Q&A: How the Banking Industry is Fighting Human Trafficking

Population Health Sciences

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Trafficking in persons, also known as modern days slavery or human trafficking, includes both forced labor and sex trafficking. It deprives millions of their dignity and freedom and leaves them vulnerable to abuse and violence. Human trafficking threatens international security and peace, benefits criminal consortiums and terrorist networks, and undermines the law and world order.

It is estimated just under 25 million people (adults and children) are trapped in some kind of human trafficking situation globally, including the United States. In 2019 alone, the U.S. based "Trafficking Hotline" received 48,326 individuals reaching out for help. In the past year, the hotline saw a 20% increase in victims and survivors reaching out. About 50,000 people are "trafficked" into the U.S. each year, and data from 2018 suggest more than 50% of sex trafficking cases in the U.S. are related to children. My colleagues recently wrote a compelling blog post offering recommendations for providers, service workers, and researchers based on their experiences with identifying victims of sex trafficking in Children's Hospital of Philadelphia's emergency department.

Given the magnitude of this issue, it's essential that multiple sectors of society come together to prevent sex trafficking from happening in the first place, while identifying and supporting victims across the world. **To that end, and for Human Trafficking Awareness Month, I asked Taskeen Hamidullah-Bahl, global head of risk operations for HSBC, to speak with me about the important role that the financial industry plays in these efforts.** Taskeen leads teams that monitor customer transactions for money laundering, bribery and corruption, and other financial crimes, which can be invaluable in first spotting sex-trafficking rings.

Why are banks getting involved in the fight against human trafficking?

Most banks have measures in place to combat money laundering, terrorist financing and a wide variety of other financial crimes. Money laundering is the process by which funds obtained through illegal activities are made to look legitimate. The proceeds of money laundering can facilitate a long list of crimes including human trafficking. Because banks are the primary channel through which criminal proceeds can enter the financial system legitimately, we have to be the first line of defense when it comes to protecting our customers, our communities and the global economy from these financial crimes.

At HSBC, we have highly trained analysts and investigators who "follow the flow" of illegally obtained money to uncover suspicious activity, which can then help law enforcement officials prosecute criminals, whether they are involved in human trafficking, drug cartels, terrorism or other crimes.

It's hard to believe that we are talking about human trafficking and modern-day slavery 150 years after slavery was officially abolished in the United States. How prevalent is this problem?

According to the Financial Crimes Enforcement Network (FinCEN), which is a part of the U.S. Department of Treasury, human trafficking is one of the most profitable forms of international crime, generating an estimated $150 billion a year globally. FinCEN data shows that human trafficking in the United States takes place in a wide variety of industries—hospitality, agricultural, janitorial services, construction, restaurants, domestic work…the list goes on. The United Nations estimates there are currently 40 million people enslaved around the world and that one-quarter of them are children. So, this issue is more prevalent than most of us realize.

Can you share some examples of human trafficking incidents you have uncovered that would resonate with folks who work with vulnerable communities?

We have seen a general rise in financial crime during the COVID-19 pandemic, and experts say the pandemic has made those vulnerable to human trafficking even more so, as their support structures have disintegrated. In recent months, our teams found a UK resident who deposited several payments that he claimed were rent collected on behalf of a third party in eastern Europe. Upon further investigation, we found the property in question was a very small residence that could not have easily housed that many individuals. This triggered images of inhumane living conditions, and worse, in our minds. We continued to dig into this case, and found enough red flags to escalate it to law enforcement officials for potential human trafficking.

In another case, a Somalian national seeking asylum in Malta began depositing unexpectedly large amounts of cash into a newly opened account. The funds were then rapidly transferred to pay for airline tickets. The customer could not explain the rapid movement of funds and this prompted us, again, to escalate to the relevant authorities on suspicion of human trafficking. Sadly, these cases come in all shapes and forms and can affect vulnerable populations all over the world.

What I find incredible is how your teams find value in this work, which is seemingly so different from people's perception of the financial sector?

The work our investigators do is definitely tough, trawling through millions of transactions each day to find that one needle in the haystack. It requires a high degree of focus, subject matter expertise and diligence, they have to think like criminals in order to defeat them.

We also partner with nonprofit organizations that work with the victims of financial crimes, in an effort to remind our teams that there is a vulnerable human being at the end of each case, and that each deserves our help. For example, last year our teams began volunteering with Jagruthi, a Bangalore-based nonprofit organization that provides residential care and rehabilitation to women and children who have been victims of human trafficking and are forced to become sex workers. Through their education and health care programs, Jagruthi is trying to tackle the dual problem of sex trade and HIV/AIDS in India. Our teams, who provide everything from tutoring and technical skills to this vulnerable population, tell us all the time how inspiring they find these nonprofits to be, and how grateful they are to play even a small part in the recovery process.

I think there are ample opportunities for our sectors to learn from one another to benefit underserved communities in traditional and non-traditional ways. I have lots of ideas about what we can learn from you. With that in mind, what do you think you could learn from us?

While banks can help identify and combat financial crimes like human trafficking, we need to also be thinking more about what happens to the victims of these crimes and how can we partner with organizations like CHOP to help vulnerable populations get back on their feet. Financial services organizations invest a lot in their local communities when it comes to environmental causes, financial literacy for all and more. I would love to see more of a partnership between banks and the health care industry, in general. Given the recent rise in human trafficking and forced sex trade, this seems like a particularly urgent call to arms for all of us. Hospitals like CHOP are also often the first point of contact with the victims, and so you probably see the latest trends in this space before anyone else, and can help educate us to eradicate this crime.

Human trafficking causes harms to those exploited physically, emotionally and socially, as well as trauma that can linger for a lifetime even after surviving the ordeal.

The impact of COVID-19 has exacerbated poverty and disparities creating an environment where vulnerable communities can easily and now invisibly become ensnared into trafficking situations. Hence, it becomes a local, national, and international priority to establish a multi-sector collaboration to eradicate trafficking, prosecute those responsible, and support and heal the victims.

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