

‘Innovation and the Application of Knowledge for More Effective Policing’

N8 Policing Research Partnership Catalyst Project

The Financial Aspects of Modern Slavery: Patterns in banking behaviour

Human trafficking has long been presented as an activity through which those responsible exploit others for financial purposes (see for example Wheaton et al, 2010; Salt and Stein, 1997) and it is regarded as highly profitable (FATF, 2011). Given the centrality of finances to human trafficking, understanding more about the operation of finances within trafficking activity and identifying wherein intervention may be possible has gained increasing importance (RUSI, 2017; OECD, 2016). It is increasingly recognised that modern slavery can be identified and disrupted through monitoring financial activity and law enforcement are seeking practical ways to undertake these strategies (see RUSI, 2017). It has also been highlighted across jurisdictions that the provision of financial evidence and information to support prosecutions increases the likelihood of successful convictions and lessens the burden on the victim during the judicial process (see Broad and Muraszkiwicz, 2018; HMICFRS, 2017; Winterdyk, 2017; Farrell et al, 2016). However, there is very little evidence-based knowledge and understanding, either operationally or academically, regarding the nature of these transactions and the processes that need to be undertaken in order to identify them (ibid).

This project developed from existing relationships between the Centre for Criminology and Criminal Justice (CCCJ) at University of Manchester, the West Yorkshire police (WYP) anti-slavery team and Barclays bank. The importance of financial evidence in building modern slavery cases had been recognised by the WYP team and an operation had been developed and implemented in order to use banking data to inform operational activity. This project therefore represented an opportunity to build on the existing project using research expertise on behalf of the CCCJ and the operational and practical expertise of the WYP team and Barclays Bank representative to systematically consider the financial aspects of modern slavery and how these might be used to inform operational practice.

Aims and objectives

The project was organised around the following objectives:

1. To conceptualise the financial aspects of modern slavery activities in the WY region with focus on developing the financial ‘scripts’ of these activities (i.e. what needs funding, how finances are generated and concealed etc.
2. Drawing on our understanding of the financial aspects of modern slavery in 1. and on analysis of closed case file data and intelligence from WYP, develop ‘data extraction scenarios’ that can successfully distinguish the financial behaviours of suspects or victims of modern slavery offences.
3. To apply the extraction scenarios in 2. to ‘big’ banking data in order to identify actors possibly involved in modern slavery and test the feasibility of such analytical models to financial sector more broadly.

Methodology

The project team aimed to use the following sources of data to fulfil the objectives outlined above:

- Existing research and literature on the finances of modern slavery
- Previous research undertaken by the academic researchers on the project
- Case files and intelligence from WYP
- Banking data from Barclays Bank

These data were then brought together in an iterative process to inform the 'scripts' of modern slavery in a variety of markets in order to identify the finances needed to undertake, and generated from, trafficking and slavery activity.

Challenges

In the development of the project, it had been noted by the research team that there were potential risks relating to accessing sensitive financial data. In order to mitigate these risks, the research team developed an information sharing protocol and underwent enhanced vetting in order to enable access to case files. However, this unfortunately was not sufficient to enable the planned research due to concerns raised by stakeholders outside the police which resulted in a change to the methodology and time delays in conducting the research. The academic partners were unable to access the case files for the duration of the project. However, despite this representing a significant barrier to the original methodology, the approach was modified such that the police analyst was able to draw on the case file data and discuss this with the academic partners in order to identify patterns and themes that could then be represented in the data. In this way, the research team were still able to develop the scripts of various scenarios for carrying out modern slavery activities and to identify where finances were required and generated.

One of the challenges identified in conducting this research was the number of stakeholders involved in the management and ownership of the financial data. Not all stakeholders were able to give their permission for the research to continue in the way in which it had originally been envisaged. Further research in this area must address these barriers and consider how academic researchers can work collaboratively with law enforcement both locally and nationally as well as financial institutions in order to access and utilise data directly without compromising identity and banking staff and customer security.

Initial findings

Our key findings are as follows:

1. State of the Art: Our systematic review of the literature on the finances supporting modern slavery/human trafficking indicated that there is a dearth of empirically based evidence and literature. This has been recognised elsewhere and may be the result of this issue only recently being highlighted on the policy agenda in addition to the issues with access. Empirical insights are needed to make informed progress in both a theoretical understanding of the problem and the development of coherent and targeted policy.

2. The Financial Aspects of Modern Slavery – Data Extraction Scenarios: A series of scenarios were identified by both the academic and police partners. These were based on case file data, intelligence gathered during the course of investigations and operations as well as research previously carried out by the academic partners in the project. These scenarios represented the various infrastructural, organisational and operational finances associated with different types of trafficking (e.g. labour exploitation, sexual exploitation, criminal exploitation, and the other one). Scenarios consisted broadly of the following:

- Finances for the purposes of travel
- Financial transactions with employment agencies
- Payments to online employment advertisement sites
- Indications of multiple occupation of property
- Patterns of withdrawal and deposit indicative of exploitation
- Indications of ownership/use of multiple vehicles

These scenarios were converted into algorithms and run against banking data in addition to other limiting factors. Generally the scenarios yielded too many results to allow further analysis but had potential for development by using refined parameters. However, other scenarios led to positive lines of enquiry and/or contributed additional information to existing police intelligence.

Based on the analysis conducted as a result of this staff exchange, finances are integral to modern slavery operations across markets with operational, organisational and infrastructural costs varying depending on the market, legitimacy and size, amongst other factors (see Broad et al, forthcoming).

The challenges outlined above have brought to the fore issues of access in researching the finances of modern slavery on the basis of commercial sensitivity of the data; maintaining confidentiality of the source of information and the multiple gatekeepers involved in ownership of the data. Further research into this area is much needed but will need to consider how to overcome these significant challenges in order to learn from existing data and to develop models in relation to points of potential intervention.

Future directions

Despite significant challenges in conducting this research, the team have been able to develop a systematic review of the finances of modern slavery, drawing on cases which have been investigated by WYP. This will result in the following outputs in the coming months:

- A co-authored academic journal article presenting the project findings and locating this within a financial-assessment framework
- A co-produced report for WYP presenting the overall project findings and how this relates to operational practice in targeting the finances of modern slavery
- An application for funding for further research on developing the understanding of these finances in a wider context

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