**RED FLAGS for Human Smuggling:**

*No one transaction or red flag by itself is a clear indicator of human smuggling*

- Structured wires, generally below the $3,000 threshold.
- Wires sent from various locations across the U.S. or from countries with high migrant populations: (Mexico, El Salvador, Honduras, Guatemala).
- Multiple wire transfers to the same beneficiary who may be located in the U.S. or Mexican city along the border.
- What to look for in the Wires?
  - similar transactional information
  - common accounts
  - repeated addresses
  - shared phone numbers
  - using of the same IP addresses
- An account appears to function as a funnel account - cash deposits (often kept below the $10,000 threshold) occur in cities/states where the customer does not reside or conduct business.
- Frequently, in the case of funnel accounts, the funds are quickly withdrawn immediately after the deposits are made.
- Checks deposited from a possible funnel account appear to be pre-signed, bearing different handwriting in the signature and payee fields.
- Frequent exchange of small-denomination for larger denomination bills by a customer who is not in a cash intensive industry. This type of activity may occur as smugglers ready proceeds for bulk cash shipments.
- Sudden increases in cash deposits - Cash receipts (if available) are inconsistent with the customer's line of business.
- Rapid turnover of funds and large volumes of cash deposits with unknown sources.
- Extensive use of cash to purchase assets and to conduct transactions.
- Unexplained and unjustified lifestyle incommensurate with employment or business line.
- Profits or deposits that are greater than that of peers in a similar profession.
- When questioned, the senders have:
  - NO explanation for the purpose of the wire transfer.
  - NO relation to the recipient of the funds.
- **Know your customer:**
  - Did the customer’s activity in the account change?
  - Is the activity in the account suspicious?
  - How often do they visit the branch or ATM?
  - Who is accompanying them?
- If the account is closed by your institution:
  - Be on the lookout for new customers who may begin transacting *on behalf of* your old customers.
  - New accounts that reflect similar activity of the closed account.
**RED FLAGS for Human Trafficking:**

No one transaction or red flag by itself is a clear indicator of human trafficking

- Common Human Trafficking Business Fronts for Sex Trafficking Victims:
  - Modeling Agencies
  - Travel Agencies
  - Employment Companies
  - “Au Pair” babysitting services
  - International Matchmaking services (mail order bride)
  - Correctional / Detention Facilities
  - Massage Parlors
  - Spas
  - Hair and Nail Salons
  - Hotel/ Motels
  - Cantinas
  - Strip Clubs
  - Boyfriend / Social Media

- Common Human Trafficking Business Fronts for Labor Trafficking Victims:
  - Domestic Service Industries
  - Beauty Services
  - Hotel/Motel Based Employment
  - Restaurants
  - Construction Companies
  - Agricultural Work

- Observing the behavior of customers: Do they seem nervous or afraid?
- Some criminal organizations utilize the victims themselves to open accounts, launder the illicit proceeds, or receive services from the financial institution.
- Transactions conducted by individuals who are escorted by a third party (under the pretext of requiring an interpreter), to transfer funds (that may seem to be their salaries) to other countries.
- Accounts of foreign workers or students where the employer or employment agency serves as a custodian.

**From the employee’s account:**
- Substantial deductions to wages alleging extensive charges for housing and food costs, where the employees only receive a small fraction of their wages.
  - *This may occur before or after the payment of wages.*
- Cashing of payroll checks where the majority of the funds are kept by the employer or are deposited back into the employer’s account. This activity may be detected by those financial institutions that have access to paystubs and other payroll records.

**From the employer’s account:**
- The business customer does not exhibit *normal* payroll expenditures such as:
  - wages
  - payroll taxes
  - social security contributions
- Payroll costs can be non-existent or extremely low for the size of the customer’s alleged operations, workforce and/or business line/model.
• Payments to employment or student recruitment agencies that are not licensed and/or registered or that have labor violations.

• Frequent payments to online escort services for advertising, including small posting fees to companies of online classifieds as well as more expensive, high-end advertising and website hosting companies.

• Backpage:
  ➢ April 6, 2018 Backpage.com is seized
  ➢ April 18, 2018, the FOSTA-SESTA act (Fight Online Sex Trafficking Act-Stop Enabling Sex Traffickers Act) was signed into law. (The act makes website publishers responsible if third parties are found to be posting ads for prostitution and consensual sex work).

• Debits to online escort advertising sites (based in foreign countries due to FOSTA-SESTA act):
  ➢ Adultseach.com (Netherlands)
  ➢ Shipthegames.eu (Netherlands)
  ➢ Cityxguide.com (Germany)
  ➢ Adultlook.com (Germany)
  ➢ EscortBabylon.com (Germany)

• Website that moved servers outside of the U.S. due to the FOSTA-SESTA act:

<table>
<thead>
<tr>
<th>WEBSITE</th>
<th>RELOCATED TO COUNTRY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BESTGF.CH</td>
<td>SWITZERLAND</td>
</tr>
<tr>
<td>BIGDOGGIE.NET</td>
<td>BRITISH VIRGIN ISLANDS</td>
</tr>
<tr>
<td>EROS.COM</td>
<td>UNITED KINGDOM</td>
</tr>
<tr>
<td>EROTICMONKEY.CH</td>
<td>SWITZERLAND</td>
</tr>
<tr>
<td>GIRL-DIRECTORY.COM</td>
<td>UNITED KINGDOM</td>
</tr>
<tr>
<td>LISTCRAWLER.COM</td>
<td>NETHERLANDS</td>
</tr>
<tr>
<td>MEGAPERSONALS.COM</td>
<td>NETHERLANDS</td>
</tr>
<tr>
<td>OKCUPID.COM</td>
<td>SWEDEN</td>
</tr>
<tr>
<td>SKIPTHEGAMES.EU</td>
<td>NETHERLANDS</td>
</tr>
<tr>
<td>THEOTHERBOARD.COM</td>
<td>NETHERLANDS</td>
</tr>
<tr>
<td>TRAVELGIRLS.COM</td>
<td>UNITED KINGDOM</td>
</tr>
<tr>
<td>USAADULTCLASSIFIED.COM</td>
<td>AUSTRALIA</td>
</tr>
<tr>
<td>USASEXGUIDE.BL</td>
<td>NETHERLANDS</td>
</tr>
</tbody>
</table>

• HASHTAGS on Instagram and Twitter that may indicate Prostitution and Human Trafficking:

<table>
<thead>
<tr>
<th>Hashtag</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>#chooseup / #tcpgo</td>
<td>Used when referring to a pimp or a hoe</td>
</tr>
<tr>
<td>#pgo</td>
<td>Pimpin’ going on</td>
</tr>
<tr>
<td>#gamerelated / #game oriented</td>
<td>“the game” could refer to prostitution among pimps</td>
</tr>
<tr>
<td>#hgo / #gpo / #hgo / #gpo</td>
<td>All refer to real hein’ and pimpin’ going on</td>
</tr>
<tr>
<td>#304yle</td>
<td>Hoe life 304 (304 is hoe upside down)</td>
</tr>
<tr>
<td>#chuuch</td>
<td>An old pimp way of saying “Amen”</td>
</tr>
</tbody>
</table>

• Reviewing the account at the relationship level as opposed to the account level.
  ➢ This will allow your institution to analyze the customer’s transactions across multiple accounts instead of reviewing transactions that are conducted solely through one account.

• Multiple accounts established for different businesses or persons all with the same signatory powers on each account.
• Wire transfers from one business account to another; business accounts that have no apparent ties.
• Receipt of numerous incoming wire transfers or personal checks inconsistent with account type.
• Frequent outbound wire transfers with no business or apparent lawful purpose, directed to countries at higher risk for human trafficking or to countries that are inconsistent with the customer’s expected activity.
• **Credit or debit processing** for **even dollar amounts**, when atypical for business type.
• **Checks** written in **even dollar amounts** deposited into bank accounts with repeated phrases or references in the memo section. *Some have even seen “for a good time” written in the check memo field.*
• Large payments to foreign companies that are inconsistent with the amount of product received from these companies. *This could indicate under or over-valuing, Trade-Based Money Laundering.*
• Leasing of high-end luxury vehicles and extravagant trips paid by electronic funds transfers from business bank accounts.
• Multiple ATM withdrawals or deposits at the daily maximum amount (as high as $1,000 per day).
• Customers who have reported identity theft - *many extortion, kidnapping rings have stolen identities that they utilize to facilitate their criminal activity.*

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