

From the Editor: Give Due Credit to Banks Fighting Human Trafficking

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Last month's confirmation hearing for Adam Szubin, who is seeking to become U.S. Under Secretary for Terrorism and Financial Crime, lacked the fireworks that might have been expected given the Republican majority's animosity toward the Obama administration's agreement with Iran.

The thoughtful and businesslike way in which the Senate Banking Committee hearing was conducted was a tribute to the unfailingly polite, earnest and very capable Szubin, who has been acting undersecretary since January, and who served prior to that for more than eight years as director of the Office of Foreign Assets Control.

Critics of the deal that Szubin was there to defend, along with his nomination, spoke of hating the treaty but respecting the man before them.

If there was a sour note in the hearings, according to a number of compliance professionals who watched, it was the suggestion from Sen. Elizabeth Warren (D-MA) that banks need to aggressively cut off human traffickers' access to the global financial system. Warren said that the practice of modern day slavery generated \$150 billion in profits for the traffickers.

If Warren wasn't exactly attacking financial institutions, her comments bruised the feelings of some compliance professionals who felt she ignored a number of steps they had already taken to combat trafficking. And Szubin didn't set the record straight. His response to Warren was, not surprisingly, to highlight the Treasury's Sept. 14, 2014 guidance on trafficking issued by the Financial Crimes Enforcement Network. The result of the guidance has been a boom in suspicious activity reports, which have been turned over to law enforcement, Szubin said. [More](#)

But FinCEN's important guidance is actually preceded by a number of efforts by financial institutions.

In late 2009, JPMorgan Chase devoted compliance staff time to examining bank transactions in search of links to human traffickers. The staffers cross-referenced information from accounts tied to high-risk industries with details of escort and labor services advertised on Internet classified providers, then Senior Vice President William Langford told *ACAMS moneylaundering.com* in the fall of 2010. [More](#)

Langford, a former FinCEN official who is now the chief compliance officer at GE Capital, said at the time that the bank was able to identify a number of typologies, including linking prostitution services to nail salons and other seemingly unrelated companies.

Bank of America identified funnel accounts linked with human trafficking and worked with federal and state officials, William J. Fox, a managing director with responsibility for anti-money laundering compliance, said in the same *moneylaundering.com* story. Wells Fargo undertook similar efforts at the time. Fox is a former FinCEN director.

It's a reflection of how important fighting human trafficking is to the compliance community that, over the past several years, most of ACAMS' conferences have devoted at least one session to sharing information about detecting human traffickers and interdicting the proceeds of their crimes.

In Las Vegas in September, it was "Fortifying Compliance Programs to Combat Human Trafficking." At the upcoming Toronto conference later this year, there will be a panel entitled "Human Trafficking: A Compelling Canadian Compliance Challenge" and a presentation by the founder of the advocacy group Timea's Cause. The annual *ACAMS moneylaundering.com* conference in Hollywood, FL in April will host a session entitled "Empowering the Compliance Function to Fight Human Trafficking."

"I shot the sheriff, but I did not shoot the deputy," Bob Marley famously sang (a nod to ACAMS Executive Vice President John Byrne, who usually kicks off his blogs with a song title). Some financial institutions may be guilty on a number of fronts, including mortgage abuses and sanctions violations, but with regard to human trafficking, financial institutions have not only not been indifferent to the plight of victims of the criminal practice, many of them, through the work of their compliance professionals, have been dedicated to ending the practice in conjunction with law enforcement.