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Red Flag Indicators for REs for identifying transactions related to Human Trafficking/ Smuggling in Persons

Following are a few red flag indicators which may help the Reporting Entities (REs) in detection of transactions relating to proceeds generated through Human Trafficking/Smuggling. The below mentioned red flags may appear suspicious on their own; however, it may be considered that a single red flag would not be a clear indicator of potential human trafficking activity. A combination of these red flags, in addition to analysis of the customer's expected financial activity, profile and current transactional pattern may indicate a potential human trafficking operation.

Considering the emerging trends and typologies, FMU has updated the subject red flag indicators to improve detection, data quality and reporting of STRs on Human Trafficking/ Smuggling of Persons.

Red Flag Indicators

- Newly opened customer account seems to be controlled by a third party, including forms completed in different handwriting and/or the customer is not sure about the address provided in the form.
- Customer makes deposits/withdrawals or otherwise generally operates an account accompanied or on instructions by a third party.
- High and/or frequent expenditure at airports, ports, other transport hubs or overseas, inconsistent with customer's personal use or stated business activity.
- Payments to logistics, airlines, car rental or travel agents inconsistent with customer's personal use or stated business activity.
- Payment of credit facilities or credit card charges not aligned with the customer's source of income.
- Frequent outbound/inbound wire transfers, with no apparent business or lawful purpose, directed to/from countries with a higher risk for human trafficking or countries inconsistent with the customer's expected activity.
- Cross-border transfers of funds to the same individual, financial institution or to an overseas location that are inconsistent with customers' personal profile or stated business activity.
- Inability to contact customers on their reported phone number, or the phone number changes very frequently.
- Media or other reliable sources such as FIA Red Book of Most Wanted Human Traffickers, suggest that a customer may be linked to criminal activity or linked with human trafficking/Smuggling which could generate proceeds of crime.
- Different accounts affiliated with the same accountholder/signatory/beneficial owner giving the same contact information, address, and employment details in apparently unrelated business and/or personal accounts.

- Attempts to open accounts using incomplete, inconsistent, or falsified customer identification
- The customer appears nervous and there is a lack of knowledge as to why the account is being opened.
- The customer's age is relatively young, with the lack of clarity regarding the purpose of opening the account, the source of the funds, or the values of the transactions to be attributed to the account.
- Transfers/deposits to and from individuals/entities hailing from villages or geographical locations known for facilitating migrant smuggling.
- Third-party transactions are often made on behalf of parents, siblings or relatives who are unable to provide information on the recipient or the transaction purpose.
- No apparent relationship between the sender and receiver of funds.
- Multiple, apparently unrelated, customers sending wire transfers to the same beneficiary (one-to-many technique).
- Cash deposits and withdrawals occurring in domestic locations notorious for migrant smuggling or human trafficking.
- Breaking large transactions into smaller amounts (smurfing) or using multiple accounts to obscure source of funding.
- The customer is conducting transactions with a person known or suspected of being involved in human trafficking or migrant smuggling.
- The customer is associated with the travel & tourism business and is conducting transactions with the individuals/accounts suspected of running a hawala/hundi business.
- Very high turnover observed in a travel agency account or in the accounts of associated individuals/entities which does not match with the profile or normal business activity noticed in similar profiled accounts.
- The customer is conducting multiple transactions with government servants, their associates or family members employed in organizations/departments responsible for issuance of national IDs or passports or engaged in anti-human smuggling activities.
- The customer is conducting frequent transactions for visa issuance of different individuals for countries known as transit countries for migrant smuggling which does not match the profile or normal business activity.
- Abnormal payments to hotels, apartments and other accommodation services that are located on or close to migrant smuggling routes or are inconsistent with customer’s personal use or stated business activity.
- Relatively high or recurrent expenditure on items inconsistent with customer’s personal use or stated business activity, such as food, necessities, or accommodation for workers.
- The customer receives payments from businesses in foreign jurisdictions which can exploit for sex trafficking like strip clubs, nights clubs, escort agencies, etc.
- Frequent payments to a customer from labour agencies, recruiters or employment websites located abroad for no economic reason.

- The customer has been or is subject to a human trafficking or migrant smuggling inquiry/ investigation from a law enforcement agency.
- The customer is found associated with a person under a human trafficking or migrant smuggling inquiry/ investigation through transactions or any other information.
- The branch of the financial institution has the market information of the customer suspected of being involved in human trafficking or migrant smuggling or some other related information with respect to persons migrating or migrated through illegal routes.
- The customer’s social media/ transactional activity indicates a lavish lifestyle that appears inconsistent with their known profile, source of income, or expected financial activity, or shows travel to jurisdictions associated with elevated human trafficking risks.