

DRAFT FOR DISCUSSION PURPOSES



Human trafficking is one of the fastest growing crimes – in the US and internationally – now second only in size to drugs. Funds derived from these crimes, are being funneled out to criminal organizations and state actors to fund additional criminal and terrorist activities. Financial institutions (FIs) are unwittingly being used to move these illicit funds. In **bringing together financial institutions**

(FIs), legislators, regulators, and law enforcement to communicate and collaborate to “follow the money” we can help identify, capture and prosecute the criminals, and enable the faster rescue of the victims.

Banks and payment companies can play a unique role in Anti Human Trafficking (AHT) – enable “FOLLOW THE MONEY”.

- Card (and mobile and online) money movement leaves an electronic trail. When combined with other data – it can be as unique as a fingerprint.
- Electronic money trails can identify people and places involved in new cases, and can augment existing cases to make for stronger prosecution.
- Prosecutors and law enforcement have said this fact-based money trail is a unique and substantial asset. Unlike a human witness, data doesn't recant testimony - it has no emotion - just the facts.
- A money trail can lead to swifter prosecution, longer incarceration, and an ability to target criminals much higher in the criminal network.
- AHT information can also help financial institutions to identify these accounts as links to additional types of criminal activities and terrorist finance - crimes piercing much deeper into their financial institutions.



Groups of financial institutions are forming. Their vision is to collaborate to build out intelligence and information sharing across industry, and with law enforcement. Their data can help to fuel a collective anti human trafficking effort to enable the good guys to “follow the money” to catch the criminals.

There are multiple collaboration methods these groups are finding effective, including:

- Topologies of financial transactions: who and where are the actors, interaction of actors to other businesses, to money movement, etc.
- Transaction pattern algorithms. One has proven to be over 80% accurate in identifying card accounts being used by traffickers.
- Big data analytics of known human trafficking websites to identify players and patterns
- AHT information sharing across the financial industry and with law enforcement– to more quickly act, and catch the criminals
- Cross organization education with financial institutions educating law enforcement on how money movement evolves with new technologies AND law enforcement educating banks as criminals' AHT efforts develop and morph.

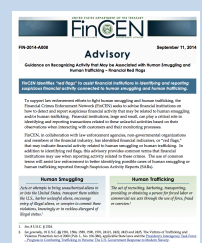


Human Trafficking has hit crisis levels – globally and, in the US.

According to the US State Department: “Child and human trafficking is one of the fastest growing crimes in the world. It is the 2nd largest criminal enterprise, after drugs”.

According to the National Center for Missing and Exploited Children, 8 million children run away in the US each year. Within 48 hours of hitting the streets, 1/3 are recruited into the underground world of prostitution and pornography”

According to the DOJ: The average age of entry for children victimized into the sex trade industry is 12”



Information Sharing: There are specific regulations and guidances which balance privacy and the sharing of this AHT data. The US has the clearest, but some further clarification is needed. Many countries outside the US currently have little/no information sharing regulations around AHT, making it difficult to share, especially critical information across borders.

Background and recent history of Anti Human Trafficking (AHT) financial industry information sharing efforts:

Previously

- Financial institutions worked within their own walls, sometimes not even crossing siloes within their own companies, and rarely to law enforcement.
- Law enforcement worked within their agency, often not crossing siloes to other agencies, and rarely to the financial industry.

Current state:

- Building of collaboration and information sharing efforts across the financial industry, and spanning law enforcement (LE) to the financial industry.
- Groups of financial institutions (FI) are forming with the goal of sharing information to battle human trafficking. AND several are reaching out to form relationships with law enforcement to enable sharing of information in AHT - providing that essential “follow the money” data, in a *timely and actionable* manner.
 - Most carry the mission of driving collaboration for prudent and legal sharing of actionable intelligence on Human Trafficking, enabling participants to:
 - Establish secure platform(s) to share actionable AHT information in hours not weeks.
 - Create trusted relationships to enable LE and FIs to quickly identify the best contacts to achieve the most effective and time critical results.
 - Support regulation in the US and abroad, to clearly balance privacy and prosecution needs, and enable AHT information sharing across the financial industry and with law enforcement

Future state goal:

- Increase the numbers of industry and government entities involved in these *AHT information sharing and action groups* - formed and forming.
- Add Anti Human Trafficking as a topic of focus *to existing general cyber security information sharing groups* – and create a communication bridge between these groups and those dedicated solely to Anti Human Trafficking
- Consider the *formation of a Fusion Center to coordinate* the efforts of these groups - exponentializing the speed, breadth, and actionability of information sharing,

What are next steps: Jump the siloes in industry, government, and law enforcement. Create platform(s) to communicate and collaborate quickly to identify, capture and prosecute the human traffickers.

As industry and government organizations, we can make a powerful and unique difference in battling this horrific crime and the criminal networks that profit from it. Our ability to collectively build and use a “follow the money” trail is invaluable. If you are interested in learning more, are part of one of the groups listed above, or in some other way can fuel this discussion and actionable results, please contact Kirsten at ktrusko@ircadvisory.com