Type: Labor Trafficking)	Potential victims travel in groups to various cities/states selling items such as magazines door-to-door.	686 (HT)	356 (HT)
		96 (LE)	40 (LE)

HT = Human Trafficking | LE = Labor Exploitation¹

Systemic Change Matrix

A strategic approach to ending human trafficking includes understanding the ways each of these systems enables or intersects with potential traffickers or victims. This matrix depicts the 25 types of human trafficking in the United States, cross-referenced with eight highlighted systems and industries, six of which are discussed in-depth in this report. Each system and industry can be activated to help disrupt and prevent the crime in unique and impactful ways.

	 Financial Services Industry	 Hotels & Motels	 Housing & Homelessness Systems	 Social Media	 Temporary Work Visas	 Transport- ation	 Business Regulatory Systems	 Health Care
Escort Services	●	●	●	●		●		●
Illicit Massage Businesses	●		●	●	●	●	●	
Outdoor Solicitation		●	●	●		●		●
Residential Sex Trafficking	●		●			●		●
Domestic Work	●		●	●	●	●		●
Bars, Strip Clubs, & Cantinas	●	●	●	●		●	●	●
Pornography	●			●		●	●	●
Traveling Sales Crews	●	●	●	●		●	●	●
Restaurants & Food Service	●		●	●	●	●	●	●
Peddling & Begging			●					
Agriculture & Animal Husbandry	●			●	●	●	●	●
Personal Sexual Servitude			●	●				●
Health & Beauty Services	●		●		●	●	●	●
Construction	●		●		●		●	●
Hospitality	●	●			●		●	
Landscaping	●				●	●	●	●
Illicit Activities	●		●			●		●
Arts, Sports & Entertainment	●			●	●	●	●	●
Commercial Cleaning Services	●	●	●		●		●	
Factories & Manufacturing	●		●		●		●	●
Remote Interactive Sexual Acts	●		●	●				
Carnivals	●				●	●	●	●
Forestry & Logging	●				●	●	●	●
Health Care	●		●		●		●	●
Recreational Facilities	●	●			●		●	

Methodology

Hotline Data

This report includes data from the U.S. National Human Trafficking Hotline. The National Hotline is not a research-oriented program. Instead, the Polaris staff who operate the hotline are focused on helping potential victims of trafficking access critical support and services to get help and stay safe. While advocates use detailed protocols to assess for indicators of human trafficking, they adapt their phrasing and scope of questions in response to each individual's answers and the circumstances of the call, text message, or chat signal. Beyond this trafficking assessment, potential victims and third parties reporting these situations are not asked a set of standardized questions and only provide information that they feel comfortable sharing with Polaris's staff to get the help they need. Additionally, asking certain questions during some signals may not be appropriate or possible due to the context of the call. For example, when Hotline staff receive calls from potential victims in crisis situations with limited time to reach out for help, staff focus on the caller's safety and assisting with urgent needs such as emergency shelter or law enforcement assistance, and not on detailed information about the victim's trafficking experience.

As such, the data points in this report represent only what those contacting the National Hotline chose to disclose. The number of survivors or potential human trafficking cases with a particular attribute would likely have been significantly higher if Polaris staff had systematically asked a standardized set of questions to each individual contacting the Hotline.

Since awareness of both human trafficking and the existence of a national victim service hotline is still limited, this data set should be interpreted as a limited sample of actual victim or trafficking case data, rather than a representation of all existent victims or cases of human trafficking. The information reported by the National Hotline is only able to represent who has access to and knowledge of the Hotline, who has the means to reach out, and who is more likely to self-identify as a potential victim or some-

one in need of assistance. The data reported by Polaris should not be compared to the findings of more rigorous academic studies or prevalence estimates.

A Note about Language:

Polaris recognizes that survivors of human trafficking identify in many ways which can be deeply personal to the individual. Throughout this report, we tend to use the terms 'victim' and 'survivor' fairly interchangeably.

Polaris staff operating the National Human Trafficking Hotline do not investigate reports made by individuals contacting the Hotline and cannot verify the accuracy of the information reported. Therefore, this report uses the term "potential victim" when referring to those individuals learned about on the Hotline, who, through a Hotline trafficking assessment, meet the definition of an individual who has experienced sex or labor trafficking.

This report references data from the National Hotline using two distinct timeframes. The data referencing **cases** is for the timeframe of December 7, 2007 - December 31, 2017. The data referencing **unique potential victim profiles** is for the timeframe of January 1, 2015 - December 31, 2017. Polaris did not begin logging victim profiles until January 1, 2015. Therefore, historic data from before January 1, 2015, is not yet available.

Cases of Potential Human Trafficking

(December 7, 2007 - December 31, 2017)

Polaris began operating and collecting data on potential cases of human trafficking and labor exploitation from the National Human Trafficking Hotline as of December 7, 2007. Polaris defines a “case” of human trafficking² as an individual situation of trafficking which could include one or multiple potential victims. Data on the case level includes, but is not limited to, form of trafficking (e.g. sex vs. labor), the type of trafficking (as defined in the Typology of Modern Slavery³), venue location, or geographic location of trafficking, etc. These are the data points that will have the timeframe of December 7, 2007 - December 31, 2017.

Individual Potential Victim Profiles

(January 1, 2015 - December 31, 2017)

On January 1, 2015, Polaris began logging individual potential victim profiles, for each unique potential victim learned about through trafficking and labor exploitation related-signals to the National Hotline. Data on an individual potential victim profile can include, but is not limited to, demographic information such as current age, adult/minor status, gender, type of work visa (if applicable), and country of origin. These records can also include detailed information on the potential victim’s experience during the potential trafficking or exploitation such as age at entry, methods of abuse endured, recruitment tactics used, recruitment location, relationship of victim to controller(s) and recruiter(s), risk factors/vulnerabilities present before the trafficking situation, and more. Polaris did not have direct contact with all victims represented in this data set. Third parties reporting information about a victim often did not have information about some details of the situation they were reporting. Each case of human trafficking or labor exploitation could identify multiple unique poten-

tial victims, or the signalers may not have had enough information to identify any individual potential victims in the situation.⁴ These are the data points that will have the timeframe of January 1, 2015 - December 31, 2017.

Polaris Survivor Survey

During the time period of **August 22, 2017 - September 18, 2017**, Polaris sought human trafficking survivor participants for a paid online survey entitled “*Trafficking Survivor Experiences with Systems & Industries*.” The survey, available in both English and Spanish, was nationally distributed to over two dozen non-governmental organizations (NGOs) which either directly serve victims and survivors of human trafficking, or organize survivor leadership. Although some of the individual NGOs which Polaris worked with to distribute the survey may specialize or exclusively interface with survivors of specific demographics or types of trafficking (e.g. some organizations only serve sex trafficking survivors, some organizations mainly serve foreign nationals, etc.), the survey was sent to a diverse range of NGOs representing many geographies, survivor demographics, and types of trafficking.

The survey was open to any adult who self-identified as a victim or survivor of sex or labor trafficking. Survey participants were not asked for any kind of confirmation of victim status. The completion of the survey was also completely voluntary, and survivors were compensated for their time. Therefore, the survey was not anonymous. Polaris collected personal contact information in order to send payment.

The survey resulted in **127 individual survivor respondents**.

For all 127 survey participants, basic demographics and information on what type of human trafficking they experienced was collected. See Figures 1.0 - 1.5

Figure 1.0:
Race/Ethnicity
n=127

(Percentages non-cumulative –
respondents could select more
than one)

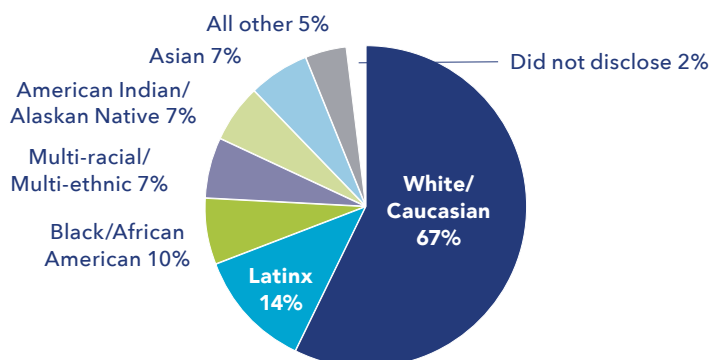


Figure 1.1:
Gender
n=127

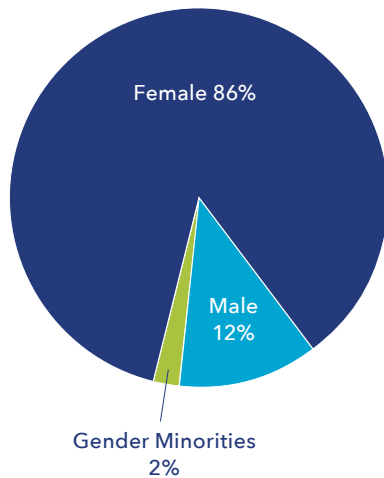


Figure 1.2:
Age at trafficking entry
n=127

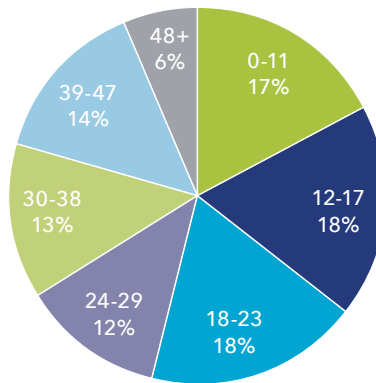


Figure 1.3:
Immigration Status
n=126*
*One respondent did not answer.

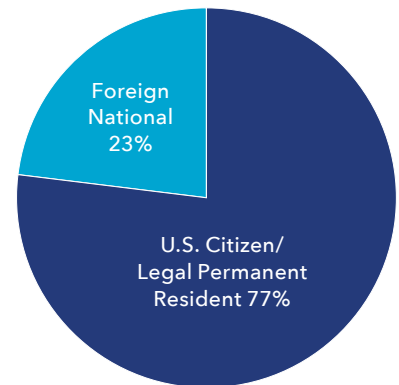
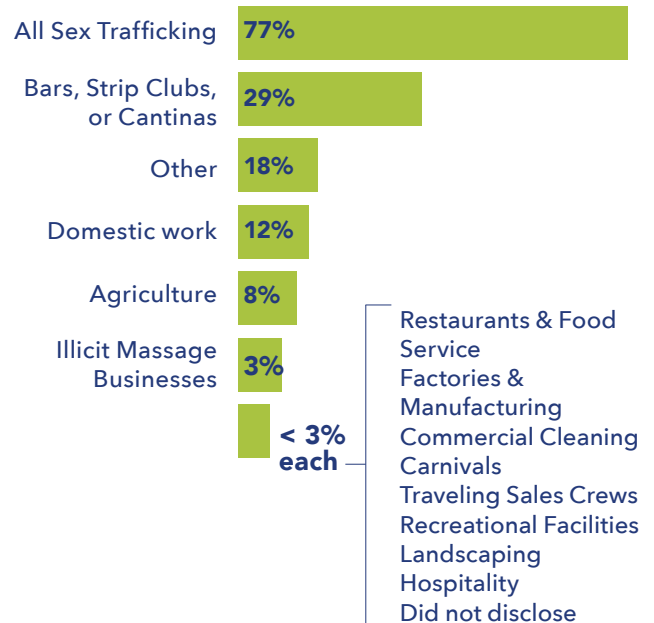


Figure 1.4:
Types of Trafficking
n=127

All Sex Trafficking	77% (98)
Bars, Strip Clubs, & Cantinas	29% (37)
Other	18% (23)
Domestic Work	12% (15)
Agriculture & Animal Husbandry	8% (10)
Illicit Massage Businesses	3% (4)
Restaurants & Food Service	< 3% ⁵
Commercial Cleaning	< 3%
Factories & Manufacturing	< 3%
Carnivals	< 3%
Hospitality	< 3%
Landscaping	< 3%
Traveling Sales Crews	< 3%
Recreational Facilities	< 3%
Not Specified	< 3%

Figure 1.5:
Types of Trafficking
n=127



Data is non-cumulative. Survey participants could select multiple options.

After the demographic questions, the survey walked respondents through separate sections dedicated to the systems and industries addressed in this report: the financial services industry, social media, transportation, hotels & motels, housing & homelessness systems, and health care.⁶

Each of these sections began with a “screening question” asked of all respondents to assess whether or not they, (or their traffickers in some cases) had any inter-

action or access to the system/industry pertaining to that section. Each screening question also provided some necessary definitions, common examples, and/or framing context to clarify the intent of each section. If respondents answered “Yes” or “Not Sure,” the survey advanced them to that section’s set of survey questions. If respondents answered “No,” the survey skipped that section altogether and navigated them to the next system/industry’s screening question. An example screening question is below:

Example Screening Question:

Trafficking Survivor Experiences with Systems & Industries

Hotels & Motels

Did you ever come into contact with any hotels or motels during your exploitation? *This includes but is not limited to staying nights, living there, working/being trafficked as a hotel employee or contractor, contracting with a hotel, being forced to engage in commercial sex at hotels/motels, etc. **

☐ Yes

☐ No

☐ Not sure

Previous Page

Next Page

Figure 1.6: Survey Sections

Therefore, each individual section pertaining to each system/industry has a different total responding sample, depending on how many of the 127 total survey respondents answered “Yes” or “Not Sure” to that section’s screening question. Figure 1.6 breaks down the total number of respondents that “screened in” to each system/industry section along with the percentage of total survey respondents:

Survey section	Total # of survivors that “screened in” to section	% of total survey respondents
Financial Services Industry	99	78%
Transportation	104	82%
Social Media	73	57%
Hotels & Motels	100	79%
Health Care	88	69%
Housing & Homelessness Systems	50	39%

Survey Limitations

The survey and focus groups were not required to, nor did they undergo, a formal institutional review board (IRB) approval process. Despite the project not formally going through this process, Polaris conducted appropriate due-diligence measures to ensure that every step of the research project, including the development of the survey questions, analysis of the participants' benefits and risks, informed consent/voluntary participation procedures, data collection and security standards, compensation norms, and other participant safeguards, were survivor informed, trauma-sensitive, and thoughtfully approached to protect the research participants.

This survey was not the result of a random sample. A central limitation to diverse sampling was the finite network to which Polaris was able to distribute the survey. Although Polaris works with a wide variety of anti-trafficking NGOs throughout the United States, and every effort was made to diversify the types of NGOs to whom the survey was distributed, distribution was limited to Polaris's partners and contacts. Moreover, the distribution of the survey was at the discretion of the NGOs, and therefore, the final sample population was entirely dependent on each NGO's willingness and ability to distribute the survey to the populations it had contact with.

The survey was facilitated through accredited organizations whose networks are also finite and limited to their scope. This naturally caused a response bias leaning toward survivors of human trafficking who were already removed from their trafficking situation and receiving services or engaging in survivor leadership. As the survey did not ask about the years during which the respondent was trafficked, it is impossible to determine how long respondents were removed from their trafficking situation. Therefore, social, cultural, or environmental changes may impact the current significance of some of these results. For example, some survivor respondents may have experienced trafficking during a time which pre-dates the general availability or pervasive use of social media.

Results of the survey also lean disproportionately to sex trafficking survivors (77 percent). This indicates that NGOs with a focus on sex trafficking were either more willing or able to widely distribute the survey to the populations they serve, or the anti-sex traf-

ficking NGOs had a much more expansive network of interested survivors. Relatedly, some NGOs which serve large populations of labor trafficking survivors indicated that unforeseen environmental and political events, which coincided with the open period for survey submissions, impeded their ability to distribute the survey to their networks. The need for these providers and their networks to focus on more urgent matters likely impacted the number of labor trafficking survivors who had access to the survey.

There were other design limitations which likely impacted the response rate and response content of the survey results. First, the limited languages in which the survey was distributed likely prevented survivors of certain types of trafficking from participating in the survey. Due to resource limitations, Polaris was unable to distribute the survey in other languages but would ideally have expanded the language services if possible. Second, the online platform of the survey likely excluded some individuals who did not have the resources available to access the internet or to do so in private locations. Third, the survey's lack of anonymity may have deterred people who would have otherwise chosen to take the survey but remain anonymous.

Finally, neither the Polaris survivor survey, nor the follow up Polaris focus groups should be compared to the findings of more rigorous academic studies or prevalence estimates.

Polaris Focus Groups

For Phase II of the research project, researchers sought to dive deeper into select areas of the survivor survey to gather personal narratives and survivor recommendations for systems and industries to enhance the report. To do this, five focus groups were assembled from the pool of survey respondents. Due to the extensive number of respondents who were sex trafficking survivors, four groups consisted of sex trafficking survivors and one group consisted of labor trafficking survivors.

The focus groups primarily sought to supplement the data Polaris already had access to from the National Human Trafficking Hotline. Therefore, the selection of focus group participants was strategic to ensure researchers were able to collect the specific type of information needed to gain necessary insights for each system/industry.

First, researchers identified the specific systems/industries where deeper information was needed:

Sex trafficking Groups:

- 1) Financial Services Industry
- 2) Social Media
- 3) Transportation
- 4) Hotels & Motels
- 5) Health Care

Labor Trafficking Groups:

- 1) Financial Services Industry
- 2) Transportation
- 3) Health Care⁷

Second, researchers then identified individual respondents whose survey answers indicated that they had significant interactions with or knowledge of these specific industries during their exploitation. Every survey response was reviewed individually, and each section of the survey (finance, transportation, etc.) was ranked on a scale of 0-2 in terms of how significant the respondent's interaction with that system/industry was:

- 0= Very little/no interaction or knowledge
- 1= Moderate interaction or knowledge
- 2= Significant interaction or knowledge

To determine this significance, researchers weighed some questions in the survey stronger than others, based on the specific research needs. For example, researchers prioritized a survivor's understanding of

how the finances were managed in his or her situation, as this information is not often revealed during regular Hotline interactions.

Based on their answers, 26 survey respondents were invited to attend one of five focus groups hosted in various cities across the country.

- Los Angeles, CA - 5 participants
- Denver, CO - 5 participants
- Dallas, TX - 4 participants
- Atlanta, GA - 5 participants
- Washington, DC - 5 participants

Due to unforeseen and extenuating circumstances, two participants intended for the focus groups could not attend, and therefore provided their input through remote one-on-one interviews with researchers.

Each focus group was two hours long and covered as many prioritized systems/industries as time would allow. Of course, due to the natural flow of discussion of focus groups, not every group addressed every question or every system or industry.

Each focus group or interview was transcribed and analyzed using basic content analysis to identify common themes across groups. These themes, in combination with the quantitative survey data, and findings from the National Hotline, informed the general structure and content of this report.



Financial Services Industry

The following matrix is meant to be an overview of some of the intersections that diverse financial services may have with potential victims and traffickers of various types of trafficking (See [Typology of Modern Slavery: A Summary](#) section of this report). Each dot can represent one or more touch points throughout a trafficking life cycle including during recruitment, by potential traffickers to store, conceal, manage, send, or launder funds, or by potential victims and survivors during and after their trafficking experiences. All intersections were informed by Polaris's operation of the National Human Trafficking Hotline since 2007, Polaris survivor survey, Polaris focus groups, or additional, but not exhaustive, external research and analysis which may include service provider and stakeholder knowledge sharing, scholarly research, media articles, documented civil and/or criminal cases of human trafficking, or quantitative and qualitative analysis of external data sets and/or public records. This matrix is by no means comprehensive, as potential traffickers and victims have the potential to access many financial services. The absence of a dot may mean there is insufficient data or research on the intersection. Polaris omitted the types of trafficking where research and data were lacking.

		Types of Financial Services					
		Retail Banking (Personal Banking)	Com-mercial Banking (Business Banking)	Credit/ Debit Cards (including pre-paid)	Money Ser-vice Business-es (including Money Trans-fer Services)	Retail Check Cashing	Formal Pay-checks/ Payroll
Types of Trafficking	Agriculture & Animal Husbandry	●	●	●	●	●	●
	Arts, Sports, & Entertainment	●	●	●			
	Bars, Strip Clubs, & Cantinas	●	●	●	●		●
	Carnivals	●	●		●	●	●
	Commercial Cleaning		●		●	●	●
	Construction		●		●	●	●
	Domestic Work	●			●		●
	Escort Services	●		●	●		
	Factories & Manufacturing		●		●	●	●
	Forestry & Logging		●		●	●	●
	Health & Beauty Services		●		●		●
	Health Care		●		●	●	●
	Hospitality		●		●	●	●
	Illicit Activities	●			●		
	Illicit Massage Businesses	●	●	●	●		
	Landscaping		●		●	●	●
	Outdoor Solicitation			●			
	Pornography	●	●	●			
	Recreational Facilities		●		●	●	●
	Remote Interactive Sexual Acts	●		●			
	Residential Sex Trafficking	●			●		
	Restaurants & Food Service		●		●	●	●

The International Labour Organization estimates that human trafficking is a \$150 billion global industry. While there are certainly some completely un-banked traffickers, a significant portion of that overwhelming sum passes through legitimate financial services businesses. This happens through thousands of diffuse, small transactions. These intersection points offer ample - albeit not obvious or easy - opportunity for financial institutions to detect and disrupt human trafficking. In many cases, they are in fact legally required to do so. Federal laws, including the Bank Secrecy Act (BSA) and the USA PATRIOT Act, mandate that financial institutions monitor for and report suspected illegal activity. The handling of funds generated by human trafficking can constitute money laundering.

This legal obligation – unique to the finance industry – has led to the creation of robust systems to detect suspicious activities associated with human trafficking, money laundering, and related financial crime.

These systems have in turn led to actionable information for law enforcement to launch investigations and identify potential perpetrators. Because financial crimes are not as reliant on victim testimony as other offenses, pursuing traffickers from a money laundering angle can be an effective method to obtain justice in situations in which the victims are too scared or traumatized to cooperate. Thanks to the leadership and commitment of many in the financial services industry, traffickers' motivating force – greed – has been turned into a powerful weapon against them.

Scaling and expanding upon the anti-money laundering (AML) work already underway is critical to disrupting human trafficking and holding traffickers accountable. But it is not the only role this industry has to play. The scope and ubiquity of the financial sector creates a range of opportunities - from leveraging lending and investment decisions to assisting survivors in the recovery process by providing them access to financial services.

How the Financial Services Industry may be Used in Recruitment

The Use of Financial Institutions in the Recruitment Process: Labor Trafficking

Before they so much as step on an airplane, many foreign victims of labor trafficking on temporary work visas have already had their dreams turned against them in the form of crippling recruitment fees paid out to unscrupulous labor brokers. Such fees are illegal, but the practice is common and devastating. Participants in the Polaris focus group discussed being charged for attending informational sessions about the job, transportation to the embassy interview, fraudulent “visa processing fees,” “visa extension fees,” “contract fees,” airfare to the United States, and housing deposits. In Polaris’s survivor survey, out of the 17 individuals that reported entering their trafficking situation with a temporary work visa, all but two

(83 percent) reported paying prohibited recruitment fees. In a much more expansive study by Centro de los Derechos del Migrante (CDM), 53 percent of workers surveyed reported paying recruitment fees averaging \$590 before travel expenses.²⁵ In 2017, The National Domestic Workers Alliance reported that victims of labor trafficking in domestic work can pay between \$3,000 - \$9,000 in recruitment fees.²⁶ The result of these fees is that many workers arrive for their first day of work already deeply indebted to their employer or recruiter. This debt is a coercive tactic used to trap the worker until the debt can be repaid. Industries like agriculture, landscaping, and hospitality employ large numbers of workers on temporary visas commonly associated with predatory recruitment practices. This makes these high risk industries for debt bondage and other forms of forced labor.

Temporary Work Visas

One of the government-based systems that has the potential to be the most disruptive to traffickers if reformed is our patchwork of temporary guest worker visa programs. Research shows there are now more than a million people living and working in this country under a variety of such programs. From picking our fruit to caring for our children, these men and women are a vital piece of our nation’s economy. Yet the program that invites them in has a number of structural weaknesses that also puts them in grave danger of being exploited and trafficked.

Between January 2015 and December 2017, the National Human Trafficking Hotline received reports of 814 potential victims of human trafficking and 1,881 potential victims of labor exploitation that had a temporary work visa at the time of their exploitation.

The most significant structural problems with temporary work visas is that virtually all of them are tied to a specific employer. This creates a power imbalance far beyond the normal confines of the employer/worker

relationship; from the moment employment terminates, the migrant worker is immediately out of legal status and eligible for deportation. For many migrant workers, this is a fate that could destroy everything they have dreamed of. Workers leave their homes and loved ones to take these jobs in search of economic opportunity. Many have gambled that the decent salaries that they have been promised in America are worth going into debt to reach. By the time they get to the jobs, many owe thousands of dollars in debt to unscrupulous recruiters who have charged them – illegally – for every step along the way. Leaving a job, no matter how exploitative, would shut off all avenues to pay off those debts. Worse yet, if their employer reports them as out of status and has them deported, they will be cut off from ever returning legally to try again, with a better, fairer job. Traffickers know all of this, of course. They are keenly aware of exactly how to threaten workers, game the system, and extract payments from people who have little or nothing to give.

Continuing on the next page →

There are numerous legislative and regulatory steps that the U.S. Congress could take to make temporary guest worker programs safer for migrant workers. Key among these is decoupling these visas from specific employers or in the case of a few visas types where there is some movement possible, making that process more streamlined and practical. The government should also put real effort behind enforcing regulations that bar recruiters from charging potential workers for everything from the right to show up at a job fair to the actual visa itself. Additionally, adding a layer of transparency to the existing system would go a long way toward protecting workers. The current system makes it extremely difficult for workers to learn about employers and recruiters – even such information as whether they have been fined or sanctioned in the past. Overall data collection and cross-agency cooperation is also severely lacking.

The following matrix is meant to be an overview of which temporary work visas are used by traffickers and recruiters in various types of trafficking and labor exploitation. (See [Typology of Modern Slavery: A Summary](#) section of this report). All intersections were informed by Polaris's operation of the National Human Trafficking Hotline since 2007, Polaris survivor survey, Polaris focus groups, or additional, but not exhaustive, research and analysis which may include service provider and stakeholder knowledge sharing, evidence based on media articles, documented civil and/or criminal cases of human trafficking, or quantitative and qualitative analysis of external data sets and/or public records. The absence of a dot may mean there is insufficient data or research on the intersection. Polaris omitted the types of trafficking where research and data were lacking or types of trafficking which do not typically rely on temporary work visas.

		Types of Temporary Work Visas						
		A-3/G-5	H-2A	H-2B	B-1	J-1	F-1	H-1B
Types of Trafficking	Agriculture & Animal Husbandry		●					
	Arts, Sports, & Entertainment						●	
	Carnivals			●				
	Commercial Cleaning			●		●		
	Construction			●				
	Domestic Work	●			●	●		
	Factories & Manufacturing			●				
	Forestry & Logging			●				
	Health Care			●	●	●		●
	Hospitality			●		●		
	Illicit Massage Businesses				●		●	
	Landscaping			●				
	Recreational Facilities			●		●		
	Restaurants & Food Service			●		●		
	Types Yet to be Defined: (e.g. Education, Professional/Tech)							●

For more information on how temporary visas are used in recruitment, the trafficking operations using them, and the victims who are impacted, please read Polaris's report, [Human Trafficking on Temporary Work Visas: A Data Analysis 2015 / 2017](#).

All Polaris focus group participants who reported paying recruitment fees, stated they did so via in-branch deposits directly into their recruiter's bank account while still in their country of origin. Some of these survivors did so in numerous transactional installments, as their recruiter invented more and more fees throughout the recruitment process.

One focus group survivor who made at least four separate deposits totaling over \$5,000 into her recruiter's account in the Philippines, pleaded, *"I wish [some-one] would have asked what all that money was for."* Alternatively, some National Hotline callers have disclosed that they were instructed to use money remittance services, or other types of wire transfers to transfer money to their recruitment agencies, either based in their home countries or in the United States. Although these examples are anecdotal, this highlights the importance of training on victim identification for customer-facing bank staff in source countries. Fortunately, many financial institutions have recognized this and have increased trainings for customer-facing staff in recent years.

Some workers may never have such direct contact with a financial institution, but transactional monitoring on the recruiter or recruitment agency accounts may unearth crucial indicators of suspicious recruitment activity linked to debt bondage or other coercive practices. When the recruitment debt is owed to the employer, employers frequently deduct the money from the victims' wages or do not pay victims until they have worked off the debt - coercing victims to continue to work at jobs they would have otherwise quit.

An example of this can be seen in the historic series of civil cases against Signal International, LLC, "which together comprise one of the largest labor trafficking cases in U.S. history."²⁷ In this case, court documents stated that victims were instructed to make out personal checks to the owners of their recruitment agency in three installments.²⁸

In order to comply with their recruiter's financial demands, many workers routinely take out loans, either informally from well-intentioned family and friends, exploitative loan sharks, or through formal lending institutions.²⁹ According to Centro de los Derechos del Migrante (CDM), 47 percent of workers surveyed reported having to take out a loan to cover the cost of recruitment. The interest rates on these loans ranged anywhere from 5 percent to a staggering 79 percent.³⁰

The financial burdens of recruitment fees can be devastating in and of themselves but they are also - ironically - a necessary backdrop for trafficking to occur. A worker who chooses to come to America for a well-paid temporary job is going to be that much more reluctant to speak out about exploitation if that worker fears having no other way to pay back massive debts incurred to get the job in the first place.

Many of the workers in CDM's study and in a Polaris focus group discussed how they were required to either sell family land or post the land as collateral to obtain the necessary loan. One Polaris focus group survivor explained the motivation and the devastating costs:

"When you are promised a good life, you are ready to pay the price ahead of time. There are people from where I come from who have sold their only piece of land just to buy a ticket to come here thinking that they will make money and better their lives. If they have been duped, how and where do they go back to? They need protection."

Another survivor described how she turned to multiple sources to cover this debt and the ripple effect it had on her family members. To compound this impossible circumstance, the job she was told she was hired for didn't exist, and she was forced to take a lower-paying job. She explains:

"It was a huge debt [to my recruiter], [and] from my mother in law, and from a lending institution. Just to be here... My parents sold land just to finance my visa. And when we came here, we ended up in a daycare for only \$10 per hour. How can we pay our debts then?"

The Use of Financial Institutions in the Recruitment Process: Sex Trafficking

Recruitment fees paid through legitimate financial systems are also common within some types of sex trafficking, most notably within illicit massage businesses. Similar to recruiter fees paid for temporary work visas, many victims of this type of trafficking take out large loans to hire visa brokers to handle the expensive, and often fraudulent, visa handling process.³¹ Once in the United States, they are shuttled to various brothels operating under the guise of a legitimate massage business, and coerced into providing massage services with accompanying commercial sex acts in an effort to pay down their ever-increasing debt.

The use of financial institutions in the recruitment stage may be less prevalent in other types of sex trafficking. However, at least one sex trafficker discussed in a Polaris focus group planned ahead by factoring in potential recruits' credit history, as the survivor explained:

"...he would focus strictly on girls that were 17 about to turn 18 just because their credit would be fresh. He could have them get credit cards. Versus someone who's already been in the life, even if they're only in their early 20's... [their credit] would be jacked up already. So he started focusing on girls not only for the profit margin because of their age, but because he could work with their credit. That would be a recruitment question before they come: "How's your credit?" Because he started realizing credit was important for things like getting a house or things like that in the future. He knew he couldn't do that with just cash."



How the Financial Services Industry may be Used in Trafficking Operations

Financial institutions have done significant research and analysis to understand trafficking operations and design systems that can detect potential financial indicators of trafficking. In 2014, the Financial Crimes Enforcement Network (FinCEN) issued an advisory that included a [list of potential indicators of trafficking](#) based on this work.³² Following the release of this advisory, suspicious activity reports (SAR's) related to human trafficking increased by 900 percent.³³ Many major financial institutions have committed significant energy to refining and expanding on these indicators in an attempt to ensure such reports are useful in investigations, particularly those related to sex trafficking. Given the huge variety of how trafficking situations occur and how traffickers adapt their operations over time, developing systems tailored to reflect the nuances of each type of trafficking is extremely challenging. The financial services industry should be applauded for its innovative efforts to meet this challenge.

Suspicious Activity Report		1	
July 2003 Previous editions will not be accepted after December 31, 2003 ALWAYS COMPLETE ENTIRE REPORT (see instructions)		FRB: FR 2230 OMB No. 7100-0212 FDIC: 6710-06 OMB No. 3064-0077 OCC: 8010-9-8010-1 OMB No. 1557-0180 OTS: 1601 OMB No. 1550-0003 NCUA: 2362 OMB No. 3133-0094 TREASURY: TD F 90-22-47 OMB No. 1506-0001	
1 Check box below only if correcting a prior report. <input type="checkbox"/> Corrects Prior Report (see instruction #3 under "How to Make a Report")			
Part I Reporting Financial Institution Information			
2 Name of Financial Institution		3 EIN	
4 Address of Financial Institution		5 Primary Federal Regulator <input type="checkbox"/> Federal Reserve <input type="checkbox"/> OCC <input type="checkbox"/> FDIC <input type="checkbox"/> OTS <input type="checkbox"/> NCUA	
6 City	7 State	8 Zip Code	
9 Address of Branch Office(s) where activity occurred <input type="checkbox"/> Multiple Branches (include information in narrative, Part V)			
10 City	11 State	12 Zip Code	13 If institution closed, date closed MM / DD / YYYY
14 Account number(s) affected, if any a _____		Closed? <input type="checkbox"/> Yes <input type="checkbox"/> No b _____ c _____ d _____ <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	
Part II Suspect Information <input type="checkbox"/> Suspect Information Unavailable			
15 Last Name or Name of Entity		16 First Name	17 Middle
18 Address		19 SSN, EIN or TIN	
20 City	21 State	22 Zip Code	23 Country
24 Phone Number - Residence (include area code) ()		25 Phone Number - Work (include area code) ()	
26 Occupation/Type of Business		27 Date of Birth MM / DD / YYYY	28 Admission/Confession? a <input type="checkbox"/> Yes b <input type="checkbox"/> No
29 Forms of Identification for Suspect: a <input type="checkbox"/> Driver's License/State ID b <input type="checkbox"/> Passport c <input type="checkbox"/> Alien Registration d <input type="checkbox"/> Other _____ Number _____ Issuing Authority _____			
Part III Suspicious Activity Information 2			
33 Date or date range of suspicious activity From MM / DD / YYYY To MM / DD / YYYY		34 Total dollar amount involved in known or suspicious activity \$ _____ .00	
35 Summary characterization of suspicious activity: a <input type="checkbox"/> Bank Secrecy Act/Structuring/ Money Laundering b <input type="checkbox"/> Bribery/Gratuity c <input type="checkbox"/> Check Fraud d <input type="checkbox"/> Check Kiting e <input type="checkbox"/> Commercial Loan Fraud f <input type="checkbox"/> Computer Intrusion g <input type="checkbox"/> Consumer Loan Fraud h <input type="checkbox"/> Counterfeit Check i <input type="checkbox"/> Counterfeit Credit/Debit Card j <input type="checkbox"/> Counterfeit Instrument (other) k <input type="checkbox"/> Credit Card Fraud l <input type="checkbox"/> Debit Card Fraud m <input type="checkbox"/> Defalcation/Embezzlement n <input type="checkbox"/> False Statement o <input type="checkbox"/> Misuse of Position or Self Dealing p <input type="checkbox"/> Mortgage Loan Fraud q <input type="checkbox"/> Mysterious Disappearance r <input type="checkbox"/> Wire Transfer Fraud s <input type="checkbox"/> Terrorist Financing t <input type="checkbox"/> Identity Theft u <input type="checkbox"/> Other _____ (type of activity)			
36 Amount of loss prior to recovery (if applicable) \$ _____ .00		37 Dollar amount of recovery (if applicable) \$ _____ .00	
38 Has the institution's bonding company been notified? a <input type="checkbox"/> Yes b <input type="checkbox"/> No		39 Has the suspicious activity had a material impact on, or otherwise affected, the financial soundness of the institution? a <input type="checkbox"/> Yes b <input type="checkbox"/> No	
40 Has any law enforcement agency already been advised by telephone, written communication, or otherwise? a <input type="checkbox"/> DEA d <input type="checkbox"/> Postal Inspection g <input type="checkbox"/> Other Federal b <input type="checkbox"/> FBI e <input type="checkbox"/> Secret Service h <input type="checkbox"/> State c <input type="checkbox"/> IRS f <input type="checkbox"/> U.S. Customs i <input type="checkbox"/> Local j <input type="checkbox"/> Agency Name (for g, h or i) _____			
41 Name of person(s) contacted at Law Enforcement Agency		42 Phone Number (include area code) ()	
43 Name of person(s) contacted at Law Enforcement Agency		44 Phone Number (include area code) ()	
Part IV Contact for Assistance			
45 Last Name		46 First Name	
47 Middle			
48 Title/Occupation		49 Phone Number (include area code) ()	
50 Date Prepared MM / DD / YYYY			
51 Agency (if not filed by financial institution)			

Suspicious Activity Report (SAR) form. →

Financial Red Flags: Findings from Survey & Focus Groups

In the Polaris survivor survey, 99 survivors screened into the section that included questions about their own or their traffickers' use of financial systems. For one question, Polaris took the 2014 list of FinCEN indicators for human trafficking activity and reworded them to make them more identifiable to a survivor or non-AML professional. Survivor participants were asked to select the indicators that they believe were present in their trafficking situation. While the following results are based on a limited sample size and lean disproportionately toward sex trafficking survivors, they provide evidence to support the prevalence of these indicators and how they play out in real situations. Polaris supports the replication of this research to include more diversity in the type of trafficking (including labor), and inclusion of survivors who left their trafficking situations more recently.

Figure 3.0: Financial Indicators That Occurred During Exploitation
Polaris Survivor Survey (n=99)

Financial indicators that occurred during exploitation (n=99)	# of Respondents	Percentage
Trafficker used methods to conceal income/source of income	56	57%
Trafficker's lifestyle inconsistent with stated income	45	45%
Victim escorted to banks	28	28%
Trafficker used victim's account	26	26%
Victim transferred money back to trafficker	20	20%
Extremely low or \$0 paychecks	17	17%
Structured deposits to avoid detection	17	17%
Victim worked for registered business but was paid in cash	14	14%
Employer/trafficker was listed on victim's bank accounts	14	14%
Bank account opened for victim, received no deposits	7	7%
Strange deductions on paystubs	4	4%
Victim paid visa recruitment fees	4	4%
Victim transferred money to a labor recruiter	1	1%

Data is non-cumulative. Survey respondents could select multiple options.

In a free-form text box in Polaris's survey, as well as in follow-up conversations in Polaris focus groups, survivors provided rich testimony that included examples of how their traffickers moved and stashed money while avoiding detection from financial professionals.

The details provided suggest trafficking survivors are invaluable resources for AML professionals looking to improve their understanding of how trafficking businesses work.

"We had to send quotas through [a money transfer service] and [pre-paid credit cards] using passwords/secret questions and staying under \$1,000 so he didn't have to show his ID to pick up."

"...any bank accounts were used to filter money but never store it. Also rent for storefronts, utilities, etc. was monitored and recorded via bank accounts... Advertisement online was paid through these accounts as well, making sure his name was never associated with the advertisements. The account was always in my name. Or one of my wife-in-laws."

"[He would] deposit a \$1,000 or deposit \$2,000 and then withdraw it and you'll have the cash. But it would show on the statement that this amount was going in, so you could go and get the car and show that I had an income."

"He was never linked [to] or involved with [the bank accounts]. He would just sit at the bank with me... [and] make sure that I was not telling anyone anything, but he would be present."

"We had to [manage money] several different ways because we had so much money. We would deposit into different banks and into different accounts. We might deposit some of the escort fees into one account, or split it if it went over \$9,999 and put it into another one. We would send [a money transfer] with part of it."

Financial Patterns of Illicit Massage Businesses

Masquerading as legitimate massage businesses, illicit massage businesses extensively use legitimate financial institutions to process payments, pay business expenses, control their victims, launder and move money, and obfuscate who is profiting from the operations. For the convenience of commercial sex purchasers paying in cash, many illicit massage businesses have private automated teller machines on site. Many also accept credit card payments. Financial institutions that have monitored patterns in credit card transactions have noted significant differences between typical transaction patterns at legitimate massage businesses and transaction patterns at illicit massage businesses.



名字	金额	时间	房	总时	金额	时间	房	总时	备注
Katie	100	11:20	3	1					
Katie	100	12:20	3	1					
Katie	100	1:20	3	1					
Katie	100	2:20	3	1					
Katie	100	3:20	3	1					
Nancy	100	4:20	3	1					
Nancy	100	5:20	3	1					
Nancy	100	6:20	3	1					
Nancy	100	7:20	3	1					
Nina	100	8:20	3	1					
Nina	100	9:20	3	1					
Nina	100	10:20	3	1					

↑ Photo of an actual ledger taken from a potential illicit massage business, detailing potential victims, appointments, and earnings.

Through an extensive mapping of business records associated with known illicit massage venues, Polaris has found that the average such business connects to at least one other illicit massage business as well as non-massage venues such as nail salons, beauty shops, restaurants, grocery stores, and dry cleaners. Overwhelmingly, these connected businesses are used to launder money earned from the illicit massage business.³⁴ Given the networked nature of this type of trafficking, traffickers use banks and money remittance services to funnel money to connected parties. Frequently, traffickers structure deposits to fall just under thresholds which would trigger investigation by the financial institutions. Massage parlor traffickers

"He ran many different massage parlors, so as far as fees, there was a basic fee paid by buyers at the door and then extras were discussed in the room. For tax purposes, I was instructed to keep track of just the basic fee at the door as well as any supplies needed to run the business. These numbers were to match up to show there was very little profit after deductions."

often misrepresent their profits in official tax forms and business record filings. They also spread their finances across multiple accounts and institutions, often forcing victims to establish joint accounts to create the false impression that they are being paid. Unfortunately, determining the actual or "beneficial" owners of many of these businesses is challenging as no jurisdiction in the United States requires disclosure of such information as a condition of business registration.³⁵ Some businesses are registered with no named owner at all. Others are listed as being owned by shell companies that have no other actual assets and also do not disclose the owner.

Financial Patterns of Cantinas

Cantinas are bars and/or restaurants that are typically associated with Latino communities. Victims of sex and labor trafficking within these establishments are forced to provide customers with flirtatious companionship to entice them to purchase high-priced alcoholic beverages that often come with explicit or implicit sex acts.³⁶

Cantinas disguise profits from commercial sex operations as legitimate bar charges, typically as high drink prices or as cover charges for entering the bar. Some commercial sex transactions are also managed privately in cash between traffickers and customers (especially VIP customers) either in the bar's "VIP rooms" reserved for commercial sex, or at offsite locations such as hotels or apartments. Obtaining commercial sex at some cantinas involves several financial transactions, including a cover charge, sale of one or more high-priced drinks, and a final charge for the use of a room and the purchase of condoms.

Cantina operators maintain records for these transactions in a number of ways, often providing tokens such as poker chips or tickets to the customer at the second financial transaction to indicate that the customer has paid this initial fee. The proceeds from this activity are typically divided between the owners and managers of the bar where this trafficking takes place, and the "padrotes" or direct controllers, who bring victims to the cantina to work. In some situations, this division is a simple split of the profits, while in others, the house will take the room fees and the padrotes will take the intermediary fees disguised as high drink prices. It is currently unknown whether these locations typically accept credit cards or whether the commercial sex aspect of the business is entirely cash-based. Since many cantinas are also operational bars and restaurants accessible to the public, it is highly likely that most of them at least have the technical capacity to accept credit card payment. Given the attempts to disguise the intermediary financial transaction as high drink prices, it is likely that this is the stage most likely to be paid for by credit card. Cantina-based traffickers also make large payments, either in cash or via wire transfer, to recruiters or smugglers to maintain a supply of victims for their businesses.

In cases where this detail is known, cantina owners have been known to pay their employees under the table in cash. The owners of cantinas have been known to consistently deposit profits from their businesses in amounts less than \$10,000 in order to avoid detection. More research is required to determine whether cantina operators are regularly laundering their proceeds from these activities in order to further disguise their origin. As in other types of human trafficking, traffick-

ers use various forms of financial abuse such as debt bondage and restricted access to money to control victims at cantinas.

Financial Patterns of Organized Residential Brothels

Organized or semi-organized groups operating residential brothels use credit cards, bank accounts, and money remittance services. Some of these groups may also be associated with commercial front brothel businesses. Operators of residential brothels often rent multiple apartments and other forms of residential properties across several states. These traffickers also purchase food and supplies such as condoms and lubricants in bulk, make wire transfers or remittances to apparently unrelated individuals in other countries, and use multiple unrelated individuals to deposit profits into a single or a small number of bank accounts. Some networks have been known to pay associates to rent apartments in their names in order to hide the networked structure of the operation. Payments for commercial sex at organized residential brothels are typically made in cash to a house manager, controller, or both. The details of pricing, payment for advertising, structure of the network, and techniques of money laundering vary among trafficking groups of different regional affiliations.

Financial Patterns of Un-Networked Sex Traffickers

Among less organized types of sex trafficking such as escort services and some subtypes of residential brothels, payments for ads on online sites may be made using credit cards or cryptocurrencies like Bitcoin. Since Visa and Mastercard stopped processing payments to Backpage in 2015, the use of cryptocurrencies have become a more significant factor in sex trafficking operations. This has presented a new challenge for AML professionals, though recent advancements in technology to analyze Bitcoin transactions are promising (see the accompanying box for more information).

Buying Sex Ads with Bitcoin

The growing use of virtual currencies like Bitcoin, which allow users to limit their interactions with traditional financial institutions, carries both tremendous potential and equally massive risk. The privacy and profit facilitated by cutting out the financial middleman in legitimate transactions also fosters a conducive environment for laundering money from criminal activity such as human trafficking.

The extent to which this is already happening is not well understood. The best known way that cryptocurrencies are used to facilitate trafficking is through the purchase of online commercial sex advertisements. After Visa, MasterCard, and American Express stopped processing payments to Backpage.com in 2015, posters were limited to paying for ads using Bitcoin or Backpage credits. Since the shutdown of Backpage, many other commercial sex websites continue to operate using Bitcoin or other cryptocurrencies. Some sites have even created their own cryptocurrencies.³⁷ As traditional financial institutions continue to hone their AML strategies to disrupt trafficking, the use of cryptocurrency is likely to grow.

That doesn't mean AML efforts will become obsolete – instead the nature of monitoring techniques and the profile of the players involved may evolve. While the most technically savvy criminals can use cryptocurrencies with little traceable footprint, there is still a relatively high entry barrier to using virtual currencies without any kind of third party involvement. This third party involvement provides an opportunity to monitor the use of cryptocurrencies even when these third parties do not function like traditional banks.

In recent years, a swath of financial technology, or “FinTech” companies have launched to make cryptocurrencies accessible to the average person. In 2013, FinCEN regulators issued guidance clarifying that entities “creating, obtaining, distributing, exchanging, accepting, or transmitting virtual currencies” were subject to AML regulations and must register with FinCEN.³⁸

Key within the FinTech sector of the financial services industry, Virtual Currency Exchanges (VCE's) allow individuals to obtain virtual currency by transferring fiat money from an account held at a traditional financial institution. The major VCE's are registered with FinCEN and have their own AML and compliance teams, although unlicensed exchanges continue to exist. Most VCE's must intersect with traditional banks in the conversion process, and this transaction is visible to traditional financial institution's compliance team.³⁹ But this touchpoint can be circumvented through venues such as LocalBTC.com, a Craigslist-like site that allows both licensed and unlicensed exchanges to post ads to sell Bitcoin. Some of the unlicensed exchanges will provide Bitcoin in exchange for cash or gift cards while the most questionable will meet people in person to make the exchange.

As criminal enterprises look for new ways around AML systems, financial institutions are working to meet the challenge with the help of technology partners. Cryptocurrencies like Bitcoin operate using open ledgers which can be mined to identify patterns indicative of criminal activity. For example, computer scientists have pioneered techniques to link Bitcoin transaction records to Backpage ads.⁴⁰ These techniques can be applied to other commercial sex sites which continue to operate, and the resulting analysis can provide new understanding of trafficking networks. This type of research and innovation is crucial to hitting traffickers where it hurts – in their (virtual) wallets.



"Everything was put in my name with [my trafficker] as a co-signer, since [my trafficker] used a fake name, when I escaped, everything faulted back on me."

"In my case, everything was open under my name or [an]other girl's name... And then if there came a point where he wanted to buy a car, that's when he'd open a [checking] account in my name and then he'd just deposit the money... And so we kind of just did it like that with multiple institutions... We basically defrauded each bank. And so now I owe each bank a bunch of money. I can't even get a second chance bank account!"

In order to avoid detection, many un-networked traffickers force their victims to use their own bank accounts to fund the necessary expenses associated with their own trafficking. Victims of these situations may have transactional histories indicating unusual domestic travel and spend large amounts on gas and hotels. Twenty-six percent of Polaris survey respondents reported that their trafficker used or controlled an account in the name of a victim. However, almost all focus group participants reported that their trafficker avoided putting their name on paper. Using a victim's identity, especially in the course of managing illicit funds, is not just a tactic to avoid identification, but to further entangle a victim under a trafficker's financial control. The use of victim accounts and identities by traffickers can have a long lasting and devastating impact. Many survivors leaving trafficking situations report that their credit has been ruined by their trafficker. Others are left to pay debts their trafficker incurred using their identity.

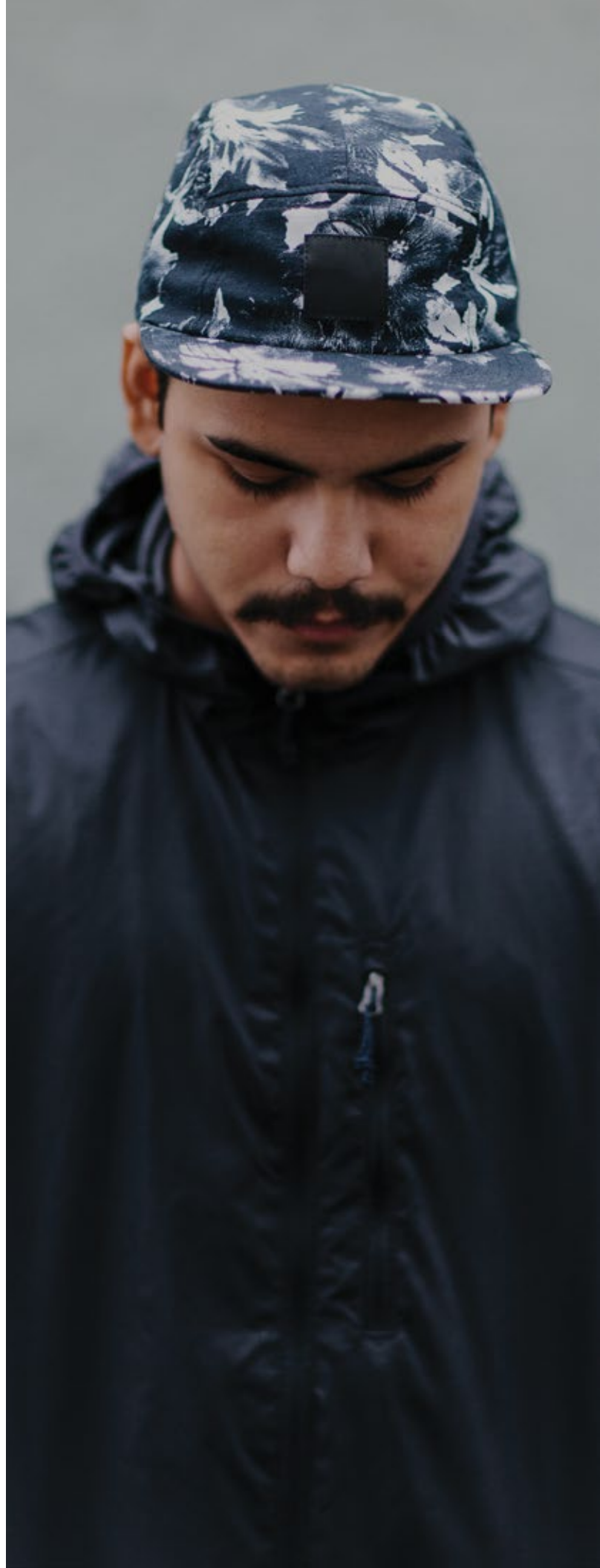
However, above all, according to many conversations with survivors on the Hotline, in the Polaris survey, and in Polaris focus groups, prepaid credit cards seem to be the preferred tender used by un-networked sex traffickers. These cards are difficult to trace using normal transactional monitoring because they enable anonymity. Prepaid cards allow traffickers to use illicit funds to purchase the necessities in order to facilitate their businesses without having their true identity linked to these purchases. Survey respondents and participants in all focus groups reported that pre-paid credit cards were used for almost anything and everything including travel arrangements, living expenses, hotel stays, gas, and online sex ads. Survivors in the focus groups also explained many of their traffickers went a step further to avoid detection and instructed their victims, or even their family members, to purchase and reload these cards.

Financial Patterns of Multi-Victim Labor Trafficking Types

The fact that labor trafficking occurs mostly within legitimate industries (as opposed to sex trafficking which inherently involves an illicit activity), means that labor traffickers use all sectors of the finance industry. From businesses using slave labor applying for loans to expand their operations to paying labor trafficking victims through formal payroll systems, many labor traffickers use legitimate financial systems in ways that are hard to differentiate from other employers. Additionally the fractured nature of the labor supply chain, particularly the use of labor contractors and labor recruiters, makes it difficult to see a comprehensive picture of the finances of all parties associated – especially when each entity in the chain may utilize different financial institutions. Though financial institutions have the power to share information with other financial institutions through Section 314 B of the USA PATRIOT Act, red flag indicators of labor trafficking are so elusive that bank investigations rarely advance far enough to warrant a 314 B request.

As AML professionals pioneer new ways to overcome barriers to detecting labor trafficking through financial activity, it would be wise to focus on industries like agriculture that employ large numbers of foreign national low-wage workers, have non-unionized workforces, and/or utilize labor contractors rather than directly hire workers. All of these factors are associated with structural issues that make workers vulnerable to trafficking.

Notably, industries that employ large numbers of foreign national low-wage workers are likely to hire workers with H-2A, H-2B or other similar visa types. These visas are tied to specific employers. Workers who leave the jobs for which they hold specific visas are vulnerable to deportation. Being deported means that worker cannot come back to work legally in the United States the next year, or indeed ever again. They are either actually or effectively blacklisted. This structural problem within the visa program is a key weapon of human traffickers, who can coerce workers through threats of deportation or blacklisting.



Non-unionized workforces may lack collective bargaining power to address exploitative practices. Industries that do not directly hire their workers but instead obtain them through labor contractors have lower levels of accountability as workers struggle to determine which entity is responsible for their conditions.

Labor contractors are also more likely to have been more directly involved in the recruitment and visa obtainment process where fraudulent promises are often made or debts potentially accrued. Though the fractured nature of the labor supply chain in these industries make AML detection work more challenging, Polaris's data suggests these businesses should be considered high risk for labor exploitation and may exhibit similar financial patterns.

The National Hotline has documented victims of labor trafficking in agriculture being paid by their employers in cash, formal paychecks, or less commonly, through direct deposits into the worker's bank account or in prepaid debit cards. However, more data is needed to determine the prevalence of each method.

In order to effectively detect labor trafficking, financial institutions will likely need to look for bundles of red flags – while each individual may or may not be suspicious on its own, combinations of indicators should be viewed as highly suspicious. For industries at high risk for labor trafficking that use formal payroll structures with paychecks or direct deposits, the most suspicious signs may be the absence of normal business expenses. Potential indicators include:

- Paychecks with negative balances or unreasonably low amounts for an entire pay period (which suggests debt bondage)
- Infrequent payroll processing (suggesting pay may be withheld to prevent employees from quitting)
- Payroll expenditures without worker's compensation insurance outlays (in states required to provide workers' compensation to seasonal/migrant workers)
- Transfers of funds back to employer's account at the end of each pay cycle
- Fines paid to the Department of Labor

A survivor on an H-2B visa from the Polaris focus group clarified how, although he and his co-workers were being paid in formal paychecks, his trafficker still committed multiple counts of tax fraud:

"In my case they paid me with paychecks. But they used another company. Not like a payroll company. It was just another [shell] company they had. Every week the paychecks had all the deductions like state taxes, city taxes, and all that stuff. But I found out when I filed my taxes, that they were not paying those taxes [to the IRS]"

Financial Patterns of Labor Trafficking for Domestic Work

Financial indicators of trafficking in domestic work are quite distinct from other labor trafficking types as the employer is typically a private individual employing one or two individuals. While most domestic workers are covered by the Fair Labor Standards Act (FLSA) and many state laws require domestic workers to be paid at least minimum (if not prevailing wage), potential victim reports to the National Hotline indicate that this is frequently ignored. A review of victims of trafficking in domestic work who were reported to the National Hotline indicates that many of these individuals were not paid. Among those who were and provided detailed information about their hours and wages, many were paid on a monthly basis and often received wages in round number increments in the \$300 - \$1,000 per month range. When hourly wage estimates were calculated, some victims earned less than \$0.50 per hour and nearly all received less than \$9 per hour. These wages were most often paid through direct deposits or wire transfers to bank accounts in the victim's home country that the victim's family may or may not have had access to.

Traffickers of domestic workers may escort the individuals to the bank to make deposits, cash checks, and send wire transfers back into the accounts of the trafficker. Victims of trafficking in domestic work are frequently pressured to list their traffickers on their bank accounts which allows the trafficker to withdraw money at any time, or block the victim's access to the account.

Diplomats employing domestic workers on A-3 and G-5 visas, are required to pay their employees through check or electronic transfers to the domestic workers' bank account located in the United States.⁴¹ Moreover, employers are prohibited from creating conditions that would give them access to this account, such as being listed as a custodian or authorized user.⁴² Despite



these regulations on the diplomatic community, the National Hotline has heard of many cases where traffickers regularly deposit funds, making it appear as if they are paying the victim their salary, only to immediately transfer funds out of the victim's account back to their own. There have also been documented cases where the employers never actually deposit any funds into the victim's account, keeping the active account with a \$0 balance. Victims are often told by their employers that their salaries are held for them until the end of their contracts, or deposited in accounts for them in their home countries, all of which are lies compelling them to keep working. In some instances, traffickers have deposited money in bank accounts overseas or wired money directly to the family members of the victims. However, the amounts deposited or wired were often significantly less than was promised. One survivor who was on an A-3 visa at the time of her trafficking situation, explained at a Polaris focus group:

"My trafficker instructed me to open an account back in my country. She promised to put [a] deposit every month and I put money [in] when the account was open. But she never put any deposits in and turned out, [the account] was closed. At first, I wasn't paid at all. After three months, I was payed cents a day."

Corporate Secrecy Laws In Trafficking Operations

Businesses in the United States are not required to disclose their "beneficial owners" – the people who actually make money from the business.⁴³ As a result, traffickers of both sex and labor are easily able to hide or launder money or simply hide themselves from any legal liability. In some cases, this process is simply a matter of not putting an identifiable name on business registration papers. In others, it is the creation of a complex web of shell companies – businesses without actual assets that exist in name only. In every focus group, survivors provided diverse examples of businesses – some real, some shell – that their traffickers used to conceal their true income such as massage businesses, clothing stores, taxi companies, casinos, restaurants, strip clubs, and even a medical practice. Although focus group survivors were not always privy to the nuances of their trafficker's financial crimes, many of them provided valuable insight:

"We had businesses, we had fake businesses, we had DBA's.⁴⁴ We had businesses that were subsidiaries of other businesses. The businesses would each have bank accounts. The subsidiaries would have bank accounts."

Traffickers also used more inventive ways to manage, move, and conceal their money, like the story of the survivor below:

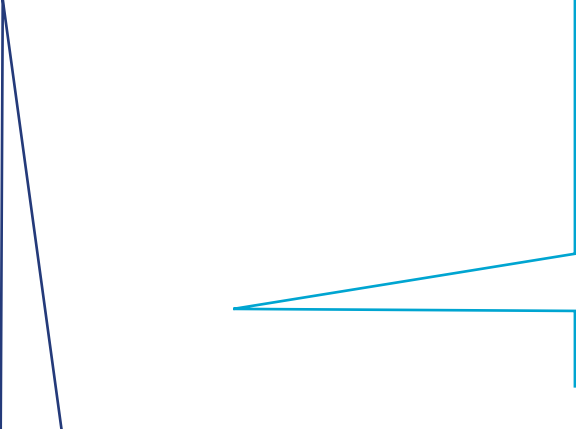
"We also had virtual offices overseas. So he would have money shipped so he could bank it overseas. So each one of these [offices] took money in. We had storage units where we were stacking money because we couldn't put it all in the bank and we couldn't run it through all the businesses. So we had file boxes full of money in the storage units."

As of May 2018, FinCEN's Customer Due Diligence (CDD) rule went into effect. The rule requires financial institutions to collect information about the beneficial owners of corporate entities applying to open new accounts and to validate the identity of the beneficial owner provided through this process.⁴⁵ However, the resulting system does not provide full transparency into the beneficial owners of companies. The CDD rule's definition of beneficial owner focuses on operational control of the corporation, not on who is entitled to the profits.⁴⁶ Additionally, many shell companies are not tied to accounts at financial institutions, which means they fall through the cracks of this regulation and the identity of the person or persons profiting from that business is never collected.

For more information on corporate secrecy in human trafficking operations in the context of illicit massage businesses specifically, please see the Polaris report: [Hidden in Plain Sight: How Corporate Secrecy Facilitates Human Trafficking in Illicit Massage Parlors](#).

How Finances may be Used as a Means of Control

Cutting off a victim's access to economic resources can even be more effective than the more overt methods of force, such as physical abuse. Indeed, economic abuse is the most often cited method of control used by traffickers reported to the National Hotline.



"I was trafficked for 13 years, so by the time I was an adult and doing pornography and depositing the checks in the account that he was controlling, I was so terrified of him and so tied to him. The idea of leaving never even occurred to me. I believed the only way it would end would be if he killed me or he died of old age."

"My trafficker never paid me any salary during my first three years of working on the ranch. When he took me to the airport he begged that I come back to work for him. I told him that I wasn't coming back because he did not keep his word from the contract. He gave me \$100, a pat on the back, and kept insisting that I return [the next season]. He had promised that things would change; that I would get a better camper and better food. I then agreed that I would return. Once I arrived [to home country], I had to open a bank account and then he deposited the amount of \$12,920. This is the amount he paid [for 3 years of farm labor] after deducting everything that he had paid for me. Ex: Gloves, Medication, Clothes, Razors, Hygiene Products, Pots, Pans & Kitchen Supplies Sleeping Bag, Batteries, Solar Panel, Electrical Cords, etc. I was charged for absolutely everything he had to buy for my use."

Figure 3.1 breaks down the various forms of economic abuse which the National Hotline tracks, and the types of trafficking which potential victims are reported to be most affected. The absence of sex trafficking in these top results should not be taken as an indicator that survivors of sex trafficking do not suffer frequent or severe economic abuse. These results are likely due to differences in how victims communicate their experiences

when reaching out to the Hotline for assistance. Labor trafficking victims, who frequently do not self-identify as trafficking victims, are more likely to report other legal violations related to their work and pay such as wage theft, debt, or other economic abuse. Alternatively, sex trafficking survivors may prioritize communication about forms of emotional, physical, or other abuse over detailing financial abuse they experienced.

Figure 3.1: Types of Economic Abuse

National Human Trafficking Hotline (January 1, 2015 - December 31, 2017)

Type of Economic Abuse	Top 5 Types of Trafficking (by percent of victims affected)	Percentage of Potential Victims
Creates Debt Bondage or Institutes Quotas	Traveling Sales Crews	37.36%
	Hotels & Hospitality	36.09%
	Restaurants & Food Service	32.48%
	Carnivals	28.57%
	Health Care	24.53%
Withholds Wages	Forestry & Logging	81.48%
	Restaurants & Food Service	73.36%
	Carnivals	71.43%
	Health Care	67.92%
	Recreational Facilities	66.67%
Limits Access to Finances	Arts & Entertainment	30.39%
	Commercial Cleaning Services	18.81%
	Factories & Manufacturing	12.99%
	Health Care	11.32%
	Domestic Work	7.97%
Other Economic Abuse	Forestry & Logging	18.52%
	Agriculture & Animal Husbandry	12.97%
	Construction	12.74%
	Health Care	11.32%
	Domestic Work	10.09%

Data is non-cumulative. Potential victims can experience multiple types of economic abuse.

How the Financial Services Industry may be Used by Victims & Survivors

Restoring Financial Freedom

A victim's access to financial resources is often the single most determining factor when faced with the decision to leave a trafficking situation and start over. Multiple Polaris focus group participants noted the unique role that banking institutions had in their exit safety plans and how critical saving money was. One survivor from a Polaris focus group elaborated on how it was her only safe way to leave:

"[My trafficker] had all the passwords and was a co-signer on [my] account. And pretty much any money that was coming into the account, he knew where it was coming from... I was able to open a separate account without him knowing about it and start[ed] to save away money. It was really dangerous because I was afraid he'd realize I was saving... So that was how I was able to finally get away from him."

A victim's access to a bank account isn't just key in the stage where a victim is planning to leave. Access to a simple checking account can be the first step in rebuilding a survivor's line of credit and therefore his or her road to economic stability. Without this crucial resource, survivors may find it extremely difficult or even impossible to regain even the most basic of necessities such as safe housing, a new job, or even a cell phone. Such economic desperation in turn puts survivors at risk of being re-exploited.

Multiple Polaris focus group participants described how after their traffickers ruined their credit and used accounts registered in their names to conduct fraud and other financial crimes, and because their identities were associated with illicit transactions on websites such as Backpage, financial institutions refused to take them as customers long after they left their trafficking

situations. Two separate survivors in a Polaris focus group discussed how this issue is still affecting them years after their situations:

"I can't even get a [pre-paid card]! I can't get anything. I'm banned! Last year I went to try and get a [pre-paid card] and I put \$300 on there. [The credit card company] took the money, but then they were like, 'Oh, there's a problem with the card.' So when I called the card [company], they said, 'you're basically 86'd from our services because of advertisements on Backpage.com.' That's embarrassing!"

"For a long time I couldn't even get [an online money transfer account]!... I had [an online money transfer account] connected to my [commercial sex] website. And so I think they caught onto me and shut me off, banned me for a long time."

"Second chance" bank accounts provide an entry point into mainstream banking systems for individuals with poor credit reports or who may have been previously debanked by a financial institution after being associated with an account identified as having ongoing suspicious activity. Institutions with second chance account programs have different requirements, services, and fees. While such program features typically include low or no fees, they also have more restrictions than traditional accounts, such as limiting daily withdrawals.⁴⁷

Given the prevalence of traffickers conducting criminal activity through accounts linked to their victims, special dispensation for survivors via such second chance account programs is extremely important. Offering second chance accounts is just one way banks are helping survivors rebuild their lives and prevent further exploitation. In many candid conversations during and after Polaris focus groups, survivors of sex trafficking

were heard swapping recommendations of supportive institutions that would “work with them” to rebuild their line of credit. However, there is currently no systematic way for a financial institution to recognize that an individual applying to open an account is a trafficking survivor. NGO’s may be able to play a crucial role in verifying for financial institutions that an individual is a trafficking survivor, and therefore, that bank’s providing a second chance account or alternative accommodations would be appropriate. With this kind of collaboration, financial access can become a reality for more survivors.

Remittance Services

Sending money home through services like Western Union and MoneyGram is a central component of the migrant worker experience in America – including the experience of trafficking and exploitation. The National Hotline frequently hears of trafficked migrant farmworkers who are transported by their employers weekly to a local retailer in order to cash paychecks and hopefully send money home through wire transfers. Sometimes these money transfers are legitimate and used to support family, but sometimes survivors report having to make consistent payments to their labor recruiter in their home country.

In such cases, a transfer agent or a transaction monitoring professional may discover that multiple unrelated individuals are transferring near identical amounts to the same person or recruitment agency on a routine basis. This could be a strong indicator that the worker is paying off a debt, potentially incurred illegally during recruitment.

Tragically for workers who came to the United States because of economic need, many survivors of labor trafficking may find themselves on the reverse end of these transactions – having to receive money from family members abroad in order to survive because they are not being paid by their traffickers. One survivor at a focus group explained:

“I couldn’t make enough money. I was making \$39 - \$40 a week. I didn’t have any money to send back to my family, or even to eat. With all the deductions [for] transportation, visas, extensions, [our] apartment... I just couldn’t. I wish I could. The main reason for me to come to this country was to work for 9 months with an H-2B visa... I took money from my family and friends to pay for the whole program. So ok, if I’m working here, I [should] be able to send money back and pay my debt. [But] my family and friends had to end up sending me money, because I wasn’t making any. So yeah, I was using [a money remittance service]... but to receive money, not to send money.”

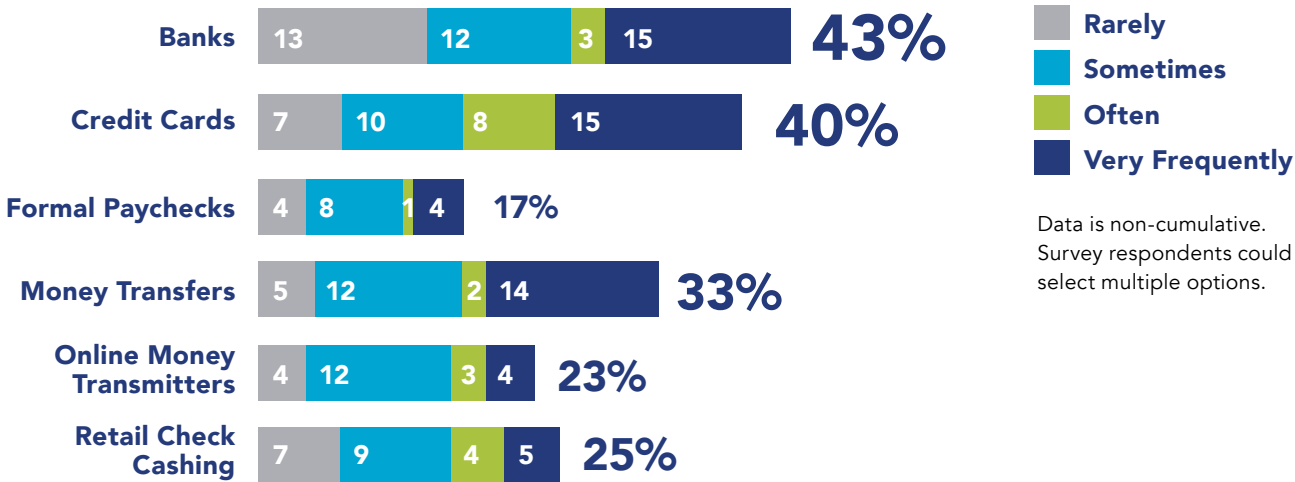
Survivor Contact with Customer-Facing Staff

While AML professionals may be able to detect suspicious activity through patterns in transactional data, customer-facing staff can also be a critical point for identifying victims. Bank tellers and other branch staff may notice, for example, an individual being escorted and monitored while at the bank or an individual’s paycheck or identifying documents being held by this “escort.” Another concerning indicator is if someone is insisting on being listed as a guardian or authorized user on an account. One victim of sex and labor trafficking described how she used bank branches and the red flags that tellers could have detected in her familial labor trafficking situation:

“During one of my labor trafficking experiences... I was often given a [pay]check, yet I was told that I was given a check solely for tax purposes. After receiving the check and cashing it at the bank with my traffickers beside me, I had to then give it back to my them... in cash.”

Many banks already train their customer-facing staff to recognize similar behavioral indicators of abuse and how to document their observations. NGO’s like Polaris can help create training content to educate front-line staff.

Figure 3.2: Victim Access to Financial Institutions During Trafficking
Polaris Survivor Survey (n=99)



Financial Services Industry: Recommendations and Opportunities

For Financial Institutions:

1. Continue efforts to refine anti-money laundering techniques to address variations across trafficking types and evolution in operational patterns

Given the diverse and changing nature of human trafficking operations, developing systems tailored to reflect the nuances of each type of trafficking is extremely challenging. Recent significant changes in trafficking operations include the rise of cryptocurrencies and the seizure of Backpage.com. As traffickers continue to evolve, so too will the models and systems built to detect their activities. The financial services industry should be applauded for its innovative and proactive efforts to meet this challenge and continue its efforts to stay on top of shifting patterns.

In order to detect trafficking situations with diverse operational practices, many financial institutions have partnered with anti-trafficking organizations like Polaris, law enforcement, and survivor leaders to better understand the distinct patterns of various types of trafficking. These collaborations are crucial and should be continued. Survivors of trafficking have integral knowledge about their traffickers' criminal behaviors with finances, and therefore should be thought partners with financial institutions as they work to develop new ways of detecting and hopefully preventing the facilitation of human trafficking.

Many stakeholders active in this area have rightly identified the need for better data sharing systems to facilitate these efforts. While sophisticated data sharing platforms may be a long-term goal, privacy concerns, legal restrictions, and a lack of resources will likely

make this ambition difficult to obtain in the near-term. In the interim, financial institutions, non-government organizations, and government actors – particularly FinCEN, and law enforcement entities – can develop lower-tech collaborative relationships focused on educating financial institutions about trafficking operations and partnering to understand how these activities may manifest in financial records. It is important that federal and state bank supervisors recognize the importance of this innovative work and support financial institutions by allowing them flexibility to adapt their practices to address a rapidly evolving crime.

Resources created specifically for anti-money laundering professionals on human trafficking are available through the [Association of Certified Anti-Money Laundering Specialists \(ACAMS\) Resource Page](#)

2. Leverage investment and lending systems to address slavery

Financial institutions' efforts to date have been essential to disrupting trafficking and holding traffickers accountable. However, the financial services industry also has unparalleled influence to prevent trafficking through investment and lending transactions. Investors and lenders should consider the significant reputational and potential liability risks associated with clients who have slavery in their supply chains. A good practice would be to require clients in high risk sectors to take proactive measures to mitigate risks through their investment terms. While creating slavery-free supply chains requires action from all involved parties, investors can play a critical role in these efforts. In order for this work to scale, more diverse players in the financial services industry need to be engaged -- including private equity firms, mutual funds, and investment banks.

Further work needs to be done to refine due-diligence frameworks for investment and lending. In order for this work to be effective, nonprofits, international government organizations, government agencies, data providers, technology companies, and financial institutions should collaborate to develop more effective business-level risk scores, which must be continually updated and refined.

3. Assist survivors in rebuilding their economic portfolio

Working with survivors, financial institutions can examine and implement ways in which their policies and procedures could be adapted to provide better options for those looking to rebuild credit and otherwise relaunch their financial futures:

- Financial institutions should consider creating account qualification exception programs for identified survivors of trafficking who provide documentation from a credible service provider or law enforcement body attesting to their victim status. Polaris welcomes conversations with institutions interested in collaborating to establish frameworks through which NGO's could assist in the verification process and allow these programs to scale.
- Financial institutions should offer low-to-no fee second chance accounts to survivors, with a pathway to advance to a regular account after a period of successful account maintenance.⁴⁸ While created for a different purpose, New York City's SafeStart program may offer an account model that banks could consider replicating. Through this program, participants can establish accounts with no monthly fees, no overdraft fees, an ATM card, and a low minimum balance requirement of \$25 or less for the first two years.⁴⁹ Second chance accounts include restrictions which minimize the risk to the financial institution while increasing financial inclusion among survivor populations.
- Financial institutions should accept addresses provided through a state's official Address Confidentiality Program (ACP). FinCEN has concluded that such an address is a valid substitute that satisfies Customer Information Program (CIP) requirements.⁵⁰ ACP's are widely used by survivors who need to keep their physical address confidential to ensure their continued safety. By providing participants with substitute addresses to use

for various purposes such as creating a bank account, registering to vote, or obtaining a driver's license, ACP's prevent abusers from locating their victims through searching for them in various registries and databases. Financial institutions accepting these addresses will help keep trafficking survivors safe.

- Financial institutions should establish partnerships with anti-trafficking organizations that assist survivors, following the many financial institutions that have already developed such programs and partnerships. These partnerships could include credit-building microloans or other financial assistance programs to help victims restore their financial resources. The Independence Project through the National Network to End Domestic Violence (NNEDV) is an exemplary model to follow. Additionally, such partnerships could involve providing free financial counseling or financial literacy courses to survivors and advocates. [Allstate Foundation Purple Purse](#) is already a leading initiative carving out long-term financial security for domestic violence survivors. Its financial literacy modules can be found through its online platform.

4. Train customer-facing staff and make the National Human Trafficking Hotline number publicly accessible to potential victims

Many victims of human trafficking, particularly in rural settings far from major population centers, do not have regular contact with anyone in the United States other than their traffickers or others at their job sites, except when visiting check cashing venues or money transmitters. These businesses already post information for their customers about identifying fraud. Similar educational resources about a migrant worker's rights, and about how and why to contact the National Hotline, could provide a lifeline to otherwise isolated victims. Businesses could provide this information on receipts, in their online portals, or separate brochures or palm cards.

It's important that language and visuals be culturally relevant and accessible in a wide variety of languages and to people with limited literacy. Survivor consultants and NGO's such as Polaris can consult on the creation of these materials. Additionally, some financial institu-

tions have led initiatives to train customer-facing staff to identify red flags associated with trafficking, document those observations, and follow established reporting processes. Polaris, other NGO's, and survivor advocates can assist in providing content and material for these trainings. This practice can be adopted by financial institutions with customer-facing staff, big or small.

For the Public Sector:

While this report focuses on the private sector, government collaboration and action is necessary to truly create systemic change. We have identified several areas where public sector work could facilitate and strengthen the financial services industry's efforts.

1. Pass legislation to allow for transparency of beneficial ownership

In order to obfuscate investigative efforts, many traffickers purposely avoid providing information about the individual or individuals who profit from a business. Polaris supports the passage of federal legislation requiring all businesses registering in the United States to disclose the business's actual owner – termed “beneficial owner” in this context.

Financial institutions are required to collect information about the beneficial owner on corporate accounts at the time of an application for a new account. But the current regulation's definition of beneficial owner focuses on the corporate officers in control of the business's operations, not on the individual or individuals profiting.⁵¹ Additionally, because many shell companies do not have bank relationships, information about their beneficial owners is not collected. A government entity should be responsible for collecting such information from all business entities, with the promise that it will be disclosed to law enforcement as needed to assist in investigations. While conceivably, state governments could be responsible for collecting such information, FinCEN or the IRS would be a more efficient party to do so, as well as yield more consistent record keeping. At the time of publication, several bipartisan pieces of legislation before Congress meet these standards, although do not necessarily have the same collection processes. These include the [TITLE Act](#) and the [Corporate Transparency Act](#).⁵²

2. Pass legislation to provide safe harbor to facilitate information sharing between civil society and financial institutions

NGOs that work with survivors and vulnerable populations often have access to critical information about bad actors. Regulations focused on the sharing of information between financial institutions or between financial institutions and government agencies, such as Section 314(a) and (b) of the USA Patriot Act or the regulations for filing Suspicious Activity Reports (SARs), provide appropriate protections for such sharing. No such protections are currently available to NGOs for sharing critical information that may assist in the detection, deterrence or prevention of trafficking.

While NGO's are currently able to report tips directly to law enforcement, the information may be too limited to realistically spur law enforcement action – often because the information is obtained from confidential sources who cannot be contacted by law enforcement. However, if these leads were provided to financial institutions, the financial institutions may be able to assist in providing additional, relevant, and actionable information to law enforcement.

Addressing the liability concerns of NGO's which wish to participate in information exchanges is an important first step in actualizing this process. Legislation is required to provide these protections to NGOs. Once this barrier is removed, law enforcement, NGO's, and financial institutions can work together to develop agreed upon processes and protocols that govern appropriate information sharing.

3. Increase resources to relevant government agencies to expand efforts to collaborate with financial institutions

Government agencies – particularly law enforcement – have access to critical data and insights which can further efforts by financial institutions to identify, disrupt and prevent trafficking. However, resource constraints,

the need to maintain secrecy around investigations and other factors can impede the flow of information.⁵³ Advancements in the fields of data science and technology can help mitigate these barriers. Resources need to be allocated to obtain, create, and use these technical solutions.

FinCEN may be well situated to lead one workstream focused on increasing the amount of information sent to financial institutions about financial patterns associated with trafficking. While FinCEN already works to provide this information through SAR Activity Reviews and other types of guidance, having access to cutting edge technologies would allow FinCEN to provide more timely and specific information. One approach could involve creating a system which automatically records information about which suspicious activity reports (SAR's) were returned in proactive law enforcement queries for bad actors law enforcement became aware of through other channels.

This data, coupled with FinCEN's database of AML/Counter-Financing of Terrorism (CFT) investigations, could be used to create models to predict which SARs are likely to be associated with law enforcement investigations.⁵⁴ Partnership with the Human Smuggling and Trafficking Center (HSTC) which has created an impressive data analysis program and regularly reviews SAR's would further strengthen this analysis. FinCEN could also compare SAR filings to other proxy datasets of entities at high risk for trafficking, such as actors named in civil suits alleging human trafficking and businesses associated with serious labor violations reported by the Department of Labor. The resulting analysis could be shared with financial institutions on a regular basis to help refine their monitoring and investigation efforts.

Beyond identifying trafficking, government information is vital to prevention initiatives and efforts to facilitate increased financial access for survivors. Law enforcement and other government agencies such as the Department of Health and Human Services could be important partners in creating processes to verify applicants for second chance accounts. Implementing technical solutions which seek to mitigate data security and privacy risks associated with sharing sensitive information should be a core component of this workstream.

4. Eliminate institutional barriers to pursuing financial crime investigations in concert with traditional trafficking investigations

Although allowing a survivor to share their story through criminal testimony is an incredibly powerful experience, not all survivors are able or willing to testify against their traffickers or cooperate with a traumatic human trafficking investigation. Money laundering, financial crime, or fraud charges can carry significant penalties and put a trafficker out of business for good. Educational initiatives to train law enforcement, particularly at the local level, on what information is available, how to query and understand that information, and how to utilize that information in investigations are necessary. For example, providing training on financial information provided by financial institutions to FinCEN could be informative. While some law enforcement agents may routinely utilize FinCEN's SAR database, others may not be familiar with this resource.

In addition to more generalized educational efforts, the organizational structure of some law enforcement initiatives may create structural barriers to pursuing financial crime-investigations in concert with traditional trafficking investigations. Human trafficking and financial crime investigations are frequently handled by distinct departments within law enforcement agencies. This bifurcation may prevent collaborative efforts to pursue trafficking and financial charges in tandem. Law enforcement handling human trafficking cases can make a practice of considering whether a finance-focused investigation is possible whenever trafficking-related cases are opened, particularly when the case involves networks or are connected to formal business entities. In areas with human trafficking specific task forces, inclusion of law enforcement specializing in financial crimes can yield better collaboration and more successful outcomes.

If you're an anti-money laundering or banking professional and want to learn more about working with Polaris, please contact corporateengagement@polarisproject.org

Glossary

Systems and Industries	
Financial Services Industry	Encompasses anything within the purview of the formal financial services industry including institutions and initiatives such as retail banks, commercial banks, financial crimes monitoring, money transfers, formal paychecks/payroll, credit/debit cards, investments, virtual currency exchanges, etc.
Health Care	Includes but is not limited to, preventative care, emergency health, reproductive health, other medical specialties, mental health, dental, vision, and substance use disorder treatment. This report also includes the services and benefits afforded to individuals with disabilities.
Hotels/Motels	Business establishments whose primary purpose is to provide short-term lodging and accommodations for travelers.
Housing & Homelessness Systems	Encompasses either: a. Any institution or agency whose primary purpose is providing safe and operational housing for a community. This includes governmental agencies like HUD and local housing authorities, and private entities such as apartment management companies, landlords, etc. OR; b. Any system or agency which provides safe shelter services to individuals experiencing homelessness or unstable housing. This includes, but is not limited to emergency shelter, transitional shelter, domestic violence shelters, and long-term supportive housing.
Social Media	Encompasses online websites or platforms whose intended purpose is to foster the connection of people to share ideas, interests, and information. Examples include: Facebook, Instagram, chat services, dating sites, etc. • NOTE: This DOES NOT include online platforms whose primary intended purpose is to connect people to commercial goods or services (e.g. Backpage, Craigslist, john boards, Yelp, Groupon, etc.)
Transportation Industry	Encompasses any type of publicly or privately owned and operated mass transportation systems including buses, subways, trains, airlines, taxis, and ridesharing services, as well as private transportation like a personal vehicle or rental car.

Miscellaneous Terms	
"Bottom"/"Bottom girl"	A slang term used by some American pimps to refer to a victim still under their control but who has "earned" more "privileges" and a higher ranking among the other potential victims. Bottoms are typically manipulated into sharing some the recruitment and enforcement responsibilities with the actual trafficker, but are often still victims themselves. For more information on the plight of a bottom girl, Polaris recommends reading the four-part blog series, Unavoidable Destiny, by survivor leader Shamere McKenzie on the Shared Hope International blog. ¹⁷⁰
Case	A data record from the National Human Trafficking Hotline which refers to an individual situation of potential human trafficking. Polaris and the National Hotline use the U.S. federal definition of human trafficking when assessing cases. (Data timeframe of December 7, 2007 - December 31, 2017)
In-calls	Occurs when buyers go to the victim's location for commercial sex acts.
Individual potential victim profile	A data record from the National Human Trafficking Hotline which refers to a potential victim uniquely identified in potential human trafficking and labor exploitation cases. (Data timeframe of January 1, 2015 - December 31, 2017)
Labor exploitation	A labor situation involving workplace abuse and/or related labor violations, which does not contain at least moderate elements of force, fraud, or coercion compelling the person to remain in the situation.
"The Life"/"The Game"	The commercial sex industry.
National Hotline	National Human Trafficking Hotline: 1-888-373-7888 or Text BeFree (233733)
Out-calls	Occurs when a victim goes to or is delivered to a buyer's location for commercial sex acts.
Survival sex	The exploiter is supplying the victim with basic living necessities (shelter, food, clothing, drugs, medication, etc.) in exchange for sex. This arrangement could be voluntary (with adults 18+), exploitative, or rise to the level of sex trafficking (See: Personal Sexual Servitude), depending on the conditions. However, unless otherwise stated, when referenced in this document, it is solely regarding instances of sex trafficking.
Track/Stroll/Blade	An outdoor section of a street block used to solicit sex.

Miscellaneous Terms

Trauma-informed care	<p>"A program, organization, or system that is trauma-informed:</p> <ul style="list-style-type: none"> • Realizes the widespread impact of trauma and understands potential paths for recovery; • Recognizes the signs and symptoms of trauma in clients, families, staff, and others involved with the system; • Responds by fully integrating knowledge about trauma into policies, procedures, and practices; and • Seeks to actively resist re-traumatization."¹⁷¹
"Trick"/"John"/Buyer	A buyer of commercial sex acts.
Type (e.g. Type of Human Trafficking)	<p>Polaris has defined a particular type of human trafficking as a unique industry or business model used to exploit people for commercial sex or labor/services. Each type becomes distinct when aspects regarding business operations, trafficker and victim profiles, recruitment, and institutional systems and industries used are sufficiently different from another. Please see our preceding report, The Typology of Modern Slavery for more information.</p>
Voluntary services model	<p>"Voluntary services, as opposed to mandatory services, means that clients do not need to complete a program or take part in other services as a condition of receiving housing. Services are offered based on each person's specific needs."¹⁷²</p>

References

Methodology

1 Labor exploitation statistics are non-cumulative. A single labor exploitation case may involve multiple types.

2 Polaris uses the United States federal definition of human trafficking as defined by the Trafficking Victims Protection Action (TVPA) to determine if a situation described through the Hotline has indications of human trafficking. Cases which fully meet the TVPA's standard are labeled as having "high-level indicators of trafficking." Cases which partially meet the TVPA's standard but are missing pieces of information needed to make an assessment are labeled as having "moderate-level indicators of trafficking."

3 Please see the methodology for *The Typology of Modern Slavery*, which can be found at: <https://polarisproject.org/sites/default/files/Polaris-Typology-of-Modern-Slavery.pdf> (pg. 7).

4 In these cases, the signaler could have been reporting a situation that had at least moderate indicators of human trafficking, but the signaler's proximity to the situation prevented him or her from being able to identify individual victims. For example, a signaler could report a known potential trafficker, but not have any details about the trafficker's potential victims.

5 In order to protect the identity of survey respondents, Polaris chose not to disclose information about types of trafficking associated with fewer than three survivors.

6 The survey also had sections dedicated to the child welfare system, business regulatory systems, and temporary work visas to help inform other/future Polaris initiatives. This data is omitted from this report.

7 Labor trafficking focus group also covered discussion on temporary work visas in order to inform other Polaris initiatives.

Financial Services Industry

25 Centro de los Derechos del Migrante (CDM). (2013). *Recruitment Revealed: Fundamental Flaws in the H-2 Temporary Worker Program and Recommendations for Change*. Retrieved from: http://www.cdmi-grante.org/wp-content/uploads/2018/02/Recruitment_Revealed.pdf

26 Hafiz, S. & Paarlberg, M. (2017). *The Human Trafficking of Domestic Workers in the United States: Findings from the Beyond Survival Campaign*. National Domestic Workers Alliance (NDWA) & Institute for Policy Studies (IPS). Retrieved from: https://www.domesticworkers.org/sites/default/files/bs_report2017.pdf

27 Southern Poverty Law Center. (2015, February 17). *Federal jury in SPLC case awards \$14 million to Indian guest workers victimized in labor trafficking scheme by Signal International and its agents*. Retrieved from: <https://www.splcenter.org/news/2015/02/18/federal-jury-splc-case-awards-14-million-indian-guest-workers-victimized-labor-trafficking>

28 David, et al. v. Signal International, LLC, et al. No. 2:08-cv-01220. (E.D. La, 2015). Retrieved from ACLU: <https://www.aclu.org/legal-document/david-et-al-v-signal-international-llc-et-al-order>

29 Centro de los Derechos del Migrante (CDM). (2013). *Recruitment Revealed: Fundamental Flaws in the H-2 Temporary Worker Program and Recommendations for Change*. Retrieved from: http://www.cdmi-grante.org/wp-content/uploads/2018/02/Recruitment_Revealed.pdf

30 Ibid., 18.

31 Keyhan, R. et al. (2018, January). *Human Trafficking in Illicit Massage Businesses*. Polaris. Retrieved from: <https://polarisproject.org/massage-parlor-trafficking-report>

32 FinCEN. (2014, September). *Guidance on Recognizing Activity that May be Associated with Human Smuggling and Human Trafficking – Financial Red Flags*. Retrieved from <https://www.fincen.gov/resources/advisories/fincen-advisory-fin-2014-a008>

33 United Nations University. (2017, July). *25 Keys to Unlock the Financial Chains of Human Trafficking and Modern Slavery*. Retrieved from: https://collections.unu.edu/eserv/UNU:6232/BreakingtheFinancial-Chains_FullBooklet_Web.pdf

34 Keyhan, R. et al. (2018, January). *Human Trafficking in Illicit Massage Businesses*. Polaris. Retrieved from: <https://polarisproject.org/massage-parlor-trafficking-report>

35 For more information on the use of shell companies within IMB networks, see *Hidden in Plain Sight: How Corporate Secrecy Facilitates Human Trafficking in Illicit Massage Parlors*, available at <http://polarisproject.org/resources/hidden-plain-sight-how-corporate-secrecy-facilitates-human-trafficking-illicit-massage>

36 For more information about this subtype, see Polaris's 2016 report, *More Than Drinks for Sale*, available at <https://polarisproject.org/more-drinks-sale-sex-trafficking-us-cantinas-and-bars>

37 Following the Money: How Human Traffickers Exploit U.S. Financial Markets. Hearing before the U.S. House of Representatives Committee on Financial Services Subcommittee on Oversight and Investigations, 115th Congress. (January 30, 2018) (testimony by Bassem Banafa) Retrieved from: https://democrats-financialservices.house.gov/uploadedfiles/01.30.2018_bassem_banafa_testimony.pdf

38 FinCEN. (2013, March). *Application of FinCEN's Regulations to Persons Administering, Exchanging, or Using Virtual Currencies*. Retrieved from <https://www.fincen.gov/resources/statutes-regulations/guidance/application-fincens-regulations-persons-administering>

39 Scott, S. (2017, August 16). *Cryptocurrency Compliance: An AML Perspective*. ACAMS. Retrieved from <https://www.acams.org/aml-white-paper-cryptocurrency-compliance/>

40 Israel, B. (2017, August 16). *In a step towards fighting human trafficking, sex ads are linked to Bitcoin data*. Berkeley News.

Retrieved from: <http://news.berkeley.edu/2017/08/16/in-a-step-toward-fighting-human-trafficking-sex-ads-are-linked-to-bitcoin-data/>

41 9 FAM 41.22 N4.4b(5).

42 Ibid.

43 FACT Coalition (2017, August). *FACT Sheet: Anonymous Companies and National Security*. Retrieved from: https://thefactcoalition.org/fact-sheet-anonymous-companies-and-national-security-august-2017?utm_medium=policy-analysis/fact-sheets

44 DBA stands for “Doing Business As” and refers to a public alias of a company legally constituted under another name.

45 FinCEN. (2016, May). *Customer Due Diligence Requirements for Financial Institutions*. Retrieved from <https://www.federalregister.gov/documents/2016/05/11/2016-10567/customer-due-diligence-requirements-for-financial-institutions>

46 Implementation of FinCEN’s Customer Due Diligence Rule – Financial Institution Perspective. Hearing Before the United States House Financial Services Committee, 115th Cong. (2018) (testimony of Gary Kalman). Retrieved from: <https://financialservices.house.gov/uploadedfiles/hhrg-115-ba15-wstate-gkalman-20180427.pdf>

47 Boyce, C. et al. (2014). *Barriers to Building Financial Security for Survivors of Domestic Violence*. Retrieved from: <https://www.lafollette.wisc.edu/images/publications/workshops/2014-abuse.pdf>

48 Ibid., 19.

49 Ibid.

50 Ibid., 18.

51 Implementation of FinCEN’s Customer Due Diligence Rule – Financial Institution Perspective. Hearing Before the United States House Financial Services Committee, 115th Cong. (2018) (testimony of Gary Kalman). Retrieved from: <https://financialservices.house.gov/uploadedfiles/hhrg-115-ba15-wstate-gkalman-20180427.pdf>

52 Fornaris, et al. (August 18, 2017). New Bill Introduced in the U.S. Senate to Require the Disclosure of Ultimate Beneficial Owners of Corporations and LLCs Formed or Registered in the United States. *The National Law Review*. Retrieved from: <https://www.natlawreview.com/article/new-bill-introduced-us-senate-to-require-disclosure-ultimate-beneficial-owners>

53 Combating Money Laundering and Other Forms of Illicit Finance: Opportunities to Reform and Strengthen BSA Enforcement. Hearing Before the United States Senate Committee on Banking, Housing, and Urban Affairs, 115th Cong. (2018) (testimony of Dennis M. Lormel). Retrieved from: <https://www.banking.senate.gov/imo/media/doc/Lormel%20Testimony%201-9-18.pdf>

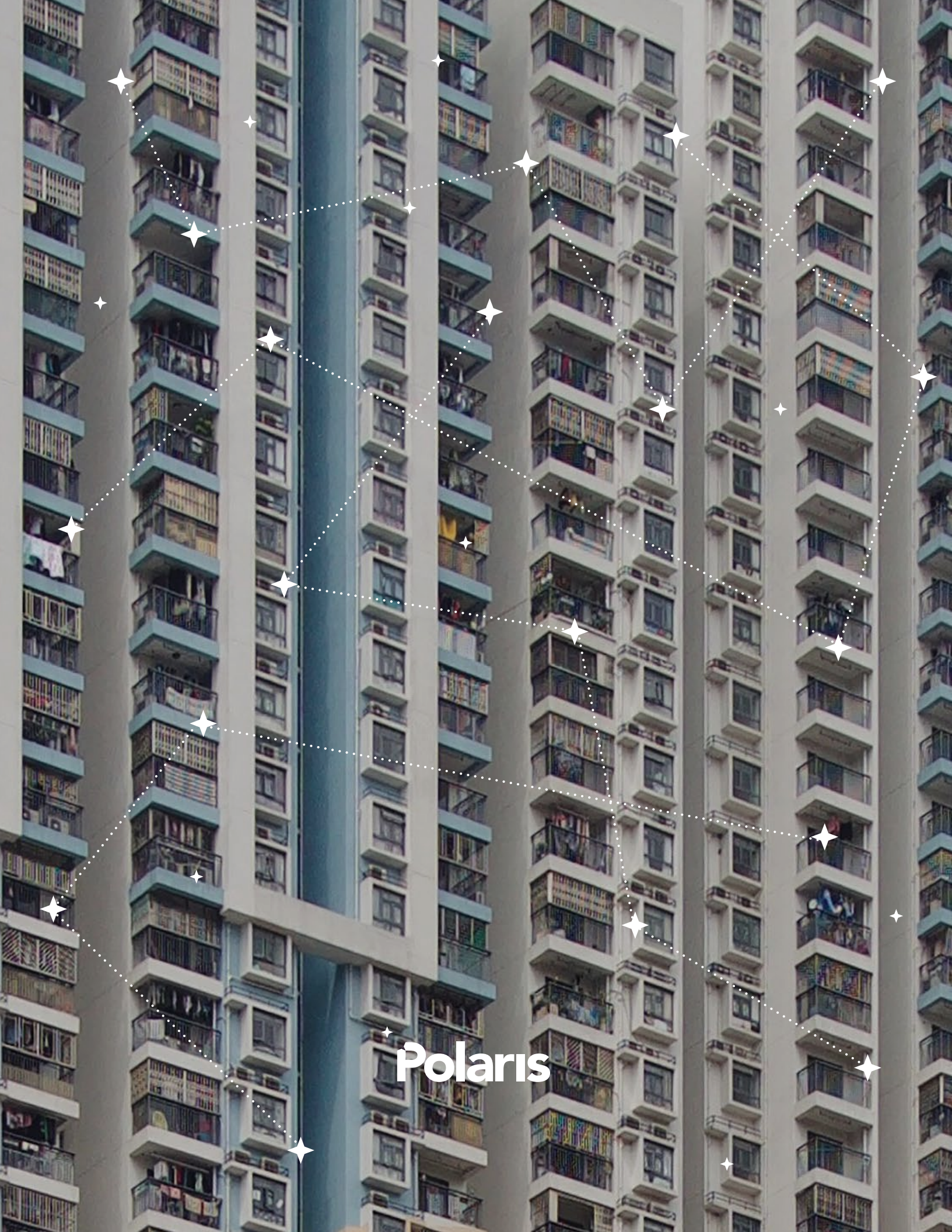
54 Woodsome, J. & Ramachandran, V. (2018, February). *Fixing AML: Can New Technology Help Address the De-risking Dilemma?* Center for Global Development. Retrieved from <https://www.cgdev.org/sites/default/files/fixing-aml-can-new-technology-help-address-de-risking-dilemma.pdf>

Glossary

170 McKenzie, S. (2012, March-May). *Unavoidable Destiny*. [Blog series]. Retrieved from: <https://sharedhope.org/author/shamere/page/2/>

171 Substance Abuse and Mental Health Services Administration (SAMHSA). (2018, April 27). *Trauma-Informed Approach and Trauma-Specific Interventions*. Retrieved from: <https://www.samhsa.gov/nctic/trauma-interventions>

172 U.S. Department of Justice, Office on Violence Against Women. (2016, June). *Twenty Years of the Violence Against Women Act: Dispatches from the Field*. Retrieved from: <https://www.justice.gov/ovw/file/866576/download>



Polaris