

HUMAN TRAFFICKING BANKING RED FLAGS



ACCOUNT APPLICATION

- Internal account applications allow for less than full truth to be submitted to the bank creation of plausible deniability.
- Irregular or unnecessarily complicated corporate structure
- Efforts made to obscure beneficial ownership
- Interactive computer services conducting United States business, but using international IP addresses or operating under European, Asian, or African ownership to circumvent U.S. law

ACCOUNT ACTIVITY

- Transaction history does not match stated business type
- Structuring
- Large cash deposits
- Regular cash deposits made late at night/early morning via ATMs
 - For AMPs – same locations
 - For traveling traffickers – different locations
- Regular deposits into accounts that are not under the customer's name
- Large and or sudden overseas transfers
- Transfers of funds to cryptocurrency and or back into monetary currency
- Controlling behavior at in-person or ATM transactions
 - Account owner not speaking for themselves
 - Account owner not in control of their documents
 - Account owner appears to be scared or intimidated
- People not dressed appropriately for the weather or the setting

SUPPLY CHAIN & BUSINESS RELATIONSHIPS

- Unwillingness to identify major suppliers or distributors
- Lack of knowledge regarding the labor practices of integral partners

- Major suppliers and distributors located in countries known for abusive labor practices, but no or less than vigorous internal company monitoring process
- Inability to produce a record, documentation, or verifiable information regarding steps taken to insure a trafficking free supply chain

PAYMENT PROCESSING

- Payments coming into the account under a different payee than the account holder
- Bank hopping or inability to retain a bank
- Use of payment processors or consultants known for operating on the fringes or with industries on the edges of the law
- Disguising transactions
 - Processing under different company names
 - Processing under different billing descriptors
 - Processing American transactions through European merchant accounts or payment processes
 - Vague billing descriptors
 - Complicated (multi-country) payment routing

PAYROLL

- Business transactions conducted on personal account
- Personal deposits being made into business accounts
- Employee payments irregular
- Numbers of employee payments changing
- Amounts being paid changing
- Method of payment changing between cash, checks, money orders, etc.
- Non-payment for pay periods and then payment resumes, but no evidence of back pay
- Irregular deposits and withdrawals
- Employer cashing employee checks
- Sums redeposited after employee payments made may indicate that employee is required to return a portion of their payment to employer

ACTION ITEMS

- Create account applications that do not allow for partial truth
 - Go beyond two layers of corporate structure
 - Require revelation of ultimate beneficial ownership
 - Require additional information on merchant accounts
 - Previous banks
 - Payment processing partners
 - Licensure for stated business purposes
 - Other related companies or websites
- “Death by Google Search”
 - Research IP and web addresses and go beyond an initial page or two prior to accepting a customer
 - Research associated web addresses and companies
 - Research vague billing descriptor and their associations with other high-risk descriptors
 - Quick identification of internal policy violations followed by verification that offenders’ services have actually been terminated
 - Research payment processing companies so you can make wise risk management decisions
- Grand jury secrecy and compliance

Please Note: The Red Flags are to be viewed within an individual's context and circumstances. For instance, someone who is an airline pilot may have multiple hotel keys due to the fact that she travels for a living, while if you saw those same hotel keys on a 16-year-old child, it could raise potential concerns. No one Red Flag means that an individual is being trafficked. If you are viewing multiple Red Flags, it is a cause for concern and a reason to start asking questions and trying to obtain more information, if you can do so without putting yourself or the person you are concerned about in danger. In the end, if you believe that someone is being trafficked and is in immediate danger, call 911 and provide descriptions of cars, people, locations, etc. to law enforcement or if you need to remain anonymous, you can call the National Human Trafficking Hotline at 1 (888) 3737-888.