

# The Business of Human Trafficking

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# Business of Human Trafficking

- There are patterns that exist within what seems to be chaotic behavior
- Human trafficking mirrors the patterns of trade followed in licit commerce
- Trafficking patterns are not sui generis but are shaped by history, culture, past patterns of slavery, status and property rights of women

# Characteristics of the Business

- Entry costs are low
- Mobility of the victims is high
- In developing countries, many sex victims are minors but not in developed countries except in US
- Much trafficking of foreign victims occurs within their own ethnic community, i.e. Latino brothels, Chinese and Asians within their communities

# Growth of Human Trafficking

- Enormous rise in human trafficking world wide for numerous purposes— labor, domestic servitude, sex trafficking, forced marriages, begging, organ
- Majority of victims are trafficked for labor
- Majority of the approx 12 million victims are women and increasingly children
- Globalization and increasing economic disparity, globalized corruption and rise of regional conflicts contribute to this growth
- No part of the world without victims
- Computers have facilitates the growth of child pornography and child sex tourism
- Money connected to internet flows through wire transfers, Western Union and Credit cards

# Who are the traffickers?

- Wide range of traffickers facilitated by easy entry into business and limited initial capital needed
- International criminal syndicates who also move drugs and people, Mom and pop family operations, individuals such as diplomats and foreign business executives who arrive with “servants”
- Often more educated than drug traffickers

# Who are the Traffickers? cont.

- African, Asian, Latin American, Middle Eastern (particularly Turkey), Post-Soviet, Balkan organizations
- American motorcycle gangs who have moved to Europe
- Wide range of facilitators from government officials at borders and in consulates, also from legitimate world
- Only area of criminal activity in which women are significantly represented

# Who are the victims?

- Often the poor and uneducated but not necessarily as powerful crime groups traffic educated women from Eastern Europe and former USSR
- Victims are often friends or relatives of the traffickers
- Many young women and girls for domestic servitude, prostitution and forced marriages
- Men trafficked largely for forced labor
- Children for forced begging and domestic servitude

# Linkages to Other Crimes

- Some human trafficking organizations are multi-faceted trading in drugs and people and sometimes other commodities such as arms
- Human trafficking has been linked to identity theft, smuggling, corruption, visa fraud and the production of false documents and money laundering
- Trafficked people can follow the same routes as reverse trade as they are traded for drugs
- Some human trafficking run out of prisons
- Smuggling of people builds on large numbers of facilitators often part of legitimate economy who have been corrupted
- The same networks that move people can also be used in some parts of the world to move terrorists, exs. In Pakistan and PKK in Turkey



# Profits Generated

Significant variability in profits

- Profits generated from human trafficking vary enormously depending on number of individuals who are exploited, the sector of the market that is serviced (upscale vs. migrant workers) and whether the trafficking is a primary or auxiliary activity of the traffickers (i.e. the traffickers are providing trafficked women to support other illicit activities)
- Profits are rarely confiscated, therefore this crime pays

# Variations in profits (US exs.)

- 2 Uzbek researchers at a university in Texas generated \$400,000 from 2 girls in 18 months
- White lace case of call girls from post-Soviet states was \$7 million annual business with substantial profits
- Latino brothel case in Montgomery County generated \$1 million annual profits, women kept part of earnings
- Sister Ping had a \$40 million business moving Chinese

# Different Models of Trafficking

- Supermarket Model— from Mexico to US
- Natural Resource Model— from former Soviet states to US
- Trade and Development Model— from China
- Pimp Model— Domestic Trafficking in US, often of juveniles
- Nigerian trafficking— African slavery

# Supermarket Model– from Mexico to US

- High volume and low cost of trafficking, profits made on number of individuals moved
- Entry costs into trafficking are low
- Trafficking is not separate from other elements of illicit economy—linked to corruption, arms and drug trade, many established drug groups moving into this area
- High fatalities because concern is on volume and not individual
- Costs have increased with increased border security
- Much of this for labor trafficking but also sexual exploitation

# Natural Resource Model—from former Soviet states to US

- Women are sold off like timber and oil with no concern for future development
- High levels of human rights violations because not dependent on past victims to recruit future victims
- Human trafficking is not used for development of society
- Major human rights violations against victims
- Profits are often dissipated or moved to offshore locale

# Trade and Development Model—from China

- Makes maximum profits as business is integrated from start to finish, i.e. Asian cruise case generated \$60 million in profits (10% estimated from trafficking) in DC and New York
- Recruitment based on knowledge of victims and families
- Most victims are male but also small proportion of women
- Human rights abuses of victims have consequences
- Money laundered back to China for development

# Pimp Model—Domestic Trafficking in US, often of juveniles

- Small individual entrepreneurs who often work together as loose networks
- Serious manipulation of victims through psychological tactics and drugs
- High consumption and low rate of savings
- Victims, according to FBI analyses, survive 7 years in prostitution
- Significant profits as each girl controlled by a pimp may generate at least \$1000 nightly
- Profits dissipated

# West African model—traditional slavery in new form

- Trafficking primarily from Africa to Western Europe, primarily for sexual exploitation
- Multifaceted crime groups—engage in drug trafficking and human smuggling and trafficking
- Combine sophisticated forms of human trafficking with traditional practices such as voodoo
- Profits return home and to other illicit activity



# Law Enforcement and Money Trails

- Law enforcement has been less successful at tracing profits of traffickers than they have of organized crime groups and networks operating in other illicit areas such as drugs
- Confiscation has been limited
- Profits that have been found are in money orders, real estate, and overseas property
- Much of the profits seem to be wasted in high living especially by pimps

# Limits of Law Enforcement

- Few cases relative to the size of the problem
- Investigations and Prosecutions have increased since Protocol on Human Trafficking but still only in the thousands annually
- Need to follow money trails
- Limited confiscation of assets and repatriation to the victims
- There is neither certainty nor severity of punishment, therefore little deterrence

# Human Trafficking--the future

- A defining issue for the 21<sup>st</sup> century
- Will grow with regional inequality, economic inequality, population growth in developing world and failure of job growth to keep up with population growth
- Climate change will contribute to growth
- Regional conflict will fuel the problem
- We Must be all Part of the Solution