
FOLLOW THE MONEY

How understanding financial flows and key indicators can help to fight modern slavery and human trafficking in South Africa

MARCH 2023



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DISCLAIMER

The information contained in this report is provided for the purposes of raising awareness of modern slavery and human trafficking (MSHT) and its associated financial flows. The report is based on information collected through research and has not been independently verified.

GLOSSARY

AML	Anti-money laundering
BI	Banking industry
DPCI	Directorate for Priority Crime Investigation of the SA Police Service
EFT	Electronic funds transfer
EWG	Expert working group
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
MSHT	Modern slavery and human trafficking
SAMLIT	South African Anti-Money Laundering Integrated Task Force
SAPS	South African Police Service
SAR	Suspicious and unusual activity report
STR	Suspicious and unusual transaction report
SABRIC	South African Banking Risk Information Centre
TIP	Trafficking in persons
TOG	Tactical operations group



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EXECUTIVE SUMMARY

INTRODUCTION AND OVERVIEW OF CONCEPTS

“You may choose to look the other way, but you can never say again that you did not know..”

WILLIAM WILBERFORCE

Human trafficking occurs in every country across the globe and yet remains a relatively hidden crime, with perpetrators operating under anonymity on the dark web and in the underbelly of the global economy to entrap victims for sexual exploitation, forced labour, domestic servitude and other forms of exploitation (UNODC, 2020).

Human trafficking is a highly profitable crime, generating an estimated US\$150 billion worldwide per year, with a significant portion of these proceeds passing through legitimate financial services businesses (Yesufu 2020:104). South Africa reports the highest number of cases compared to other southern African countries such as Mozambique, Lesotho, Botswana and Zimbabwe (Chibba 2021:4). It should be noted, though, that it is likely that MSHT is underreported as a crime and existing statistics are unlikely to reflect the full scale of the issue. MSHT is often reported as prostitution, brothel ownership and so on, for several reasons including a lack of training and poor understanding of the crime.

Global economic and social hardship, exacerbated by the continued impact of the Covid-19 pandemic, has increased people’s vulnerability to human trafficking. The war in Ukraine has also provided an opportunity for traffickers to exploit the vulnerable and displaced, as is the case in other war-torn countries.

Human trafficking is the process whereby people are recruited within their communities and countries of origin and transported to destinations where they are exploited for the purposes of forced labour, prostitution, domestic servitude – among other forms of exploitation.

In the Palermo Protocol, the United Nations Office on Drugs and Crime (UNODC) defines human trafficking as follows:

“Trafficking in persons’ shall mean the recruitment, transportation, transfer, harbouring or receipt of persons by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation. Exploitation shall include, at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs.”

The UNODC, as the secretariat of the conference of the parties to the United Nations Convention against Transnational Organised Crime and its protocols, including the Palermo Protocol (2000), defines three basic elements of trafficking, where the actions are carried out by specific means for a specific purpose:

- **Acts:** recruitment, transportation, transfer, harbouring, receipt, patronising or soliciting
- **Means:** force or other forms of coercion, abduction, fraud, deception, the abuse of power or a position of vulnerability, giving or receiving of payments or benefits to achieve the consent of a person having control over another person
- **Purpose:** exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude, removal of organs





The UNODC explains that the crime of trafficking should be defined through a combination of the three constituent elements and not the individual components, though in some cases these individual elements will constitute criminal offences independently. This model helps determine whether force, fraud or coercion was present, indicating that the encounter was not consensual.

Domestic trafficking refers to the entire crime occurring within a country's border, while *international trafficking* refers to cases in which the trafficked person is transported from one country to another. The country where the trafficked person comes from is called the *source country* or *country of origin*. The country where the trafficked person ends up is called the *destination country*. Any countries that the trafficked person travels through to reach the destination country are called *transit countries*. South Africa is known to be a source, transit and destination country, according to the US Department of State Trafficking in Persons Report (2021).

Human trafficking is separate and distinct from human smuggling. In human smuggling, there is a consensual arrangement by a party and the smuggler to be taken to a new country. However, smuggling can become trafficking when the party is brought to the new country and then exploited (UNODC, 2008). This report does not extend to covering human smuggling.

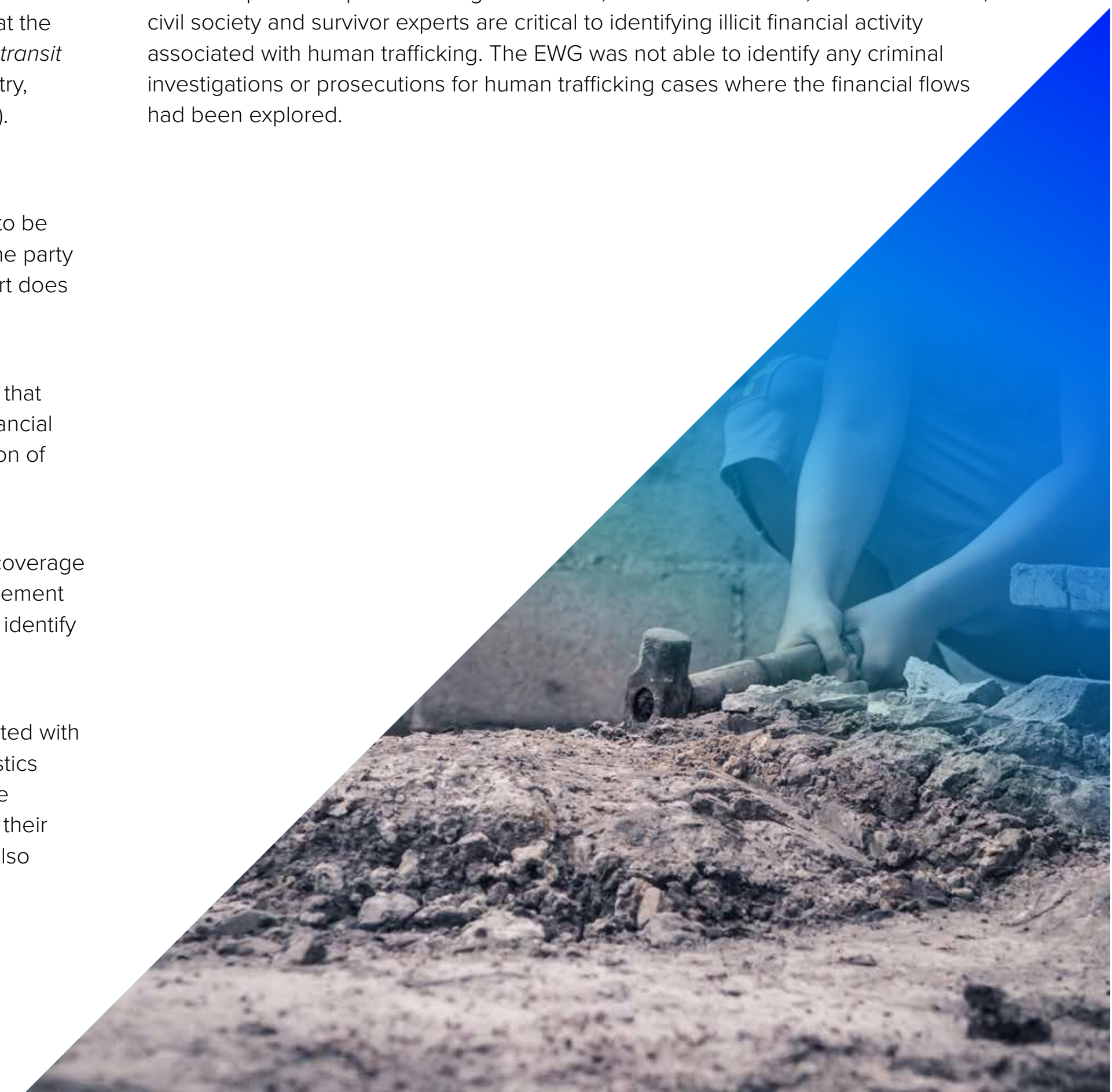
To address modern slavery and human trafficking in South Africa, it is critical that this crime is understood in terms of the prevalent trafficking patterns and financial flows. This will assist in developing solutions to better support the prosecution of offenders, protect the vulnerable and provide support to victims of MSHT.

Human trafficking is widely covered in international and local research, but coverage of the financial aspects in South Africa is limited. Based on the EWG's engagement with banks in South Africa, few financial institutions have controls in place to identify financial flows associated with MSHT.

Financial touchpoints include payments and movement of proceeds associated with every step in the value chain, such as the transport of victims and other logistics such as hotels or flight tickets, and the collection of monies generated by the exploitation of trafficked victims and by the sale of goods produced through their exploitation. Bribery and corrupt dealings to facilitate human trafficking are also commonly noted.

One of the most effective ways to identify broader criminal networks and reduce the profit incentive from this crime is to follow human traffickers' financial trails. Investigating the financial aspects associated with human trafficking is highly effective in generating financial evidence that enables law enforcement to differentiate the traffickers from their victims, document the traffickers' motives and knowledge, corroborate victim testimony and assist in identifying affiliates. Investigating and prosecuting traffickers for money laundering ensures that criminals are fully prosecuted for all their criminal activity and secures longer sentences for traffickers.

Proactive partnerships between governments, financial institutions, law enforcement, civil society and survivor experts are critical to identifying illicit financial activity associated with human trafficking. The EWG was not able to identify any criminal investigations or prosecutions for human trafficking cases where the financial flows had been explored.



SAMLIT

South African Anti-Money Laundering Integrated Task Force

The South African Anti-Money Laundering Integrated Task Force (SAMLIT) was established in December 2019 as a collaborative public-private partnership between the regulatory authorities, represented by the Financial Intelligence Centre (FIC), the Prudential Authority of the South African Reserve Bank, and the domestic and international financial institutions registered in South Africa. SAMLIT's objectives include assisting in combatting financial crime effectively and efficiently and enhancing a collective understanding of financial crime trends.

In March 2021, SAMLIT established an expert working group (EWG) on modern slavery and human trafficking, with three primary objectives:

1. Understand fully the financial flows relating to human trafficking, including country of source and destination and the demographics of the various role players
2. Develop a list of indicators to assist the financial sector to strengthen their ability to identify MSHT
3. Build partnerships with stakeholders who would be able to provide meaningful information on known targets and indicators to the FIC and law enforcement agencies in South Africa

SOUTH AFRICA FRAMEWORK

The Prevention and Combating of Trafficking in Persons Act, 2013 (Act No.7 of 2013) (PACOTIP) was enacted in July 2013, with the law eventually coming into effect on the 9 August 2015, to give effect to South Africa's obligation under the United Nations Protocol to prevent, suppress and punish trafficking of persons, especially women and children.

This law aims to:

- Give effect to the country's obligations concerning the trafficking of persons in terms of international agreements
- Provide for an offence of trafficking in persons and other offences associated with trafficking in persons
- Provide for penalties that may be imposed in respect of the offences
- Provide for measures to protect and assist victims of trafficking in persons
- Provide for the coordinated implementation, application and administration of the Act
- Prevent and combat the trafficking in persons within or across the borders of South Africa
- Provide for matters connected therewith

The offence of "trafficking in persons" is defined by section 4(1) in Chapter 2 of the PACOTIP Act as follows:

"Any person who delivers, recruits, transports, transfers, harbours, sells, exchanges, leases or receives another person within or across the borders of the Republic, by means of

- A threat of harm
- The threat or use of force or other forms of coercion
- The abuse of vulnerability
- Fraud
- Deception
- Abduction
- Kidnapping
- The abuse of power
- The direct or indirect giving or receiving of payments or benefits to obtain the consent of a person having control or authority over another person

- The direct or indirect giving or receiving of payments, compensation, rewards, benefits or any other advantage, aimed at either the person or an immediate family member of that person or any other person in close relationship to that person, for the purpose of any form or manner of exploitation is guilty of the offence of trafficking in persons;

4 (2) Any person who

- (a) Adopts a child, facilitated or secured through legal or illegal means
- (b) Concludes a forced marriage with another person, within or across the borders of the Republic

for the purpose of the exploitation of that child or other person in any form or manner, is guilty of an offence."

Additionally, the law describes "exploitation" as inclusive of, but not limited to, the following:

- "*Forced labour*" is described as "labour or services of a person obtained or maintained a) without the consent of that person, or b) through threats or perceived threats of harm, the use of force, intimidation, or other forms of coercion, or physical restraint to that person or another person"
- "*Servitude*" refers to "a condition in which the labour or services of a person are provided or obtained through threats of harm to that person or another person, or through any scheme, plan or pattern intended to cause the person to believe that, if the person does not perform the labour or services in question, that person or another person would suffer harm"
- "*Slavery*" means "reducing a person by any means to a state of submitting to the control of another person as if that other person were the owner of that person"

The PACOTIP Act took a long time to be implemented and there are still aspects requiring full implementation; however it is one of the best pieces of legislation in the world to support identification, investigation and prosecution of MSHT offences.

MODERN SLAVERY AND HUMAN TRAFFICKING IN SOUTH AFRICA

South Africa is currently a tier 2 watchlist country in terms of US Department of State Trafficking in Persons report (2021), which means that the South African government does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so. In the reporting period for 2020/21, the Directorate for Priority Crime Investigations (DPCI) collaborated closely with the National Prosecuting Authority (NPA) to compile evidence and build cases. Thirty-one cases of trafficking were investigated, compared to 24 cases in the previous reporting period.

For 2021, there were 79 ongoing prosecutions by the NPA, broken down as follows (Coetzee, 2021):

79 Cases			
Sex trafficking 53 cases	Forced marriage 5 cases	Labour 4 cases	Other* 17 cases
Victims of trafficking (n = 400*) Male = 163 Female = 226 Unknown gender = 11	Top tier nationalities (VOTs) South African = 143 Malawian = 105	Traffickers (n = 176*) Male = 123 Female = 52 Unknown gender = 1	Top tier nationalities (traffickers) South African = 73 Nigerian = 44
Adults = 331 Children = 64			

Source: National Prosecuting Authority, TIP Ongoing Prosecutions (2021).

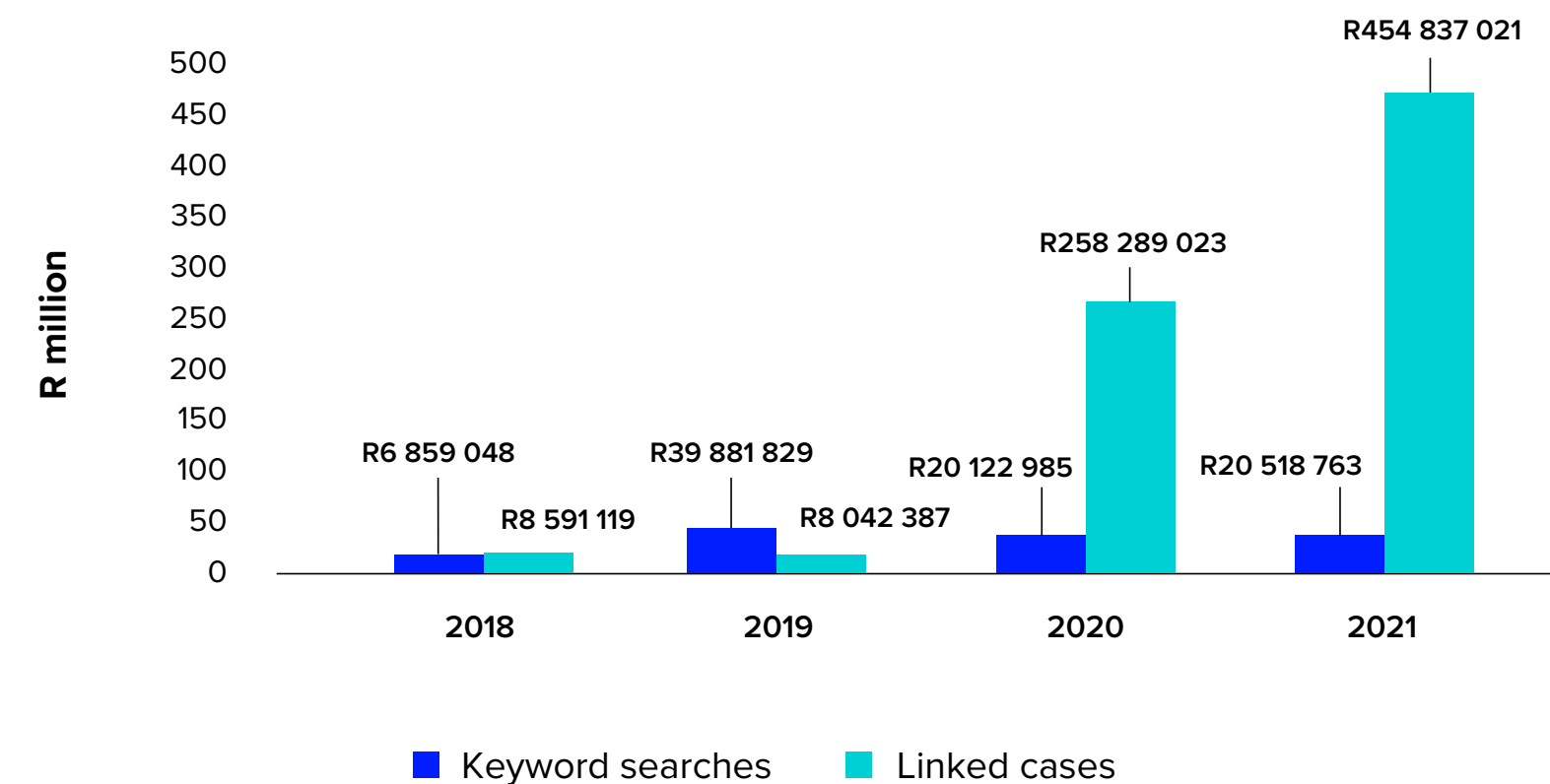
Analysis of the cases yielded the following regarding adult victims:

- Victims of Trafficking (VOT) are largely trafficked for sexual exploitation, labour exploitation and organ trafficking
- The most common recruitment methods for adults are false job advertisements or recruitment through family and friends
- Drug addiction and child abuse are closely interwoven into trafficking
- Of the cases prosecuted, all the women were South African, and the men were non-South African

In terms of child victims, the following was noted:

- Children are largely trafficked for sexual exploitation and child marriage, child labour or domestic servitude and sports
- Most children were non-South African, between the ages of 12 and 17, and included male and female victims

A FIC suspicious activity report (SAR) data mining exercise showed that the rand value of MSHT-related cases identified and referred to law enforcement agencies increased steadily over the period from 2018 to 2021 (see graph below).





Our engagements with industry experts who have prosecuted MSHT cases and/or related crimes highlighted that there is a knowledge and skills gap within South Africa when it comes to identifying financial flows unique to MSHT. Further research of materials published by industry experts also confirmed that the priority focus is on convicting the perpetrators for the predicate offence; the financial flows are often not prioritised.

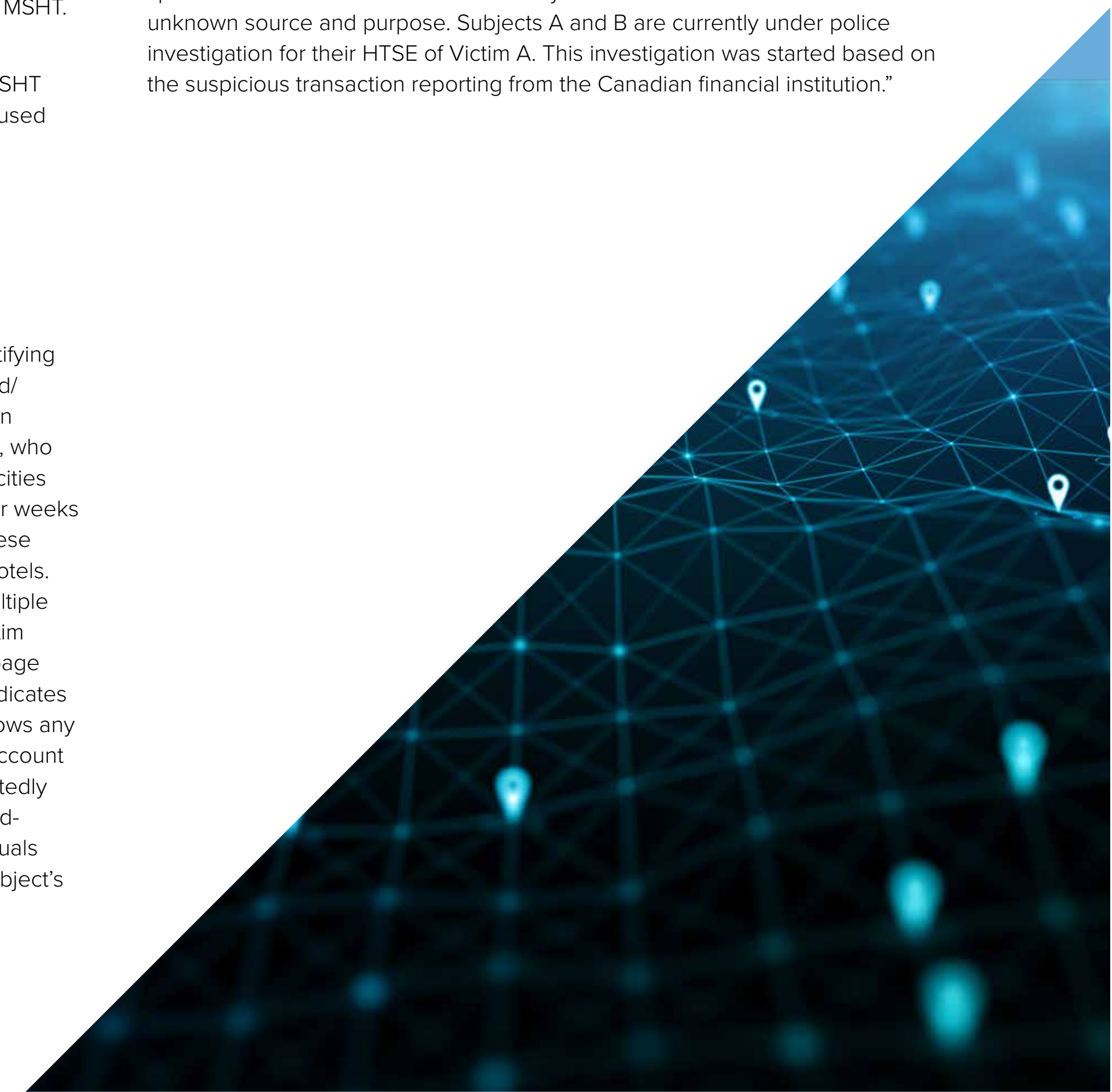
This report provides a detailed overview of key indicators that can be used by the financial sector to identify the financial flows associated with MSHT. However, no single indicator is likely to identify the crime on a standalone basis. Indicators at the victim level may yield better results when focusing on the lower levels of the criminal organisational chain – the higher you go, the more indicators are likely to point to several different crimes. Wider contextual information is critical in identifying MSHT.

The cases that follow have been extracted from the FATF (2018) paper on MSHT and financial flows. They provide a clear overview of how indicators can be used to identify MSHT in terms of the financial flows:

CASE STUDY 1

“A financial institution submitted multiple suspicious transaction reports identifying a group of financially connected individuals suspected to be engaging in and/or deriving profit from human trafficking for the purpose of sexual exploitation (HTSE). The suspicious transaction reports identified the account of Victim A, who was using excessive taxi and ride-sharing services after midnight in various cities across the country, where they appeared to be staying only for a few days or weeks at a time. Victim A appeared to not be paying for any accommodations in these various cities, but did incur room service and eatery bills at various motels/hotels. Victim A was also frequenting pharmacies and fast-food eateries daily or multiple times a day in a manner inconsistent with normal account activity. Lastly, Victim A’s telephone number was connected to multiple advertisements and backpage postings for escort services. Further review of account activity of Victim A indicates that she was receiving email money transfers (a service in Canada which allows any holder of a bank account to automatically deposit funds into another bank account via email) from email addresses all with male names and that she was repeatedly sending funds to Subject A. Subject A’s accounts were mainly funded by third-party cash deposits and frequent email money transfers from various individuals that are deemed to be excessive and do not appear to be in line with the subject’s

employment income and level of wealth. Subject A appears to use multiple contact email addresses and names. Funds were often depleted rapidly via cash withdrawals, credit card payments, transfers to other individuals and outgoing email money transfers without apparent economic purpose. Further review of Subject A’s accounts revealed that individuals transacting with the subject reside in various geographic locations across Canada. Subject A also received an out-of-province incoming email money transfer from Subject B. Source of funds for this specific transfer was an email money transfer immediately remitted by another individual and Subject B appears to have used his account to facilitate the pass-through activity. The financial institution also found that Subject B’s account activities demonstrate frequent account transfers between the client’s bank accounts and credit card, frequent purchases at online gaming sites, Bitcoin exchanges, payment processors, sports collectible stores and email money transfers with various individuals with unknown source and purpose. Subjects A and B are currently under police investigation for their HTSE of Victim A. This investigation was started based on the suspicious transaction reporting from the Canadian financial institution.”



CASE STUDY 2

“A local law enforcement agency provided a bank with information about an alleged organised crime network comprising at least six individuals involved in trafficking women from Eastern Europe for the purposes of sexual exploitation in both the UK and the rest of Europe. The group had been observed spending significant funds on adult websites named by UK local law enforcement as used to advertise trafficked women. In the initial review, the bank identified that one of the individuals had previously been a customer who had their relationship exited for financial crime concerns and another was an existing retail customer who held an active account. The previous customer had an internal alert raised by branch staff due to staff witnessing coercive behaviours in-branch. They noted that a customer was regularly visiting to pay in cash, using the branch automated machines and avoiding the counter, even when there were no queues. The customer was accompanied by the same male on a number of visits during the same week. That male appeared to be exerting control over her and was checking deposits and statements, seemingly controlling her actions. The existing customer was also reviewed, and it was apparent that this account was being used to pay for a variety of low cost/high volume transportation and logistics-related bookings across Europe. Direct reviews of transactions also highlighted additional indicators, including: a telephone number common to two other customers; regular low-level expenditure at local chemist/pharmacy and supermarket; and no evidence of full-time employment despite significant turnover in the account. The bank filed two further suspicious activity reports that linked six customers and their transactional activity to unusual behaviour exhibiting indicators of laundering the proceeds of human trafficking for the purpose of sexual exploitation. This extended the law enforcement intelligence picture for their ongoing investigation and identified previously unknown subjects. Local law enforcement developed the case and arrested members of the organised crime network, who were subsequently convicted of human trafficking, modern slavery and prostitution offences.”

CASE STUDY 3

“On 9 April 2018, the US Department of Justice seized Backpage.com, the Internet’s leading forum for prostitution ads and a place where sex traffickers frequently advertised children and adults. Backpage earned hundreds of millions of dollars from facilitating prostitution and sex trafficking and served as a platform for human traffickers. In addition, seven Backpage executives were indicted for their role in a conspiracy to facilitate prostitution and were charged with 40 counts of money laundering in various forms. On 12 April 2018, the Justice Department announced that Backpage’s co-founder and CEO, Carl Ferrer, of Frisco, Texas, had pleaded guilty to conspiracy to facilitate prostitution using a facility in interstate or foreign commerce and to engage in money laundering. Additionally, several Backpage-related corporate entities, including Backpage.com LLC, have entered guilty pleas to conspiracy to engage in money laundering. In his plea agreement, Ferrer admitted that he conspired with other Backpage principals to engage in various money laundering offences. Specifically, Ferrer admitted that since 2004, Backpage has earned hundreds of millions of dollars in revenue from publishing “escort” and “adult” ads. Over time, many banks, credit card companies and other financial institutions refused to do business with Backpage due to the illegal nature of its business. In response, Ferrer admitted that he worked with his co-conspirators to find ways to fool credit card companies into believing that Backpage-associated charges were being incurred on different websites, to route Backpage-related payments and proceeds through bank accounts held in the name of seemingly unconnected entities and to use cryptocurrency processing companies for similar purposes. Backpage advertisers used the proceeds of crime (money earned from pimping/prostitution) to purchase ads on Backpage; additionally, the fees which Backpage collected for posting prostitution ads also constituted the proceeds of unlawful activity. The investigation revealed that laundering of criminal proceeds was conducted through numerous US-based financial institutions and banks in 10 foreign countries. The indictment unsealed by the US District Court for the District of Arizona further alleged that Backpage pursued an array of sophisticated money laundering strategies, including the following:

- Instructing advertisers to send checks and money orders to anonymous post office boxes, depositing those payments in bank accounts held in the name of entities with no apparent connection to Backpage and then giving the advertisers a corresponding “credit” on Backpage to purchase new advertisements
- Wiring the proceeds of Backpage’s business to bank accounts in foreign countries and then redistributing the funds to Backpage executives (as compensation) or redepositing the funds in bank accounts held in the United States (to conceal the nature of those funds and promote Backpage’s ongoing operations)
- Converting advertisers’ payments and the proceeds of Backpage’s business into and out of cryptocurrency.”

Africa’s largely cash economy means that profiling perpetrators and victims is difficult, as financial transactions often elude identification due to cash transaction reporting being below threshold. The DPCI indicated to the EWG that traffickers often open bank accounts in their victim’s names to avoid detection themselves. Hawala is commonly used by traffickers.

Corruption and bribery are interwoven with MSHT crimes, including corruption of legal enforcement officials and trade and industry officials such as police, customs officers and border officials, who are paid to turn a blind eye. Several NGOs indicated to the EWG that victims and participants are afraid to come forward, especially where the Nigerian syndicates are involved, as these syndicates are known to kill people who challenge them or place them at risk.

Other challenges are articulated in the report, but the one that requires urgent attention is the current lack of information sharing and co-operation between NGOs, law enforcement, the Financial Intelligence Centre and banks. If South Africa is going to wage an effective war against MSHT and bring in the syndicates and masterminds orchestrating this crime in our country, we have to start collaborating effectively. NGOs have a host of information gathered via human trafficking hotlines and their own profiling, which could prove invaluable to the FIC and law enforcement. Where cases are being investigated by the DPCI or prosecuted by the NPA, the financial sector should be engaged to provide information on the accounts held by the suspects and perpetrators, so that these investigations and prosecutions have a greater reach up the trafficking criminal value chain and are more impactful.

RESEARCH METHODOLOGY

In conducting the research needed to compile this report, the working group considered both quantitative and qualitative data. The data included the following:

- Review of international and local research reference materials, including those published by the UNODC and FATF
- Interviews with organisations and individuals actively involved in dealing with and combating MSHT locally and internationally
- Suspicious and unusual transaction report (STR) data mining conducted by the FIC

An STR/SAR data mining exercise was conducted in an endeavour to identify possible characteristics of actors and sources of funds, financial flows and payment methods specifically indicative of MSHT crime. The aim was to build profiles that could be used by accountable and reporting institutions to fine-tune transaction monitoring rules to better detect MSHT-related transactions, improve intelligence gathering and perform targeted analysis on the issue.

The FIC used a representative sample of STRs received from accountable and reporting institutions relating to MSHT. Financial intelligence reports that contained analysis work relating to MSHT cases that law enforcement agencies already worked on were also identified and included in the sample.

Please see Annexure A for details on the methodology used.

The EWG was not able to study cases dealing with financial flows in relation to MSHT, as it appears that this aspect of MSHT investigations is largely undeveloped in South Africa. This did, however, reinforce and support the value and purpose of this report, as well as the need for collaboration between the financial sector and law enforcement.

KEY OBSERVATIONS

Identification of typologies and indicators for MSHT in South Africa is critical to improving the ability of financial institutions to identify transactions potentially linked to trafficking activities.

Based on the data gathered and interviews conducted, the following are the types of prevalent human trafficking typologies relevant for South Africa (however, human trafficking is not limited to only the following categories):

- Modern slavery/forced labour
- Sex trafficking, including the commercial sexual exploitation of minors
- Forced marriages
- Organ trafficking
- Sports trafficking

The key payment methods utilised in the MSHT financial flow chain in South Africa include, but are not limited to:

- Alternate money remittance services such as money service businesses and hawala
- Mobile technology
- Digitisation

- Casinos
- Smurfing
- Electronic money
- Complex trust structures
- Money mules
- Online gaming
- Gift cards

The key challenges and areas requiring attention if impactful change is to occur are the following:

- Enhancement in understanding and knowledge of the crime
- Effective data collection and information sharing among the public and private sector
- Investigation of financial flows and money laundering as part of trafficking investigations
- Establishment of survivor accounts in South Africa to aid in victim rehabilitation



**MODERN SLAVERY AND
HUMAN TRAFFICKING
TYPOLOGIES IN SOUTH AFRICA**



OVERVIEW

To effectively target MSHT and its networks in South Africa and to help survivors, the associated typologies and financial flows supporting trafficking must be identified and disrupted.

Examining typologies of MSHT can improve the ability of financial institutions to proactively identify transactions linked to trafficking activities. Typologies assist in creating a better understanding of the elements required for successful investigations and prosecutions; developing appropriate services for victims and survivors; preventing human trafficking-linked financial crimes; and increasing community awareness.

In addition to the data sets mentioned in the research methodology section of this paper, insights were also extracted from the Refinitiv® World-Check® Risk Intelligence database. Refinitiv is an LSEG business. The data collected up to February 2022 is shown below in three specific data sets:

- Global dashboard
- Regional dashboard for the African continent
- Local dashboard specific to South Africa

Six special interest categories of risk related to MSHT were used to extract the data, namely:

- Human rights violation
- Human trafficking
- Sexual exploitation
- Exploitation of children
- Forced and slave labour
- Labour rights violations

Key observations follow.

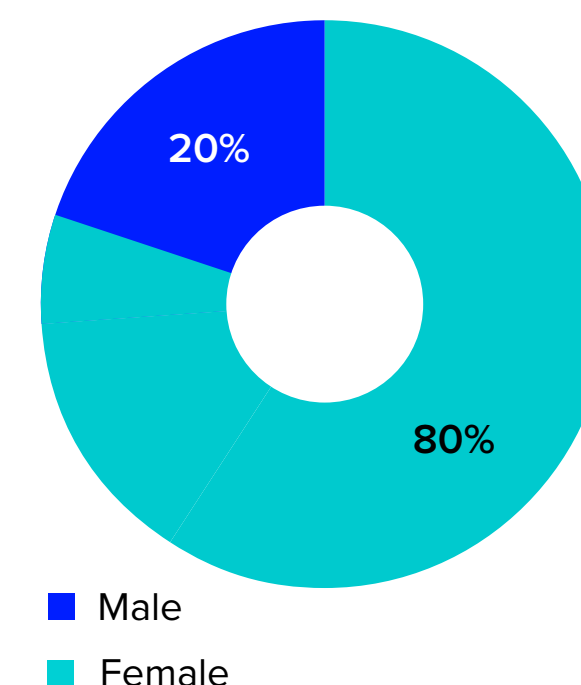
GLOBAL DASHBOARD

MALE VERSUS FEMALE PERPETRATORS GLOBALLY

SPECIAL INTEREST CATEGORIES

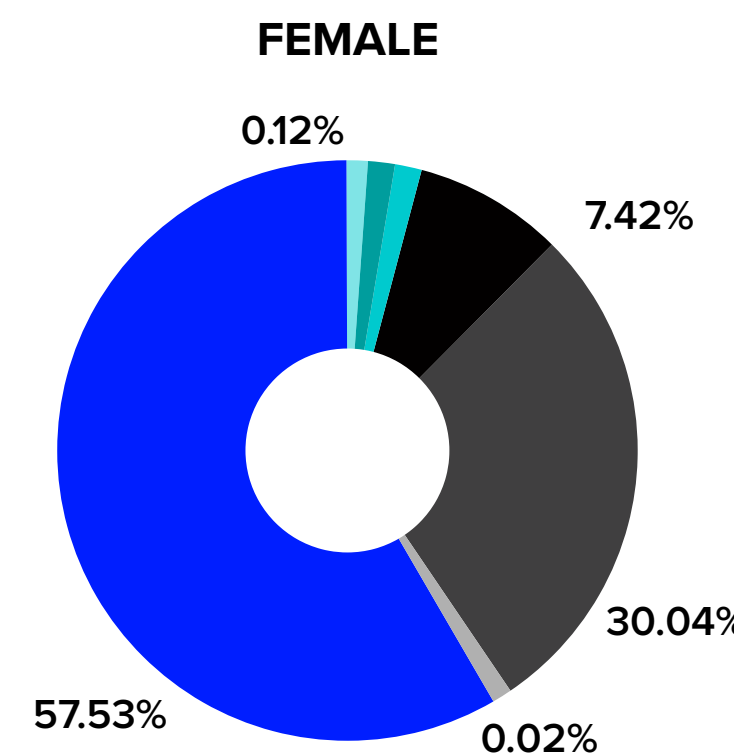
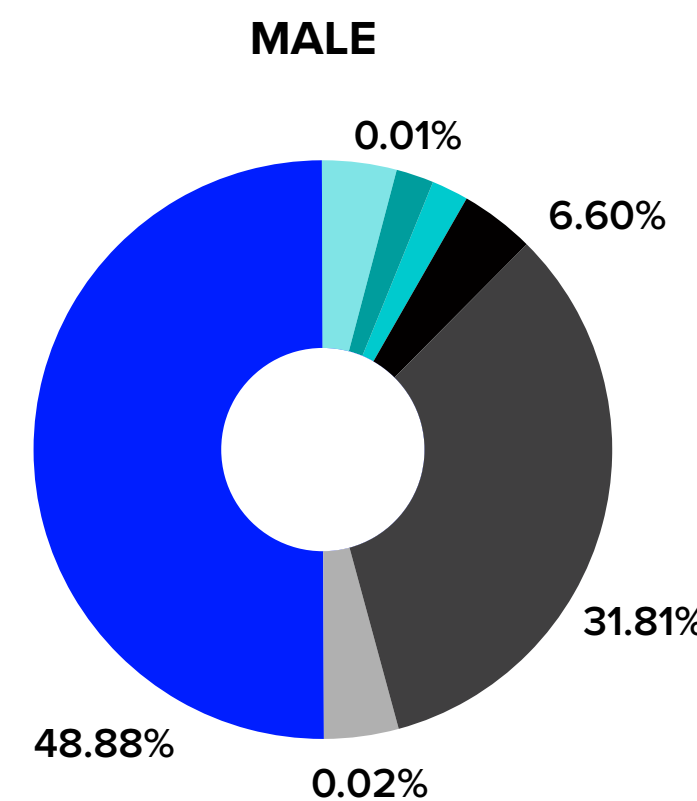
	Male	Female
Human rights violation	42.6%	39.0%
Human trafficking	19.4%	29.9%
Sexual exploitation	20.6%	17.2%
Exploitation of children	15.5%	11.6%
Forced and slave labour	1.6%	2.0%
Labour rights violations	0.3%	0.2%

MALE VS FEMALE PERPETRATORS



CATEGORIES

- Diplomat
- Individual
- Legal
- Military
- Non-conviction terror
- Political individual
- Religion
- Crime - financial
- Crime - narcotics
- Crime - organised
- Crime - other
- Crime - terror
- Crime - war



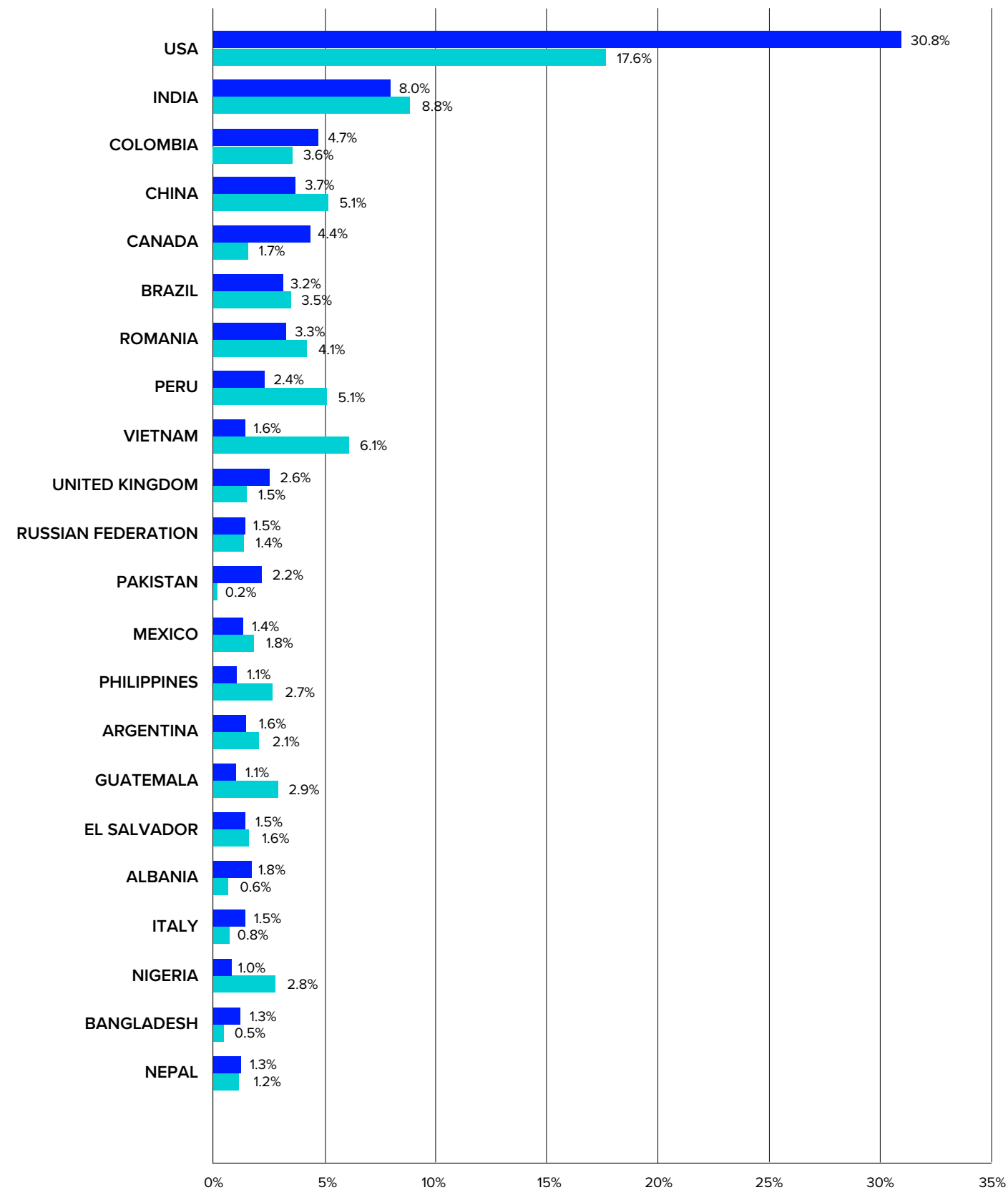
This data indicates that, globally, the proportion of men involved in MSHT is higher than women, however in cases of human trafficking alone, women are the dominant group. This statistic supports the notion that women are often used as recruiters in human trafficking activities; often these women were victims themselves and turned into recruiters to tap into the vulnerability of women trusting other women.

Source: LSEG World-Check

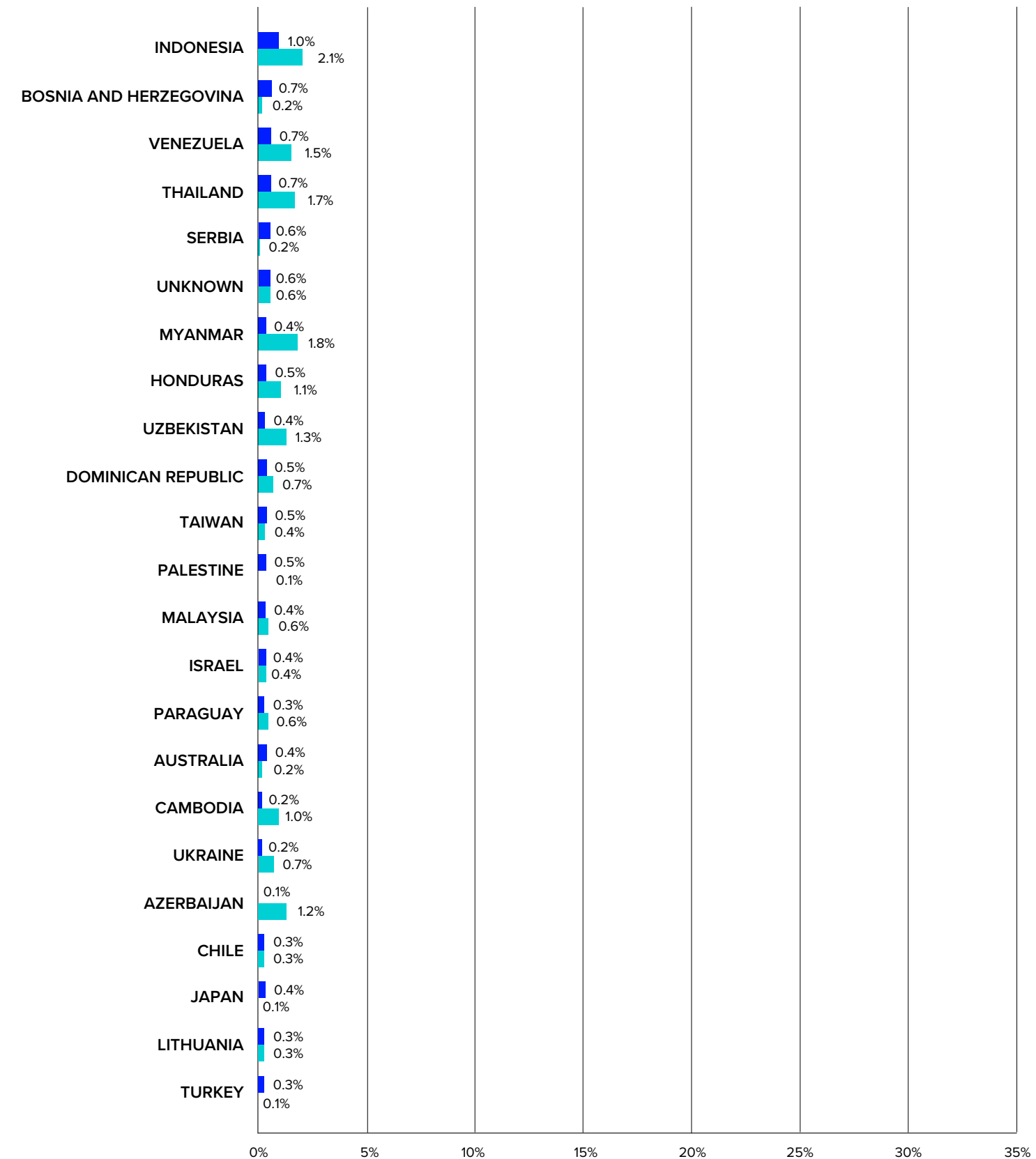


GLOBAL PERPETRATOR DEFAULT CITIZENSHIP

The perpetrator default citizenship dashboard highlights the citizenship of perpetrators in top countries in which MSHT has been reported in open media. Therefore it does not reflect accurately the number of MSHT incidents in those countries. One needs to consider the variability of access to open-source information, i.e., some jurisdictions are more transparent with reporting MSHT cases than others. Countries that are not as transparent in reporting MSHT cases in their open media would have a lower percentage of reported cases, while still possibly having a high number of unreported cases.



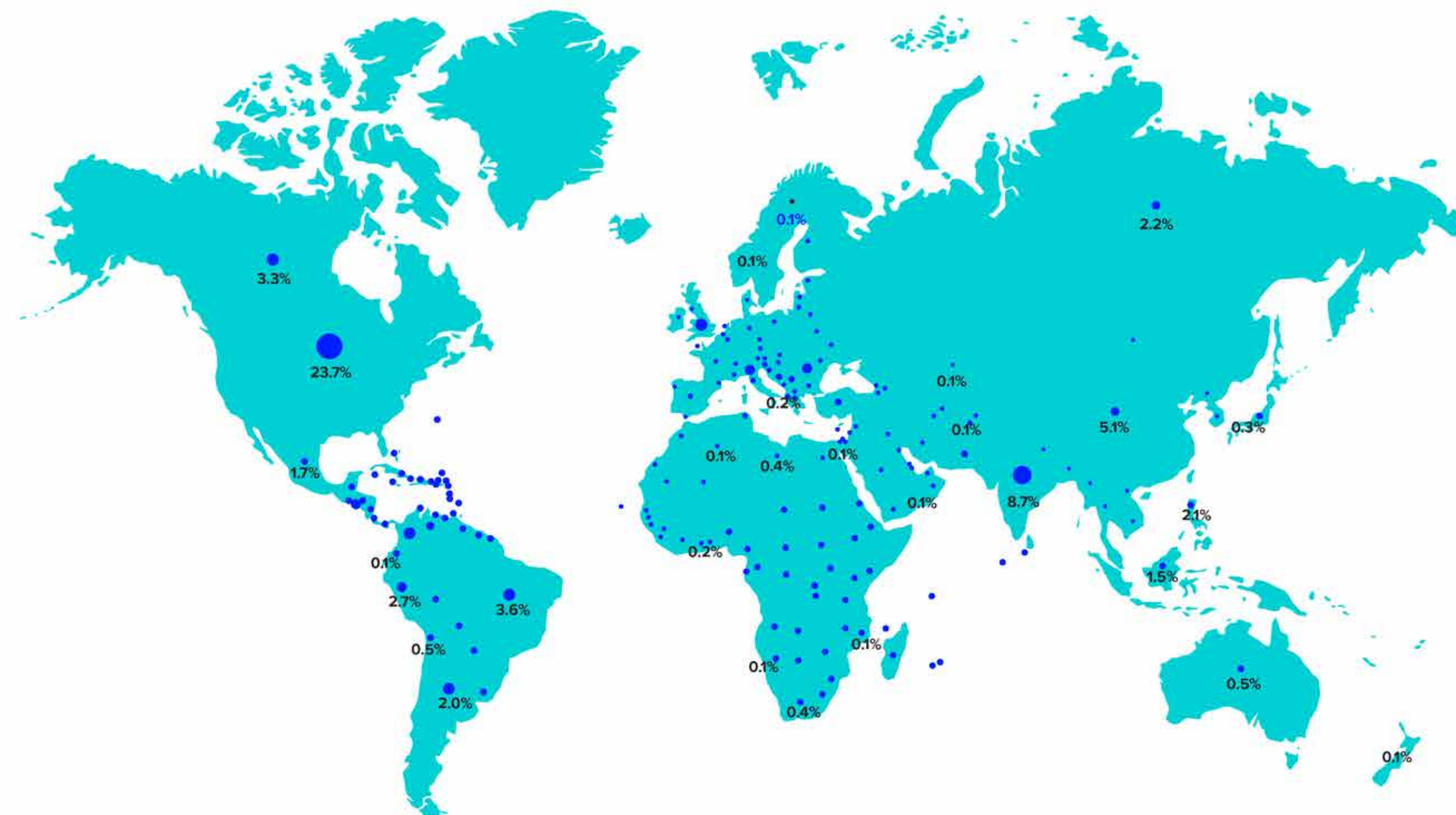
Source: LSEG World-Check



MALE FEMALE

THE GLOBAL MSHT-RELATED SPECIAL INTEREST CATEGORIES HOTSPOTS

This dashboard indicates the top 25 countries in the world that are hotspots for MSHT. Location data was extracted from the places in which crimes were committed and perpetrators arrested, as well as source, transit and destination locations which demonstrate that MSHT is a transnational criminal phenomenon. USA, India, Colombia, China, Italy and United Kingdom are the top five hotspot countries. Again, these proportions are largely affected by the number of cases reported in open media. USA, as a known top destination country for MSHT, scores the highest as a hotspot.



Country	Percentage
USA	23.7%
INDIA	8.7%
COLOMBIA	7.2%
CHINA	5.1%
ITALY	3.9%
UNITED KINGDOM	3.7%
BRAZIL	3.6%
CANADA	3.3%
ROMANIA	2.9%
PERU	2.7%
PAKISTAN	2.6%
VIETNAM	2.5%
EL SALVADOR	2.4%
RUSSIAN FEDERATION	2.2%
PHILIPPINES	2.1%
ARGENTINA	2.0%
MEXICO	1.7%
ALBANIA	1.6%
BANGLADESH	1.6%
INDONESIA	1.5%
NEPAL	1.5%
GUATEMALA	1.4%
THAILAND	1.2%
NIGERIA	1.1%
BOSNIA AND HERZEGOVINA	1.1%
PALESTINE	0.9%
MALAYSIA	0.8%
MYANMAR	0.8%
SERBIA	0.8%
VENEZUELA	0.8%
TURKEY	0.7%
SPAIN	0.7%
FRANCE	0.7%
UZBEKISTAN	0.7%
ISRAEL	0.6%

REGIONAL DASHBOARD FOR THE AFRICAN CONTINENT

MALE VERSUS FEMALE PERPETRATORS IN AFRICA

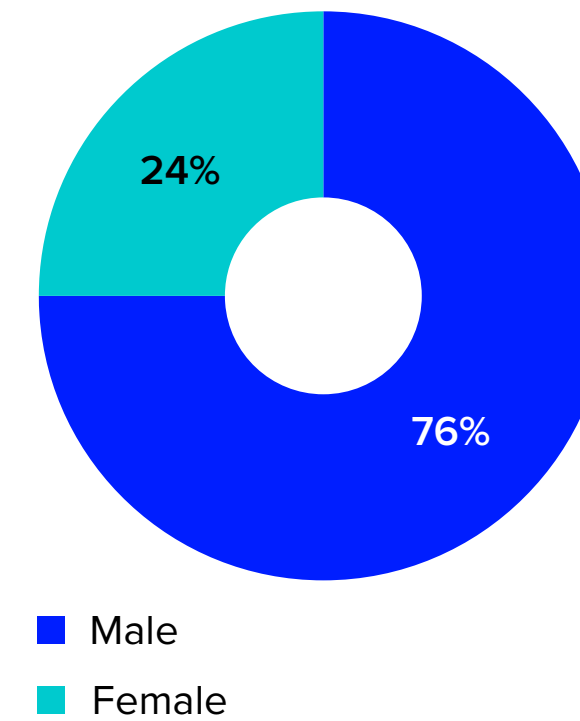


SPECIAL INTEREST CATEGORIES

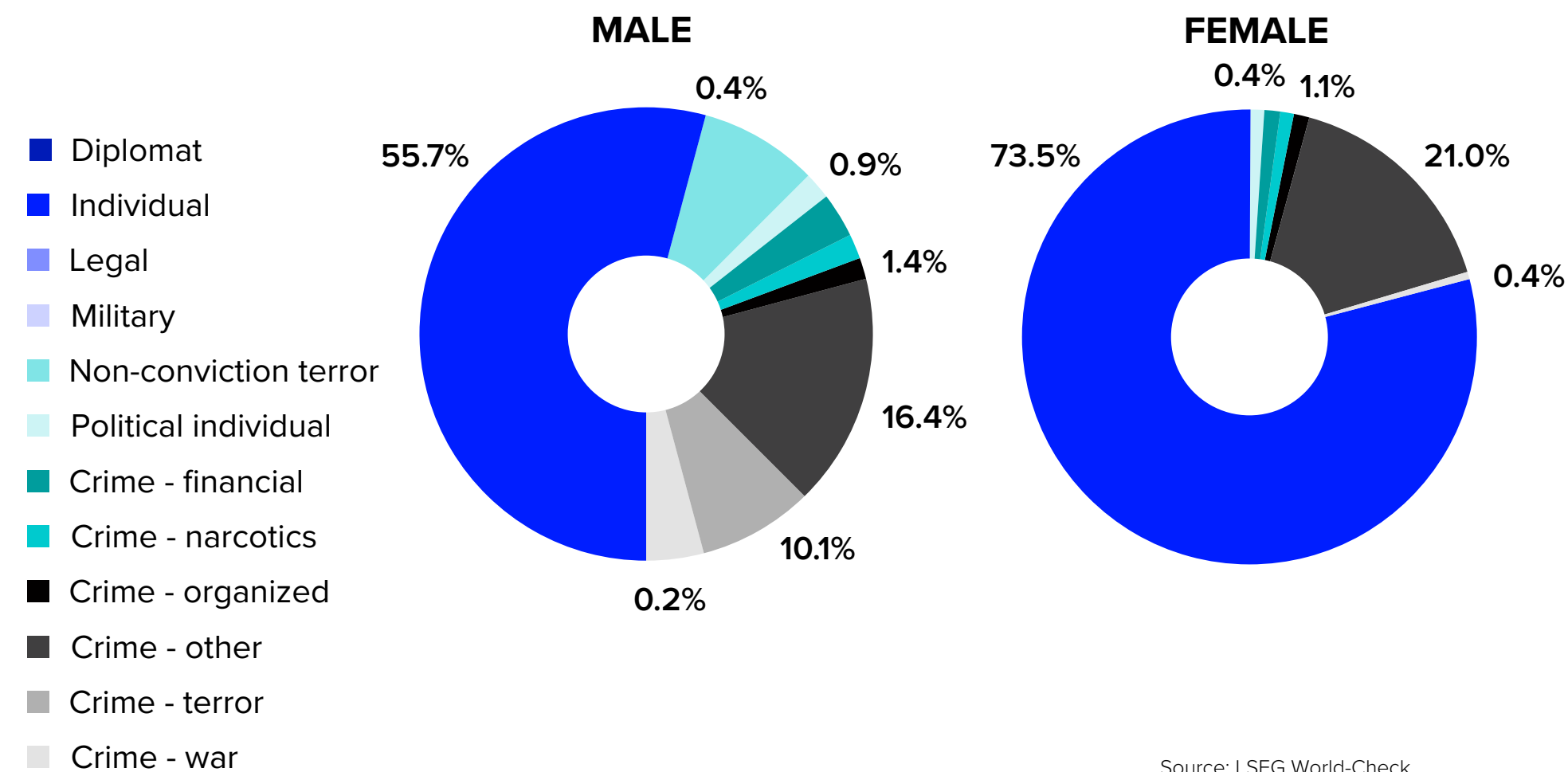
	Male	Female
Human rights violation	52.6%	38.2%
Human trafficking	26.9%	36.0%
Sexual exploitation	7.8%	10.1%
Exploitation of children	9.1%	13.1%
Forced and slave labour	3.5%	2.5%
Labour rights violation	0.1%	*

* Females were not reported in this category

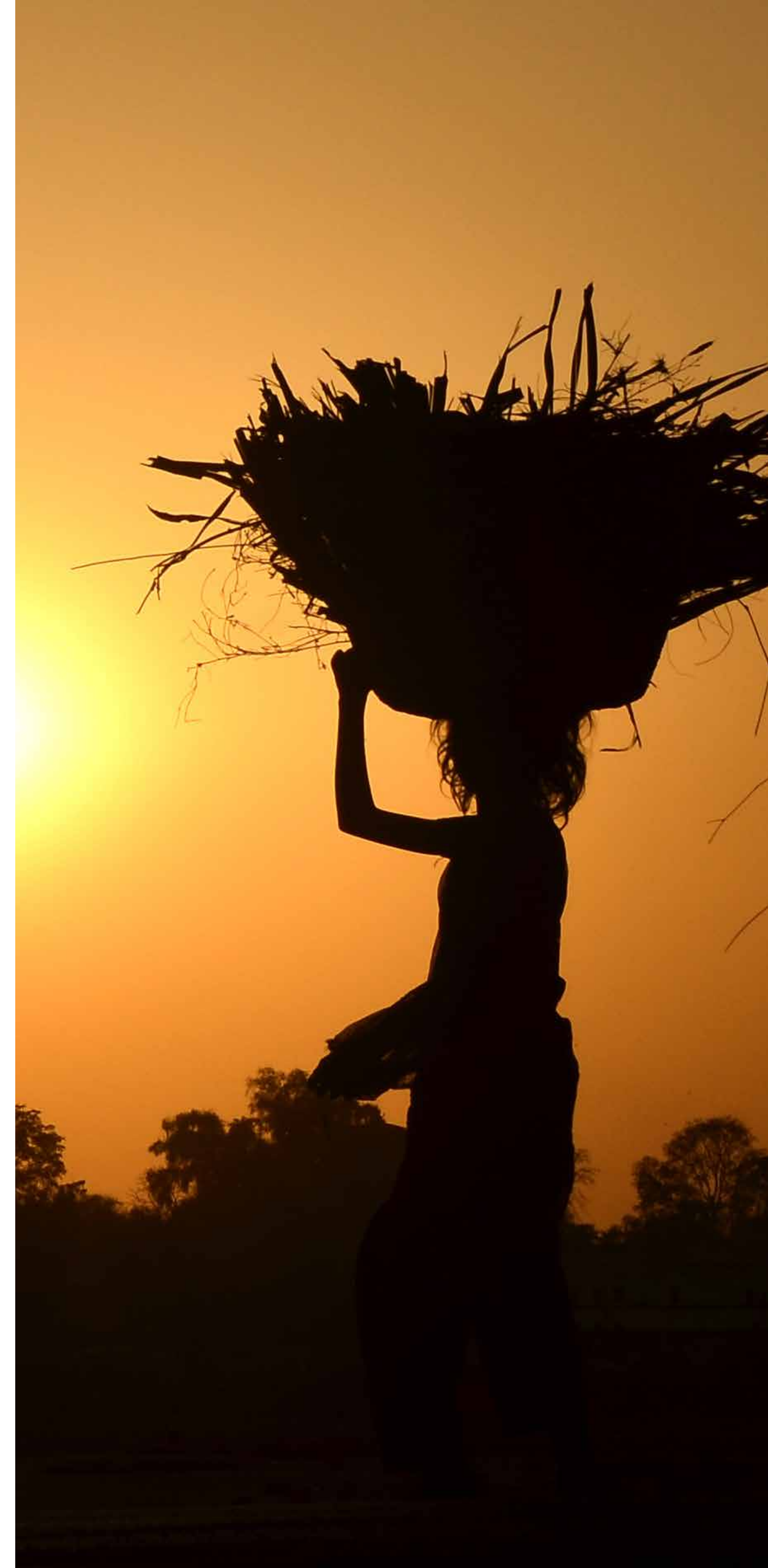
MALE VS FEMALE PERPETRATORS



CATEGORIES

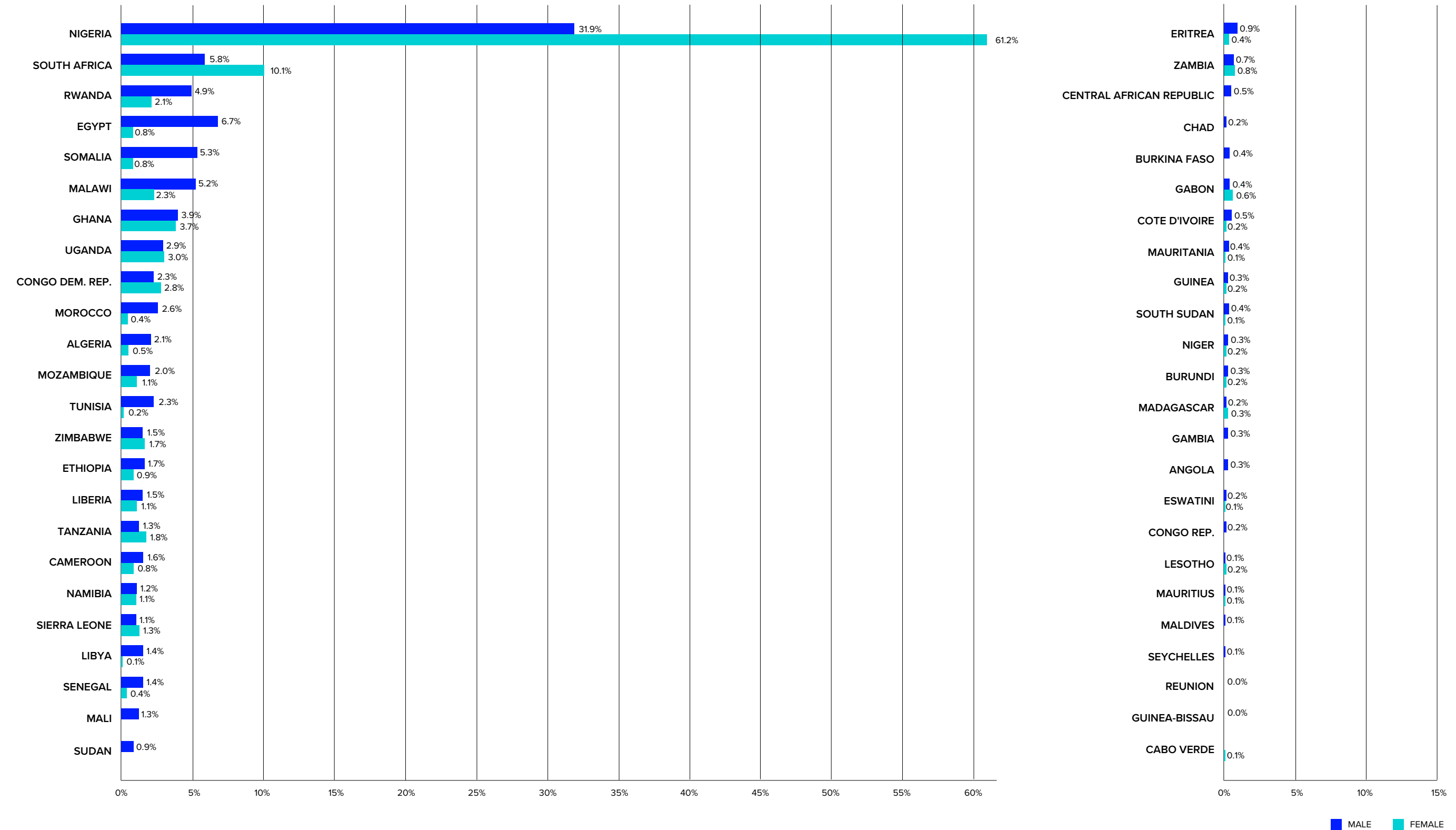


Source: LSEG World-Check



MALE VERSUS FEMALE PERPETRATORS PER COUNTRY IN AFRICA

Following global trends, the proportion of male to female perpetrators in the African continent shows that more men than women are responsible for MSHT, however more women are involved in the human trafficking, sexual exploitation and exploitation of children risk categories. Consistent with our research during literature review, as well as interviews with organisations and other stakeholders in preparation for this report, there has been an increase in women perpetrators where sex trafficking and exploitation of children is involved. Many of these perpetrators were once victims that were re-victimised and surrendered to criminality as a way of survival. The use of female perpetrators to recruit children for exploitation has also been widely reported.

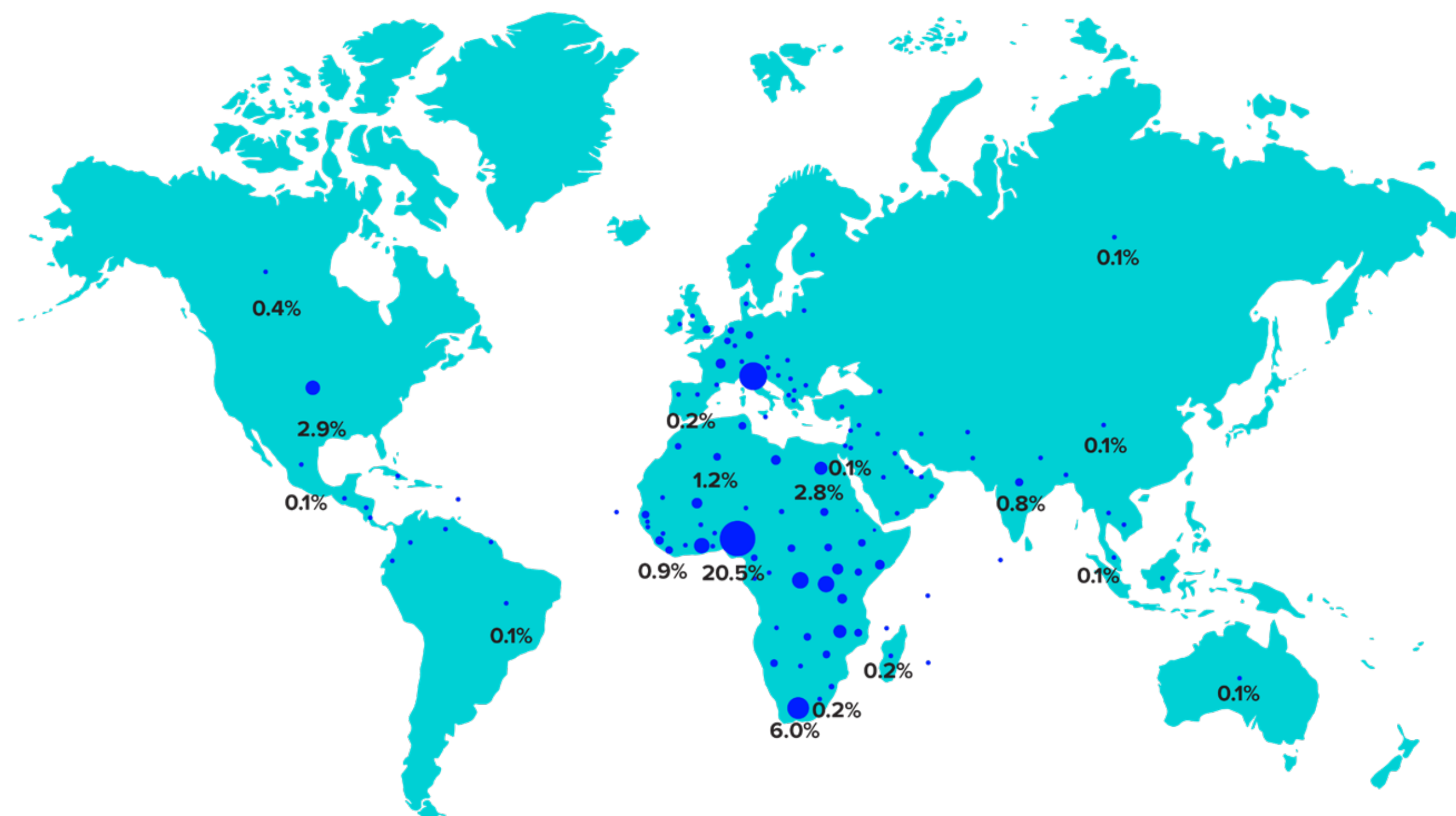


Source: LSEG World-Check

HOTSPOT COUNTRIES ON THE AFRICAN CONTINENT AND TRANSNATIONAL LINKS

Nigeria is the top hotspot for MSHT on the African continent. Other non-African countries are featured in this map because locations were cross-referenced to indicate countries that serve as source, transit and destination and where transnational organised crime networks operate. For example, Italy is a known hotspot destination country for trafficking of victims from North and West Africa, especially for sex trafficking and forced labour.

South Africa appears as top-three country for MSHT on the African continent. Again, this proportion could be affected by open data availability.



NIGERIA	20.5%
ITALY	14.7%
SOUTH AFRICA	6.0%
RWANDA	4.0%
GHANA	3.7%
CONGO DEM. REP.	3.4%
MALAWI	2.9%
USA	2.9%
EGYPT	2.8%
LIBYA	2.4%
UGANDA	2.0%
SOMALIA	1.7%
TANZANIA	1.6%
MALI	1.3%
FRANCE	1.3%
UNKNOWN	1.3%
ALGERIA	1.2%
MOZAMBIQUE	1.2%
NAMIBIA	1.1%
CENTRAL AFRICAN REPUBLIC	1.1%
SUDAN	1.0%
KENYA	0.9%

LIBERIA	0.9%
ETHIOPIA	0.9%
UNITED KINGDOM	0.8%
TUNISIA	0.8%
INDIA	0.8%
ZIMBABWE	0.8%
MOROCCO	0.8%
GERMANY	0.7%

LOCAL DASHBOARD SPECIFIC TO SOUTH AFRICA

MALE VERSUS FEMALE PERPETRATORS IN SOUTH AFRICA

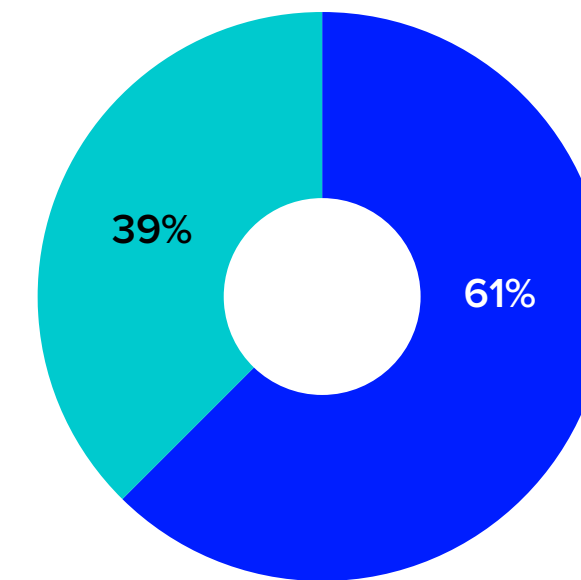
SPECIAL INTEREST CATEGORIES

	Male	Female
Human rights violation	43.8%	37.5%
Human trafficking	32.6%	36.8%
Sexual exploitation	11.2%	13.9%
Exploitation of children	10.7%	11.8%
Forced and slave labour	1.8%	*

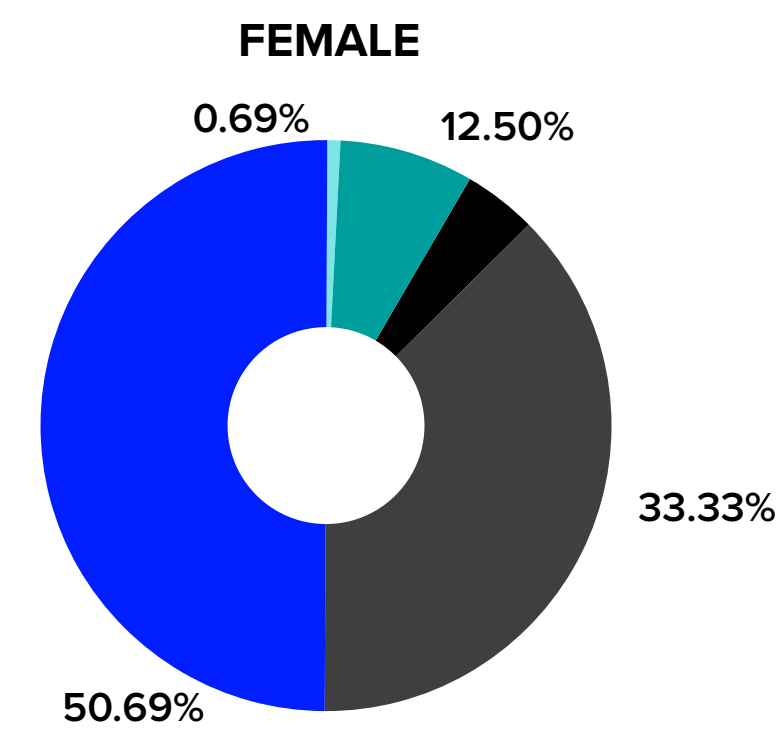
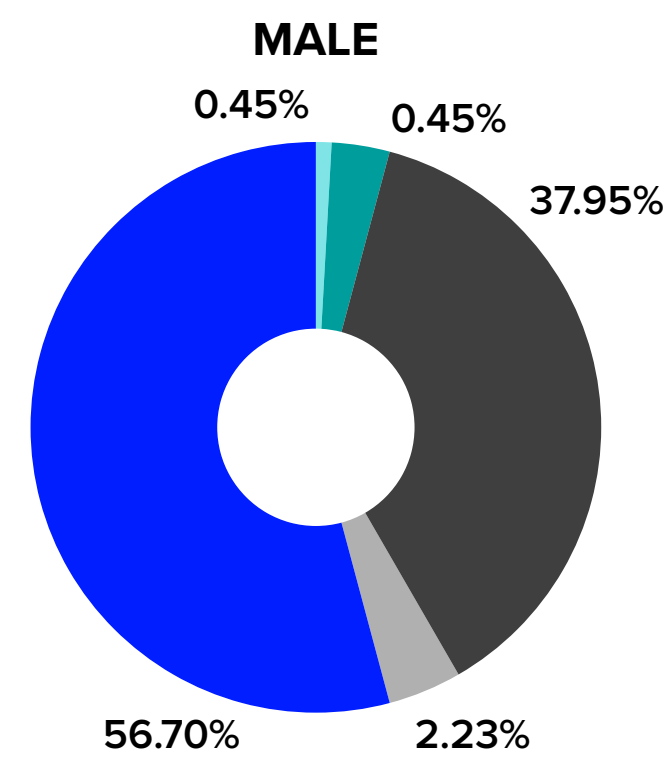
* Females were not reported in this category

MALE VS FEMALE PERPETRATORS

■ Male
■ Female



- Crime - financial
- Crime - narcotics
- Crime - organized
- Crime - other
- Crime - terror
- Individual
- Non-conviction terror



In South Africa, the proportion of male to female perpetrators indicates that more males are involved in MSHT across all risk categories. However, the percentage of females involved in MSHT is higher than the global and regional average. Consistent with the African continent data, there are more female perpetrators than males in cases of human trafficking, sexual exploitation and exploitation of children. No data was reported of females involved in forced and slave labour cases for this data set.

The trafficker profile extracted from the FIC SAR data mining exercise indicates that females account for 26% of perpetrators while males account for 61%. Thirteen percent is unknown due to STRs submitted without indicating the person's gender. Moreover, perpetrators are largely professionals and in positions of influence.



TRAFFICKER PROFILES

Occupations

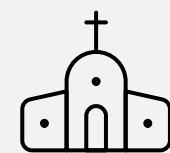
1 in 3

Self-employed

- Manager/professional (16%)
- Small business owner (7%)
- Businessman (7%)
- Farmer (5%)
- Skilled worker (5%)
- Judge (2%)
- Ambassador (2%)
- Unemployed (2%)**
- Pastor (2%)
- Pensioner (2%)

EMPLOYED BY

- Religious institutions (24%)**
- Import and export (11%)
- Beauty spa (8%)
- Textile industry (8%)
- SANDF and SAPS (6%)
- Immigration and logistics (6%)
- Hotels/taverns run as brothels (5%)
- Sports betting (5%)
- Farm (5%)

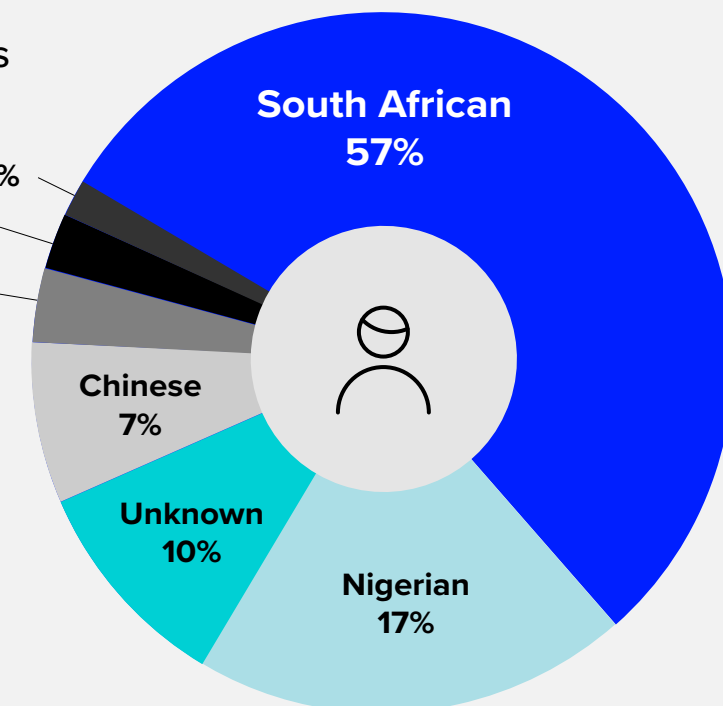


61%

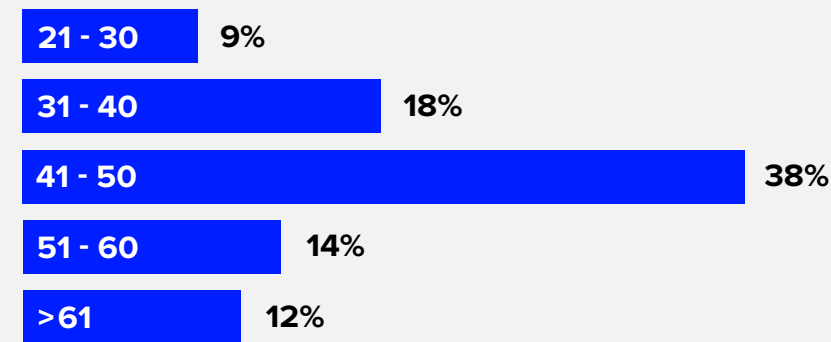
male perpetrators

Males were often the masterminds behind the trafficking schemes

- Zimbabwean 2%
- Cameroon 3%
- American 4%



AGE



Males

152

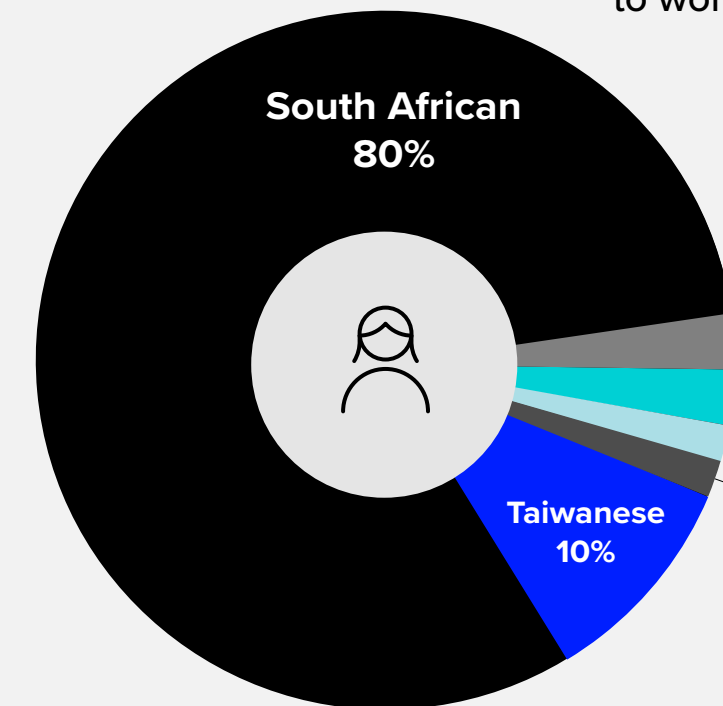
Females

26%

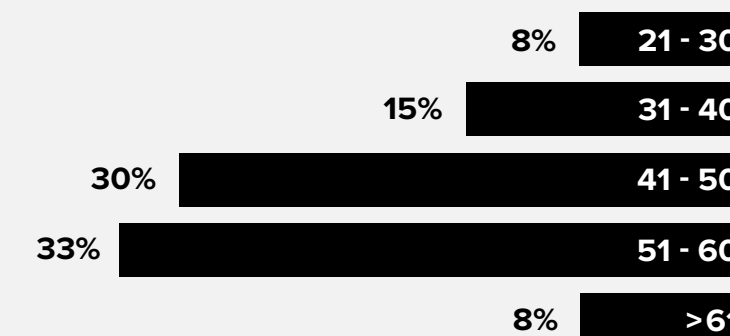
female perpetrators

Females were often seen to work with/for males to recruit/lure victims

- Uganda 3%
- Chinese 3%
- Zambian 2%
- Unknown 2%



AGE



Occupations

1 in 4

Self-employed

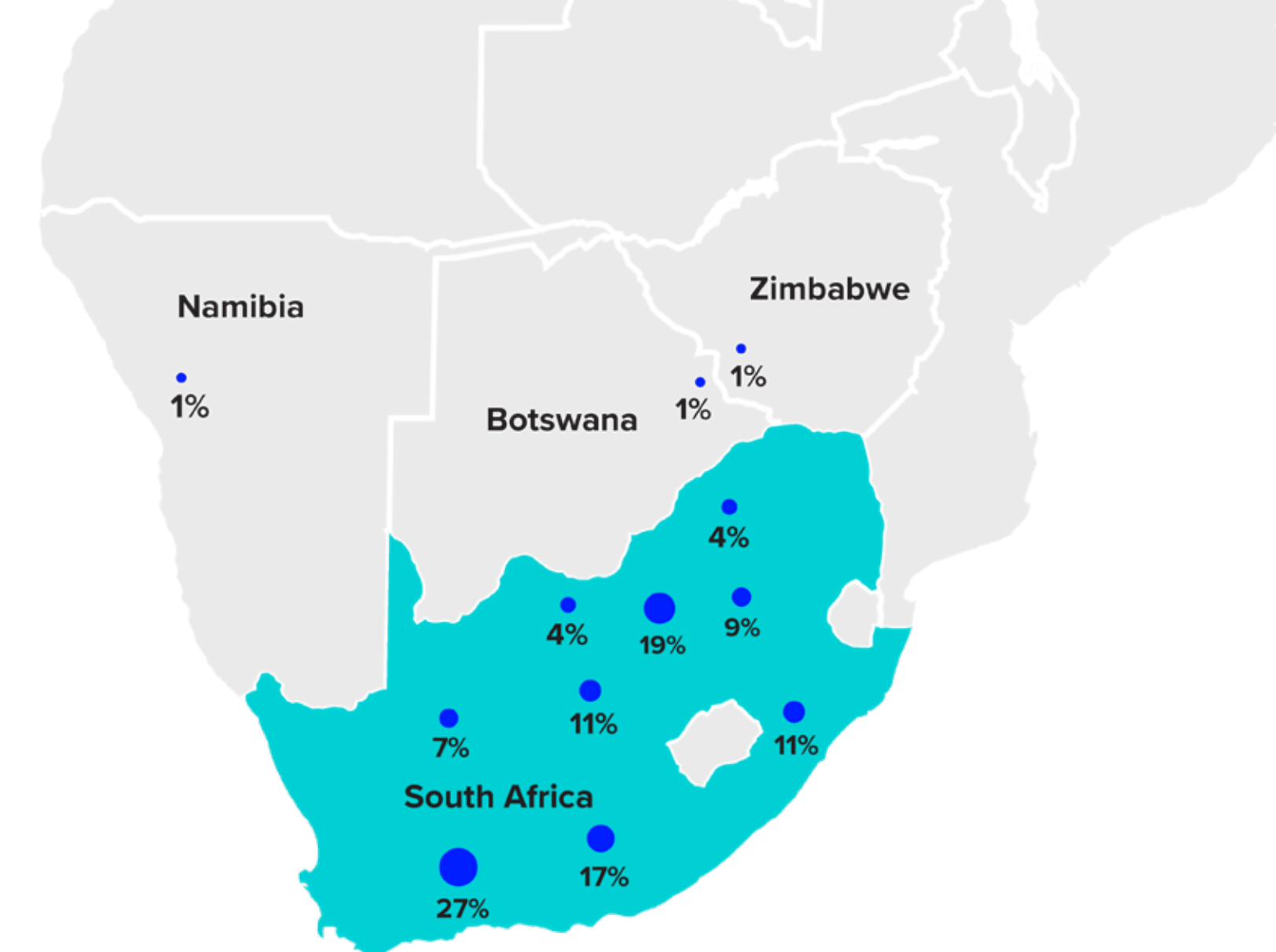
- Unemployed (18%)**
- Director/professional (18%)
- Clerical (12%)
- SAPS Superintendent (6%)
- Waitress (6%)
- Cleaner (6%)
- Housewife (6%)

EMPLOYED BY

- Hotels/taverns run as brothels (33%)**
- Adult entertainment venues (11%)
- Financial institutions (11%)
- SAPS (11%)
- Travel and tourism (11%)
- Beauty spa (11%)



HOTSPOT LOCATIONS IN SOUTH AFRICA AND TRANSNATIONAL LINKS



Country	Region	Percentage
SOUTH AFRICA	Western Cape	27%
	Gauteng	19%
	Eastern Cape	17%
	KwaZulu-Natal	11%
	Free State	11%
	Mpumalanga	9%
	Northern Cape	7%
	North West	4%
	Limpopo	4%
	Null*	2%
BOTSWANA	South East	1%
	North East	1%
ZIMBABWE	Null*	1%
	Bulawayo	1%
LESOTHO	Null*	1%
ESWATINI	Null*	1%
	Manzini	1%

Country	Region	Percentage
NAMIBIA	Omusat	1%
	Erongo	1%
ETHIOPIA	Addis Ababa	1%
MOZAMBIQUE	Null*	1%
UNITED KINGDOM	Wales	1%
	Cambridgeshire	1%
USA	Washington	1%
	South Dakota	1%
	Georgia	1%
	Alabama	1%
ISLE OF MAN	Null*	1%
CAMBODIA	Phnom Penh	1%
THAILAND	Null*	1%
PAKISTAN	Punjab	1%

*Null in this case means that the region in the country was not specified.

Source: LSEG World-Check

The proportion of cases in Southern Africa indicates that South Africa reports the highest number of cases when compared to other Southern African countries such as Mozambique, Lesotho, Botswana and Zimbabwe. Besides the routes in between these Southern African countries, foreign countries appear as either source, transit, destination or a combination thereof for MSHT in South Africa, as well as outside of the country in locations including USA, United Kingdom, Isle of Man, Cambodia, Thailand and Pakistan. Some of these countries are mentioned as hotspots elsewhere in the typologies section.

Finally, from a South African perspective, the Western Cape province reports the highest number of MSHT cases, followed by Gauteng, Eastern Cape, KwaZulu-Natal and Free State provinces. It is indicative that tourist destinations are the biggest hotspots for human trafficking, especially that related to sexual exploitation.

Based on the data gathered and interviews conducted, the following are the most prevalent types of human trafficking typologies relevant for South Africa (however human trafficking is not limited to only the following categories):

- Modern slavery/forced labour
- Sex trafficking, including the commercial sexual exploitation of minors

The following are additional typologies that are less prevalent based on statistical reporting or are isolated to certain regions of the country, but that nevertheless exist in South Africa:

- Forced marriages
- Organ trafficking
- Sports trafficking

The most prevalent typologies are covered in detail and include specifics on the following variables:

- Demographics of traffickers
- Demographics of victims
- Methods of recruitment
- Operation: location, scope, size
- Methods of control and coercion

MODERN SLAVERY AND FORCED LABOUR

DEMOGRAPHICS OF TRAFFICKERS

The majority of known traffickers and recruiters were reported to be South Africans. Generally, traffickers are adult males. Traffickers were also found to be family members of the victims, or even trusted authority figures such as priests and pastors.

DEMOGRAPHICS OF VICTIMS

The majority of victims were from outside of South Africa, including victims from Mozambique, Zimbabwe, Lesotho, Botswana and Bangladesh. According to A21, in 2020, most victims reported to the National Human Trafficking Hotline were female adults (82%). Children are also seen as vulnerable to this crime as are asylum seekers and refugees.

According to the Borgen Project (2019), while girls are more likely to be trafficked for domestic servitude and sexual exploitation, boys are trafficked for street vending and begging, food services and agricultural purposes.

The demographics of victims are:

- Adult females in hospitality, tourism and domestic service
- Adult males in farming, construction, factories and fishing
- Children
- Typically from financially impoverished communities
- Foreign nationals, asylum seekers and refugees

NON-AFRICAN VICTIMS IN SOUTH AFRICA

It is observed by the Borgen Project (2021) that “many Chinese traffickers operate in South Africa, specifically targeting Asian men and women. There has been growth in the number of Chinese victims but Thai women remain the largest foreign victim group. Government and NGOs found growth in captors forcing Pakistanis and Bangladeshis into bonded labour.”

Foreign male victims were mostly trafficked for mining, farming, agriculture and fishing, with foreign fishing vessels found in South Africa’s territorial waters. Chinese businessmen have been found to recruit slave labour for their factories and the Cuban government may have forced Cuban medical doctors and healthcare workers to combat the Covid-19 pandemic in various provinces of South Africa, retaining almost 85% of their salaries for the Cuban government after they completed their mission and returned home, according to the US Department of State (2021).

WOMEN

Migrant women enter South Africa in search of economic opportunities, often without formal immigration papers. It was noted that such women often turn to domestic work, earning salaries lower than the mandated accepted salary for domestic workers. Sometimes, employers confiscate their identification papers after they have entered South Africa under the guise of “safekeeping”, although the motive is to hold them hostage (Borgen Project, 2021).

METHODS OF RECRUITMENT AND INDUCEMENTS OFFERED

Victims are commonly recruited through the promise of a job opportunity, employment, education, a romantic relationship or by someone they know.

There has been an increased use of online platforms to recruit and further exploit victims which coincided with the global Covid-19 pandemic and lockdown restrictions. Perpetrators advertise false job opportunities on social media. Given the existing high unemployment rate in South Africa, which was further exacerbated by the additional loss of jobs and livelihood during the pandemic, desperation sets the perfect stage for traffickers to lure victims with the promise of a job and better life.

OPERATION: LOCATION, SCOPE, SIZE

Based on interviews, we found that trafficking occurs predominantly in the larger South African cities such as Cape Town, Johannesburg and Durban, where victims are typically recruited from impoverished or less-resourced areas to these larger urban areas. We were also advised by the NPA that trafficking does occur in smaller rural communities, especially in relation to forced labour.

Individuals are trafficked from countries including, but not limited to, South Africa, Nigeria, Mozambique, Bangladesh, Pakistan, Zimbabwe and Ethiopia.

According to the US Department of State (2021), Mozambican crime syndicates have been using the eastern borders of the Kruger National Park for labour trafficking of South African males to other parts of the country. These routes are shared amongst traffickers and other criminals involved in different illegal operations. In addition, common trafficking routes exist between Malawi, Zimbabwe, Botswana, Lesotho and Eswatini.

METHODS OF CONTROL AND COERCION

Economic abuse is the most-used method of control employed by traffickers. Debt bondage is used to trap victims by charging exorbitant fees for recruitment, travelling, accommodation and living expenses, so that victims end up not seeing their salary at all. Other common control methods reported were induced substance abuse, where traffickers use drugs or alcohol addiction as a means of coercion, and sexual abuse. Traffickers also threaten, shame or instil fear in victims or their families or threaten to report victims to the police or immigration to prevent them from reporting the traffickers to the authorities.



SEX TRAFFICKING, INCLUDING THE COMMERCIAL SEXUAL EXPLOITATION OF MINORS

DEMOGRAPHICS OF TRAFFICKERS

Traffickers are generally adult males. The US Department of State Trafficking in Persons report (2021) stated that those traffickers operating in South Africa are increasingly from Nigeria, the Democratic Republic of the Congo, Cameroon and Ghana. The report also indicated that “syndicates were often dominated by Nigerians and forced women from Nigeria and countries bordering South Africa into commercial sex. In some cases, sex traffickers exploited women in brothels disguised as bed and breakfasts”.

However according to the SAR data mining report, adult male South Africans are the dominant population of traffickers and South African adult females aid traffickers with the recruitment of victims. According to the NPA, and based on the cases that reach them, the majority of male sex traffickers were Nigerian and the majority of female sex traffickers were South African.

In many cases it was found that the traffickers are known to the victim and may even be family members. They are usually people that the trafficked person trusts or becomes trusting of, contradicting the myth that traffickers are typically strangers hidden in vehicles trawling for the next victim.

DEMOGRAPHICS OF VICTIMS

Traffickers target individuals who are vulnerable (such as migrants, disabled persons, pregnant women and children) and may even re-exploit survivors who become financially unstable. Generally female minors are victims to the crime but boys are also targets.

LGBT persons, both foreign and native, are also targets of trafficking – young men and boys experience coercion into trafficking rings, especially those from neighbouring SADC countries. The US Department of State Trafficking in Persons report (2021) has noted that South Africa is a central hub for sex and human trafficking, with girls as young as 10 years old being trafficked. The report stated that more than half of the victims involved in ongoing cases came from outside of South

Africa, including 91 victims from Mozambique, significant numbers from Bangladesh, China and Zimbabwe and several victims from Lesotho and Botswana.

The same report indicated that “traffickers recruit victims from poor countries and poor and/or rural areas within South Africa, particularly Gauteng, and exploit them in sex trafficking locally and in urban centres, such as Johannesburg, Cape Town, Durban and Bloemfontein”.

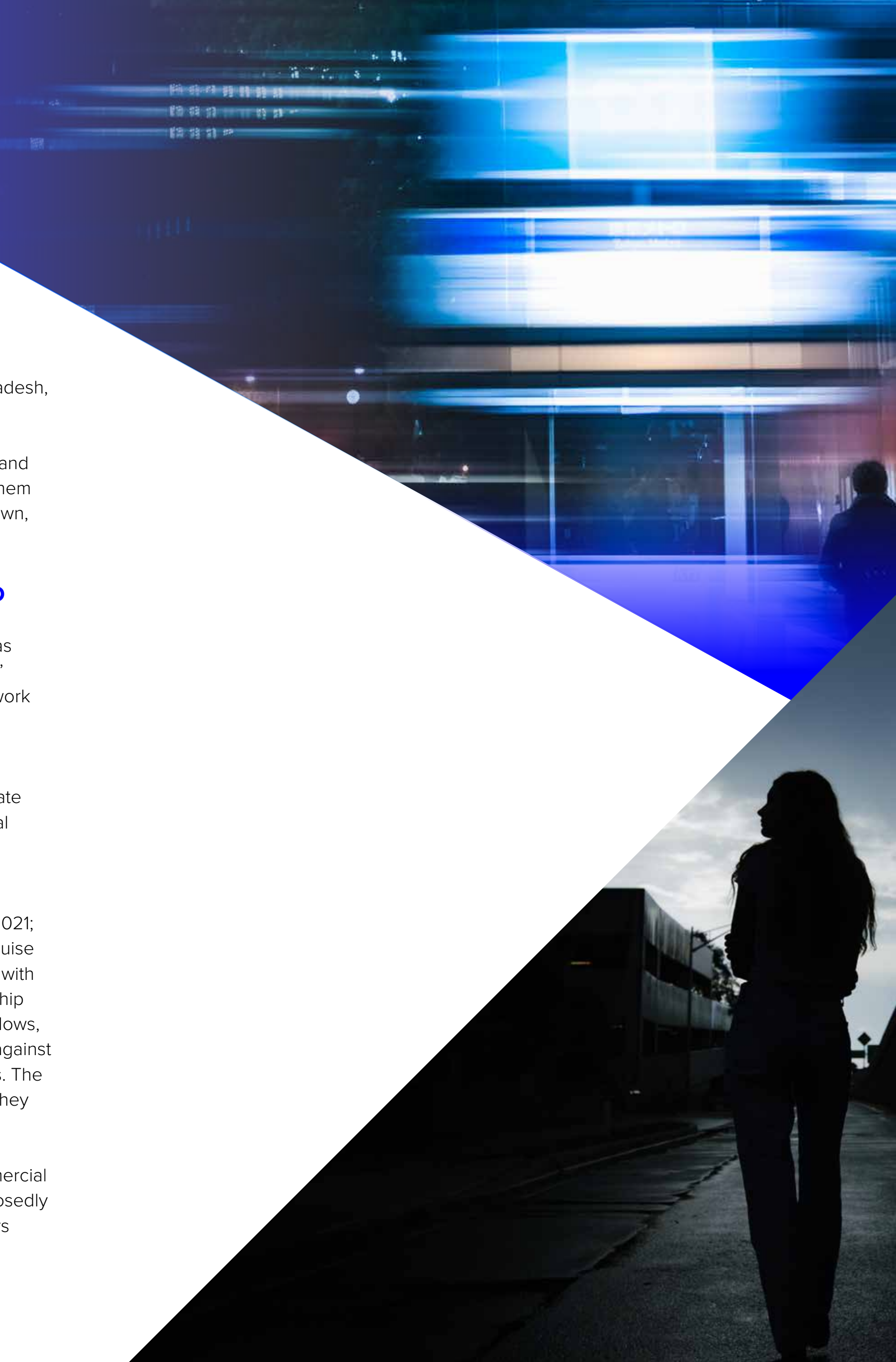
METHODS OF RECRUITMENT AND INDUCEMENTS OFFERED

The use of social media accounts to “auction” off women for sexual services as “companions” during the Covid-19 lockdown has been reported. “Companion” services were advertised as “charitable contributions” for women in need of work due to loss of wages resulting from lockdown restrictions.

Top recruitment methods include the use of false job opportunities and the “loverboy” method, whereby traffickers form intimate relationships to manipulate victims. These false opportunities often involve promises of job or educational opportunities as well as promises of a better life (Patel, 2022; Francke, 2022).

Online exploitation is an emerging means to recruit. Online recruitment and grooming increased as children spent more unsupervised time online (DSD, 2021; Interpol, 2020). Traffickers may spend months talking to a child online in the guise of a friend or boyfriend of the same age group. They form an emotional bond with the child and isolate them from family members, creating a secretive relationship – which is the perfect foundation for grooming and exploitation. Sextortion follows, with reports of children being used to produce online pornographic material against their will, which is then commercialised on the dark web and online porn hubs. The trafficker then threatens to expose the child to family members and friends if they refuse to comply with the trafficker’s demands (Interpol, 2020).

Following global trends, in 2020 South Africa saw an increase in online commercial sexual exploitation of minors. Sadly, in many cases family members and supposedly trustworthy adults, such as day-care owners, were the recruiters and exploiters



(Njilo, 2020). In these cases, international co-operation from the US Federal Bureau of Investigations and the US Department of Homeland Security, in conjunction with local authorities such as the South African Police Service's Serial and Electronic Family Violence, Child Protection and Sexual Offences Investigation Unit (SECI), the National Crime Intelligence Cyber Crime Unit and the Gauteng Forensic Social Work Services, were instrumental in making arrests and providing material evidence used by the National Prosecuting Authority to secure convictions (Koen, 2020; Masweneng, 2020; Molosankwe, 2021; Njilo; 2020; Pretorious, 2020; SAPS, 2020; Shange, 2020).

It is important to note that online commercial sexual exploitation of adults and minors fits the typology of human trafficking, since transport and movement is not a necessary component to characterise trafficking; recruitment through various means for exploitation is enough.

Recruitment of minors for sex trafficking targets especially vulnerable children, such as orphans and those in poverty conditions, desperate to get a job. Traffickers befriend them with the intention to exploit them.

According to the UNODC (2020), children account for one in three victims of human trafficking worldwide. This is a significant increase – a 2014 report stated that one in every four victims of human trafficking was a child (UNODC, 2014). Children are particularly vulnerable to all forms of human trafficking including forced labour, sex trafficking and online commercial sexual exploitation.

According to the Borgen Project (2021), in 2014 the Western Cape reported an increased number of Nigerian sex trafficking victims, many of them coerced through cultural rituals, known as Juju (Van Der Watt, 2022).

Recruitment methods also overlap with forced labour, with many victims being promised job opportunities. Instead, when they arrive, they are moved quickly and sometimes heavily drugged, raped and pushed into prostitution. The NPA indicated there is almost a 50/50 split between repeat victims and new victims (State vs Obi case illustrates this – see Annexure C for case summary).

In certain cases, it was found that business owners and landlords pressured individuals to take out loans in exchange for cheap labour and sexual exploitation.

Recruitment methods are therefore varied and include:

- Formal job offers in newspapers as models, airhostesses
- Loverboy approach in person
- Offer of accommodation to drug addicts, runaways, homeless people

- Online relationship through social media accounts and other means
- Online fake or deceptive job recruitment promising lucrative employment
- Recruitment for prostitution
- Education opportunities

OPERATION: LOCATION, SCOPE, SIZE

Trafficking victims mostly come from neighbouring countries such as Mozambique, Lesotho, Botswana and Zimbabwe. They are often exploited in sex trafficking and domestic servitude after voluntarily migrating to South Africa in search of work. Those who cannot keep a legal status in the country are even more vulnerable to traffickers. Traffickers particularly target orphans and people from poor economic conditions.

According to the Borgen Project (2021), the majority of victims are South African, Nigerian, Kenyan and Middle Eastern nationals, although there are reports of victims from Thailand, China and Eastern Europe having been exploited in brothels and massage parlours.

To a lesser extent, South African women are trafficked to Europe and Asia, where some end up having to work in prostitution, domestic servitude or drug smuggling (US Department of State, 2021).

METHODS OF CONTROL AND COERCION

Methods of control include:

- Debt bondage
- Drug addiction
- Physical violence and threat (such as rape)
- Confiscation of travel documents
- Financial dependence on the trafficker due to limited or no income, deception and fear of authorities
- Control by isolating the victims
- Collusion – using victims to assist in recruiting other victims and exploiting their guilt/threatening them/or promising freedom if they recruit another person
- The victim's income may also be taken by the traffickers, making victims financially dependent on the traffickers and furthering debt bondage



FORCED MARRIAGES

Traffickers are generally adult males who are looking for virginal young brides. They may be respected community members or third parties assisting with the procurement of brides.

According to the International Labour Organisation, International Organisation for Migration and the Walk Free Foundation (2017), in 2016, globally an estimated 15.4 million people were living in a forced marriage. Most forced marriages target females, however forced marriages amongst the male population are also present. African countries account for 15 of the 20 countries with the highest rates of child marriage. Global Statistics reveal that 44% of child victims were girls, who were forced to marry before the age of 15 years. Girls are much more likely to be forced into a marriage than boys. The prevalence of forced marriages is on the African continent with 4.8 victims for every thousand people.

In South Africa, the practice of ukuthwala is being misused by traffickers for forced marriages, especially in the rural areas of Kwazulu-Natal, Gauteng and Eastern Cape. Ukuthwala involves abducting a girl and negotiating with her family to approve of the marriage. In customary tradition, the family agrees on a lobola as means of payment for the bride and then offers their approval and blessing. In the original tradition, there is consent of the bride who wishes to get married. In practice, however, traffickers may exploit the bride's dire financial conditions by presenting the dowry (known as lobola) as a form of financial relief and offering better life conditions for the girl, further compelling them to accept the marriage with or without the bride's consent. (Centre for Human Rights, 2018; UNFPA, 2021; Manyane, 2018; Walk Free Foundation, 2019). If there is no consent, or when consent is gained through coercion or other means, it is considered a forced marriage. In cases where the bride is a minor, consent is irrelevant and the marriage is deemed to be a forced marriage.

SPORTS TRAFFICKING

According to Mission 89 (2021), sports trafficking is the recruitment of migrant athletes through coercion, fraud or deception, based on the aspirations of the athlete to develop their abilities and join nationally and internationally recognised sports leagues. The athlete pays agents or intermediaries purporting to have contacts with professional clubs abroad, where the alleged interest from a foreign club is bogus, and the intermediary abandons the player on arrival in a destination country.

The majority of sports trafficking incidents identified are linked to soccer.

ORGAN TRAFFICKING

Yesufu (2020:105) states that there is high demand for human body parts and organs in Malawi, Zambia, Mozambique and South Africa. Within the South African context, the bodies of victims of so-called "muti murders" are mutilated through the removal and subsequent sale of body parts such as the hearts, hands, eyes and genitals.

These body parts are believed to possess supernatural powers and are used in witchcraft rituals and traditional healing. Persons with albinism and children seem to be the most targeted for muti murders; children are particularly vulnerable because their body parts are believed to hold more power. Authorities say that it is difficult to estimate the prevalence of muti murders in South Africa as they are mainly reported as regular murder cases (Motloun, 2016).

Although the number of cases of trafficking for the removal of organs and organ trafficking has spiked in other parts of Africa such as Egypt, Nigeria and Libya (Al-Masry Al-Youm, 2021; Dahaby, 2021; Egypt Today, 2021; SafaAlharathy, 2021; Seye, 2021), reports of this crime in South Africa have been nearly non-existent since the scandal involving several doctors and healthcare personnel in a high-profile private hospital in Kwazulu-Natal, where authorities uncovered an illegal transplant of kidneys scheme (UNODC, 2015). In this case, several hospital personnel pleaded guilty in 2010 to 102 counts of charges related to organ trafficking.

Nevertheless, Interpol (2021) highlights that South Africa remains a destination country for patients travelling from abroad to receive an organ transplant, and that these practices are not sufficiently monitored and regulated to avoid the use of illegally sourced organs. Therefore, the extent of the real scope of potential organ trafficking is suspected to be under-reported. This seems to be the trend across the world, including in countries known to be hotspots for organ trafficking such as India, Pakistan and Turkey.



IDENTIFYING SUSPICIOUS BEHAVIOUR



METHODS OF LAUNDERING PROCEEDS

The enhancement of financial investigations is crucial to combating human trafficking. The private sector has an important role to play in combating modern slavery and human trafficking by detecting red flags and reporting suspicions to law enforcement.

According to Polaris (2021), the role of professional money launderers in human trafficking networks has become increasingly critical, as they allow criminal networks to maximise their profits while limiting their risk of detection. They offer specialist professional services to increase the effectiveness, scale and obscurity of the movements of proceeds of crime, making it even more critical to detect the financial flows related to human trafficking. Polaris defines professional money launderers as third parties that fit the following criteria:

- They provided material support to the enterprise in the form of access to financial networks and/or professional services (including legal, accounting, real estate or insurance)
- Their compensation was directly related to the provision of this material support
- They did not otherwise profit directly from the trafficking enterprise or have significant control over the proceeds

Additionally, there are two groups of professional money launderers associated with human trafficking networks:

- Internal participants that provide these services on a limited basis, in most cases only the trafficking enterprise that they are associated with
- External participants that provide these services to many enterprises, included the human trafficking enterprises they have been associated with

According to Coster van Voorhout (2020), proactive financial investigations are important for a holistic approach against human trafficking, known by its four Ps:

- Prevention
- Prosecution
- Protection (of victims)
- Partnerships

Financial investigations can strengthen prevention by obtaining financial intelligence which can be used to disrupt perpetrators and facilitators. As they enable the identification of potentially new perpetrators, who are not yet known to authorities, they may also help discover new modus operandi. Additionally, proactive financial investigations can aid prosecution by providing proof of exploitation. Prosecution also assists in prevention efforts through general and specific deterrence. The protection of victims can also entail reparations for the damages sustained through asset recovery and freezing.

MONEY LAUNDERING TYPOLOGIES IN SOUTH AFRICA

Africa's cash economy means that profiling of perpetrators and victims is difficult, as financial transactions often elude identification due to cash transaction reporting being below threshold.

As a predicate offence linked to money laundering, MSHT financial flows include several links to bribery and corruption of legal enforcement officials and trade and industry officials such as police, customs officers and border officials.

In addition, according to an interview with a key stakeholder Unchain our Children, perpetrators have established trading pipelines: "Some additional crimes include organ harvesting, blood diamonds, kidnap for ransom, abduction, illegal immigration/smuggling, etc... Therefore, the chain of players involved makes tracking the flow of funds difficult but critical".

For example, a recent paper published by the UNODC (2021) mentions the concept of "harbouring", which is the process whereby victims of human trafficking are accommodated or forced to stay in certain accommodation prior to and during

the MSHT process. Some examples of properties used include "brothels, private homes, factories, farms or fishing vessels. They are often dangerous, inhumane and unsanitary, and can be controlled by criminals involved in the trafficking network." While purchasing of property is traditionally considered low risk in the three stages of money laundering (i.e., placement, layering and integration), purchasing of properties often forms part of the layering and integration processes. Therefore, appropriate due diligence and regulation of these industries is also key.

As mentioned, money laundering is facilitated through various methods. Four key methods identified in the Bank Secrecy Act (BSA) data since FinCEN issued the 2014 Advisory and supplemented by the 2020 Advisory (FINCEN, 2014; 2020) are:

- Front companies
- Exploitative employment processes
- Funnel accounts
- Alternative payment methods





FRONT COMPANIES

Businesses that combine illicit proceeds with those gained from legitimate business operations. Examples of front companies used by human traffickers for labour or sex trafficking include massage businesses, escort services, bars, restaurants and cantinas. The front company generates revenue from sales of alcoholic beverages and cover charges. Meanwhile patrons can also obtain illicit sexual services from trafficked individuals, usually elsewhere in the establishment.

EXPLOITATIVE EMPLOYMENT PRACTICES

Visa fraud and wage retention are often used to amass profit from labour and sex trafficking. For instance, some labour recruiters mislead or defraud victims, taking advantage of workers before and after they enter a country. In some cases, recruiters are not truthful about the nature and condition of a job offer, using contract switching and confiscation of workers' identification documents as means of deception and control. Foreign nationals who have legitimate temporary work or student visas also can be exploited. It is also common practice to charge exorbitant fees, engaging in debt bondage and paying workers less than what had been promised.

ALTERNATIVE PAYMENT METHODS

Alternative payment methods include payment via credit cards, prepaid cards, mobile payment applications and virtual currency. Buyers of commercial sex use prepaid cards or virtual currency purchased on peer-to-peer (P2P) exchange platforms. Human traffickers also use third-party payment processors (TPPPs) to wire funds, concealing the true originator or beneficiary both domestically and abroad.

FUNNEL ACCOUNTS

These involve an account of an individual or business in one geographic location that receives multiple cash deposits, usually in amounts below the reporting threshold, from which funds are then withdrawn in a different geographic location shortly after they have been received.

In labour and sex trafficking schemes, human traffickers may open accounts in their own name, or escort victims to a bank and force them to open an account. In some cases, victims are also coerced or forced to wire proceeds via money services businesses (MSBs) to facilitate the funneling of proceeds.

This list of potentially impacted industries is not exhaustive, but some key industries that pose a high risk include:

- Travel agencies, recruitment firms
- Au pair services
- Modelling agencies
- Matchmaking services
- Massage services
- Construction
- Agriculture
- Mining
- Food processing
- Domestic services

The key payment methods utilised in the MSHT financial flow chain in South Africa include, but are not limited to:

- **Alternate money remittance services such as money service businesses and hawala** – hawala is a system developed in India as an alternate remittance system. Unlike traditional banking systems, hawala is based on a concept of “trust” among a chain of individuals who move or transfer money without official “movement” of money. According to organisations interviewed, hawala dealers can take up to 10% of all transactional proceeds.
- **Mobile technology** – mobile phone-based money transfer services, while distancing themselves from MSHT activities, often see movements of monies to and from high-risk jurisdictions associated with MSHT, with limited regulation in place to monitor the activity.

- **Digitisation** – the rise of fintechs that are working to introduce technology to reduce the cash in circulation and the increased use of virtual currencies such as Bitcoin mean that South African industry and regulators have had to swiftly assess their own financial digitisation processes through, for example, blockchain platforms. In some cases, regulators are working with industry to recommend risk mitigation approaches. A good example is QR code standardisation, which will promote interoperability between banks, enable consumers to use a single code to make payments through local bank networks and help reduce the cash in circulation. However, the legal framework will need to be significantly overhauled, regulation adjusted and financial technology enhanced to deal with the pace of progress.
- **Casinos** – while casinos have been cooperative with authorities in identifying and reporting irregular or suspicious activity, the use of casinos for money laundering continues to be prevalent, as perpetrators appear to return to the same casinos under the impression that they have gone undetected. Examples include perpetrators using casino chips to launder money by, for example, purchasing X value of casino chips and then later cashing in a significantly different amount of casino chips with no camera evidence of the perpetrators engaging in casino gambling activities. Therefore, the risk of engaging with casino businesses should be thoroughly assessed.

Other money laundering methods:

- Smurfing – splitting cash deposits and withdrawals between multiple people or purchasing monetary instruments just below regulatory thresholds to avoid detection; most prevalent in countries where monetary reporting requirements exist
- Electronic money, for example money stored on prepaid cards, instant messaging payment apps and use of social media platforms like Facebook which integrate with many other money services such as PayPal, Western Union etc.
- Offshore investment into known tax havens where disclosure of source of wealth or funds is not specifically regulated
- Complex trust structures which hide the beneficial ownership and movement of funds
- Money mules, or people who are paid commissions for moving money; examples seen include monies strapped onto persons and money stuffed in petrol tanks
- Online gaming, using game credits to move money around by hacking games and even using persons as slaves to hack games and credits on a full-time basis
- Gift cards – fraudsters copy serial numbers and scratch off security codes, then use the loaded cards to purchase goods to sell – high-end goods, for example – to launder cash

FINANCIAL FLOWS AND INDICATORS

PERPETRATOR TRANSACTING PATTERNS

The characteristics identified through the SAR data mining exercise are summarised below (please refer to Annexure C for the full statistical tables):

TRANSACTIONS WITH AN UNKNOWN SOURCE PARTY

It was noted that over the reporting period, transactions relating to MSHT were consistently conducted by unknown individuals. The majority of MSHT-related transactions conducted by unknown individuals were cash or ATM transactions. The frequency of transactions conducted by unknown individuals seems to be dwindling over time as reporters tighten their control environments and transacting with anonymous clients becomes less accepted in the financial environment. The percentage of unknown individuals compared to known transactors was 0.64% for the 2021 financial year. It is, however, concerning to note that perpetrators of MSHT do favour cash to transact because it cannot be tracked.

METHOD OF TRANSACTING

It was noted that the transacting patterns reported for all alleged MSHT crimes over time shifted substantially with the worldwide acceptance of electronic banking products. The Covid-19 pandemic also invariably had an impact that led to changes in criminals' transacting patterns in 2020 and 2021.

It appears that in-branch transactions were favoured during 2016 and 2017, but from 2018 to 2021, local electronic funds transfers (EFTs) showed a consistent increase in popularity. Up until 2017, in-branch transactions represented 78.78% of all transactions for the period, however, in 2020, 94.06% of all transactions were local EFTs. It is important to note that EFT's were the most common payment method for both 2020 and 2021.

Across the period, money remittances involving MSHT transactions make up the second-highest percentage (1.92%). This payment method appears to be used by Asian prostitution rings with links to human trafficking.

Far fewer cash transactions were reported than other payment methods, but cash transactions only become apparent in the financial system when cash is deposited or withdrawn at banks (e.g., in-branch or at ATMs). Perpetrators' transacting patterns could be exposed when assets like houses or motor vehicles are procured with large amounts of cash or substantial deposits are paid. Cash deposits or withdrawals at investment companies could also be reported as suspicious in terms of MSHT, as well as the purchasing of forex with large cash amounts.

It is worth noting that certain "living expenses" also feature in the method of transacting (e.g., point of sale, cell phone banking, debit orders). Victims who are held hostage are often detained in flats, on farms, at brothels or spa-like facilities, at guest houses or normal residential houses and normal operating/living expenditures like water and electricity, rent, groceries, etc should be expected to appear in the transacting patterns.

Forex transactions, currency exchange and credit card transactions for flights or visas also feature frequently where persons are lured from foreign countries by traffickers with the prospect of better living conditions, job opportunities or romantic relationships.

METHOD OF TRANSACTING – PORNOGRAPHY

With the escalating appeal of the "anonymity" of crypto-related transactions and the ease of transacting on dark web sites and the like, there has been an increase in the perceived procurement and production of pornographic content.

Some of the Crypto Asset Service Providers (CASPs) trading in South Africa were instrumental in providing increased visibility of these crimes by reporting any suspicious persons and activities related to the purchasing and trading of crypto assets. CASPs have also offered their expertise and assistance in the investigation of many crypto-related crimes, including pornography and other MSHT-related crimes.

The majority of reported transactions related to pornography were conducted with EFTs, with a very small proportion of the payments in cash.





METHOD OF TRANSACTING – DRUG TRAFFICKING IN CONJUNCTION WITH HUMAN TRAFFICKING

It is remarkable to note the significant shift from cash-related transactions in 2016 and 2017 to electronic funds transfer transactions in 2020 and 2021, when it is suspected that drug trafficking was taking place in conjunction with human trafficking.

METHOD OF TRANSACTING – CHILD TRAFFICKING

Electronic funds transfers (local, international outbound and inbound) appear to be the most-used method of transacting when child trafficking is perpetrated.

MONEY RECEIVED INTO ACCOUNTS

The most common payment methods into perpetrator accounts are:

- Money remittances/MoneyGram/Western Union/Shoprite Money Market Services. There is often no known relationship between the sender and receiver
- Cash deposits
 - High-value cash deposits, where the source of funds is unknown
 - Round amounts
 - Random deposits, over and above to salaries or wages
 - Multiple deposits from the same source
 - Autobank/ATM deposits
 - In-branch/teller cash deposits
 - Deposits conducted from different geographical locations
 - Random in-branch and ATM cash deposits
 - Structured autobank deposits
 - Cash deposits above the cash threshold
- ACB credits/EFT credits/RTC credits/RTC clearing payments
- Monthly salary credits (e.g., payment from a restaurant or spa)
- Internet bank payments
- Mobile payments
- Large SWIFT/tele-transmission payments declared as “gifts” or “details of payment not classified”

- Internal transfers from account holders at the same bank
- USSD transfers
- Airbnb deposits received from a money or value transfer service (MVTs)
- Electronic transfers from trust accounts
- Immediate funds transfers
- Point-of-sale (POS) settlements from linked businesses/speed point payments
- Sale of vehicle
- Forex transactions
- Magtape credits
- Credit transfers
- Deposits from credit cards



MONEY DISPOSED

The most common methods perpetrators used to dispose of money from their accounts are:

- Account transfers to access and money market accounts
- POS purchases (e.g., at adult entertainment venues or casinos)
- ATM cash withdrawals
 - Conducted from different geographical locations (local and international)
 - Immediate withdrawals after receipt of money
 - Large amounts of money
 - Money withdrawn by various persons
- Debit orders
- Lifestyle expenses (e.g., airtime, electricity, rent, life policy)
- Debit card purchases
- Frequent internet transfers to different account holders at the same financial institution
- Electronic transfers into credit cards
- Tele-transmission to foreign countries with description “gift”
- Funds being sent to unknown individuals in countries like Cameroon
- Cash send transactions
- Online purchases
- Card payments to Takealot online
- Electronic payments to third-party beneficiaries
- Large purchases at Makro
- Business expense payments
- Salary and wage payments via instant cash payments
- Prepaid purchases
- Payments to multiple beneficiaries
- Excessive casino card purchases
- Large amount cash buy-in at casinos
- Numerous advance payments
- Money transfers
- E-wallet
- POS cash withdrawals

UNUSUAL TRANSACTIONAL BEHAVIOUR

The following unusual transactional behaviours were identified in the accounts of perpetrators:

- Cash-based business
- Perpetrator was registered with the money remitter but never transacted
- The only transactional activity noted in the account is the rapid movement of funds to conceal the cash deposits
- Client credit turnover inconsistent
- No business-related transactions were noted
- The client transacted with various account holders at the same bank who are employed by the government.
- Extensive use of cryptocurrency
- Account turnover from previous financial year increased
- Transacting patterns do not match declared business profile
- Employed, no salary payments
- International withdrawals in Beijing and Shenyang cities in China
- Round figure amounts being deposited and withdrawn
- Inward tele-transmission with balance of payments (BoP) category “gifts”
- Client sent large amounts of money to a person in Thailand as a gift
- Cash businesses generating a huge amount of cash daily
- Inflated sales of grocery businesses
- Rapid in and out movement of funds and the absence of proof for the source of the funds
- Numerous advance payments for goods imported from China but always from different suppliers
- Funds being sent to unknown individuals
- Possible smurfing

UNUSUAL DEPOSIT REFERENCES

The following unusual deposit references were noted when perpetrators received money into their accounts, or when payments were made by them:

- Names of persons (e.g., female names, Asian names, trafficker names or nicknames like Pastor)
- Business names (e.g., Thai spas, advertising agencies, adult entertainment venues, travel agencies, textile manufacturers)
- The various deposits are referenced using room numbers and various cell phone numbers
- “dditservices.c5181060000563035”, “R018AE4L70 THAI”, “NPNUPAY”, “(RTC 05NKT4PR5G Zoe)”
- “Entertainment”, “Entertainment – Marketing”, “Stacey Add Campaign”, “Nicci Add Campaign”, “5x Ads Feb”, “Swagg Printing”, “Hair” or “Hair Wave” or “Hair piece”
- “Dirty money”, “cash” or “cash dep”, “Salaries”, “Income”, “Commission”, “bitcoin”, “coins deposit”
- “Visa”, “travel Nig visa”, “ticket”, “group ticket”, “cargo”, “cargo goods”, “Pick up”, “Femi embassy”
- “Temple”, “Divine”, “Pastor”
- “Foodstuff” or “Food Stuff”
- “Sunny”, “Happy”, “Guess”, “Self”
- “House rent”
- “thanks4theshow”, “callout”, “letha imbumbu”
- “Internet T Loan Money”, “Loan”

TYPES OF ACCOUNTS USED

The most prevalent account types used in transactions related to MSHT are current/transmission/cheque accounts.

In a few instances it was noted that proceeds were transferred to investment accounts, money market accounts, loan and trust accounts. Monies were sometimes received from bond accounts, 32-day notice accounts and retail forex accounts.

CROSS-BORDER TRANSACTIONS

Suspicious transaction flowing from foreign countries to South Africa per alleged crime type.

	2017	2018	2019	2020	2021	Grand total
Originating country	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	
CONGO, THE DEMOCRATIC REPUBLIC OF					R59,364	R59,364
Human trafficking					R57,920	R57,920
Possible child trafficking					R1,444	R1,444
UNITED KINGDOM		R14,400	R8,075		R20,145	R42,620
Human trafficking		R1,130				R1,130
Human trafficking syndicate		R13,270				R13,270
Possible child trafficking			R8,075		R20,145	R2,220
ISRAEL					R9,043	R9,043
Possible child trafficking					R9,043	R9,043
UNITED STATES	R167,161	R183,284	R98,383	R3,542	R3,639	R456,009
Corruption						
Trafficking in persons for sexual exploitation	R10,069					R10,069
Unlawful trafficking of controlled drugs not for personal consumption						
Human trafficking		R31,371	R98,383	R3,542		R133,296
Human trafficking syndicate		R151,913				R151,913
Possible child trafficking					R3,639	R3,639
Possible human trafficking	R5,977					R5,977
Thai prostitution ring with links to human trafficking	R151,115					R151,115



	2017	2018	2019	2020	2021	Grand total
Originating country	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	
SWITZERLAND			R131,004			R131,004
Drug smuggling and/or human trafficking			R131,004			R131,004
ETHIOPIA	R1,546,828	R1,046,160				R2,592,988
Trafficking in persons (TIP)	R1,546,828	R1,046,160				R2,592,988
TURKEY			R3,000			R3,000
Trafficking in persons (TIP)			R3,000			R3,000
FRANCE		R9,411				R9,411
Human trafficking syndicate		R9,411				R9,411
NETHERLANDS		R500				R500
Human trafficking		R500				R500
GERMANY		R30,680				R30,680
Human trafficking		R16,147				R16,147
Human trafficking syndicate		R14,533				R14,533
THAILAND			R76,128			R76,128
Human trafficking			R76,128			R76,128

	2017	2018	2019	2020	2021	Grand total
Originating country	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	SOUTH AFRICA	
CANADA		R1,217	R11,442	R3,486		R16,145
Human trafficking		R1,217		R3,486		R4,703
Possible child trafficking			R11,442			R11,442
UKRAINE			R15,000	R25,000		R40,000
Prostitution			R15,000	R25,000		R40,000
UNITED STATES MINOR OUTLYING ISLANDS			R5,176			R5,176
Human trafficking			R5,176			R5,176
CAMEROON		R11,279	R11,022			R22,300
Trafficking in persons (TIP)		R11,279	R11,022			R22,300
INDONESIA			R3,082			R3,082
Prostitution			R3,082			R3,082
AUSTRALIA		R417				R417
Human trafficking syndicate		R417				R417
IRELAND			R62,988			R62,988
Possible child trafficking			R62,988			R62,988
Grand total	R1,713,989	R1,297,348	R425,300	R32,028	R92,191	R3,560,856

Suspicious transaction flowing **from South Africa to foreign countries** per alleged crime type.

	2017	2018	2019	2020	2021	Grand total
THAILAND	R30,683,662					R30,683,662
Thai prostitution ring with links to human trafficking	R30,683,662					R30,683,662
CHINA	R100,853		R1,320,392	R62,124		R1,483,370
Corruption						
Tip for sexual exploitation	R100,853					R100,853
Unlawful trafficking of controlled drugs not for personal consumption						
Fraud				R62,124		R62,124
Human trafficking			R1,320,392			R1,320,392
MALAWI	R9,040				R339,629	R348,669
Human trafficking	R9,040					R9,040
Possible human smuggling					R339,629	R339,629
HONG KONG			R260,104			R260,104
Human trafficking			R260,104			R260,104
MOZAMBIQUE					R240,394	R240,394
Possible human smuggling					R240,394	R240,394
UNITED STATES			R144,782			R144,782
Human trafficking			R144,782			R144,782
PAKISTAN				R3,500	R75,000	R78,500
Possible child trafficking					R75,000	R75,000
Prostitution				R3,500		R3,500



	2017	2018	2019	2020	2021	Grand total
CONGO, THE DEMOCRATIC REPUBLIC OF THE					R74,720	R74,720
Possible human smuggling					R74,720	R74,720
ZIMBABWE		R981			R20,466	R21,447
Human trafficking syndicate		R981				R981
Possible human smuggling					R20,466	R20,466
CAMBODIA			R10,488			R10,488
Human trafficking			R10,488			R10,488
INDIA	R9,215					R9,215
Corruption						
Tip for sexual exploitation						
Unlawful trafficking of controlled drugs not for personal consumption	R9,215					R9,215
LESOTHO					R5,060	R5,060
Possible human smuggling					R5,060	R5,060
GERMANY			R5,000			R5,000
Human trafficking for sexual exploitation			R5,000			R5,000
UGANDA			R5,000			R5,000
Human trafficking for sexual exploitation			R5,000			R5,000
ZAMBIA					R498	R498
Possible human smuggling					R498	R498
Grand total	R30,802,770	R981	R1,745,767	R65,624	R755,767	R33,370,909



INDICATORS

Financial institutions are uniquely placed to observe and detect financial activity related to MSHT. They must be vigilant and thorough in money laundering monitoring activities because even though this predicate offence can have a cash-intensive leg to it, the perpetrators still rely on the formal financial system to carry out their transactions to and from all perpetrators involved. In addition, it should be noted that the presence of any single indicator/red flag is unlikely to be significant in its own right. Rather, it is a combination of factors that is indicative of the presence of MSHT. Below are some indicators, as published by the [United States Department of State](#):

- Use of cash through couriers and money remitters and/or repeated cash withdrawals and transfers in small amounts to avoid identification or reporting requirements
- Use of multiple bank accounts and credit cards, as well as multiple aliases, identities and addresses
- Use of fictitious companies, straw men or fake identification documents
- Inexplicable lifestyle compared to the client profile
- Relations with persons with suspected or known criminal history
- Use of cash to invest in real estate/high-value goods
- Frequent deposits or withdrawals with no apparent business source
- Lack of any legitimate business behind banking operations
- Use of ATM and credit cards at times inconsistent with normal operating hours for the business
- Frequent money transfers to “risk” countries
- Third-party cash deposits made at various bank branches and via ATMs
- Laundering of cash through casinos, import/export trades, etc...
- Use of hawala or other informal banking systems

Human traffickers generate a good deal of financial activity, which includes payments made for hotels, plane tickets, bribery and corruption and other activities relating to proceeds derived from exploiting victims for labour.

General red flags for human trafficking include:

- Large deposits that are immediately withdrawn in areas close to international borders
- Patterns of transactions by card between 10pm and 6am
- Multiple people sharing bank account information
- Sudden anomalies in account activity
- Anonymous financial instruments (such as prepaid cards) to pay bills
- Structured deposits across many bank branches

Perpetrators may spend money on websites linked to human trafficking, may make cash deposits through ATMs regularly and may accompany and control another person making cash deposits.

Money laundering linked to forced labour may be recognised through:

- Single accounts receiving salaries of multiple employees
- Salaries immediately being withdrawn or transferred to a different account
- A person unrelated to an individual controlling their financial affairs and official documents while interacting with authorities

The Financial Action Task Force (FATF) published a 2018 report aimed at gaining an understanding of the financial flows related to human trafficking. The following indicators were outlined by FATF:

INDICATORS OF LAUNDERING THE PROCEEDS OF HUMAN TRAFFICKING (FATF 2018)

INDICATORS OF MONEY LAUNDERING RELATED TO ALL TYPES OF HUMAN TRAFFICKING

Account holder contact information linked via open sources to advertising related to escort services

Frequent cash deposits made via ATMs rather than with a cashier, followed by ATM withdrawals in different geographic locations

Multiple accounts making repeated transfers to the same third party or multiple individuals reporting similar information (i.e., address, phone number etc...)

Account is funded primarily via cash deposits and funds transfers from other individuals

Frequent low-value payments to advertisers, classified services involved in the sex industry or escort agencies

Multiple low-value remittances to jurisdictions known to be of a higher risk for human trafficking and sexual exploitation

Addition of an unusual number of unrelated individuals as joint account holders or authorised users of products such as credit cards

Frequent purchases in multiples of small amounts of Bitcoin or virtual currencies, directly by the client or through exchanges

Outbound international funds transfers directed to countries at higher risk for human trafficking or between two countries/areas on a known trafficking route

Cash deposits conducted in different cities across the country

Funds transfers involving third parties with alternative names provided in brackets

Payments to hotels, serviced apartments and other accommodation inconsistent with customer's personal use or stated business activity

Client makes a deposit under supervision of a third party who may, on separate occasions, accompany or watch clients who are making deposits. The third party may be handing over to the client what is subsequently confirmed to be the client's identification

Media coverage of account holder's activities relating to human trafficking in the sex trade and/or prostitution rings

Outbound international wire transfer in an amount commonly associated with a subscription or payment fee (i.e., 9.99 or 29.95) to a jurisdiction of concern for human trafficking, to a company with a name denoting its involvement in the provision of sexual services, or to a company with a name denoting involvement in the video industry, between the hours of 10pm and 4am local time

Credit card payments for purchases made after an establishment's normal hours of business (e.g., strip clubs, massage parlours, beauty salons, model agencies)

Identical address reported by numerous, seemingly unrelated individuals

Atypical personal account activity that is not consistent with the account profile, involving frequent online payments or deposits below U\$100; the funds in the account may be used in virtual currency deposits/conversion, payment of credit card bills of third parties or personal expenses

Deposits that are made in one geographic location and then are shortly withdrawn or used for purchases in another geographic location (usually on the same day or the next day)

Hotel transactions by the same individual for two separate rooms for the same dates

The use of cash-intensive businesses, such as restaurants, car washes, guest houses for expenses that appear to be for daily living

Recurring payment for transportation or logistics services in the late night or early morning

Significant payment for transportation or logistics (car rental, taxi and/or ride-sharing service transactions)

Transactions conducted in an area suspected to be a sex trafficking location (possible "hot spot")

Use of someone else's identification or opening an account in the name of an unqualified minor

Use of aliases for the purpose of opening multiple accounts in different banks or in different branches of the same bank

Use of addresses where prostitution is reported to occur by media, law enforcement or classified ads

Use of a third party to execute transactions (for example, under the pretext of requiring an interpreter)

Transactions with classified advertising services involved in the sex industry or escort agencies

INDICATORS OF MONEY LAUNDERING RELATED TO HUMAN TRAFFICKING FOR SEXUAL EXPLOITATION

A high percentage of income withdrawn quickly after receipt in the accounts

A property which, when viewed on Google Street View, could only comfortably accommodate two or three people at the most, but seems to have more people living there

Analysis of ATM activity shows that their ATM usage often occurs at the same machine at the same time, suggesting that a third party is in control of their cards

Customer displaying a poor standard of dress and personal hygiene

Lack of living expenses such as food, petrol, utilities and rent (one utility may be set up for the purposes of confirming ID for account opening)

No evidence of tax payment to authorities when the business would be typically expected to be paying taxes if legitimate (e.g., a business that have full-time employed workers)

One-way flight purchase from high-risk country by non-family member

Payment for visa by non-family member

Payments to labour agencies, recruiters or employment websites, especially if those entities are based overseas

Personnel numbers and costs, if known through the provision of information by the entity, are not in line with wages paid out, or what you know of the entity

Repeated (at least weekly) transfers of funds to the same third party (where known), often in round amounts

Reports or indication of cheap labour or unfair business practices towards an entity

Signs of bruising or other physical abuse on customer

The customers receive weekly incomes from an agency

Use of an interpreter at account opening or for conducting transactions

INDICATORS OF MONEY LAUNDERING RELATED TO HUMAN TRAFFICKING FOR FORCED LABOUR

Account appears to function as a funnel account

Cash-intensive business with unclear source of cash or capital

Commercial entity's capital consists of no-term deposits

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

Accounts that display atypical withdrawal patterns, such as lump sum withdrawals

Customer requesting direct payment in a branch, as they have not been receiving their wages

Accounts that display atypical deposit or withdrawal patterns in other geographic locations or overseas

Deposits, withdrawals or other transactions inconsistent with the customer profile and/or stated occupation

Deposits much larger than are usual or reasonably expected for the customer's personal profile and/or stated occupation

Frequent low-value/below threshold cash deposits in low-denomination bank notes

Funds transfers received from or to the benefit of unrelated third parties

Inability to contact client at their reported phone number or the phone number changes very frequently

Income received and immediately withdrawn in cash

Incurring and payment of credit facilities or credit card charges not commensurate with the client's confirmed wealth

Large cash deposits into an account quickly followed by electronic funds transfers, bank draft purchases and/or the issuance of cheques

Large cash or cheque deposits followed by domestic wire transfers or cash withdrawals

Loans provided by a shareholder to the related legal person and subsequent transfer back of funds

Media or other reliable sources suggesting that a client may be linked to criminal activity which could generate proceeds of crime

Multiple deposits from different geographic locations and apparently distinct individuals that are consistent with smurfing

Numerous personal cheques deposited into business accounts for no apparent purpose

Numerous transfers into business accounts from personal accounts

Profits or deposits much larger than are usual or reasonably expected for the customer's size or type of business, or where financial turnover is much larger than the turnover for a business of that size or type

Purchases of commodities that is atypical for normal business practice

Rapid transfers of funds through accounts

Small, irregular payments from the same account

Source of funds used for transactions is unknown

Structuring via commercial entities and transfer of money using loan contracts

Transactions with apparent front, shell or shelf companies

Use of a third party, with no apparent relationship to client, to conduct financial transactions

Use of third-party accounts

FACTORS POTENTIALLY ASSOCIATED WITH FORCED LABOUR:

- Directors of the company are also directors of temporary employment agencies in France or other European countries
- Transactions indicate that the company is paying a sister company for the equipment and accommodation of its employees
- No evidence of any deduction from funds received for payment of wages to its employees or other unusual activity related to the rate/occurrence of pay
- Multiple employees being paid into a single account
- Wages received are shortly withdrawn or transferred to third party accounts
- Several employees living at the same address
- Profits or deposits much larger than usual or reasonably expected for the customer's size or type of business, or where turnover is disproportionate for a business of that size or type

Jurisdictions that experience economic growth are significantly susceptible to labour exploitation risk, the demand often filled by using foreign workers.

Financial services providers are potentially exposed to manual labour trafficking through the following scenarios:

- Provision of retail banking services to individuals who have been trafficked and are victims of forced labour. In the majority of such cases, it is judged that the victim would not have control of their own bank account
- Provision of retail/retail business bank services to customers involved in trafficking individuals for labour exploitation, such as in the construction sector

- Banking of construction companies who knowingly or unknowingly employ trafficked individuals. There is particular vulnerability with companies that employ individuals on an ad hoc basis. Risk most likely in retail banking and commercial banking through the payment of labour services, which is most likely in cash. Although cash usage is prevalent within countries like Malta, possible indicators would include businesses in casual, labour-heavy industries that have regular large cash withdrawals and a below-average expenditure on staff wages
- Provision of banking services for labour recruitment agencies (LRAs). There are three likely scenarios whereby institutions may be exposed:
 - Traffickers register their victims with unwitting LRAs with the aim of acquiring referral documents to open bank accounts in the victim's name, which the trafficker subsequently controls
 - Traffickers pass themselves off as legitimate companies establishing entities with similar names to legitimate LRAs or use fraudulent company documents to place their victims in employment
 - Traffickers use LRAs to place individuals they control into businesses and profit from the wages the victims earn. This may be possible in one of three ways:
 - LRAs wholly operated by traffickers or associated criminal groups
 - Traffickers working with complicit LRAs who may also conduct legitimate labour recruitment activities
 - Traffickers exploiting lax or non-existent KYC controls by non-complicit and otherwise legitimate LRAs
- Supply chain risk – customers who rely heavily on the construction industry, such as property developers, could also be exposed to illegal and/or exploited labour within their supply chain



CHALLENGES AND RECOMMENDATIONS



CHALLENGES

VICTIMS DO NOT IDENTIFY AS VICTIMS

The most prevalent and probably obvious issue for those working in the area of identifying victims of human trafficking is the crime's covert nature. Many overseas victims are unlawfully brought into the country, with traffickers leveraging their illegal admission as a method of control. Such victims are frequently uninformed of their rights as victims, do not comprehend the laws of South Africa and do not understand the language spoken; all these circumstances contribute to the victim's isolation and to keeping the crime (and the victim) secret. Victims, both foreign and domestic, are frequently kept secluded with little freedom of movement. Contact with the outside world is generally confined to individuals working for the trafficker and other victims. Victims grow reliant on their trafficker and may not even recognise themselves as victims, complicating identification.

According to law enforcement and care professionals who have dealt with them, victims are often persuaded by their traffickers that they are to blame for their condition and that if caught they would be deported or arrested. In other situations, the victim has come to rely on his/her trafficker and considers him/her to be his/her protector or, in some cases, spouse or partner (Stockholm Syndrome).

ENHANCEMENT IN UNDERSTANDING AND KNOWLEDGE OF THE CRIME

Awareness and comprehension of human trafficking remains a fundamental reason for South Africa remaining a Tier 2 country – while front-line officers are aware of the existence of human trafficking in the country, they require appropriate expertise and enhanced ongoing training. Traffickers might disguise themselves as illegal migrants or smugglers and are treated as such. Because front-line officers are unable to discern between these crimes, the more skilled traffickers escape interrogation and, in some circumstances, are even detained for the incorrect offences.

There is a critical need for devoted police officers who are proficient in proactive, intelligence-led and court-driven investigations.

ADDRESSING THE UNDERLYING CAUSES OF THE CRIME

Acute poverty, high unemployment, high levels of inequality, high volumes of illegal migration into the country, porous borders, corruption and poor service delivery were identified as key root causes of human trafficking, while institutional corruption is viewed as a major factor undermining the state's efforts to combat the crime. These issues will not be solved overnight, but co-operation across the various sectors is needed to address them over time.

THE ROLE OF THE FINANCIAL SECTOR

Financial institutions are expected by regulators and law enforcement agencies to conduct due diligence that extends beyond the immediate operations of direct client relationships or portfolio companies, to identify the most serious risks to people to which their clients or portfolio companies may in turn be connected. Due diligence procedures in the financial industry are developed primarily to identify and detect money laundering and terrorist financing; therefore, many financial institutions may assume they are already effectively addressing social risks, even though these approaches are no longer entirely aligned with worldwide standards and, increasingly, leading practice. Financial institutions have real limits in undertaking the necessary due diligence given the resources and procedures at their disposal. Some financial institutions may be concerned about incurring new types of liability by accepting a broader scope of responsibility for outcomes over which they have no control or confidence. The financial sector has, for the most part, not been sufficiently engaged in the country's plans to address human trafficking, to the extent that the FIC is not yet even a member of the Intersectoral Committee on Human Trafficking. This is an oversight that needs to be remedied to ensure support of the partnership between the private sector and law enforcement. If financial institutions are requested to assist with providing the account details for suspected MSHT perpetrators, for example, the investigation progresses to a higher level and the opportunity to now convict syndicates and kingpins materialises.

DATA COLLECTION AND INFORMATION SHARING

Data collection should be used for more than solely prosecution purposes. The information gathered and used (for example, to prosecute traffickers) focuses on the experience of the trafficked victim after they reach the target country, rather than the full trafficking process from start to finish. This is meant to ensure prosecutions for trafficking offences, although it may not cover the entire range of offences (e.g., perilous journeys and rape which may take place on route to the destination country). While competent authorities or other relevant authorities may collect and/or retain this information, it is unclear what is done with it and where it could be utilised more efficiently. The data from national trafficking hotlines and case profiles is currently not being shared with the FIC and, consequently, with the financial sector. Some NGOs compile such detailed case profiles that suspected traffickers and typologies are identified. This data would add an entirely new dimension to the FIC's ability to support on MSHT investigations through Section 27 requests and through the TOG process at SAMLIT. The EWG is currently working with the FIC to engage the NGOs in a session on how this gap can be addressed.



RECOMMENDATIONS

TRAINING AND AWARENESS

Following extensive engagements with a number of organisations offering MSHT-specific training in South Africa, we have provided an overview of the proposals we found to be the most suitable for the various sectors per the below:

TARGETING GENERAL PUBLIC AWARENESS AND SOCIAL JUSTICE

A21

A21 is a non-profit organisation established in 2008 with the mission to end global slavery in the 21st century. It aims to do that through three complementary pillars: reach, rescue and restore, which address vulnerability, exploitation and re-victimisation. The organisation has developed extensive resources to raise awareness and educate civil society about the dangers of human trafficking, the scenarios in which it can occur, safety tips and action steps that can be taken to prevent human trafficking.

Their training offerings are targeted at children from various age groups, with content curated for children and teens as well as parents, teachers and community leaders. Their resources are available in their online platform.

Their parent guides have two versions specific to children between ages six and 12 and teens aged 13 to 17.

The content of the parent guides include:

- What is human trafficking?
- Conversations – human trafficking talks
- Online safety tips
- Protective action steps

They have also developed comic books to cater for children in countries where literacy is low, using visual storytelling as an awareness tool.

Furthermore, they have developed a well-structured primary prevention programme, which is a child-centred programme based on play that teaches children their rights and how to remain safe. This programme works on the premise that educating children on ways to protect themselves and what a healthy environment looks like will build the skills they need to remain free from human trafficking. “This three-session programme is designed to empower children ages six to 12, to champion their young voices, and to teach them how to make informed decisions that protect themselves and others.”

A21 has produced Safety Guides that can be downloaded from their platform. These are guides to educate the general population, with safety tips and MSHT red flags in different topics such as employment, relationships and digital safety:

- Safe employment guide
- Student digital safety guide
- Safe relationships guide
- Educator guide

They also offer the e-learning: “[Human trafficking a global crises](#)”. This one-hour course is a great awareness tool for anyone who wants to learn more about human trafficking. The course provides definitions for the different types of human trafficking as well as red flags and is enriched with videos portraying human trafficking scenarios around the world. One of the videos was specially created to show ways in which labour trafficking can present in South Africa.

In 2019, A21 launched the Can You See Me campaign, a series of confronting videos, billboards, posters and educational materials, depicting scenarios of the most common forms of modern-day slavery, that empowers members of the public who suspect human trafficking activity to call the South African National Human Trafficking Hotline (Sthandile, 2019). [The South African National Human Trafficking Hotline](#) (0800 222 777).

A21 provides several resources for anyone who would like to facilitate training on MSHT for general awareness, including PowerPoint presentations and PDF material, as well as video lessons.





Love Justice International

Love Justice International is a UK-based non-profit organisation (NPO) that established a branch in South Africa in 2016. Their mission to stop human trafficking and help incarcerate traffickers is supported by their transit monitoring and interception stations, placed strategically in areas where trafficking occurs.

Their investigation team on the ground can spot potential victims, intercept and question traffickers, protect the victims and ultimately report the crime to authorities. Beyond that, the organisation gathers and analyses data to better understand trends and networks. This information is then used as corroborating evidence in the prosecution of trafficking crimes and conviction of perpetrators. In addition, they offer victim support by guiding them through filing a legal case against their trafficker.

Some of the educational and preventive resources they offer:

- South African fact sheet
- The Freedom app, designed to empower people to help determine if a job opportunity is legitimate, as false job offers is one of the main means traffickers use to lure victims. The Freedom app features:
 - Information on modern-day slavery
 - A questionnaire to help users identify if they are at risk
 - Chat function to reach Love Justice’s team of monitors for advice
 - A panic button to mobilise private security if someone needs to be rescued from a dangerous situation

TARGETING THE LABOUR SECTOR

Stronger Together

Stronger Together’s mission is to tackle modern-day slavery in supply chains, so their training offerings focus on specific labour sectors that present a high incidence of labour exploitation and trafficking, such as agriculture, construction and others.

Their current training offerings include [e-learning](#), [toolkits](#), [workshops](#), [bespoke training](#) and various resources aiming at providing guidance, information, training and a network to employers, labour providers, workers and their representatives. Specific to the South African context, the agribusiness sector is targeted in their free e-learning resource [Tackling Forced Labour in the South African Agricultural Sector](#).

TARGETING THE FINANCIAL SECTOR

ACAMS – MSHT 1 & 2 Certificates

The **Association of Certified Anti-Money Laundering Specialists (ACAMS)** has developed an online training programme, currently running for its third year, with ongoing enrolment throughout the year. It was designed for financial sector professionals who specialise in financial crime prevention and issues a certificate and ACAMS credits for members.

In essence, it looks to:

- Help the financial sector to identify, report, mitigate and even remedy modern slavery and human trafficking risks
- Raise awareness about the financial footprints left by modern slavery and human trafficking, by examining the emerging industry and statutory expectations brought about by modern slavery and human trafficking risks
- Explain transactions analysis, red flags and critical indicators around typologies relating to MSHT

The programme draws on insights and experiences from industry leaders and recent cases. These courses are offered at no cost and are easily accessible once you have created an ACAMS profile. They are a great foundation for training that sector participants can use to gauge any potential gaps within their own training regime for their institution.

Course 1: [The ACAMS/FAST Fighting Modern Slavery and Human Trafficking Part 1](#)

Course 2: [Fighting Modern Slavery and Human Trafficking Part 2: US Sex & Exploitation Cases](#)



RECOMMENDATION 1:

The EWG works closely with ACAMS to tailor the third part of the course to region-specific case studies based on interaction with local law enforcement, other social justice organisations' success stories and regional bodies within the African continent working to prevent financial crimes linked to MSHT.

Compliance Institute of South Africa (CISA)

CISA is currently finalising the syllabus and costing for this offering; it was not available at time of this report-back session.

In-house training for the financial sector

Our research, conducted by engaging with various sector participants, indicates that in-house training for financial sector professionals is almost non-existent. Most sector participants rely on third parties if they do choose to engage in training for MSHT, as it is often not seen to be a priority. According to recent research into STR/SAR reports submitted to the FIC, money remitters are the most robust reporters when it comes to STR/SAR linked to MSHT. We approached some money remitters, who indicated that they do conduct in-house training geared primarily to front-line staff at onboarding stage – for example, how to spot a potential money mule account and the perpetrator-victim relationship.

At this stage the money remitters that did engage were doing so on a high level for confidentiality reasons.

RECOMMENDATION 2:

We approach the SARB financial surveillance community and the money remitters at their next tri-annual meeting to position the training aims of the EWG and demonstrate that we have the full backing of SAMLIT and their supervisory body, FinSurv. This would be in addition to a formal approach via letter from the SAMLIT secretariat and/or co-chair requesting their cooperation in this regard.

GAP IDENTIFIED

The working group identified that there is a gap for training in MSHT financial red flags and methods of laundering proceeds with case studies that are specific to the South African context. There is potential to develop a targeted training for compliance officers as well as front-line bank staff, combining resources and expertise from different stakeholders involved in prevention and awareness raising.



SURVIVOR ACCOUNTS

Once a victim has been successfully rescued or removed from the trafficking “situation”, they sometimes feel an urge to return to their captor. One reason for this is their lack of financial independence. If a survivor is financially independent, has control of their finances and is equipped with the necessary financial literacy skills, they are less likely return to their captor and can focus on rehabilitation.

This is where the financial industry, specifically banks that provide a retail account offering, can play a crucial role in terms of the introduction of survivor accounts.

Survivor accounts have been launched in the US, the UK and Canada so far and the EWG engaged with various organisations in those jurisdictions to better understand the mechanics behind the operation and setup of such accounts. The organisations included the following:

- HSBC UK
- Finance Against Slavery and Trafficking (FAST)
- Brave to Love
- National Freedom Network
- S-Cape
- A21 – Abolish Human Trafficking

FEATURES OF SURVIVOR ACCOUNTS

In the jurisdictions where survivor accounts have been launched, banks have differed slightly in terms of how the accounts have been set up. There are, however, many overlaps which we have listed below as a suggested approach towards building the optimal model for South Africa, which we hope to finalise with the interested member banks.

- **Debit card only:** no credit facilities offered
- **Current account:** a standard current account that is already offered in the retail banking sector
- **Fees:** nil/minimal (the product needs to be inclusive; a rescued victim will not have the income immediately, therefore fees on the account need to be either zero or minimal)

- **Indicator:** there needs to be an indicator that this is a survivor account to perform enhanced due diligence and monitoring, but access to this marker would need to be limited
- **Number of transactions:** limited number of transactions monthly, low volume transactional account
- **Aggregate transactional monthly value:** limited aggregate value of transactions monthly
- **Review of account:** the account to be reviewed annually
- **Cross-border:** no cross-border transactions to be allowed on these accounts
- **Transaction monitoring:** to be performed on an ongoing basis and alert where there might be suspicious activity

There will be no circumvention of the current identification and verification requirements as per FICA Section 21. Proof of identification as well as proof of address will be required. However, alternate means of ID and address verification would need to be considered.

DUE DILIGENCE PROCESS

The way we would conduct our due diligence on survivor accounts in South Africa does not differ significantly from the model used in the UK, US and Canada, where there are no changes to regulatory requirements but instead they use interpretations of due diligence as suggested below.

The first step in the due diligence process is ensuring that the survivor is indeed a genuine survivor; this is verified by a survivor support organisation (SSO). In the UK, HSBC works together with a few charities, including the Salvation Army, Kalayaan and Migrant Help, to help survivors open basic banking accounts and to assist them via a “tailored application process”. The SSO is the crucial link in the chain between the bank and the survivor. HSBC initially piloted this in two branches; it has now been rolled out to 18 branches in areas that have been highlighted as high-risk from a trafficking perspective.

SSO personnel will accompany the survivor to the bank to have the account opened and ensure that the correct guidance is provided.

Finer due diligence details:

- Address to be used will be that of SSO – and in cases where an SSO needs its location to remain undisclosed, will use the address of the lawyers with whom they work. This is so a fixed domicile address can be listed for proof of address
- With the South African victim, a biometrics check might mitigate the identification risk, however when trying to onboard foreign nationals without a passport or passport number, there will need to be an action to cater for their verification
- The Department of Social Development (DSD) has a process in place that performs an assessment or screening and issues a letter of recognition to victims of human trafficking. This assessment process is part of the Victim Empowerment Programme (VEP) in the Western Cape

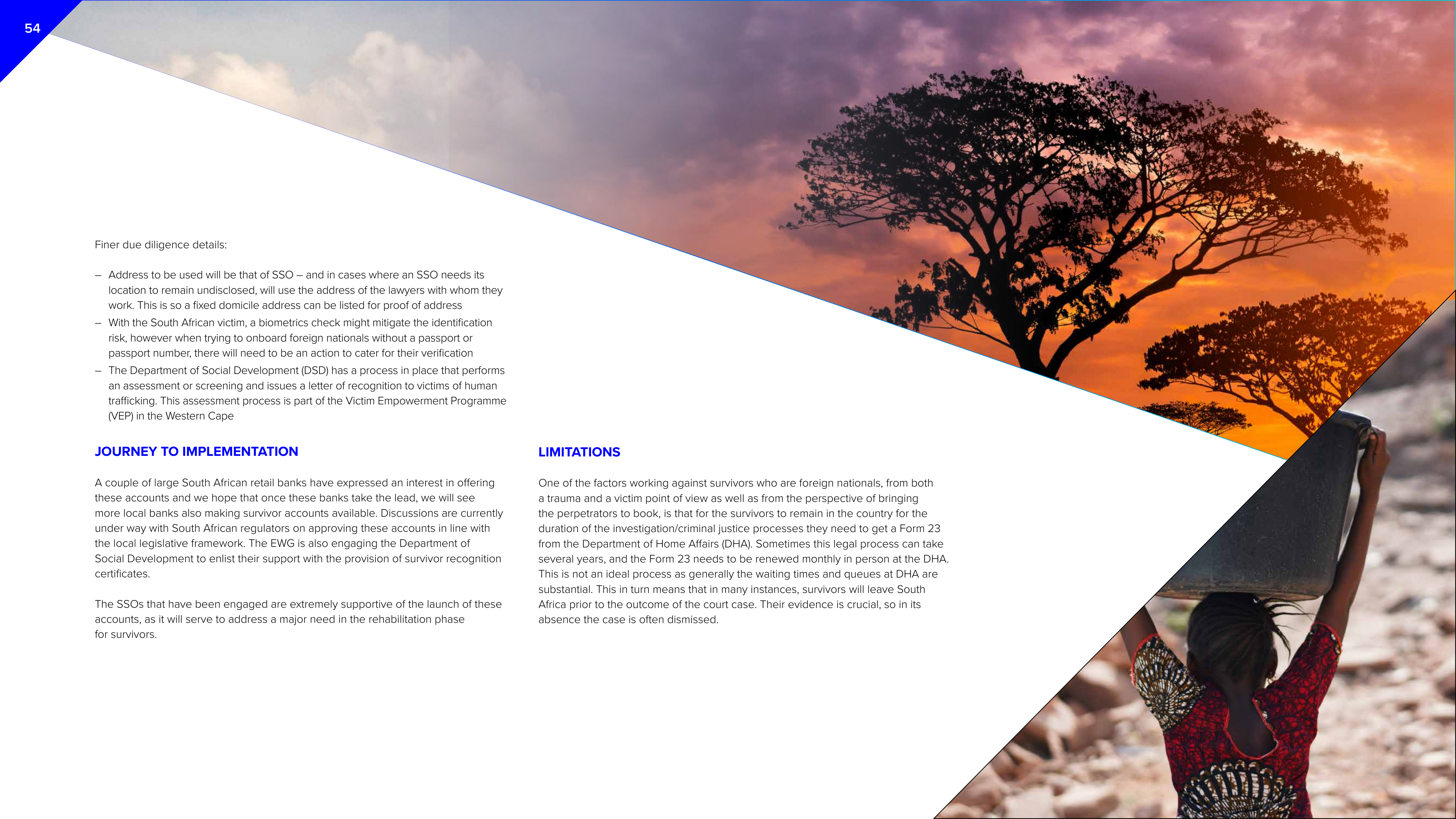
JOURNEY TO IMPLEMENTATION

A couple of large South African retail banks have expressed an interest in offering these accounts and we hope that once these banks take the lead, we will see more local banks also making survivor accounts available. Discussions are currently under way with South African regulators on approving these accounts in line with the local legislative framework. The EWG is also engaging the Department of Social Development to enlist their support with the provision of survivor recognition certificates.

The SSOs that have been engaged are extremely supportive of the launch of these accounts, as it will serve to address a major need in the rehabilitation phase for survivors.

LIMITATIONS

One of the factors working against survivors who are foreign nationals, from both a trauma and a victim point of view as well as from the perspective of bringing the perpetrators to book, is that for the survivors to remain in the country for the duration of the investigation/criminal justice processes they need to get a Form 23 from the Department of Home Affairs (DHA). Sometimes this legal process can take several years, and the Form 23 needs to be renewed monthly in person at the DHA. This is not an ideal process as generally the waiting times and queues at DHA are substantial. This in turn means that in many instances, survivors will leave South Africa prior to the outcome of the court case. Their evidence is crucial, so in its absence the case is often dismissed.



CLOSING REMARKS

CONCLUSION

The work of the financial sector to effectively address the crime of modern slavery and human trafficking in South Africa has only just begun. We must all continue to join forces to progress on this journey if we hope to see tangible results materialising in the short and long term. Human trafficking is a crime as old as time, but it has evolved in terms of the sophisticated practices employed by criminals. If we are to effectively combat it, the methods employed to detect and investigate must also evolve, including consideration of the financial flows associated with the crime.

The EWG on MSHT under SAMLIT are hopeful that this paper will serve to drive this issue forward and serve as a baseline for operationalisation of indicators and red flags within the financial sector's monitoring and surveillance tools. We will continue to build partnerships with stakeholders working towards a common goal and to facilitate effective training and information flow between the public and private sector so that as a country, we reinforce our commitment to the global fight against MSHT and human trafficking.



ANNEXURES



ANNEXURE A

FULL RESEARCH METHODOLOGY

The research conducted to produce this report included three main areas of focus:

1. Review of research materials

A number of international published papers were read by the EWG and key points extracted for inclusion in this report. Additionally, research papers provided by Dr Marcel van der Watt were also reviewed.

2. Interviews and workshops

Interviews with a range of participants were held as well as collaborative workshops to help us gain a better understanding of MSHT in South Africa. Participants included NGOs, representatives from the NPA, Interpol, the South African Police Service's Directorate of Priority Crime Investigation (DPCI), the Department of Social Justice and non-profit survivor support organisations. Minutes and recordings were taken for these engagements and drawn on in compiling the report.

3. Analysis of data produced through the FIC SAR mining exercise on MSHT

An assessment was done of all MSHT-related proactive and reactive financial intelligence products referred by the FIC to Law Enforcement Agencies for the period 1 April 2016 to 31 December 2021. There were 21 cases related to MSHT identified for the period and 60 STRs were linked to these cases. The contents of the STRs were considered to identify common trends or role players from the identified cases and profiling was performed on facts contained in the cases.

One hundred relevant keywords relating to MSHT were identified and searched against the FIC Suspicious and Unusual Report database for the period 1 April 2016 to 31 December 2021. More than 17,000 reports were identified with a possible keyword hit on MSHT. The reports were analysed and categorised in the following categories:

- MSHT-related reports
- Potentially MSHT-related reports
- Not MSHT-related reports (false positives)

Only the contents of the MSHT-related STRs were considered to identify common trends or role players from the identified reports and profiling was performed on facts contained in the cases. A sample of 5,348 suspicious and unusual transaction reports was selected for profiling.

Note: For the purposes of the MSHT analysis, any reports related to kidnapping for ransom crimes were excluded. Law enforcement indicated that kidnapping for ransom crimes in South Africa are very rarely committed with the intention to perpetrate modern slavery or human trafficking offences.



ANNEXURE B

FINANCIAL INTELLIGENCE CENTER (FIC) SAR DATA MINING FULL STATS

Transactions with an
unknown source party

	2016	2017	2018	2019	2020	2021	Grand total
Payment method							
Keywords searches	R5 137 212	R10 737 028	R1 089 140	R1 744 400	R5 459 237	R2 031 442	R26 198 459
Cash	R2 397 480	R2 589 425	R616 580	R770 400	R3 755 017	R771 880	R10 900 782
Electronic fund transfer (international inbound)	R928 016	R5 246 908					R6 174 924
In-branch	R60 000	R2 414 158	R268 620				R2 742 778
Electronic fund transfer (local)	R1 396 501	R274 750		R64 000	R1 584 220	R1 259 562	R4 579 033
Cash (received by AI/RI)				R910 000	R120 000		R1 030 000
Currency exchange	R355 215	R10 995					R366 210
ATM		R29 400	R203 940				R233 340
Internet		R170 192					R170 192
Inter-bank transfer		R1 200					R1 200
Linked cases	R188 000	R3 241 420	R2 384 940	R422 272	R2 904 527	R215 600	R9 356 759
Cash	R187 000	R1 900 520	R1 966 850	R415 272	R1 492 101	R206 000	R6 167 743
Electronic fund transfer (local)		R1 340 900	R1 750	R7 000	R1 412 426		R2 762 076
In-branch			R303 500				R303 500
ATM	R1 000		R100 240			R9 600	R110 840
Cash paid to client			R12 600				R12 600
Grand total	R5 325 212	R13 978 448	R3 474 080	R2 166 672	R8 363 764	R2 247 042	R35 555 218



Method of transacting – child trafficking

Method of transacting	2016	2017	2019	2020	2021	Grand total
Electronic fund transfer (international outbound)	0.00%	0.00%	0.00%	66.36%	0.00%	23.83%
Electronic fund transfer (local)	100.00%	14.12%	26.44%	16.91%	88.12%	59.13%
Internet	0.00%	0.00%	45.44%	14.02%	0.00%	7.23%
Cash	0.00%	0.00%	7.05%	2.04%	10.25%	6.91%
Money remittance	0.00%	0.00%	14.54%	0.16%	1.28%	1.48%
In-branch	0.00%	79.83%	0.00%	0.00%	0.00%	0.67%
Western Union money transfer inwards	0.00%	0.00%	6.53%	0.19%	0.05%	0.41%
Electronic fund transfer (international inbound)	0.00%	0.00%	0.00%	0.32%	0.30%	0.29%
ATM	0.00%	6.05%	0.00%	0.00%	0.00%	0.05%
Grand total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Types of accounts used

Account type	Source account	Destination account	Grand total
Current	287	326	613
Unknown	145	97	242
Transmission	61	65	126
Cheque	9	16	25
Credit card	5	6	11
Business	3	4	7
Investment	3	4	7
Retail	1	3	4
Loan		3	3
Trust		2	2
Bond	2		2
32-day notice	1		1
Money market		1	1
Retail forex	1		1
Grand total	518	527	1045



ANNEXURE C

NPA CASE DIGEST SUMMARY: STATE VS EDIOZI OBI (CASE NO CC40/2018)

Ediozi Obi, he is the Nigerian national, who in 2019 was sentenced to six life sentences and an additional 129 years imprisonment for human trafficking and rape. He had kept three young girls as hostages to work as sex slaves. The case illustrated how young girls, in this instance all under the age of fourteen, could be used over and over to generate money for their brothel masters. The three young girls had been lured to the brothel by other young girls who were used as recruits. The girls were vulnerable and came from poor families – they were lured to the brothel with promises of a better life. None of the girls had any idea that they were entering a brothel and when they arrived, were immediately forced into drug usage to facilitate their addiction and consequential compliance. The girls were locked up in the house and in a dungeon under the floor of the house whenever the police raided the house.



ANNEXURE D

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