



Financial Intelligence Unit Latvia

Trafficking in Human Beings and Money Laundering

Riga, Latvia
21/02/2019

Role of Financial Intelligence Unit

acquires, receives, registers, processes, compiles, stores, analyses and provides information to pre-trial investigating institutions, the Office of the Prosecutor or a court which may be used for the prevention, detection, pre-trial criminal proceedings or trial of **money laundering, terrorism financing** or an attempt to carry out such actions **or another associated criminal offence**

How are THB and ML linked together?

- Predicative offence
- Proceeds generating crime
- Freezing
- Confiscation



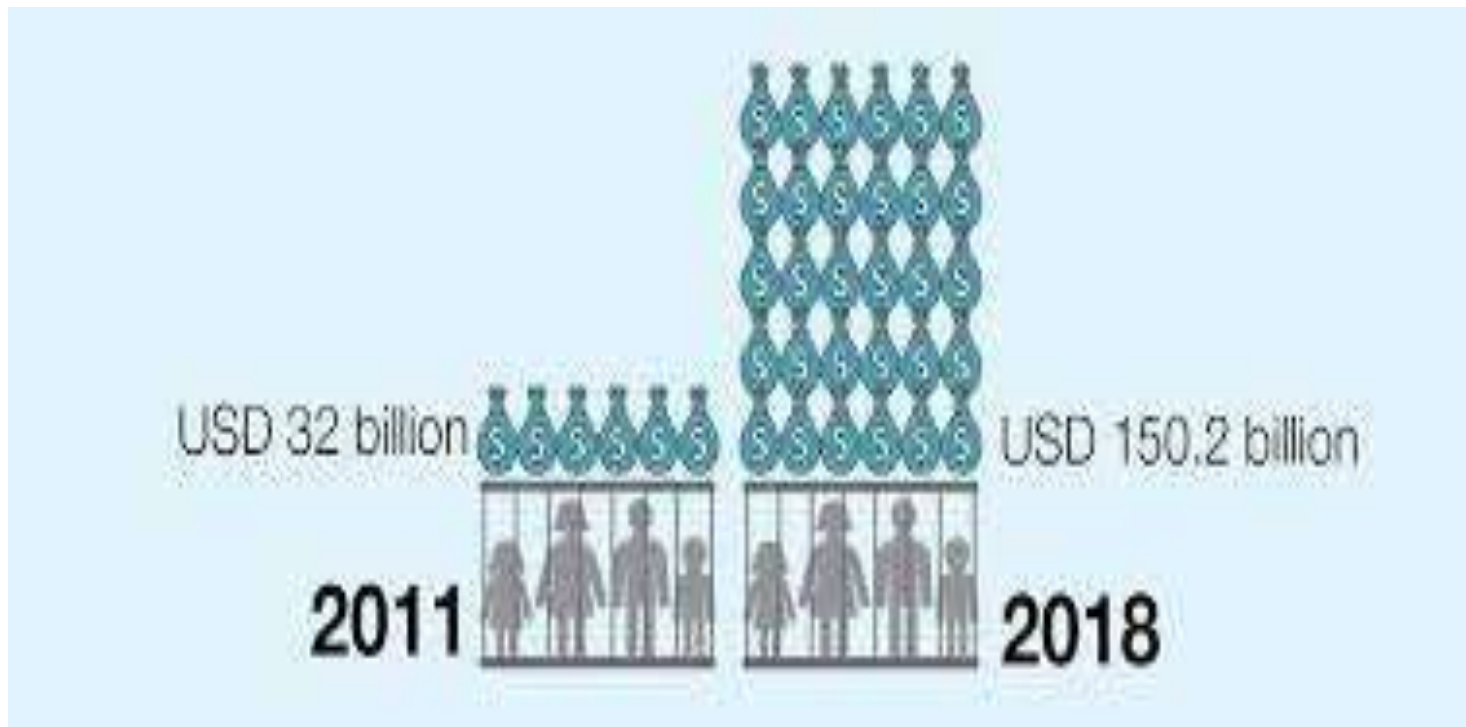
Financial Action Task Force Report

Financial Flows from Human Trafficking

July 2018

<http://www.fatf-gafi.org/media/fatf/content/images/Human-Trafficking-2018.pdf>

Estimated proceeds from Human trafficking (FATF report on Financial flows on Human Trafficking)



High level of undetected crime and undetected financial flows

- **The financial flows can differ significantly from one case to another.**
- **Impossible to determine one indicator to detect THB, usually a set of indicators.**
- **Incomplete cooperation and coordination.**
- **Information sharing.**
- **Awareness raising, training.**

The financial flows differ significantly from one case to another:

- Diverse organizational and financial infrastructure are required depending on recruitment and transportation mechanisms utilized by the crime group
- Exploitive purpose for which the human trafficking is conducted yields different types of material benefit to perpetrators
- Usage of cash

Impossible to determine one indicator to detect THB, usually a set of indicators:

- No typical money thresholds or red flags
- Cross-border element
- Where a victim has no interaction with registered businesses it can be much harder to identify the signs of trafficking

Incomplete cooperation and coordination:

- Wider contextual information can prove useful in identifying signs of trafficking
- Information on victims profile
- Detecting, reporting and analysing suspicious transaction reports

Information sharing:

- THB experts
- Reporting entities
- Financial Intelligence Unit (FIU)
- Law Enforcement Agencies (LEA)
- Asset Recovery Office (ARO)

Awareness raising, training:

- Lack of awareness
- Specific knowledge, experience
- Setting priorities
- Capacity
- New trends

FATF Indicators of ML related to THB

- Common mobile number, address and employment reference being used to open multiple bank accounts in different names
- Customer makes deposits/withdrawals or otherwise generally operates an account accompanied by an escort, handler or translator (who may hold the customer's ID)
- High and/or frequent expenditure at airports, ports, other transport hubs or overseas, inconsistent with customer's personal use or stated business activity
- Income received and immediately withdrawn in cash

FATF Indicators of ML related to THB

- Newly-opened customer account appears to be controlled by a third party, including forms completed in different handwriting and/or the customer reads their address from a form
- Payments to logistics, airlines, coach companies, car rental or travel agents inconsistent with customer's personal use or stated business activity
- Relatively high or recurrent expenditure on items inconsistent with customer's personal use or stated business activity, such as food, necessities, or accommodation for workers

Thank you!

Rūta Rācene-Bērtule
FIU Latvia
Head of Strategic Analysis Unit
Ruta.Racene-Bertule@kd.gov.lv