



FATF REPORT

# Money Laundering and Terrorist Financing Risks Arising from Migrant Smuggling

March 2022





The Financial Action Task Force (FATF) is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction. The FATF Recommendations are recognised as the global anti-money laundering (AML) and counter-terrorist financing (CFT) standard.

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## Acronyms

AML/CFT	Anti-Money Laundering/Counter Terrorism Financing
APG	Asia-Pacific Group on Money Laundering
CARIN	Camden Assets Recovery Inter-Agency Network
CDD	Customer Due Diligence
CFATF	Caribbean Financial Action Task Force
CTR	Currency Transaction Report
EAG	Eurasian Group on Combating Money Laundering and Financing of Terrorism
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
EU	European Union
FATF	Financial Action Task Force
FIA	Federal Investigation Authority
FIU	Financial Intelligence Unit
FRONTEX	European Border and Coast Guard Agency
FSRB	FATF-style regional body
FTFs	Foreign Terrorist Fighters
GIABA	Inter-Governmental Action Group against Money Laundering in West Africa
HT	Human Trafficking
ILO	International Labour Organization
IOM	International Organization of Migration
JIT	Joint Investigation Team
KYC	Know Your Customer
LEA	Law Enforcement Authorities
MENAFATF	Middle East and North Africa Financial Action Task Force
ML	Money laundering
MLA	Mutual Legal Assistance
MoU	Memorandum of Understanding
MONEYVAL	Council of Europe Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism
MROS	Money Laundering Reporting Office Switzerland

MS	Migrant Smuggling
MVTS	Money or Value Transfer Services
NPO	Non-profit organisation
NRA	National Risk Assessment
OCG	Organized Criminal Group
SIT	Special Investigation Techniques
STR	Suspicion Transaction Report
TF	Terrorism financing
THB	Trafficking of Human Beings
UN CTED	United Nations Counter-Terrorism Committee Executive Directorate
UNODC	United Nations Office on Drugs and Crime

## Executive summary

Over the last decade, regional conflict, political instability and repression, poverty, and the impact of climate change have led to increasing numbers of migrants and refugees seeking to move elsewhere. This has led to numerous crises associated with the illegal smuggling of migrants and resulting in thousands of deaths. Every year, millions of migrants in search of a better future put their lives in the hands of migrant smugglers who see them as an opportunity to make huge financial gains. While it is difficult to quantify the exact amount of the proceeds generated, recent increases in migration may mean proceeds currently exceed USD10 billion per annum.<sup>12</sup>

This report aims to update the understanding of money laundering and terrorist financing (ML/TF) risks associated with migrant smuggling to help countries mitigate the risks, and disrupt and recover the proceeds – an important driver of this crime. It focuses on several relevant parameters associated with the ML/TF risks, in particular the geographical routes, structure of migrant smuggling organisations and networks and, to a lesser extent, the impact of COVID-19. The report also considers the mitigating measures in place.

Key findings of this study include:

- Migrant smuggling has grown in recent years but the number of smugglers arrested remains very low. Many countries do not consider migrant smuggling a ‘high risk’ crime for money laundering and only very few investigations or prosecutions are initiated or concluded. This is due to a range of factors including a lack of effective international cooperation and often a lack of focus and resources to support a ‘follow the money’ approach.
- An informal money transfer system, known as *hawala*, is the most common method of transferring funds generated from migrant smuggling between jurisdictions. This makes it extremely hard for law enforcement agencies to perform financial investigations. Other methods include the physical transportation of funds via cash couriers or money mules.
- In recent years, smugglers have started to widely use social media and encrypted digital communication services in their operations for recruitment and coordination. This provides opportunities for smugglers to enhance their efficiency, but also opportunities for law enforcement to detect and trace the activity of smugglers including financial flows.
- Migrant smuggling groups also appear to increasingly outsource their money laundering activities to professional laundering networks.
- Overall, there is limited information available on the connections between terrorist financing and migrant smuggling. However, there is evidence of terrorists receiving money from smugglers along various African migration

<sup>1</sup> [www.migrationdataportal.org/themes/smuggling-migrants](http://www.migrationdataportal.org/themes/smuggling-migrants)

<sup>2</sup> There is more concrete data on the price for trips along some of well-known migration routes (Asia/Africa – Europe; Latin America – North America).



routes in the form of ‘tolls’ for safe passage through the territory they control, and links with facilitation of FTFs.

- Many countries face difficulties in understanding the ML/TF risks they face from migrant smuggling. While some countries have access to qualitative information and case studies, a large percentage of countries were unable to provide complete statistics on aspects of the performance of their AML/CFT systems in relation to migrant smuggling.
- Migrant smuggling is a transnational crime, yet national and international collaboration between relevant authorities has been challenging for many countries. To prevent migrant smuggling, countries need to proactively follow the money linked to migrant smuggling. The report identifies a number of good practices and recommendations. These include strengthening inter-institutional, international and regional cooperation, with a particular focus on supporting countries that are directly affected by migrant smuggling.
- The report also highlights the importance of strengthening cooperation with the private sector and providing them guidance and information on the specific methods that the smugglers are using to transfer and conceal proceeds. Financial institutions and in particular banks and money or value transfer services have an important role to play in providing accurate and targeted suspicious transactions reports that can help authorities profile migrant smugglers’ financial behaviour.

Migrant smuggling might not yield as high sums compared to other major transnational crimes, but it often causes significant physical harm and suffering. Countries need to take action so that they are more effective in pursuing, disrupting and recovering the illicit profits that incentivize criminals to smuggle migrants.



## Introduction

### Scope of the report

Migrant smuggling is a crime that has an often significant consequence on the lives of millions of civilians, with criminals taking advantage of the sometimes desperate plight of individuals seeking to escape nature disaster, conflict, persecution or poverty, or looking for economic opportunity. It is an issue that is high on the list of priorities for many governments and has been subject of a number of resolutions adopted by the United Nations Security Council.<sup>3</sup>

As with other major proceeds generating crimes, identifying pursuing and disrupting the proceeds and instrumentalities, and sanctioning those in laundering them, can play a key role tackling the crime itself. Since the FATF last focused on migrant smuggling in 2011<sup>4</sup> there have been significant changes that have affected both migratory patterns, and the financial flows associated with the facilitation of irregular migration<sup>5</sup> around the world. A number of factors has driven these changes, including the continuing advancement of globalisation through the reach and influence of global communication tools such as social media; a series of economic crises and political events, affecting the employment opportunities of young people in particular; and the increasing presence of online market places that are facilitating the sale of, and payment for, smuggling services.

Under its German Presidency (2020-2022), the FATF made it one of its priorities to update the understanding of the money laundering and terrorist financing risks associated with migrant smuggling. This report represents the conclusion of that work, bringing together key intelligence from competent authorities around the world on what is inherently a cross-border risk, and drawing on the findings of research

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<sup>3</sup> See Resolutions 2240 (2015), 2359 (2017), 2374 (2017), 2380 (2017), 2388 (2017).

<sup>4</sup> (FATF, 2011) [Money Laundering Risks Arising from Trafficking in Human Beings and Smuggling of Migrants](#)

<sup>5</sup> See all the definitions related to migration at IOM website, [www.iom.int/key-migration-terms](http://www.iom.int/key-migration-terms)



conducted by partner organisations such as Europol, INTERPOL, UN CTED, UNODC and FATF-style regional bodies such as CFATF and MENAFATF.

The Protocol against the Smuggling of Migrants by Land, Sea and Air,<sup>6</sup> supplementing the United Nation Convention against Transnational Organised Crime (UNTOC), defines in its article 3 “smuggling of migrants” as “the procurement, in order to obtain - directly or indirectly - a financial or other material benefit, of the illegal entry of a person into a State Party of which the person is not a national or a permanent resident, with illegal entry referring to crossing borders without complying with the necessary requirements for legal entry into the receiving State.”

This report focuses on the financial component of migrant smuggling: the nature of the money laundering and terrorist financing threats and vulnerabilities, how to identify the financial flows related to this crime, and how the associated risks are and can be mitigated.

In accordance with the FATF Recommendations, all countries must apply the crime of money laundering to all serious offences including migrant smuggling.<sup>7</sup> Article 6 of the abovementioned Protocol against the Smuggling of Migrants provides a set of measures on the criminalisation of smuggling with intent to generate a financial or other material benefit. It is also important to note that the offence of migrant smuggling has several distinct aspects that differ from other offences, and in particular human trafficking.<sup>8</sup> Firstly, migrants have consented to be transported, whereas the victims of human trafficking have not; secondly, the smuggling ends with the arrival of the migrant in the destination, whereas human trafficking often involves ongoing exploitation in some other way; and thirdly, migrant smuggling is always transnational whereas human trafficking may not be. In addition, the routes and amounts of proceeds that are generated are often different. Nevertheless, there are some linkages between the two crime types, for example the same criminal networks may be involved in both migrant smuggling and human trafficking. For more information on ML and TF associated with human trafficking, see the FATF/APG report *Financial Flows from Human Trafficking* published in 2018.

## Objectives and structure

The key objective of this project is to strengthen and update the understanding of ML/TF risks arising from migrant smuggling at a global level. The target audience is both competent authorities, in particular financial investigators and experts responsible for assessing and monitoring national ML and TF risks, and the private sector. Ultimately, this project should help countries and the private sector to align their national and institutional controls and strategies through an enhanced understanding of ML/TF risks from this criminal market.

<sup>6</sup> Annex III, <https://undocs.org/en/A/RES/55/25>

<sup>7</sup> In addition to human trafficking and 20 other categories of offences.

<sup>8</sup> See also [www.unodc.org/e4j/en/tip-and-som/module-11/key-issues/differences-and-commonalities.html](http://www.unodc.org/e4j/en/tip-and-som/module-11/key-issues/differences-and-commonalities.html)

These objectives are delivered through three parts:

- Part one provides an overview of migrant smuggling routes and flows, and the structure of migrant smuggling organisations and networks.
- Part two analyses cases studies and responses of the countries to the questionnaire, drawing insights on ML/TF risks, investigations, and international cooperation.
- Part three identifies good practices for countries to consider.

## Methodology

Experts from Greece and Mexico co-led this project with the support of the FATF Secretariat. The project team consisted of representatives from Brazil, China, European Commission, Europol, Germany, Greece, IMF, Italy, Malaysia, Russia, Spain, Sweden, the United States, UN CTED and UNODC. The following 43 jurisdictions from FATF and FSRBs and one international organisation have provided inputs (responses to the questionnaire and/or case studies related to the first call for inputs in July 2021) for this report:

- FATF members (19): Australia, Belgium, Brazil, Canada, European Commission, Germany, Greece, Finland, Hong Kong China, Italy, Ireland, Japan, Malaysia, Mexico, Portugal, Russia, Spain, Switzerland and Turkey;
- FATF observer: Europol;
- APG (2): Fiji and Pakistan;
- CFATF (2): Cayman Islands and Salvador;
- EAG (2): Tajikistan and Turkmenistan;
- ESAAMLG (3): Botswana, Tanzania and Zimbabwe;
- GIABA (4): Burkina Faso, Cape Verde, Senegal and Togo;
- MENAFATF (1): Egypt;
- MONEYVAL (10): Albania, Estonia, Gibraltar, Latvia, Lithuania, Romania, Serbia, Slovakia, Slovenia and Ukraine.

The above-mentioned questionnaire focused on countries' legal framework on migrant smuggling and assessments of risks, ML/TF investigations and international cooperation. Supporting information for this study included a literature review to identify recent trends in modus operandi of smugglers, to gather available information on financial aspects of this criminal business and its linkages with other offences. The project was also informed by the analysis of additional case studies provided by delegations,<sup>9</sup> and discussions held in the framework of the special session of the FATF Joint Expert Meeting, involving participation of 106 operational experts from around the world and held on 6 December 2021.

<sup>9</sup> Additional case studies and other information in relation to a call in October 2021 was provided by Germany, Greece, Luxembourg, Spain and UK, by GAFILAT members (Chile, Costa Rica, Dominican Republic, Ecuador, and Peru), GIABA members (Senegal and Togo) and MONEYVAL members (Bosnia and Herzegovina, and Poland).



Refugee camp in Lesvos, Greece. Many migrants refugees, arrived in inflatable dinghy boats on one of the most dangerous migrant smuggling routes globally.

## Part One. Migrant Smuggling routes, flows and networks

### Global estimates and statistics

Migration is a phenomenon that has accompanied humanity for centuries and, often, is caused by a combination of circumstances, such as “international economic imbalances, poverty and environmental degradation, combined with the absence of peace and security and lack of respect for human rights”. This is reflected in the UN New York Declaration for Refugees and Migrants, which aims to address the question of large movements of refugees and migrants.<sup>10</sup> Nevertheless, globalisation of the world economy has increased the movement of people across borders, legally and illegally, especially from developing to developed countries. Cross-border organised criminal groups have taken advantage of opportunities presented as a result of the increased flow of people, money, goods, and services to extend their reach.<sup>11</sup>

Due to its clandestine nature, there are no reliable global statistics on the number of migrants who are smuggled each year. The UN estimated that each year there are approximately three million irregular entries into the United States of America, while in 2016, more than 181 000 migrants crossed the Mediterranean from North Africa to Italy. In both instances, most of these individuals were smuggled by migrant smugglers (UNODC, 2016<sup>12</sup>). In 2015, due to the crisis in Syria, approximately one million

<sup>10</sup> UN, New York Declaration for Refugees and Migrants, 2016, p. 22, <https://undocs.org/a/res/71/1>

<sup>11</sup> Trafficking in Persons: U.S. Policy and Issues for Congress, 2010, p.4, <https://sgp.fas.org/crs/misc/RL34317.pdf>

<sup>12</sup> UNODC, Smuggling of migrants: the harsh search for better life, 2021, [www.unodc.org/toc/en/crimes/migrant-smuggling.html](http://www.unodc.org/toc/en/crimes/migrant-smuggling.html)

irregular migrants and refugees reached Greece via the Eastern Mediterranean Route (Turkey – Greece).<sup>13</sup> In 2019-2020 the United States Custom and Border Protection encountered almost 1.5 million individuals attempted to enter the country illegally at the border with Mexico.<sup>14</sup> In 2018, Frontex detected nearly 140 000 irregular border crossings along the three Mediterranean routes (Eastern, Central, Western)<sup>15</sup> while in 2020 this figure decreased to nearly 76 000 due to COVID-19 countermeasures.<sup>16</sup>

Migrant smuggling is “a deadly business operated by groups that seek to profit from thousands of people, without any respect for their rights and dignity”.<sup>17</sup> For example, the migrant flow from Morocco, Algeria, Tunisia, Libya, and Egypt, through the Mediterranean Sea towards the coasts of Italy, Greece and Spain is estimated to have resulted in more than 20 000 deaths of which 1 369 occurred in 2021, one of the most dangerous routes globally.<sup>18</sup>

### Geographical routes and smuggling flows

Migrant smuggling thrives due to a range of factors including war, violence and a lack of employment opportunities in the migrants’ countries of origin. In most cases, the hope of security and a better life drives individuals to undertake often perilous journeys at the hands of migrant smugglers who see them as a source of profit. There are about 60 identified smuggling routes, with many services along these routes.<sup>19</sup>

<sup>13</sup> <https://frontex.europa.eu/we-know/migratory-routes/eastern-mediterranean-route/>

<sup>14</sup> <https://2017-2021.state.gov/countering-illegal-immigration/index.html>

<sup>15</sup> <https://frontex.europa.eu/we-know/migratory-routes/central-mediterranean-route/>

<sup>16</sup> Frontex, Risk Analysis for 2021, p. 14,

[https://frontex.europa.eu/assets/Publications/Risk Analysis/Risk Analysis/Risk Analysis 2021.pdf](https://frontex.europa.eu/assets/Publications/Risk%20Analysis/Risk%20Analysis/Risk%20Analysis%202021.pdf)

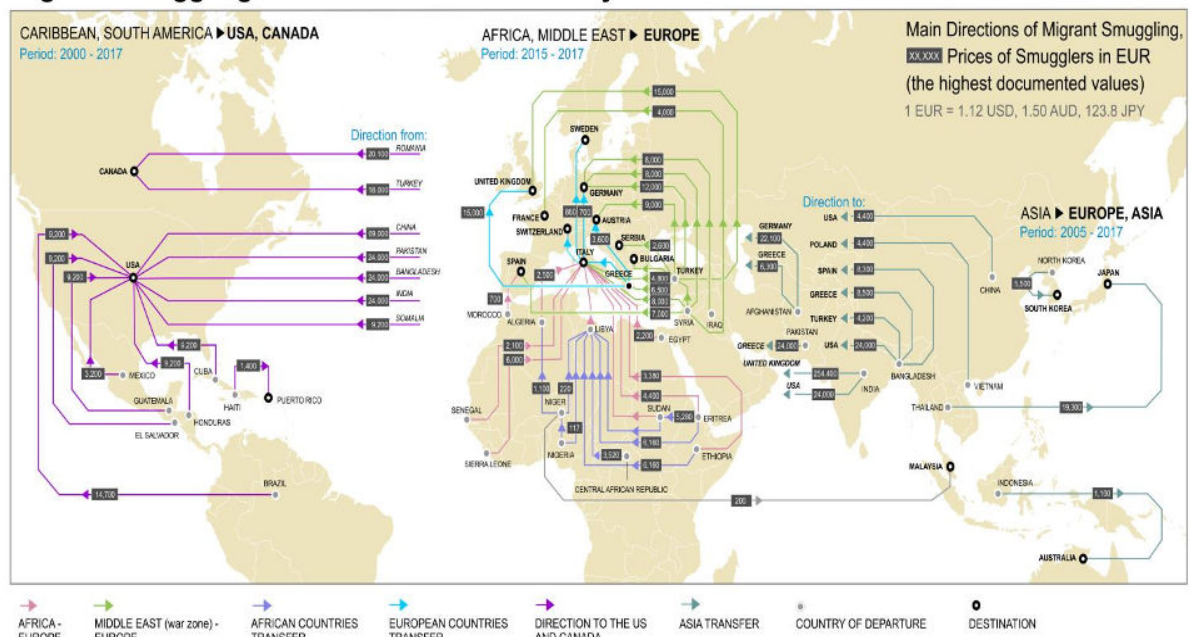
<sup>17</sup> [www.gob.mx/sre/en/articulos/smuggling-of-migrants-negociomortal](http://www.gob.mx/sre/en/articulos/smuggling-of-migrants-negociomortal)

<sup>18</sup> IOM GMDAC, Migrant deaths and disappearances, 2021, [www.migrationdataportal.org/themes/migrant-deaths-and-disappearances](http://www.migrationdataportal.org/themes/migrant-deaths-and-disappearances)

<sup>19</sup> IOM GMDAC, Migrant Smuggling in the World: A Global Story, 2017, [www.migrationdataportal.org/infographic/migrant-smuggling-world-global-story](http://www.migrationdataportal.org/infographic/migrant-smuggling-world-global-story)



## Migrant Smuggling in the World: A Global Story



The main destination countries for migrants are the United States, Canada, Spain, France, UK, Switzerland, Sweden, Germany, Italy, Japan, South Korea, Australia and Malaysia, most of which are considered developed countries.<sup>20</sup> Many other countries also host a large number of people fleeing conflicts and disasters.

Over the last five to six years, most of the countries that are considered transit countries (Togo, Zimbabwe, Fiji, Brazil, Cayman Island, Mexico, El Salvador, Greece, Italy, Russia, Slovakia, Spain, Turkey, and Switzerland) have reported not only an increase in the flow of irregular migrants, but also a multiplication in the routes of transit (by air, land and sea) and the incorporation of new nationalities to these migrant flows. Such an increase ultimately poses some challenges for destination countries as well.

The following are examples of the countries' detection of increasing flows of migrants over the last 5 years:

- In 2021, the flow of irregular migration from **Belarus** to **Lithuania** has increased dramatically. As of 4 August 2021, 113 irregular migrants and refugees have been detected illegally crossing the border from Belarus compared to just 74 in 2020. The number of irregular migrants and refugees in 2021 was almost 20 times more than the numbers registered in 2018, 2019, 2020 combined.
- In 2020, more than 23 000 irregular migrants reached the **Canary Islands**, a 10-fold increase compared to the same period in 2019.

<sup>20</sup>

BBVA-CONAPO, 2021, [www.bbvaresearch.com/en/publicaciones/yearbook-of-migration-and-remittances-mexico-2021/](http://www.bbvaresearch.com/en/publicaciones/yearbook-of-migration-and-remittances-mexico-2021/)



- **Brazil** also detected significant inflows of irregular migrants from African and Latin American countries. The incoming flows of Venezuelans are constantly increasing, while Haitians, Bengalis and African migrants are also known to enter Brazil to reach the US.
- The **Spanish** government has observed that migratory routes have shifted towards the Atlantic and northern coasts of Algeria. This has significantly increased the number of migrants in the Canary Islands and the Mediterranean corridor (mainly to the provinces of Almeria, Murcia and Alicante).
- Countries in the **Americas** have noted a significant increase in inbound or outbound flows of irregular migrants heading to the United States over the last 5-6 years. While the flow of irregular migrants came mainly from Central America before, this has been expanded to migrants and refugees from Haiti, Venezuela, Cuba and Ecuador, as well as from various regions of Africa and Asia. Malaysia, Hong Kong China and Pakistan see migrants and refugees arriving from Indonesia and Myanmar, from South Asia and Afghanistan, respectively.

Source: Lithuanian FIU (FCIS), Brazilian FIU (COAF), Spanish FIU (SEPBLAC), Mexican FIU (UIF)

It is estimated that the majority of irregular flows are guided or accompanied by migrant smugglers. For example, in 2019, approximately two thirds of migrants transiting through Mexico hired a person as a guide to cross into the United States.

Despite the increases in cases of migrant smuggling, complaints and arrests of smugglers remain very low. Most arrests are concentrated in the destination and transit countries.<sup>21</sup>

#### *Impact of the COVID-19 pandemic*

The COVID-19 pandemic has had an impact on the movement of migrants – both legal and illegal. The closure of official border entry points, increased security presence at borders, movement within countries and the disruption to air travel have all impacted migratory flows.<sup>22</sup> This led to some smugglers temporarily stopping or delaying their services.<sup>23</sup> Nevertheless, according to a report issued by the UNODC, travel and movement restrictions have not stopped the movement of people fleeing conflict, violence, and persecutions, who have no option but to use migrant smugglers' services. UNODC indicated that the closure of land, sea and air borders might increase

<sup>21</sup> Turkey has the highest number of migrant smuggling cases under investigation (7 672) in 2021 (January – August) among those who provided information for this study.

<sup>22</sup> Global Initiative against Transnational Organized Crime, "Smuggling in the time of COVID-19. The impact of the pandemic on human-smuggling dynamics and migrant-protection risks" (April 2020), <https://globalinitiative.net/analysis/smuggling-covid-19/>

<sup>23</sup> European University Institute, "Stranded: The Impacts of COVID-19 on Irregular Migration and Migrant Smuggling", 2020, <https://op.europa.eu/en/publication-detail/-/publication/97565e00-e134-11ea-ad25-01aa75ed71a1/language-en>

smuggling of migrants, because people would have an even greater need for the services of smugglers in order to cross borders.<sup>24</sup>

Also, it is worth noting that migrant smuggling is significantly affected by geo-political and socio-economic factors which vary greatly by region and in the ways they drive vulnerable communities in those regions to migrate. According to INTERPOL, key land migration routes, for example those connecting Central America to North America and the Horn of Africa to South Africa, have remained active as smugglers monitor border management in order to evade controls, whereas the pandemic appeared to diminish migrant smuggling in Asia and in the Middle East.<sup>25</sup> Migrant smuggling relies on air travel along the west-bound routes from South Asia into Africa, South America, Europe and the Middle East Gulf countries, and these routes were disrupted due to the pandemic. In Europe, smugglers were using smaller boats to cross water-borders, such as the English Channel, and migrants were being dangerously concealed in the compartments of trucks, freight vehicles, and cargo trains to cross land borders.<sup>26</sup>

In the instances where there is increased demand by migrants or there are travel restrictions, smugglers may adapt by using more risky routes, and charge higher prices for smuggling services. The economic impacts of the pandemic may also have implications on the flows of irregular migrants, with increases in numbers of individuals attempting to migrate to countries that have a faster recovery.<sup>27</sup>

### Structure and profile of migrant smuggling organizations and networks

There is a consensus that smuggling networks function as an “enterprise” model with large numbers of smaller, flexible crime groups or individual criminals that interact when necessary.<sup>28</sup>

More sophisticated networks carry out migrant smuggling in regions where anti-smuggling law enforcement strategies are particularly robust.<sup>29</sup> With some exceptions, migrant smuggling organisations are generally not systematically involved in other major transnational organized crime activities.<sup>30</sup> Nevertheless, migrant smuggling can be carried out by members of sophisticated and often unscrupulous organisations which may make large profits from the smuggling and/or extortion and exploitation of

<sup>24</sup> UNODC, “How COVID-19 restrictions and the economic consequences are likely to impact migrant smuggling and cross-border trafficking in persons to Europe and North America”, 2020, [www.unodc.org/documents/data-and-analysis/covid/Covid-related-impact-on-SoM-TiP-web3.pdf](http://www.unodc.org/documents/data-and-analysis/covid/Covid-related-impact-on-SoM-TiP-web3.pdf)

<sup>25</sup> INTERPOL, COVID-19 impact on migrant smuggling and human trafficking, 2020, [www.interpol.int/News-and-Events/News/2020/COVID-19-impact-on-migrant-smuggling-and-human-trafficking](http://www.interpol.int/News-and-Events/News/2020/COVID-19-impact-on-migrant-smuggling-and-human-trafficking)

<sup>26</sup> Ibid.

<sup>27</sup> UNODC, “How COVID-19 restrictions and the economic consequences are likely to impact migrant smuggling and cross-border trafficking in persons to Europe and North America”, 2020, [www.unodc.org/documents/data-and-analysis/covid/Covid-related-impact-on-SoM-TiP-web3.pdf](http://www.unodc.org/documents/data-and-analysis/covid/Covid-related-impact-on-SoM-TiP-web3.pdf)

<sup>28</sup> UNODC, Global Review on Smuggling of Migrants, 2010, p. 81, [www.unodc.org/documents/human-trafficking/Migrant-Smuggling/Smuggling\\_of\\_Migrants\\_A\\_Global\\_Review.pdf](http://www.unodc.org/documents/human-trafficking/Migrant-Smuggling/Smuggling_of_Migrants_A_Global_Review.pdf)

<sup>29</sup> Ibid, p. 81

<sup>30</sup> UNODC, Global Study on Smuggling of Migrants, 2018, p. 43, [www.unodc.org/documents/data-and-analysis/glosom/GLOSOM\\_2018\\_web\\_small.pdf](http://www.unodc.org/documents/data-and-analysis/glosom/GLOSOM_2018_web_small.pdf)

migrants.<sup>31</sup> These organised structures can provide the full range of migrant smuggling services along the entire route. For example, they organise sham marriages as part of sophisticated fraud schemes to allow for illegal entry on fraudulent grounds.

In other cases, smuggling involves unconnected or loosely connected individuals (each with their own role in the smuggling process) who profit modestly from smuggling services and whose livelihood may depend on the smuggling activity in their communities, such as individuals who may provide transport across land borders or work as guides along remote paths. Technology also plays a major role in the creation of fraudulent travel or identity documents that facilitate the smuggling of migrants. Various types of equipment are used to fraudulently create, alter or copy passports. In some cases, technologically advanced tools have been used to create high-quality forgeries (“mirror-grade” passports).<sup>32</sup>

There are cases observed of migrant smugglers taking opportunities to commit other crimes not necessarily implied by but directly related to migrant smuggling, such as forgery, corruption of border agencies and other public agencies to help facilitate travel and even administration of addictive drugs to exploit and control their victims. These other crimes include drug trafficking, theft, harassment, sexual abuse, blackmail, human trafficking, robbery, murder, smuggling of illegal goods, and labour exploitation. The transnational nature of this crime also allows migrant smugglers to transport drugs and firearms and smuggle goods.

Migrant smugglers need to publicise their services, building trust with migrants seeking those services. Therefore, smugglers - particularly those in intermediary or recruiting roles - often have the same citizenship or related ethnic background as the migrants they smuggle.<sup>33</sup> Information and communication technologies have become an important tool for migrants and recruiters alike to transmit information about routes, services and prices.<sup>34</sup> Further, social media has increased the capacity of smugglers to change routes in reaction to the responses of law enforcement authorities in transit countries. This can increase the effectiveness of smuggling operations and hinders the investigation and prosecution of such crimes.<sup>35</sup>

The rapid development of mobile technology can have implications for the relationship between migrants and smugglers. In several Facebook groups, migrants can check the reliability of certain smugglers and share information on who is best to contact. That

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<sup>31</sup> Ibid, p. 51

<sup>32</sup> UNODC Regional Office for South-East Asia and the Pacific, *Facilitators of Smuggling of Migrants in Southeast Asia: Fraudulent Documents, Money Laundering, and Corruption* (Bangkok, 2019), p. 26. [As cited in <https://undocs.org/A/CONF.234/11>, pp. 9-10.]

<sup>33</sup> UNODC, *Global Study on Smuggling of Migrants*, 2018, p.104, [www.unodc.org/documents/data-and-analysis/glosom/GLOSOM\\_2018\\_web\\_small.pdf](http://www.unodc.org/documents/data-and-analysis/glosom/GLOSOM_2018_web_small.pdf)

<sup>34</sup> Europol and INTERPOL, “Migrant smuggling networks: executive summary” (May 2016), p. 8, [www.europol.europa.eu/cms/sites/default/files/documents/ep-ip\\_report\\_executive\\_summary.pdf](http://www.europol.europa.eu/cms/sites/default/files/documents/ep-ip_report_executive_summary.pdf)

<sup>35</sup> Secretariat to the Conference of the Parties to the United Nations Convention against Transnational Organized Crime, “Criminal justice responses, including international cooperation, in investigations and prosecutions of perpetrators of migrant smuggling operations” (May 2018), <https://undocs.org/CTOC/COP/WG.7/2018/2>, para. 25.

has been described as a “hierarchy in trustworthiness”.<sup>36</sup> Smugglers coordinate and communicate using methods such as social media platforms and messaging communications, often encrypted, as well as burner smartphone applications, enabling the random creation and use of temporary virtual phone numbers.

However, technological innovations can be considered from multiple angles and not only from the perspective of the benefits for smugglers. Digitalisation may help LEAs and FIUs investigate and follow digital trails associated with criminal activity. The Internet can be leveraged to assist migrants connect with social networks and seek and obtain information to understand potential dangers. A recent trend that has emerged from a technology-driven shift is that an increasing number of migrants are self-sufficient throughout the migration process and less dependent on smugglers. That gives migrants greater autonomy and reduces their vulnerability to exploitation.<sup>37</sup> Similarly, new technologies, such as digital ID also plays an important role in increasing financial inclusion, including for migrants who may have limited personal documents.

Smuggling fees and services fluctuate according to, inter alia, the safety of the smuggling methods, the distance involved, the difficulty of border crossings and the perceived wealth of migrants. Furthermore, smuggling is often easier if the smugglers control the territory where they operate and, as a consequence, smugglers who are active at a particular border crossing are normally from that territory.<sup>38</sup> There are a wide range of methods to attempt entry in destination countries, from creative, sophisticated, safe and expensive to simple, cheap and dangerous.

The organisation of migrant smuggling enterprises can be classified as follows:

- **Hierarchical:** well organized; they often specialise in long journeys across multiple borders.
- **Networks:** looser networks where collaboration is occasional.
- **Mixed:** mix of networks and individual smugglers.

Some smuggling networks have links with large violent criminal organizations that demand payment for the ‘right’ to safe passage for migrants. In other cases, the smugglers may hand over migrants to such groups for extortion of ransom, robbery or other exploitation.

<sup>36</sup> Judith Zijlstra and Ilse van Liempt, “Smart(phone) travelling: understanding the use and impact of mobile technology on irregular migration journeys”, *International Journal of Migration and Border Studies*, vol. 3, Nos. 2 and 3 (March 2017), pp. 176–177. [As cited in <https://undocs.org/A/CONF.234/11>, pp. 9-10.]

<sup>37</sup> UNODC, Doha Declaration, Tertiary, Education for Justice University Module Series, Trafficking in Persons and Smuggling of Migrants, “Module 14: links between cybercrime, trafficking in persons and smuggling of migrants–technology in smuggling of migrants”. Available at [www.unodc.org/e4j/](http://www.unodc.org/e4j/). [As cited in <https://undocs.org/A/CONF.234/11>, pp. 9-10.]

<sup>38</sup> UNODC, Global Study on Smuggling of Migrants, 2018, p. 43, [www.unodc.org/documents/data-and-analysis/glosom/GLOSOM\\_2018\\_web\\_small.pdf](http://www.unodc.org/documents/data-and-analysis/glosom/GLOSOM_2018_web_small.pdf)

Many smuggling networks engage in systematic corruption; from petty corruption at individual border control points to grand corruption at higher levels of government. Corrupt practices linked to migrant smuggling have been reported along nearly all the identified routes.

As stated in the aforementioned UNODC *Global Study on Smuggling of Migrants*, when developing a business model for their operations smugglers need to build their reputation as well, so that their services are used by potential migrants. To deliver this 'service' smugglers need to take consider the specificities of some borders, the geographical conditions, season, level of controls and conditions in the receiving country.

The migrant smuggling business models include:<sup>39</sup>

- **Travel agency:** migrants can be offered travel and related services by a loosely organized network of smugglers, which can include different professionals (such as agents and taxi, bus and lorry drivers) who operate as smuggling managers with leadership of a chief smuggler to move people from origin to destination. Sometimes, the chief smuggler operates from abroad and, in some cases, chief smugglers run travel agencies as a cover for their smuggling business.
- **Comprehensive package:** suitable for reaching faraway destinations in a short time. The smugglers organize the entire itinerary, from origin to destination, including all transportation and border crossings. Smugglers need to have good organizational skills and efficient networks to arrange the different border crossings, bribe officials and secure delivery to the desired destination; all skills possessed by organized crime groups. The price of such packages is often rather high.
- **Hub as a supermarket:** migrants can obtain all services from meeting places or so called smuggling hubs where several smugglers or smuggling networks are represented. This hub is often located close to the departure or transit points, and can also be found at some refugee camps to respond to the needs of those who would like to continue their travels. Often, the locations of smuggling hubs are capitals or large cities, although they may also be remote towns where much of the economic activity is linked to migrant smuggling. Agadez in Niger, for example, is a transit for current smuggling flows.
- **Geographical monopoly:** when smugglers have geographical control of an area<sup>40</sup>, they use their local knowledge to arrange secure smuggling operations. They can allow or restrict movements in the area under their control, covering the geographical area along the smuggling route or in the departure, arrival or other border areas.

<sup>39</sup> Ibid, pp. 48-49

<sup>40</sup> The geographical control of an area by smugglers can be precipitated by corruption. Corruption is a facilitator of smuggling and trafficking in different contexts. UNODC, *Corruption as a Facilitator of Smuggling of Migrants and Trafficking in Persons in the Bali Process Region with a focus on Southeast Asia*, [www.unodc.org/documents/southeastasiaandpacific/Publications/2021/Corruption\\_of\\_SoM\\_and\\_TiP\\_wi\\_th\\_focus\\_on\\_Southeast\\_Asia\\_Mar2021.pdf](http://www.unodc.org/documents/southeastasiaandpacific/Publications/2021/Corruption_of_SoM_and_TiP_wi_th_focus_on_Southeast_Asia_Mar2021.pdf)



- **'Hop on - hop off' along the smuggling route:** smuggling services are offered along the route based on the ad-hoc need and funding situation of the migrant. The smuggling route consists of several independent legs which may or may not need the facilitation of smugglers. Between different legs, migrants may need breaks in order to work to pay for the next part of the journey, wait for suitable smugglers or for a different season or improved weather conditions. In some cases, these pauses present an opportunity for the smugglers to exploit migrants.
- **Opportunistic smuggling:** built around casual, temporary and ad-hoc operations carried out by smugglers who supplement other sources of income through migrant smuggling or get involved in it when opportunities arise. Different individuals and groups form flexible chains, where members can easily be replaced with little or no disruption to the network's activities.
- **From one leg to another:** based on connected legs along the route. Migrants can travel from one leg to another using different methods – some involving smuggling, some not. At the end of the smuggling leg, smugglers hand over the migrants to the next smuggler who arranges the next leg of the journey.

It is not possible to draw a precise profile of migrant smugglers that corresponds to all situations. In general, smugglers are often citizens from the countries along the borders that are crossed; some smugglers with organizing roles share citizenship with the smuggled migrants. Some high-level smugglers are based in origin countries.<sup>41</sup> Given its lucrative nature, migrant smuggling attracts a diverse range of criminals and opportunists seeking financial or material benefit. Some individuals remain involved in migrant smuggling on an ongoing basis while others only participate in an ad hoc manner or for a limited period.

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<sup>41</sup> UNODC, Global Study on Smuggling of Migrants, 2018, p. 109, [www.unodc.org/documents/data-and-analysis/glosom/GLOSOM\\_2018\\_web\\_small.pdf](https://www.unodc.org/documents/data-and-analysis/glosom/GLOSOM_2018_web_small.pdf)



Migrant smugglers reached shore in the US.

## Part Two. ML/TF risks, investigations and international cooperation

### ML/TF associated with migrant smuggling

#### *Quantities of proceeds generated and significant of threat*

Migrant smuggling is a crime that generates significant proceeds globally, with criminal networks thriving on high demand for smuggling services and low risk of detection. Given the opaque nature of the crime, as well as the predominant use of cash, it is not possible to produce accurate estimates of global income derived from migrant smuggling. Nevertheless, based on the estimates produced, the total proceeds generated are projected to be in excess of USD 10 billion a year.<sup>42</sup>

There are many factors that can influence the profit and aggregate amounts generated by migrant smuggling. These include the distance and complexity of the route, and the degree of institutional control over the route and the reception of migrants in transit and destination countries. For example, routes from West, East and North Africa to Europe, and from South America to North America generate approximately USD 6.75 billion annually.<sup>43</sup> In 2015, migrant smuggling networks offering facilitation services to reach or move within the European Union generated an estimated EUR 4.7-5.7 billion in profit. However the amounts generated can be volatile due to the changing nature of economic and political events that often drive demand. For example, between 2015 and 2016 these profits declined by nearly EUR 2 billion due to the overall decrease in the number of irregular migrants arriving in the EU and as a result of a fall in the prices for migrant smuggling services following the peak of the migration crisis

<sup>42</sup> IOM GMDAC, Smuggling of migrants, 2021, [www.migrationdataportal.org/themes/smuggling-migrants](http://www.migrationdataportal.org/themes/smuggling-migrants)

<sup>43</sup> See recent trends: [www.migrationdataportal.org/themes/smuggling-migrants](http://www.migrationdataportal.org/themes/smuggling-migrants)

in 2015.<sup>44</sup> In 2015 at the height of the migration crisis in Europe, criminal networks involved in migrant smuggling to and within the European Union had an estimated turnover of between EUR 3 and 6 billion.<sup>45</sup>

According to Frontex, over the last three year, smugglers have generated more than EUR 330 million from their criminal operations on the Western and Central Mediterranean migratory routes. In 2017 alone, criminal networks smuggling migrants to Italy by boat generated nearly EUR 135 million, charging EUR 1 300 per person in 2017 and EUR 1 800 in 2018. In 2017 smuggling networks operating in Morocco took in nearly EUR 35 million and in 2018 roughly EUR 105 million.<sup>46</sup> In Syria and Iraq, depending on the method, route and the particular destination country, the prices charged by smugglers varies between USD 5 000 and USD 20 000 per person.

Almost all countries that participated in this study have considered the ML/TF risks associated with migrant smuggling to a certain degree.<sup>47</sup> Some delegations do not consider that the crime of migrant smuggling is a 'high risk' for money laundering or that established organised criminal groups tend not to be involved in migrant smuggling. Several others consider migrant smuggling to be on the rise, but consider migrant smuggling as a 'medium risk' crime for money laundering. While in many jurisdictions the proceeds generated from migrant smuggling are often lower than other proceeds generating offences, for example tax evasion or fraud, it also remains important for countries to consider the consequences associated with the underlying predicate offences. The consequences can be severe in the case of migrant smuggling, as the crime often results in human suffering and sometimes loss of life.

#### Case study 1. Proceeds Generated by a Migrant Smuggling Network

In December 2020 the Spanish National Police dismantled a criminal organization allegedly dedicated to the trafficking of migrants from Morocco to Spain. The migrants were transferred by boat from the Moroccan coast to the Canary Islands (Spain). For the trip, the criminal organization would receive from each migrant payment in cash ranging between EUR 1 000 and 1 500 (if they did not make payment, the organization held migrants against their will until they paid). Payments to the Spanish branch of the criminal organization were made in cash with money received by migrants, generally, through MVTs. The senders of the transfers were usually migrants' relatives or trusted third parties. The Spanish National Police estimates that the network could have earned more than EUR 75 000. The investigation revealed a criminal organization

<sup>44</sup> Serious and Organized Crime Threat Assessment 2017 (SOCTA, 2017), p. 50, [www.europol.europa.eu/sites/default/files/documents/report\\_socta2017\\_1.pdf](http://www.europol.europa.eu/sites/default/files/documents/report_socta2017_1.pdf)

<sup>45</sup> Europol, Migrant Smuggling in the EU, 2016, p. 13, [www.europol.europa.eu/cms/sites/default/files/documents/migrant\\_smuggling\\_europol\\_report\\_2016.pdf](http://www.europol.europa.eu/cms/sites/default/files/documents/migrant_smuggling_europol_report_2016.pdf)

<sup>46</sup> Frontex, Risk Analysis for 2020, p. 51, [https://frontex.europa.eu/assets/Publications/Risk\\_Analysis/Risk\\_Analysis/Annual\\_Risk\\_Analysis\\_2020.pdf](https://frontex.europa.eu/assets/Publications/Risk_Analysis/Risk_Analysis/Annual_Risk_Analysis_2020.pdf)

<sup>47</sup> FATF Recommendation 1 requires countries to identify, assess and understand their money laundering and terrorist financing risks for the country, and take action to respond to them.

with two substructures, one based in Morocco and the other in Spain. The Moroccan branch was dedicated to planning and organizing trips by boat to Spain, as well as recruiting immigrants and reserving places on boats upon payment of EUR 1 000 to 1 500. The Spanish branch, permanently linked to the Moroccan branch, was responsible for the logistics of the organization. During the operation, 19 people were arrested and three vehicles, eight mobile phones and computer equipment were seized. It's been detected that money was kept in cash by the criminal organization and part of the money was spent in vehicles and other assets needed to facilitate their illicit activities. Charges for ML were presented as well as for organized crime, migrant smuggling and counterfeiting of documents.

Source: FIU of Spain (SEPBLAC).

Based on the responses of the countries that were able to provide statistics, FIUs are receiving STRs but not in high numbers.<sup>48</sup> Several countries reported that STRs are increasing in recent years, which could imply that the threats of ML linked to migrant smuggling are increasing. However, there are a number of factors that mean that it is difficult to draw a conclusion on the underlying reason for these increases.<sup>49</sup>

### ***Methods and techniques used to launder proceeds***

Cases are identified of both migrant smugglers laundering their proceeds, and migrant smugglers using third parties to launder the proceeds on their behalf, especially the more sophisticated organisations involved in migrant smuggling. Depending on the level of sophistication of the networks, several money laundering methods are used to place, layer and integrate the money into the legitimate economy.

Migrants mostly pay smugglers in cash. Cash is either used by migrants to pay smugglers for the services provided, or is deposited in the accounts of natural persons as payment in small amounts that is then quickly withdrawn. Criminal proceeds may also be invested in real estate, high value goods, and legal businesses in both the countries of origin and the country of destination. In addition, in some cases, smugglers avoid depositing their proceeds and instead use them to finance their living costs as well as the purchases of luxury items, or even in some cases to support drug habits or spent on gambling.

<sup>48</sup> Out of 44 countries that have provided responses to the questionnaire there are 29 countries who have provided statistics on STRs related to migrant smuggling.

<sup>49</sup> In some cases, migrant smuggling cannot be clearly detected and the STR may be referring to other criminal activities of the OCGs instead of referring to migrant smuggling. Reporting entities do not always understand or have sufficient information to discern the difference between migrant smuggling and trafficking in human beings and often file migrant smuggling reports under human trafficking or vice versa. Or increases in reporting may be due to the improvements in systems and controls of reporting entities, or additional information on risk shared by competent authorities with reporting entities improving reporting entities' risk indicators.

Migrant smuggling is by definition a transnational crime, and often smugglers need to transfer funds back to their country of origin, or to another country. The most common method of transferring funds (often cash) generated from migrant smuggling from one jurisdiction to another is the use of *hawala* making it extremely hard for FIUs and LEAs to perform financial analysis and investigations.<sup>50</sup> The hawala system operates within mini markets, mobile phone and/or electronic device stores, and travel agencies owned by members of the organised criminal groups. Restaurants are also used for the operation of the hawala system which are administrated by the smugglers themselves or other members of the criminal organizations who mainly have the same nationality with the migrants.

#### Case study 2. Facilitation of Migrant Smuggling through Travel Agency

Operations "Estação Brás" and "Bengal Tiger" involved the investigation of a criminal organisation dedicated to the smuggling of migrants from South Asia to the United States, using Brazil as a transit country. The smuggling operation was overseen from Brazil by a national from Bangladesh residing in Sao Paulo. The leader of the criminal organisation charged around BRL 25 000 (USD 6 250) for the route to Brazil, and around BRL 47 000 (USD 11 750) for the route to the US. The criminal organisation would file refugee requests in the name of the smuggled migrants, sometimes before they arrived in Brazilian territory, or would provide counterfeit 'Seaman's Book' letters to secure their entry without a visa. In the refugee requests, the lawyer associated with the criminal organisation would use a residential address that was the same location of a restaurant owned by one of the members of the smuggling organisation.

The criminal organisation registered a travel agency that acted as an MVTs provider to facilitate international remittances to their associates along the illegal migration route, using third-party IDs to send more than 220 international remittances between November 2017 and May 2018. Remittances were sent to associates in Colombia, Costa Rica, Ecuador, Guatemala, Honduras, México, Panama, and Peru in order to facilitate the transit of smuggled migrants (purchase of fake IDs and passports, visas, plane tickets, bribes, etc.). Fees were paid to the criminal organisation based in Brazil through a hawala-style compensation scheme ('hundi'), resulting in deposits into bank accounts controlled by the criminal organisation, but registered in the name of a straw man (mainly the IDs of smuggled migrants that had already left the country) or a shell company. Most of the credits were cash deposits made in ATMs. Funds were deposited in small amounts in bank accounts in countries located along the migration route using misappropriated ID

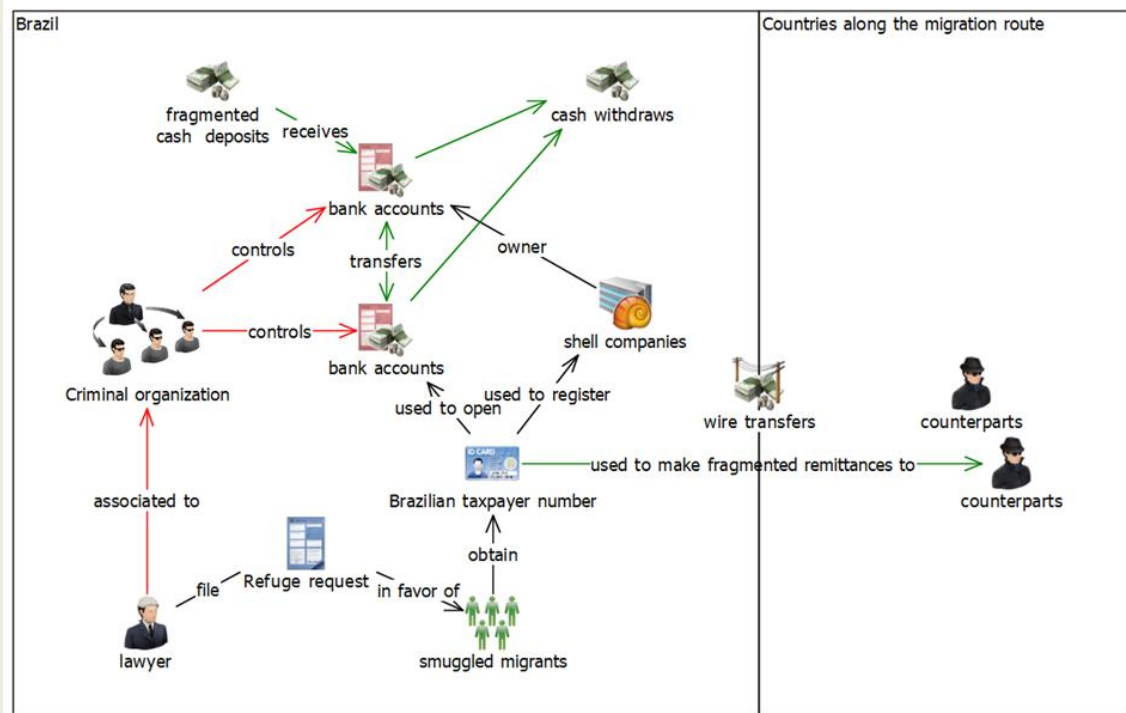
<sup>50</sup> The term *Hawala* is traditionally associated with a money transfer mechanism that operated extensively in South Asia many centuries ago and had strong links along traditional trade routes in Middle East and parts of East Africa. It operated as a closed system within corridors linked by family, tribe or ethnicity. Based on experience across countries, *hawala and other similar service providers* (HOSSPs) provide both legitimate and illegitimate services. They are money transfer service providers that are legal in certain countries if registered or licensed and illegal in others. In other countries, HOSSPs are referred only within the context of underground or criminal money transfer services.

See the 2013 FATF report on the subject: [www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf](http://www.fatf-gafi.org/media/fatf/documents/reports/Role-of-hawala-and-similar-in-ml-tf.pdf)



from the smuggled migrants, withdrawn in cash, transferred to other bank accounts controlled by the criminal organisation, or used to pay for plane tickets acquired from travel agencies owned by the criminal organisation.

Source: FIU of Brazil (COAF).



The payment for guaranteed smuggling is made prior to the journey. To this end, the migrant or their relatives visit **hawala offices** (or *hawaladar*) that are based in the migrants' countries of origin or in the countries where the smuggling route begins. The role of these offices is to receive the payment for the smugglers and to **hold the funds in a fiduciary capacity**. The disbursement to the smugglers only takes place once the smuggling has been successfully concluded. In several cases, smugglers uploaded videos to various social media platforms to prove that the migrant had arrived at the intended destination. The hawaladar where the migrant had deposited the funds then releases the funds to the smuggler. Funds can also be released ad-hoc via phone calls or by providing codes.

### Case study 3. Using Hawala and False Documents by a Migrant Smuggling Group

An organised crime group involved in smuggling migrants from Greece to other European Union countries was dismantled in Athens, Greece, in 2017. Jointly carried out by the Greek National Police (Attika Aliens Division), Europol and the UK's National Crime Agency, the operation resulted in the arrest of a total of 12 individuals, of which seven were

members of the organised crime group. Four arrestees were migrants that were about to be smuggled, and one Afghan national was arrested for carrying a false identity card. Seven members of the organized crime group were already arrested earlier.

The organised crime group consisted of two sub-teams. Both were involved in smuggling migrants mainly from Greece, either by land using the "Balkan route", or by air, the primary destinations being Austria, Germany and, sometimes, the Netherlands. Migrants were provided either with false documents or other people's genuine passports.

The prices the migrants were charged depended on their desired countries of destination. For EU countries, the price varied from EUR 4 000 up to EUR 6 000, with EUR 1 000 to EUR 2 000 charged per person for each leg of the journey. For the UK, the price varied from EUR 8 000 up to EUR 10 000 and a trip to Canada was EUR 16 000 per person. According to the findings of the investigation, the network was involved in 26 facilitation cases - 11 of them using air transport, 14 by land and one by sea. 17 passports, 8 identity cards, 2 Afghan travel documents, 2 asylum request documents, 3 boarding passes, EUR 3 400 in cash, a request for a residence permit, 24 mobile phones, German visas, and 3 laptop computers were confiscated.

Two of the leading members of the group under investigation were active in the operation of an illegal Hawala, using a "Mini Market" store located in the area of the centre of Athens as a 'front' company, and earning 4% to 10% commission on each transaction. The mini market was also used to safely store and conceal funds.

As proof of receipt of money from 'customers', they were given codes to withdraw money or transfer it to other cooperating offices, with apparent cooperation with similar hawala offices in Germany, Afghanistan, Iran and Turkey.

Source: Hellenic Police (Greece).

Other methods used to transfer funds included the physical transportation of funds via cash couriers or money mules, either over land (e.g. concealed in vehicle parts) or by air, the use of regulated MVTs or pre-paid cards. Evidence shows that smugglers adapt the methods with which they bring proceeds back to their country of origin depending on the various regulations that exist there.

#### Case study 4. Using Money Mules for Money Transfer

There is an ongoing investigation by Salvadoran authorities regarding a criminal structure dedicated to illegal trafficking of people which is operated at the national and regional level and charged its victims USD 8 000 – 12 for each illegal trip. This structure obtained large illicit profits, with which its members had acquired a large amount of movable and immovable property. For that reason, the Money Laundering Unit

was informed to initiate a parallel investigation for the crime of Money Laundering. In this context, various investigation procedures were carried out. The structure of traffickers offered victims special and ordinary trips and the routes used were the following: Special Trips: Valued for the amount of USD 11 500 by land from eastern El Salvador, air from Tabasco to Reynosa Tamaulipas Mexico and by land from eastern El Salvador and air from Tapachula Chiapas to Tijuana Baja California, Mexico. Ordinary travel: Valued for the amount of USD 9 000 by land from eastern El Salvador to Mexico. In this investigation, the Salvadoran territory was the place of departure and transit for national and foreign victims, which the structure of human traffickers illegally brought to the United States of America. Being in El Salvador where the main Money Laundering activity is detected. The main source of the illegal funds was payments by migrants to smugglers for illegal travel to the United States. The victims and the victims' families paid the smugglers various amounts of money, as the first payment for the illegal trip. Relatives of the victims sent the smugglers from the United States, through international remittances, various amounts of money, as the first payment for the illegal trip. The smugglers used third parties for the international movement of money to Mexico, they paid between twenty and fifty dollars to the people who made the money remittances.

Source: FIU of EL Salvador (UIF).

Proceeds are ultimately integrated in financial systems using a variety of techniques. One technique that appears to be common is trade-based money laundering. Migrant smugglers use legal businesses such as retail (e.g. food, grocery, hardware shops), wholesale, car dealerships, financial intermediation services, food premises (restaurants, diners etc.), travel agencies, telephony services, internet points and/or internet cafés, transport companies and also real estate that they won or have an interest in to hide and invest illicit proceeds as if they are legitimate income. Straw men and third parties, mainly relatives, are also recruited in order to run or work for the abovementioned businesses. Additionally, legal business structures such as catering, hotels, transport companies, shops, barbershops, internet cafés and travel agencies, are also used to facilitate irregular migration. These businesses may be used along the routes to either support the facilitation activities of the networks (for instance by providing logistical support) but also to launder the proceeds of smuggling activities. However, it is not always clear to what extent they are complicit in smuggling activities or whether they are being used without their knowledge.

#### Case study 5. Smuggling of Brazilian Workers for the Construction Industry

Suspicious transactions took place on the account of X. These transactions were spread over several accounts with several banks. On these accounts numerous in/out transactions took place between X's accounts as well as

many cash transactions (deposits and withdrawals). X also carried out numerous transactions with money remittance companies and online payment service companies (PSPs). The detectable money transfers were mainly incoming transfers from many individuals (and to lesser extent companies) in Belgium and other European countries. Several counterparties featured in various degrees in files that CTIF-CFI (Belgian FIU) disseminated to the judicial authorities due to links with social fraud and/or serious fiscal fraud. Many transfers contained references to airline tickets, passengers or travelling. X is known to the police for the smuggling of human beings. He is said to bring workers over from Brazil for several Belgian companies in the construction industry or the industrial cleaning industry, as well as companies in other European countries. Aside from the transfers, there are serious indications that the cash deposited on X's different accounts originates from payments or commissions of several companies linked to the so-called Brazilian network looking for undeclared workers. Given all of these elements, we can conclude that X is a key figure in the so-called Brazilian network in Belgium. X regularly travels abroad, as is revealed by the many cash withdrawals and money transfers to himself through payment institutions. X operates as an intermediary and illegal labour subcontractor, he organizes the journey and the transfers of Brazilian workers who come to carry out undeclared work, which highlights the scope of the network.

X and his associates use different accounts in Europe to make remittances to the same persons in Brazil. According to the remittance company the same device is used to make the mentioned transfers originated in different accounts. Aside from the remittances, the criminal syndicate also receives funds in Brazil using a controller network, mainly through the account of company Y, dedicated to the trade and distribution of beverages, which is suspected to be a shell company. The funds are used to buy dozens of properties in Brazil. Part of the funds are sent abroad through an international trade scheme using company Y, which makes anticipated payments of simulated imports to companies in Asia and North America.

Source: Belgian Federal Public Service Finance, FIU of Brazil (COAF).

#### Case study 6. Integration of Proceeds through Trade Based ML

In August 2019, the Federal Police District Office of Passau, Germany, stopped a Syrian national living in Romania who was carrying EUR 140 000 when entering Germany. As the individual gave contradictory information on the origin and intended use of the money, the police seized the cash and launched an ML investigation. Analysis carried out by Europol at the request of the German authorities revealed matches with contacts saved on the accused's mobile telephone who were under investigation in six other European countries. Those investigations

concerned smuggling and other related crimes (drug trafficking, human trafficking and fraud). The initial ML investigation was unsuccessful due to insufficient evidence. However, the money was confiscated because the accused could not demonstrate it was derived from legitimate activities.

During the ML investigation, the lawyer of the accused asked the seized cash to be returned, as his client was a car dealer travelling to Stuttgart on the day in question to purchase two cars. To prove his client's innocence, the lawyer submitted sales contracts and customs declarations showing that the accused regularly bought vehicles in Germany, exporting them to Lebanon to be sold for a profit. To demonstrate this, the lawyer presented two Romanian cash declaration forms which showed that his client had brought large sums to Romania from Lebanon (1x EUR 140 000 and 1x EUR 313 000). However, investigations revealed that the prices of the cars were two or three times larger than their market value. Thus, ML activity through the accused's car dealing business was suspected, with ML services offered to both the smuggling network and other OCGs. The cash declarations presented by his lawyer also implied more than EUR 300 000 in cash was laundered over time.

Source: German Federal Police.

One country reported that it has increased monitoring of NPOs' accounts during the last 2 years. Bank account of NPOs (whose role is to provide care and assistance to the migrants), which are used to receive subsidies/grants/sponsorships/charities, are also used to place the criminal product of the above-mentioned illegal activity. Thus, mixing legal funds with the illegal ones they try to hide their illegal source.

Other methods to launder the proceeds from migrant smuggling include smurfing where large numbers of small amounts are deposited into bank accounts to avoid suspicion. Two countries also reported that virtual assets are beginning to be used in criminal activities as a method of payment. However, according to the information received for this project, this is incidental and not a widespread typology. Nevertheless, there is a risk that their use has either gone undetected or that virtual assets may be more frequently misused in future as increasing numbers of people become familiar with their use.

Case studies submitted for this study have shown that migrant smuggling criminal groups and networks appear to be increasingly outsourcing their money laundering activities and reaching out to professional laundering networks. Criminal networks who contract the services of professional money launderers are often involved in a range of crime areas; these are mainly drug trafficking, fraud and tax fraud, but can also include various other forms of trafficking and smuggling (e.g. human trafficking, firearms trafficking, and the smuggling of tobacco and alcohol).<sup>51</sup>

Some jurisdictions have issued typologies and/or guidance on ML/TF risks relating to migrant smuggling. However, there are countries that could not provide information

<sup>51</sup> See also Europol, EU SOCTA 2021, [www.europol.europa.eu/activities-services/main-reports/european-union-serious-and-organised-crime-threat-assessment](http://www.europol.europa.eu/activities-services/main-reports/european-union-serious-and-organised-crime-threat-assessment)



relating to strategic analysis on ML/TF from migrant smuggling, or more general methods or trends. This may be in part due to the fact that money flows are often cross-border in nature (at least to some extent), making it more difficult to understand the risks faced. Nevertheless, this implies that countries need to do more to understand the risks they face.

### ***Terrorism financing and migrant smuggling***

The link between terrorist financing and migrant smuggling can manifest in several ways.<sup>52</sup> To raise funds for their organisation, terrorist groups may facilitate smuggling of migrants, especially if they have control or influence over territory that coincides with smuggling routes. There may also be terrorism risks, where migrant smuggling networks help conceal travel of their members, such as returning foreign terrorist fighters.<sup>53</sup>

In Africa, authorities detected cases where armed terrorist groups or those linked to terrorist groups obtain funding from migrant smuggling. In these cases, terrorists or terrorist groups are not directly involved in the trafficking of migrants (a phenomenon that has not been observed). However, as a result of the territorial control exercised by certain terrorist groups in Africa, or the control of transport lines or nodes in migratory routes, migrant smugglers or migrants themselves can be required to pay 'tolls' for passage or compensation in exchange for security. Similar cases have been seen in Libya and Mali in particular. In addition, migratory routes in parts of Africa coincide with areas where terrorist organisations have control or influence over territory, including in Burkina Faso, and Niger as well as Mali, giving rise to these risks.

The ongoing internal turmoil, instability and conflict affecting areas in Syria, Iraq and Afghanistan, is resulting in migration to Turkey and Europe, also creating a source of income for terrorist organisations operating in Syria and Iraq. Migrant smuggling activities are sometimes carried out under the control of terrorist organizations, together with the networks they have created in the regions close to the Turkish borders. There are also links to organised criminal groups operating in the region.

There is limited evidence on systematic cooperation between criminals and terrorists in the EU.<sup>54</sup> Currently, there are indications that the terrorist groups and networks active in Europe (directly or indirectly) may engage in other criminal activities themselves to partially financing or facilitate their activities, but not *directly* in migrant smuggling.<sup>55</sup> However, European Union member states continue to highlight the risk of abuse of migration flows by terrorist groups and returnees, along with related

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<sup>52</sup> See also examples cited in the UN CTED Report on the Nexus Between HT, Terrorism, and TF, 2019, [www.un.org/securitycouncil/ctc/sites/www.un.org.securitycouncil.ctc/files/files/documents/2021/Jan/ht-terrorism-nexus-cted-report.pdf](http://www.un.org/securitycouncil/ctc/sites/www.un.org.securitycouncil.ctc/files/files/documents/2021/Jan/ht-terrorism-nexus-cted-report.pdf)

<sup>53</sup> See also [www.interpol.int/Crimes/Terrorism/Counter-terrorism-projects/HOTSPOT](http://www.interpol.int/Crimes/Terrorism/Counter-terrorism-projects/HOTSPOT)

<sup>54</sup> Europol, EU Terrorism Situation & Trend Report (TESAT), [www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-2021-tesat](http://www.europol.europa.eu/activities-services/main-reports/european-union-terrorism-situation-and-trend-report-2021-tesat)

<sup>55</sup> Including theft, extortion, drug trafficking, ML and trafficking in human beings. Additionally, terrorist networks continued to launch various online fundraising initiatives in 2020 (mainly focused on women and children), with funds being raised to finance their return to Europe.

screening challenges.<sup>56 57</sup> Those that did return included an indicative case of two ISIL members who entered Spain by boat from North Africa, receiving logistical support from networks in Morocco. There is therefore the potential for networks in North African to facilitate returning FTFs, such as from Libya, either directly to South European, or via Morocco into Europe.

**Case study 7. Migrant Smugglers' Network Providing Logistical Support and Possible Funding for Terrorist Organization**

This case originates from a STR sent by an e-money issuer of payment cards, which reported interconnected recharging transactions between prepaid cards held by nationals of a country in East Africa, recently immigrated into Italy and living in different geographic areas far from each other (Northern Italy vs Southern Italy). The prepaid cards also recorded point-of-sale payments whose descriptions included reference to the purchase of tickets and travel documents, as well as expenses for journeys and stays in different countries of Central-Northern Europe. Financial analysis initially indicated the relevance of the geographic distribution of the transactions recorded on the cards, as these were repeatedly performed in different towns – either in Italy or abroad – far from the place of residence of the cardholder. Based on the geographic distribution and the chronological succession of the reported transactions, the overall financial activity, reconstructed through network analysis techniques, turned out to be similar to that previously reported for individuals arrested for migrant smuggling, with particular reference to transactions performed in places close to reception centres for immigrants or border crossing points. It also emerged that members of organized criminal groups sent money to other members in Eastern Europe, who were suspected of involvement in terrorist activity.

As a result, UIF (FIU of Italy) analysts interpreted the reported transactions as potentially related to MS and highlighted the transactions in Eastern Europe as possible terrorist activity. Moreover, open-source information, subsequently revealed that the Public Prosecutor's Office ordered the arrest of aforementioned members on charges of migrant smuggling along a route that, from Southern Italy, through Northern Italy, led to destination countries in Central-Northern Europe, with possible links with terrorist organizations. Namely, there is a logistical link with an individual who has been found guilty (final sentence) of being associated with a terrorist organization (as well as of forgery of identity documents) and who received logistical support to reach Malta by plane

<sup>56</sup> See for Example the Eleventh Report of the Secretary-General of the United Nations on the threat posed by ISIL (Da'esh) to international peace and security and the range of United Nations efforts in support of the Member States in countering the threat. (2020), <https://undocs.org/S/2020/774>

<sup>57</sup> One Member State in the region reported that 11 individuals with clear or suspected links to groups affiliated with ISIL or Al-Qaeda had recently been identified among irregular migrants through the Europol Information System, INTERPOL databases and the Terrorist Screening Center of the U.S. Federal Bureau of Investigation (FBI).

(which in the end he was prevented from doing) from Servio, a compatriot and financial counterparty of Tizio (the leader of the smuggling network).

Based on the financial analyses and investigations, the money flows associated with MS passed through three different financial channels: (i) the national/domestic transfers (also between members of the smuggling organization) were performed through prepaid cards; (ii) the international transfers with counterparties abroad were performed via MVTs platforms; (iii) finally, as for the resulting profits of the organization, the cross-border transfers were performed in cash, by money mules.

Source: FIU of Italy (UIF).<sup>58</sup>

No information has been reported in relation to links between TF and migrant smuggling in relation to the other significant migrant smuggling routes in North and South America and in South East Asia (see page 10 in Part One).

### **ML/TF Mitigating Measures linked to Migrant Smuggling**

According to the information provided, all the countries have some agency or unit responsible for investigating migrant smuggling. In most countries, these are police agencies that work in conjunction with other agencies or units. All the responsible units have national authority to prosecute migrant smuggling. In addition, some delegations mentioned having an interdepartmental unit as a way to enhance state agencies' communication.

Most of the countries that provided responses to the questionnaire indicated that they use a specialised AML unit, which is responsible for investigating all possible cases of transactions with resources of illicit origin, regardless of the predicate offence. This includes the investigation of ML/TF linked to migrant smuggling. All countries that responded to the questionnaire have either a high level document/strategy on migrant smuggling or a coordination mechanism to combat this crime at the national and/or regional level.

Some countries have issued documents or leaflets with relevant information, to help raise awareness about migrant smuggling. Additionally, some jurisdictions have national or sectorial plans that seek to deter and combat migrant smuggling. These plans are usually coordinated efforts between authorities rather than isolated efforts.

#### ***Detecting ML/TF arising from migrant smuggling***

A large number of countries highlighted the importance of an intelligence-led approach when investigating ML/TF associated with migrant smuggling, in particular through investigations by LEAs into predicate offences and STRs analyses by FIUs.

<sup>58</sup> UIF, Quaderni dell'Antiriciclaggio – Collana Analisi e Studi, n.11 (2018), p. 59, [https://uif.bancaditalia.it/pubblicazioni/quaderni/2018/quaderni-11-2018/Quaderno\\_11\\_luglio\\_2018.pdf](https://uif.bancaditalia.it/pubblicazioni/quaderni/2018/quaderni-11-2018/Quaderno_11_luglio_2018.pdf)

During the course of investigation of migrant smuggling cases, a significant amount of intelligence is collected via various means which is then cross-matched, analysed and shared. This intelligence includes also the financial aspect of the organised migrant smuggling group organisation and activity. This intelligence helps commence or support ML/TF investigations that usually run simultaneously with the migrant smuggling investigation.

Some delegations use existing intelligence to develop special intelligence reports that will assist the work of the investigative units. The procedure differs from country to country, but usually STRs reach FIUs and other relevant units and this information is then analysed and/or shared with LEAs, judicial and other competent authorities for use during the investigation.

One country mentioned the detention in *flagrante delicto*<sup>59</sup> of the migrant smuggler as the most common way to prove that the profits seized are from which illegal activity of migrant smuggling.

During the last 5 to 6 years, the increased use of Internet via social media, mapping and messaging applications and encrypted communication has significantly changed how migrant smugglers operate. This in turn makes it difficult for the authorities to obtain evidence during their investigations. At the same time, increasing use of technology can also be an opportunity for LEAs as it produces vast amounts of data for potential analysis, subject to relevant data protection rules, as well as a digital ‘trace’ for law enforcement to investigate.

The majority of countries responding to the questionnaire explained challenges in identifying ML/TF risks arising from migrant smuggling by its cross-border nature, and by their poor understanding of the risk level mainly because of the lack of comprehensive statistics and the difficulties observed at existing national and international cooperation.

### ***Investigations and convictions of ML/TF related to migrant smuggling***

In general, the percentage of migrant smuggling investigations that resulted in a ML investigation is relatively low – on average less than 5% – of the countries that provided statistics for this study. Many delegations were either unable to provide statistics on ML from migrant smuggling investigations, or had only unconfirmed numbers of investigations or convictions. In some countries, the difficulty obtaining accurate statistics on migrant smuggling was due to the fact that the law doesn’t differentiate between cases of human trafficking and migrant smuggling.

Only Italy and Ireland reported TF investigations related to migrant smuggling over the last 5 years. And as mentioned previously, the main geographical area where terrorist organizations are considered to have obtained profits from migrant smuggling is in Africa, where some regions are currently under terrorist groups’ control.

Migrant smuggling is a profitable crime, and asset confiscation is a critical part of the process of discouraging criminal activity. The largest amounts of assets confiscated from the migrant smugglers reported by one country from the questionnaire responses was EUR 583 000 (in 2020) and EUR 440 000 (in 2021).

<sup>59</sup> A legal term used to indicate that a criminal has been caught in the act of committing an offence.

**Case study 8. Confiscation of Proceeds from Migrant Smuggling**

In 2014, intelligence revealed that Ms. D was the mastermind behind a migrant smuggling syndicate arranging transport of illegal immigrants from two south Asian jurisdictions to Hong Kong, China. Ms. D arranged the accommodation and works for the illegal immigrants when they arrived in Hong Kong, China. A financial investigation revealed that around HKD 3.3 million (USD 423 000) was deposited into Ms. D's two bank accounts, and that she provided a "through-train" service to the illegal immigrants by charging them fees for forged identity cards, job referrals and accommodation. Ms. D was charged with two counts of money laundering and was sentenced to terms of imprisonment of 3 years in April 2020. Assets amounting to HKD 223 010 (USD 28 500) were later confiscated by court order in January 2021. Intelligence cultivation and exchange with other law enforcement agencies on the part of migrant smuggling, leading to the discovery of ML. The smugglers obtained fees from migrants by bank deposit for transport, forged identity cards, job referral and accommodation.

Source: Financial Services and the Treasury Bureau of Hong Kong, China.

**Case study 9. Essex Lorry Driver Deaths**

Thirty-six Vietnamese nationals were sealed inside a lorry for at least 12 hours and subsequently died as a result of suffocation and hyperthermia (Operation Melrose). One male was charged with a ML offence as a result. Another individual involved was not charged under Operation Melrose, but UK LEAs were aware of their involvement in international drug trafficking and they were subsequently convicted of importing class A drugs under another operation. They were together sentenced to 14 years and 8 months imprisonment. Restraint orders restrict assets in England and Spain and confiscation proceedings are being pursued, with a criminal benefit of GBP 1 334 184 and available assets of GBP 684 863.

Source: HM Treasury (UK).

### ***Challenges in conducting successful ML/TF investigations/prosecutions/convictions***

Delegations reported a number of key factors that hamper the intelligence collection or the further analysis of it. Obstacles to the collection of important intelligence included the difficulty of collaboration between relevant units at national and international level, and cooperation with the private sector, including the banking sector. Many countries also mentioned that in cases of existing cooperation, the delayed responses of a partner can be problematic when dealing with time-sensitive issues during investigations.

Countries located on the main migratory routes, close to countries of origin of the migrants or those with an extensive land or sea border, are often overburdened and



face difficulties detecting the illegal entry of migrants. This means that migrant smugglers are not detected, as not all the routes can be covered and intelligence that may trigger a parallel financial investigation is not uncovered.

Financial flows from migrant smuggling are generally difficult to detect. This is due to the extensive use of cash or unofficial banking methods such as hawala to transfer funds, while well-regulated banks or money transfer services are often avoided. Financial flows are often channelled via hawala, and in most cases from and to countries with limited capacity or experience in conducting cross-border financial investigations. Profits generated are also often transferred back to the smuggler's home country.

#### Case study 10. Hawala Network and Distribution of Illegal Funds

A German Federal Police joint investigation with Romania, Hungary and the United Kingdom indicated a complex hawala network operating in the background of the smuggling organisation under investigation. A number of hawala offices all located in "hot spots" along the smuggling routes were integrated into this network. These offices were responsible for processing and disbursing fees as soon as the migrants had reached their destination countries when the smuggling fees initially deposited were released. It is worth noting that the distribution of the smuggling fees by the hawala offices took place exactly according to the specifications of the organisers of the overall smuggling operation.

The migrants had paid the agreed smuggling fees via exchange or Hawala-offices in Turkey, Greece or Iraq that they had selected themselves or that had been precisely specified by the smugglers in charge.

The investigation of financial flows was made considerably more difficult by the fact that the migrants were not able to sufficiently name or precisely locate the offices they had used. The distribution of smuggling fees (after completion of the smuggling) to the parties involved in various European countries is considered certain. However, the investigation could not establish how exactly the distribution took place.

Insights on agreements or payments of smuggling fees came almost exclusively from witness accounts of smuggled migrants. Price-fixing between smugglers and final settlements after arrival of migrants in the country of destination were also identified in chat records between the smugglers responsible for this smuggling operation.

In addition, during the investigation it became apparent that the smuggling fees were released step-by-step by the custodian to the respective smuggler in charge of the particular leg of the smuggling route. In the event of an discontinuation of the smuggling of the individual or a termination of the cooperation between migrant and smuggler or smuggling organisation, the smuggling fees was settled and refunds or credit notes issued to the migrant.

Source: German Federal Police.

The **distribution of money within the smuggling network** is generally concealed from the individuals being smuggled. Similarly, smugglers responsible for routine tasks who have been arrested, such as drivers of smuggling vehicles, are also generally unable to provide any information in this respect. In this regard, the investigative authorities often also only have **fragmentary findings on the distribution of smuggling fees**.

**Confiscation orders are hard to enforce.** As seizure of cash is rare, investigations are generally initiated as a result of the detection of the predicate offence, and ultimately enforceability is not possible or extremely challenging and often ends with deportation or release from prison. Funds that are not seized during investigation remain out of reach.

Other difficulties include the **low penalties** for migrant smuggling provided by law, which makes it difficult to request special investigative techniques, such as wiretapping or device cloning, in relation to investigations into the predicate offence or associated money laundering. Collaboration and coordination with the banking entities and the authorities of the countries of origin and transit are also more difficult.

Many countries mentioned the use of the Internet and social media for communication between members of organized migrant smuggling groups, such as WhatsApp, Viber, Telegram, Imo. This poses challenges because this communication is encrypted and LEAs may not be able to implement lawful interception for collecting information. This impacts ML and TF investigations (as well as those into the migrant smuggling offence), as key information is often shared on these devices about the way that proceeds are collected, transferred and laundered.

#### Case study 11. Detecting ML through Confiscation of Hawala Written Accounts

This case was a result of Greek Authorities' request and a parallel financial investigation conducted by Europol based on money transactions stemming from Money Gram & Western Union, which enabled identification of High Value Targets. Attica Aliens Division of the Greek National Police Force gathered and correlated evidence from multiple sources since 2019 (intelligence notifications, special investigative techniques) in order to dismantle an organised criminal group (OCG) in charge of smuggling Iranian migrants. The OCG extensively used the Telegram channel in order to promote smuggling services. Authorities identified a safe house was with seven migrants "ready to depart". They also identified eleven OCG members that were involved in the hierarchy while eight were arrested, including the High Value Targets. The migrant smuggling was carried out mainly through airports with falsified or look-alike passports in which the OCG advertised them in Telegram channels. The main destinations for migrants were European countries like Germany, Spain and the UK. The main method of payment by migrants was the "Hawala" system, through a mini-market. The fee for smugglers fluctuated between EUR 5 000 and EUR 6 000, including all the overhead costs to carry out migrant smuggling. Three siblings were accused as the biggest "Hawaladers" in Athens. According to the investigation, they had

a monthly turnover of around EUR 1 000 000. Following searches in their residence and store, authorities seized EUR 40 000 and USD 4 000, and two professional money counting machines. A seized notebook featured the last transactions carried out through “Hawala” and more than EUR 650 000 was found. Digital forensic tests on seized digital equipment is still pending. Handwritten notes were identified and seized during the searches of their residence and store, accounting for more than EUR 600 000. More than 20 000 digital travel documents were found on seized phones. More than 70 travel docs were seized during a search of a safe house. The “Hawaladers” invested the money in properties (ownership of one apartment in the city center, luxurious cars) while at the same time they were running two mini-markets as front businesses. The Hawaladers were also charged with ML, not linked to migrant smuggling, and their assets were frozen and confiscated by judicial order until the end of the trial.

Source: Hellenic Police (Greece).

A number of countries reported **difficulties in securing witness accounts** from smuggled migrants in circumstances where they decline to cooperate and, in others, cannot be located. The **reluctance of the migrants to testify against the smugglers** and to share information relating to payments may be because they still hope to be taken to their point of destination by the smuggler or because they have been threatened by them. Migrants give their consent to smugglers because they need their services but the dependence before and during the journey makes them vulnerable to exploitation and abuse. Furthermore, the smuggled migrants often do not consider themselves to be victims and therefore in most cases will not report the activity of the smugglers. This means that vital intelligence and evidence is not uncovered, both in relation to acts of migrant smuggling and also the financial flows linked to it.

The **lack or shortage of specialised personnel** also impacts the capacity of the authorities to effectively run financial investigations. These include financial analysts and translator-interpreters. Similarly, the lack of training for competent authorities to carry out the arrests adequately and/or how to consider evidence properly can impact investigations.

Some countries advocate for the **strengthening of cooperation between investigative and judicial/prosecutorial authorities** and the creation of specialised units responsible for investigating ML/TF linked to migrant smuggling. The need for awareness raising with the judiciary for such cases was also cited to avoid the delays, where additional information and clarification is needed from investigators due to a lack of familiarity.

Finally, some countries reported a lack of prompt identity checks of irregular migrants and their smugglers for criminal offences related to terrorism.

### International cooperation

No competent authority can tackle ML/TF risks arising from migrant smuggling on its own. Smuggling operations often cover many jurisdictions and smugglers leave traces. Investigating smuggling cases therefore requires efficient and effective international

cooperation. By its very nature, the migrant smuggling crime is a cross-border one. Effective international cooperation is therefore of crucial importance during investigations including financial intelligence gathering and analysis, prosecution and asset recovery.

Another factor that complicates the detection of the criminal networks is the fact that the leaders of relevant criminal organisations often have their operational bases in countries that are ineffective at cooperating. Additionally, since the perpetrators of the crime in question differ in terms of nationality, residence and place of detection, and the information required is different according to each country's legislation, cooperation to facilitate information sharing across multiple countries requires additional time and resource.

Countries provided few statistics on international cooperation (through MLA and other forms of cooperation) for migrant smuggling or related ML/TF investigations, although this may to some extent be due to the structure of systems that do not distinguish between requests for legal assistance that have been sent or received in cases concerning migrant smuggling crimes.

Most of the mutual legal assistance takes place in the context of multilateral conventions or bilateral agreements rather than on a national legal basis. Even though not all delegations were able to identify ML/TF cases related to migrant smuggling, most of them identify a certain level of cooperation in terms of information exchange, mainly with countries with which they share a border or that belong to the same region. Moreover, police channels are often used when seeking informal assistance. This is often used in conditions where enquiries are time sensitive or are required on an intelligence basis. In these circumstances, these informal enquiries are then followed by formal applications for mutual legal assistance.

The establishment of **joint investigation teams (JITs)** has proven to be highly effective. JITs enable law enforcement authorities from several affected countries to jointly investigate specific migrant smuggling networks. The outcomes of investigations can be shared within a JIT without the need for time- and labour-intensive mutual legal assistance procedures. Findings are therefore available for use in court in all participating countries. However, it should be mentioned that law enforcement agencies in different countries often refrain from setting up JITs. Their reluctance is often due to the **significant administrative burden** of concluding the necessary bilateral or multilateral agreements needed to facilitate a JIT.

#### Case study 12. Role of JIT in Tracing Criminal Financial Flows

This case was detected through special investigative means and operational police information based on which international cooperation was requested and a JIT was formed with Hungary and Austria.

The JIT comprised representatives of several relevant authorities from Hungary, Austria and Serbia, namely, from prosecutor's office, Ministry of Interior, Customs Administration, Administration for the Prevention of Money Laundering. The JIT was formed for the purpose of conducting efficient financial and criminal investigations in parallel and for taking simultaneous and timely actions in all these jurisdictions. The key reason

for the establishment was to enable a timely reaction of all the relevant authorities in different countries.

A case with the international component - an OCG smuggled migrants across the border between Serbia and Hungary and enabled illegal transit for the total of 453 migrants through Serbia, with Austria as their final destination, in the period 13 April - 21 August 2015. Nine persons were sentenced, five of whom entered guilty plea agreements, while four of them received final sentences after the appeals procedure was completed. This organized crime group organized transport for migrants starting from Serbia, Belgrade mostly, to the border crossing point of Horgos, and then further through Hungary, with the arrival point at Morahalom, and then via motorway through Austria, where arrests took place near the town of Sandorf. The money was paid directly to the members of the OCG or through Western Union in different names of persons the group maintained contact with. The organizer made a profit of EUR 1 200 per migrant, which he shared with a co-organizer, while other members received smaller amounts depending on their role in the group. All the transactions were conducted in cash or through money transfer businesses, all of it with the aim to avoid banks, that is, more robust controls of financial transactions. The organized crime group generated a profit of EUR 250 000, the larger part of which was deposited in foreign currency accounts and a smaller part was stacked in the members' homes.

Source: FIU of Serbia (APML).

Parallel investigations also play a critical role in fighting international migrant smuggling networks. With this approach, the different countries along a smuggling route can carry out **financial investigations** into the respective regional smuggling groups at the same time. The results of the individual parallel investigations cannot be shared without mutual legal assistance, but this at least means the chances are higher that the involved law enforcement authorities will have relevant information that they can share. In parallel investigations, it is also possible to **coordinate operational measures**, for example during a targeted 'Joint Action Day', to break up migrant smuggling networks or at least weaken them on a lasting basis.

Judicial authorities further emphasise the value of and **need for targeted training** for law enforcement (e.g. offered by the European Judicial Training Network). Training content should comprise lessons learned in different countries and contribute to the emergence and development of a network of specialists. It should be highlighted that this is crucial for both judicial and law enforcement authorities, in order to share experiences and good practices. In addition, operational and judicial authorities in migrant smuggling hotspots have formed informal and formal partnerships on a national level and with neighbouring countries. Representatives from different authorities and countries share information on recent developments, lessons learned and guidance.

The Egmont Secure Web system concerning financial intelligence is an effective tool when sharing intelligence on a cross border basis in relation to ML and TF. The signing of MoUs with foreign FIUs can also assist with gathering the required intelligence to



initiate the MLA processes. Additionally, INTERPOL, Eurojust, Europol (European Migrant Smuggling Centre), the Ibero-American Network of International Legal Cooperation (IberRed), direct focal points with foreign Prosecution offices, the Ibero-American Prosecutors Network for Human Trafficking (which can be used for migrant smuggling as well), direct police-to-police basis & police liaison officers, and specialised groups/task forces with different countries- all represent effective tools and channels for money laundering investigations and parallel financial investigations linked to migrant smuggling. Concerning asset recovery, countries are encouraged to cooperate via CARIN and regional asset recovery interagency networks (ARIN).

In the context of requesting and requested MLA there are frequent challenges with the communication with countries of origin and final destination of migrants. Delegations cite the predominant challenges are as follows:

- Low efficiency in the exchange of information – whether significant delays in responding, long deadlines imposed, or deficiencies in the quality of responses;
- Differences in legislation (diversity of national laws);
- The language of requests and translation of received documents;
- Identification of public authorities with relevant responsibilities that could cooperate throughout the investigation; and
- Difficulty in securing cooperation with other agencies and private sector entities in the requested country.

### **Domestic cooperation, coordination and priority setting**

The contributions for this report indicate that many countries face difficulties in understanding the status of ML/TF cases linked to migrant smuggling, with a large percentage of countries unable to provide complete and accurate statistics on related aspects of performance of their AML/CFT systems. As a result, it is difficult to draw complete conclusions on the situation. Only 5 out of 44 delegations provided comprehensive statistics, including amounts of assets frozen/seized/confiscated from migrant smuggling activities. Many countries provided limited statistics and some of them stated that the main obstacle when obtaining comprehensive statistics is the wide spectrum that the crime covers and, therefore, that it does not allow the differentiation between migrant smuggling and human trafficking, as well as cases of potential ML/TF related to them.

Given the interlinked nature of the predicate - migrant smuggling - and related ML or TF, the lack of information on the performance of AML/CFT systems also points to the need for enhanced interagency cooperation, especially between LEAs and migration authorities. Without an understanding of the ML and TF cases, and their nature, a sufficient understanding of the strengths and weaknesses in the AML/CFT system cannot be generated, and informed improvements cannot be enacted. The lack of domestic cooperation also suggests a need for strengthened understanding across law enforcement of the importance of conducting proactive parallel financial investigations for all major proceeds-generating offences.

Countries' response reflected the need to **improve cooperation with the private sector**. The majority of countries responding did not provide any information on how the private sector could provide input in developing characteristics of migrant

smuggler's financial behaviour, and support effective action to disrupt the financial flows.<sup>60</sup> Nevertheless, several good practices demonstrating how effective cooperation with the private sector can take place have been provided (see Part Three).

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<sup>60</sup> 27 countries did not provide information out of 44 that responded.



Migrant smuggling has grown in recent years, with profit-seeking criminals exploiting migrants for their own monetary gain.

### Part Three. Good practices combating ML/TF from migrant smuggling

In general, countries differentiate between good practices and their application at national level – within the framework of the competent national institutions, and at regional and international levels – derived from the obligations acquired with international organizations or within the framework of agreements and legal instruments.

Countries reported a wide variety of good practices that can help address the challenges identified in part two. While applicable to most ML and TF cases, it is nevertheless important to reiterate their importance in the detection and investigation of ML and TF linked to migrant smuggling.

The **strengthening of interagency coordination appears to be particularly important** in preventing or reducing migrant smuggling and its associated crimes. This can be achieved in a variety of different ways. Seminars, training sessions for officers from competent authorities and the private sector, as well as information and education workshops open to civil society may all strengthen interagency coordination. Likewise, delegations placed emphasised the importance of **information exchange between LEAs and FIUs**, regarding the monitoring and detection of illicit financial flows associated with migrant smuggling, with particular **focus on the role of financial institutions** in the detection of suspicious financial transactions.

**Financial behaviour profiling** has been developed by one country for the main migrant smuggling roles by adopting pattern recognition techniques, helping financial institutions detect suspicious activity. Another country stated that there was coordination between its FIU, the banks and UNODC in developing a paper around “Financial Suspicious Indicators of Human Trafficking and Migrant Smuggling”, which has helped to raise the awareness of the banks in this field. A number of initiatives exist

to help **improve the partnership** between public authorities (law enforcement authorities, FIUs, supervisors) and the private sector (mainly banks and MVTs), such as developing a manual with practical guidance on how to identify and tackle financial flows, and leaflets for the banking sector.

Some delegations also stated that the private sector participated in specific operational measures to combat migrant smugglers. In one example, strong links with private agencies and companies such as commercial airlines, financial institutions and money transfer companies have been developed through investigations conducted over the last few years, helping improve operational effectiveness. Making use of contacts in the private sector, competent authorities can undertake more extensive and more efficient enquiries to develop intelligence and evidence, which assists in the identification of individuals, and groups involved in the commission of migrant smuggling offences.

A number of countries noted that they have developed good practices in detecting migrant smuggling activities and financial flows arising from migrant smuggling through the expansion of border surveillance systems, stricter checks when individuals cross frontiers, intensified criminal and financial intelligence cooperation between national LEAs and FIU and other states' (neighbouring or not) relevant agencies, as well as strengthened cooperation with international and regional organisations (Eurojust, Europol, Frontex and INTERPOL). Additionally, some delegations use special investigation techniques, such as telephone surveillance and undercover agents, and have developed data mining tools, big data analysis methods and strategic analysis methods based on geographical, demographic and transaction risk.

A small number of delegations mentioned **specific preventive measures** they have taken with regard to the predicate crime. These measures range from awareness raising to the establishment of a free of charge number in order to denounce cases of migrant smuggling, as well as dissuasive penalties for the smugglers. Some delegations are considering establishing protection and supporting initiatives particularly to migrants who have become victims of crime by protecting them and assisting them to return to their countries.

At international level, most countries that responded rely on **international cooperation**, through the signing of agreements and legal instruments (such as MoUs or requests for MLA) that allow easy access and exchange of relevant information and data regionally.

Based on the contributions provided by delegations, **some good and innovative practices** in combating ML/TF arising from migrant smuggling are selected:

**Australia.** Particular remitters, who cater to certain nationalities and appear to specialize in certain cohorts, are monitored on a regular basis. These remitters are located in communities and locations with a high diaspora of migrants who have lodged Protection visas since arrival. Transaction monitoring includes determining whether the Protection visa application of remittance customers has been lodged by migration agents of concern. The overlaying of location, registered remitter, nationality, migration agent and amount of transaction is used to successfully detect financial flows arising from MS.

**Botswana.** Collaboration with the IOM for the Development of a Situational Analysis for Ethical Recruitment Practices in Botswana. One of the terms of reference is to map recruitment agencies and collect data that may unearth human trafficking and ML



characteristics and any illicit financial flows. A technical working group comprising the private sector (recruitment agencies) to include other UN agencies like the International Labour Organization (ILO) has been established. The project should culminate in concrete recommendations to government which may result in the requisite policy formulation and or legislative enactments or amendments.

**Brazil.** In the last five years, the Brazilian Federal Prosecution Service has joined the Iberoamerican Network of Prosecutors Specialized in Combating Trafficking in Persons and Smuggling of Migrants (REDTRAM), of the Iberoamerican Association of Public Prosecutors (AIAMP), an international forum that has been helping to combat these crimes through the quick exchange of information (regardless of rogatory letters) and the constant sharing of experiences. Furthermore, a Joint Investigation Team between Brazil and Paraguay was created, seeking to facilitate the investigation of a specific case. Another good initiative was the recent creation of a Working Group in the Federal Prosecution Service to encourage and support possible investigations involving human trafficking, migrant smuggling and corruption. Finally, the Federal Police has developed a Business Intelligence data-mining tool called ÁQUIA, as a technological solution, able to cross many databases to discover patterns of migrants and coyote registers.

**Germany.** In 2019, the German FIU has set up a public-private partnership between public authorities (law enforcement, supervisors) and several major German banks. This Anti Financial Crime Alliance (AFCA) strengthens strategic cooperation among its members with the objective of combating ML/TF. In November 2020, AFCA has developed a manual with practical guidance on how to identify and tackle financial flows related to human trafficking - noting that the phenomenon will in reality often merge with the differing but similar phenomenon of migrant smuggling. The document was developed by AFCA members with the support of migrant smuggling experts from UNODC, Europol and the German Federal Criminal Police Office. The manual was published on the secured website for obliged entities in July 2021. It provides information on:

- the development process of the manual (around 10 months, 5 work streams),
- the phenomenon human trafficking in general and in Germany (based on the Joint National Situation Report on human trafficking),
- Compliance in the service of fighting human trafficking, including financial sector expertise, risk analysis at the organizational level, KYC/CDD, transaction monitoring, training, research/corporate intelligence.

For each element of the compliance system, the manual provides:

- practical information for financial institutions (on “how to”, e.g., national and international data sources) and
- “AFCA-Tools” (lists of locations, transaction indicators for transactions monitoring, high-risk sectors and countries for customer due diligence, red flags for staff training etc., a comprehensive sheet with links and information on relevant sources).

**Italy.** Based on STRs sent mainly by MVTs Operators and e-money Issuers (prepaid cards) combined with investigations’ findings, the financial behaviour associated with



different migrant smuggling roles (migrant smugglers, migrants, migrants' relatives, etc.) have been profiled by UIF (FIU of Italy) since 2016 by means of *pattern recognition techniques*: consequently, since then, all STRs fitting the said patterns of financial behaviour have been marked accordingly by UIF's financial analysts, in order to provide hints to the subsequent LEA's investigative analyses with a view to this specific predicate offence. At the same time, when deemed appropriate, UIF has performed financial analyses of large numbers of such STRs, adopting network analysis techniques to target the most likely "candidates" to the role of migrant smugglers: some emblematic case studies on ML/TF risks associated with migrant smuggling have subsequently been published in the sanitized form in the periodical Case Study Handbook by UIF.

It is important to highlight that within the EuroMed Justice 3<sup>rd</sup> Forum of Prosecutors General held in The Hague, The Netherlands, on 24-25 November 2021, it was pledged to work, as a matter of priority for the 2022-2025 period, on enhancing judicial cooperation and countering human trafficking and migrant smuggling<sup>61</sup> within the cross-Mediterranean region, including in line with their series of thematic priorities that include counter terrorism and countering the financing of terrorism. As part of this initiative, it is expected that prosecutor to prosecutor cooperation will be enhanced, and that MLA will be sped up when dealing with instances of migrant smuggling in the Euro Med region.

A number of other actions/initiatives by jurisdictions in preventing/combating ML/TF arising from migrant smuggling are included in *Annex C*.

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<sup>61</sup> [www.eurojust.europa.eu/first-cross-regional-strategy-judicial-cooperation-agreed-prosecutors-general](http://www.eurojust.europa.eu/first-cross-regional-strategy-judicial-cooperation-agreed-prosecutors-general)

## Conclusion and recommendations

### Conclusion

Since the FATF studied this issue in 2011, the key methods and techniques used to launder the proceeds of smuggling are found to be broadly similar. Nevertheless, the root causes and drivers of migrant smuggling routes, whether political instability, persecution, conflict or economic hardship are dynamic, resulting in changes in migrant smuggling routes and changes in demand for them. This has a corresponding impact on the flows of proceeds, with migrant smugglings often the nationality of originating countries, and therefore need to repatriate proceeds, transferring funds across borders.

Payments made to smugglers are usually made in cash, although there is evidence that money is deposited in the accounts of natural persons as payment in small amounts that is then quickly withdrawn. Hawala is frequently used to transfer money, or cash is often smuggled or transferred via MVTs, particularly if poorly regulated. A range of techniques are used to ultimately launder funds that are not spent on living expenses or other goods. Forms of trade-based money laundering appear particularly common, with relatives often involved in operating cash-intensive businesses which then absorb proceeds.

While there is almost always a form of network or enterprise linking migrant smuggling groups together, these criminal groups do not usually commit other unrelated crimes (such as large scale drug trafficking), although may commit a range of offences linked to migrant smuggling (such as smuggling, forgery and exploitation). It appears that migrant smugglers are making increasing use of professional money launderers, likely as a result of the continuing and consistent demand for smuggling services from migrants and increases in the proceeds being generated.

While relatively few sources of information are available on TF risks, there are links between migrant smuggling and terrorist financing, in particular in the regions where terrorist organisations have control or influence over territory and where migrant smuggling routes converge, for example in parts of Africa and the Middle East, in particular Syria and Iraq. There are also TF risks linked to FTFs using migrant smuggling routes.

The use of social media is ingrained into the practices of smugglers arranging and facilitating their crime. However, it is not yet clear that technology is used in the same way to facilitate payment and launder proceeds, with limited evidence of the misuse of virtual assets. Nevertheless, this could change in future.

A key finding of this report evolves around the extent of the challenges experienced identifying and pursuing ML activity linked to migrant smuggling. Very few cases of money laundering linked to migrant smuggling have been initiated or concluded. This is due to a range of factors, and in particular difficulties associated with effective international cooperation, the need for countries to focus on 'following the money', and weaknesses in domestic interagency cooperation. A more developed and nuanced understanding of the ML and TF risks is also required, with countries needing to more proactively share information in order to build a more complete picture of the cross-border risks, and to improve the depth and quality of data and statistics collected on performance of the AML/CFT regime in order to target improvements.

While this crime may not represent one that yields as significant quantities of proceeds compared to other major lucrative transnational crimes, it is one that often causes significant physical harm and suffering. Therefore it is a crime that countries need to take action to respond to, including by more effectively pursuing and disrupting the proceeds that incentives that are driving criminals to commit it in the first place.

## Recommendations

There are number of factors that represent the root causes and drivers of migrant smuggling that are beyond the mandate of the FATF, but yet action still needs to take place to limit opportunities for migrant smugglers and protect migrants, in turn helping to limit the proceeds of crime being generated. These include the need for opportunities for safe, orderly and regular migration; for targeted policies and controls at 'hubs' where migrants may acquire services from smugglers; the protection of migrants from violations of their human rights; and safe witness protection programmes and processes that can enable whistle-blowing so that cases of the crime can be identified.

Nevertheless, there are also some key steps that competent authorities and policy makers responsible for tackling ML and TF can take that can lead to more effective disruption and prevention of migrant smuggling. These include the following:

- **Strengthen bilateral and international cooperation between FIUs (including through Egmont), law enforcement and other relevant competent authorities** regarding the exchange of information and provision of MLA. This is critical, both for developing a more nuanced understanding of the nature of the financial flows, and taking collective action to investigate and prosecute potential cases of ML and TF linked to migrant smuggling.
- **Enhance cross-regional cooperation**, including investigative prosecutorial and judicial cooperation, by relevant practitioners to target specific regional risks, for example regional cooperation between authorities in Europe, North Africa and the Middle East to identify and disrupt links between migrant smuggling, terrorism and TF.
- **Conduct more systematic investigations, including parallel financial investigations**, into potential intended and actual offences of ML and TF linked to migrant smuggling.
- **Increase the capacity of relevant practitioners** to detect and deter links between migrant smuggling and TF, and migrant smuggling and ML, and to maintain statistics on the performance of AML/CFT systems.
- **Ensure that MVTs comply** with all the requirements in the FATF Standards, with proactive action taken to detect and disrupt unregulated MVTs providers, including hawala.
- **Strengthen domestic cooperation between public and private sector**, especially with the credit and payment institutions, and MVTs, by providing guidance and information on risk regarding the specific methods that the smugglers are using to transfer, conceal and launder proceeds, and working collaboratively to disrupt the risks identified.
- **Review and strengthen asset recovery frameworks** so that it is possible and practicable to secure and recover the proceeds from migrant smuggling.

- **Focus on support for countries that are directly affected by migrant smuggling**, whether as an originating country, transit country or destination country, including the provision of technical assistance.
- **Introduce specific measures in the countries affected by migrant smuggling**, whether originating, transit or destination country, in order to target the specific proceeds generated and instrumentalities used by migrant smugglings in those parts of the migrant smuggling route.

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## Annex A. Additional case studies

### Migrant Smuggling - Money Laundering

#### ***Case Study (Bosnia and Herzegovina)***

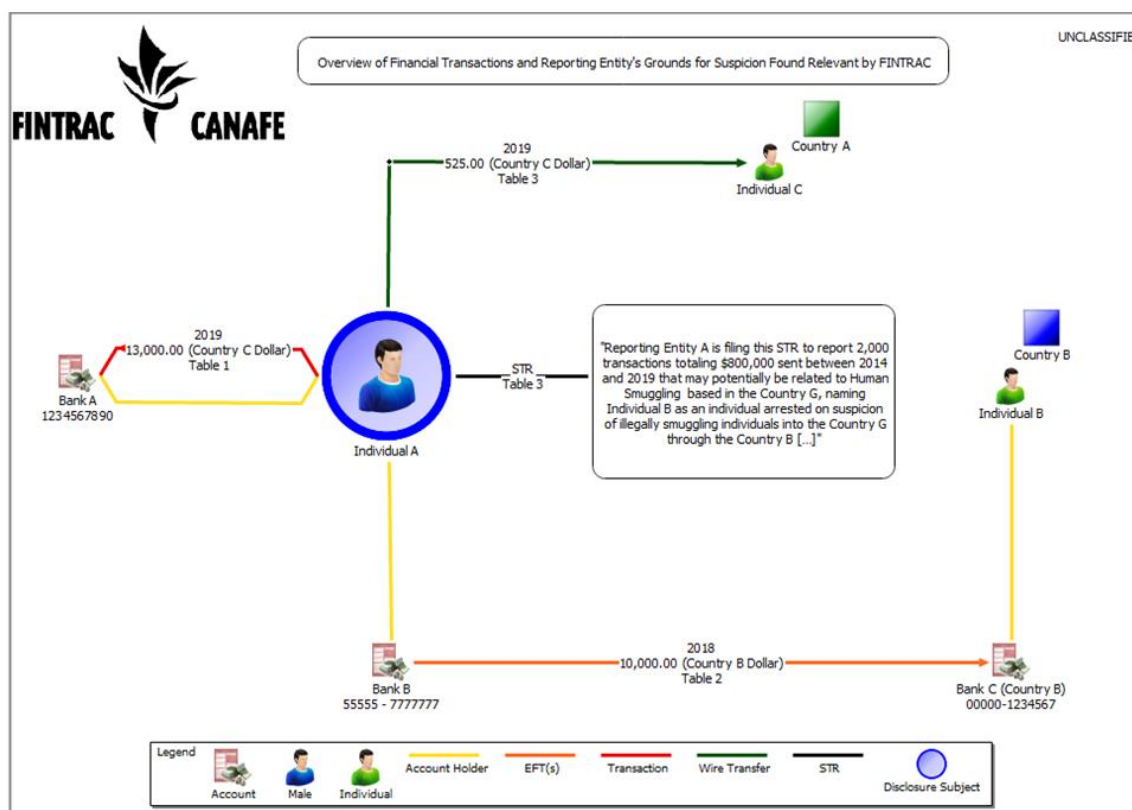
An investigation took place by Police of the Brčko District of Bosnia and Herzegovina (BiH) about “Criminal offence of *Organizing a Group or Association for the Purpose of Perpetrating the Criminal Offence of Smuggling of Persons*” under Article 189a of the Criminal Code of BiH, in connection with the “*criminal offense of Smuggling of Persons*” under Article 189 paragraph (1) of the Criminal Code of BiH. More specifically, three persons with the initials S.Đ., M.I. and A.M., acting as members of a criminal group in the period from the beginning of May 2021 to 22 September 2021, in order to obtain certain benefit, i.e. illegal property gain, contrary to the United Nations Convention against Transnational Organized Crime, contrary to Article 6 of the Protocol against the Smuggling of Migrants by Land, Sea and Air, contrary to the Law on Border Control of Bosnia and Herzegovina, contrary to the Law on Aliens of Bosnia and Herzegovina and contrary to the Law on Asylum of Bosnia and Herzegovina, involved in organizing the smuggling of migrants and persons of Turkish origin (Turkey, etc.) who cannot legally enter the countries of the European Union, whereby the person A.M. took over the nationals of Turkey in Serbia and Montenegro and transported them over the border crossings Klobuk and Karakaj to the interior of BiH, enabling the mentioned nationals to arrive on the territory of the Brčko District of BiH, where they were taken over by the persons S.Đ. and M.I. and transported in the passenger motor vehicles *VW Touareg* and *Jeep Cherokee* near the river Sava, on the territory of the city of the Brčko District of BiH and the settlement Vučilovac, where they were placed in a vessel used by the person S.Đ., a boat so-called *Bitfut* and a vessel with tarp, and after that, in agreement with the person E.V. from the Republic of Croatia, the persons were transported across the river state border to the territory of the settlement Rajevo Selo, where the foreign nationals were taken over by the person E.V. and transported in agreement with the drivers to the interior of the Republic of Croatia and further to other countries of the European Union. Therefore, the organized group, aware of the joint action within the code of conduct of the group for organized crime, perpetrated the criminal offence of *Organizing a Group or Association for the Purpose of Perpetrating the Criminal Offence of Smuggling of Persons* under Article 189a of the Criminal Code of BiH, in connection with the criminal offense of *Smuggling of Persons* under Article 189 paragraph (1) of the Criminal Code of BiH, what everyone wanted, and in that period over 100 Turkish nationals were smuggled across the river Sava by the mentioned organization. The Police of the Brčko District of BiH initiated the investigation, cooperation with the Border Police of BiH and the Ministry of Internal Affairs of the Republic of Croatia. The court procedure has not still been completed - punishment and confiscation of the proceeds of crime is expected.

Concerning the migration routes, economic migrants come from Turkey to Serbia, where they cross the border with Bosnia and Herzegovina and after that, they stay in BiH for a certain period and come to the Brčko District of BiH, from where they are transferred by boats and other vessels to the territory of the Republic of Croatia and further towards Zagreb, and from Zagreb further to Germany, France and Austria. Furthermore, migrants paid after their arrival at the destination and the amount was from EUR 5 000 to 7 000, while in some cases EUR 2 000 is given in advance in Turkey, and the money from Turkey was paid to the suspects via Western Union. Most of the money was sent to the close relatives of the suspects via Western Union, while some suspects were paid by migrants on the spot. The suspects used the obtained funds for shopping, cars and boats, while certain amount of money was found during the search, as follows: in BiH – EUR 2 250 and BAM 470 (EUR 240), and in the Republic of Croatia – EUR 78 000, BAM 1 700 (EUR 870), about HRK 3 500 (EUR 460).

Source: Prosecutor's Office of BiH, Police of the Brčko District of BiH.

### ***Case Study (Canada)***

This case demonstrates potential illegal smuggling of individuals into Country B through Country G. The case was instigated by voluntary information provided to FINTRAC (Financial Transactions and Reports Analysis Centre) by Federal Law Enforcement. Upon conducting its analysis, FINTRAC identified a STR that mentioned a useful news article that contained the name of an individual who was arrested for migrant smuggling, and who had a connection with an individual whose transactions were reported. The analysis also led to the identification of multiple transactions conducted between 2018 and 2019. Bank A reported an STR containing 2000 transactions to FINTRAC that totaled CAD 800 000 (USD 629 720). The chart below demonstrates Individual A sending multiple transactions to two individuals (B and C). Both Individuals B and C were known by law enforcement due to charges in a "federal sting involving smuggling migrants" from country G to country B. Individual A sent multiple transactions, totaling approximately CAD 525 (USD 413) to Individual C in Country A. In 2018, the same Individual A sent over twelve transactions totaling almost CAD 10 000 (USD 7 865) from Canada to Individual B in Country B.



Source: The Financial Transactions and Reports Analysis Centre (FIU of Canada).

### Case Study (Dominican Republic)

The Public Ministry of the Santo Domingo Este Prosecutor's Office, with the coordination of the Special Prosecutor's Office against Trafficking in Persons and Smuggling of Migrants and the assistance of the Special Division for Investigation of Transnational Crimes (DEIDET), as of 2020 initiated an investigation against the transnational organized criminal group, dedicated to promoting, inducing and to finance the smuggling of migrants from the Dominican Republic, using Guatemala, Nicaragua, Panama, Tortola, Costa Rica, Colombia, Puerto Rico and Mexico as transit countries, in order to take them irregularly to the United States, activity for which they charged traffic objects the sum of twenty-one thousand American dollars (USD 21 000). The investigations managed to determine, among other things, that the reference defendants have been carrying out smuggling operations of migrants for more than a decade, after which they have managed to create fortune as the exclusive result of this activity.

Likewise, the telephone interceptions obtained, with prior judicial authorization, show that the members of the network are responsible for the trafficking of at least 7 of the 15 Dominicans injured while they were trafficked aboard a trailer in Mexico in which 55 people were killed. On 12/20/2020, simultaneous raids were carried out in the residences and commercial premises owned by the defendants, in which evidence was obtained that demonstrates money laundering as a direct result of the smuggling of migrants, remaining seized seven (07) properties and at least eight (08) vehicles, and the immobilization of their bank accounts.

In this case, among the documented routes, there are the following:

- Dominican Republic - British Virgin Islands (Tortola / Saint Thomas) - Puerto Rico-USA.
- Dominican Republic – Panama – Guatemala – Mexico - USA.
- Dominican Republic – Guatemala – Mexico – USA.

As a result of the telephone interceptions, conversations were captured in which the possibility of using the Dominican Republic – Nicaragua – Mexico - United States route was assessed, providing passengers with travel documentation and identities (passports and ID documents) of Nicaraguan nationals.

According to illegal funds were paid in cash or bank transfers (in few of cases) by relatives, friends or related to those trafficked.

The funds used by traffickers in: i) investment in real estate, plots, and construction of buildings, ii) office of lawyers and non-profit organizations, iii) veterinary and stationery companies, behind which hid the offenders and iv) acquisition of luxury vehicles and jewellery.

Source: FIU of the Dominican Republic.

### ***Case Study (Egypt)***

A suspect received 26 wire transfers through 15 months with a total of LE 750 000 (USD 47 800) from different people, and the examination of the case has resulted that the migrant smuggling took place once or twice a year through some of the suspect's associates using fishing boats. The investigative authority mentioned that the suspect is an illegal immigration broker. As well the investigations revealed that one of the transfers' senders was previously arrested and deported from Italy. The smugglers obtain fees from migrants in cash.

Source: Egyptian ML and TF combating unit.

### ***Case Study (Estonia)***

The Estonian FIU (EFIU) analysed a case regarding suspicious transactions, which indicate human smuggling activity and money laundering, which is related to person A. Between 04.02.2021 and 19.02.2021, Person A received 5 transactions totalling EUR 1 800 from 5 senders in Greece. All transactions were made from an international money transfer provider (Greece), and funds were taken out from Estonian Post offices by Person A. Based on the information provided by law enforcement, the consumer network possibly links with human smuggling activity. Also, the EFIU got information that the ultimate beneficial owner ('UBO') of illicit funds might be Person B, who is a son of Person A and has a relationship with a narcotraffic. The EFIU did not detect any movement and does not have this information. The money came from Greece to Estonia via an international money transfer provider and was cashed in Estonian post offices. Person A received a transaction from the consumer who was involved in a previously identified activity. The current transaction pattern corresponds to mentioned typology.

Source: Ministry of Finance of Estonia.



### ***Case Study (Greece)***

The perpetrators had established a criminal group to facilitate migrants and refugees smuggling by providing forged documents (passports) which were intended to be used for the illegal travel from Greece to other European Countries, mainly through airports. The OCG could circulate almost any kind of document, which could deceive the competent authorities and allow the illegal smuggling of the migrants within the Schengen territory. In addition, the OCG could provide identity cards, passports and stickers for residence permits, special consular visas, asylum cards, refugee passports (T.D.V.) etc. The total proceeds of the criminal activity are estimated to exceed EUR 200 000. The case was initiated by a Police report after the subjects were arrested, by the Aliens Police Division. The source of illegal funds was cash payments from the migrants. The financial flow was from third countries to Greece and other European Countries Cash transfers and Placement of Illegally acquired funds in personal bank accounts domestically. The key indicator, in this case, was a deposit of cash from an unknown origin.

Source: Hellenic Police.

### ***Case Study (Greece)***

An in-depth and long-term investigation of the Subdivision of Organized Crime and Trafficking in Human Beings/Attica Security Division, led to the dismantling of an international criminal network facilitating the illegal transportation of aliens, both from Greece and from other European countries (Spain, France, etc.), using forged travel documents, with a final destination in central and northern European countries, like the UK, Germany, Netherlands, Belgium and Switzerland. Specifically, it was found out that the members of the criminal network were having structured and continuous action using specific action method, continuously, by June 2016. With this action, they facilitated the illegal exit of foreign nationals from our country and other European countries, to central Europe's countries and the UK. A leading role in the network was held by a 28-year-old Iranian citizen, while the trafficking of foreigners was achieved via airports, using forged travel documents. Especially, the structure, the interface, the partnerships and the modus operandi of the criminal organization were spotted in five levels:

- The first level was related to the possession of forged travel documents from abroad.
- The second level is related to the search and supply network with appropriate travel documents.
- The third level includes the delivery of travel documents for forgers, for further processing.
- The fourth level of action concerns the movement of foreigners from Greece to Central and Northern Europe, as well as from foreign countries to the United Kingdom.
- The fifth and last stage of their illegal activities is related to the way they moved their illegal profits. For the movement of illegal profits from Greece to foreign countries the criminal network used, two ways, namely: The non-bank money system called «hawala» and international money transfer

companies, which they used as senders and receivers' non-existent people in order not to be identified.

During the police operation organized for the degradation of the network, 24 members of the network were arrested in Attica. In particular (17) Iranian, (2) Iraqi, (2) Pakistanis and three more people from Algeria, Azerbaijan and Tunisia, accordingly. Among those arrested, the leading member is included. Alongside, there are co-defendants (12) more people. 25 investigations have been taken place in premises and shops and 3 apartments of the criminal network were identified, full of equipment. In the three apartments (workshops) were found and confiscated: approximately 1 200 third-person' passports, approximately 300 third-person, identities, lots of false documents (residence permits, driving licenses, etc.), latest technology computers, printers and scanning machines, modern machinery and high-quality training tools forged travel documents, several tools, equipment and devices used for drawing all kinds of false documents, stamp imprints in gelatins, stamps and public services 'round seals (Greek and foreign). In their possession and their premises were found and confiscated: The total amount of EUR 31 975 and USD 29 536, five (5) cars, number of testimonial evidence confirming the involvement of the arrested, committed offences.

Source: Hellenic Police.

### ***Case Study (Ireland)***

Operation Mombasa is a GNIB-led (Garda National Immigration Bureau of Ireland) investigation which commenced in mid-2018. The investigation is centered on an organized crime group of non-nationals (primarily Georgian nationals) who are resident in Ireland. These individuals are involved in the large - scale production and distribution of false identity and travel documents (Passports / national ID cards / driving licenses) to order and are sending these documents from Ireland to individuals outside the State via regular postal and courier services. Many of these individuals are themselves involved in the use of false identity documents within the State, in some cases using these false identities to live and work within the State for the last several years. In addition to investigations which are being conducted in Ireland, there are also several related investigations being conducted into the activities of this group in several other European Member States and third countries such as Spain, Italy, France, Germany, Great Britain, Finland and the United States, all of which is being coordinated on an international level by Europol. This investigation has progressed since 2018 with major arrests occurring in 2019 (three arrests) and 2020 (three arrests). In each case, the various suspects have been charged and their prosecutions have progressed before the courts. The main offences identified and prosecuted included:

- Trafficking in illegal immigrants (MS Offence)
- Money Laundering (ML offence)
- Deception
- Unlawful Possession of False documents
- Unlawful use of false documents
- Conspiracy to commit serious offences (OCG offence)

In all, three of the six suspects have been successfully prosecuted and sentenced before Irish courts. A further two suspects remain in custody awaiting sentence which is

currently due to take place in October 2021. The final suspect is currently due for trial in mid-2022. The case initially came to light as a result of an international referral from Icelandic authorities regarding a single suspect package forwarded by a Georgian national resident in Dublin. Immediately following this referral, a second, similar referral for a family member of this Georgian national was also received from Spanish authorities. GNIB began an investigation into the circumstances of both cases, identifying significant crossover and commonality in the offences. GNIB members obtained and analysed significant amounts of data from a number of sources such as DHL couriers, money transfer companies (Western Union / RIA / MoneyGram), National banks, International Protection Office files, flight data, mobile device data and witness accounts. This case also benefited from significant international cooperation from Europol, EuroJust and police agencies in several other EU Member States.

According to migration routes migrants were identified as using several EU travel routes from continental Europe to Irish airports, generally through use of false identity documents. In nearly all cases where these illegal migrants were detected, they sought international protection in Ireland and were admitted to the IPO system. In some cases, migrants remained in Ireland after being processed. However, in the vast majority of cases, migrants left Ireland shortly after arrival and travelled to the United Kingdom. The financial flows detected were primarily into Ireland and were detected in the context of payments made to offending individuals operating within the Irish State. These payments were supplied via money transfer companies and by way of direct deposits into bank accounts operated by suspects within the jurisdiction. Funds were primarily used by offenders to support their lifestyle within the Irish State. In each case, offenders spent large sums of cash on high value items and, in some cases, were known to use and abuse controlled drugs. In most cases, very little effort was employed to launder the proceeds of crime save and except for the movement of funds through money transfer companies and various bank accounts. Cash transactions – generally involving amounts of several hundred euro at a time. These transactions were sent to the suspects who then used either their own identities or aliases to collect funds. In this case investigators became suspicious of money flows based on money transfer receipts and documentation found on various migrants entering Dublin. On conducting further enquiries, witnesses were identified in other jurisdictions who were able to provide an outline of the MS operation and the manner in which monies were paid to offenders. Using this information, investigators were able to identify names and aliases used by offenders and to identify a number of financial transfer companies of interest. Exhaustive enquiries with these companies led to the identification of the movement of significant funds by and on behalf of the OCG under investigation.

Source: Department of Finance (Ireland).

### ***Case Study (Malaysia)***

Between late 2017 and early 2018, the Malaysia financial intelligence unit (FIU) engaged with Australia FIU and Indonesian FIU to perform joint analysis on two syndicates suspected to be involved in migrant smuggling activities in the region. Combining information from STR, CTRs, international funds transfers, and information from law enforcement partners, the two people smuggling syndicates were believed to be smuggling migrants from source countries to destination countries. Analysis on transaction patterns suggested that these syndicates facilitated the movement of migrants from source countries to or through Malaysia. Financial transaction analysis

indicated that these migrant smuggling syndicates received payments mostly via remittance channels upon successful arrival of the migrants in either the transit or destination country. While the two syndicates did not appear to be linked via leadership, logistics, and modus operandi, there were some overlaps in financial activities and enablers, likely due to the use of common intermediaries.

Source: Central Bank of Malaysia.

### ***Case study (Pakistan)***

This case was registered by the Federal Investigation Agency Taftan at Pakistan – Iran border, upon identification of Agent Human Smuggler by the victims. The victims were handed over to F.I.A. by Iranian authorities after their illegal entry into Iran. Both victims voluntarily admitted that they proceeded towards Iran through unfrequented routes situated at Mashkel, Pakistan to Iran-Sistan and Baluchestan Province, to further proceed illegally to Turkey and finally to Greece - Europe. When both victims reached Iran through unfrequented routes, they were kidnapped by some Iranian nationals who were involved in human smuggling and they were also in contact with agents of Pakistan. For the sake of ransom amount they tortured the victims and recorded the video to demand ransom from their families in Pakistan. In this case, when the victims were kidnapped by the smugglers in the transit jurisdiction and a ransom amount was demanded from the relatives in Pakistan, it was transpired that the relatives of the victims deposited PKR 50 000 (approx. USD 300) in the bank account of the smuggler as demanded by agents. Smugglers used their bank accounts for receiving the funds which were then remitted abroad through “Hawala”.

Source: Financial Monitoring Unit of Pakistan.

### ***Case Study (Peru)***

In this case investigations carried out for the crime of human trafficking, crimes against the immigration order, illicit drug trafficking and others. The case began with an alert from the Public Ministry of Peru, who provided information on the participation of people in alleged crimes of terrorist financing. The Public Ministry of Peru, provided also an alert on criminal records of some people involved. It also warned that an international terrorist organization would be supporting activities in Peru by sending some people from Asia and Africa with false documentation. These people seek to obtain residency in Peru and later manage their visa to the United States. To do this, the terrorist group would be transferring money from abroad to Peru and from Peru to other countries. The analysis period was from 2012 to 2016. The result of the financial analysis was sent back to the Public Ministry of Peru to evaluate the initiation of an investigation into the crime of smuggling of migrants.

As far as the money which received from abroad, ordered mainly from Ecuador, Senegal, and Brazil, without a commercial justification, which when linked to their criminal record, were payments to facilitate the illegal migration of foreign citizens to Peruvian territory through the north of Peru. Later, foreign citizens would go abroad through different border cities in southern Peru.

Human traffickers provided accommodation services in their homes to foreign citizens who had entered Peru illegally and they also provided transportation services with their own vehicles to border cities in Brazil and Bolivia. The rates for the transfer from the city of Puerto Maldonado to the border with Brazil would be the following: a

Haitian citizen would pay between USD 120 and USD 150; Senegalese would pay between USD 180 and USD 200; and the Dominicans USD 300.

Source: Department for Prevention, Liaison & Cooperation of Peru.

### ***Case Study (Poland)***

The General Inspector of Financial Information (GIFI) submitted a notification to the prosecutor's office regarding suspected money laundering by a person conducting economic activity in a currency exchange office. The findings show that a large group of customers of the above currency exchange office were Polish companies represented mainly by citizens of India, which primarily exchanged GBP (most of these companies appear in other analytical cases conducted by the GIFI in which the GIFI sent notifications to the relevant prosecutor's offices). According to the information available to the GIFI, the cooperating unit is conducting a case of an organised criminal group organising illegal crossing of the state border and facilitating foreigners' stay on the territory of the Republic of Poland. Among the companies of interest to the unit, are Polish limited liability whose management boards are composed of citizens of India and Pakistan, who conducted currency exchange transactions through the currency exchange office. Citizens of India were involved in international money laundering of the proceeds of crimes committed in other European countries. The criminal group organizing and executing the smuggling of illegal immigrants from South Asia to Europe was identified. An analysis of the history of bank accounts maintained for the currency exchange office shows that, to a large extent, funds credited to GBP accounts were then transferred to other entities engaged in currency exchange activities, further extending the circulation of funds. Companies represented mainly by citizens of India conducted currency exchange transactions through a currency exchange office and not through their own foreign currency bank accounts. Funds got from criminal activity were transferred through bank accounts held in another European country and Poland. Bank accounts held in the name of registered limited liability companies where the company's presidents were citizens of India and Pakistan were credited with funds from another European country, which were then converted via an online currency exchange to end up in bank accounts held in Asian countries, among others.

Source: Ministry of Finance of Poland.

### ***Case Study (Spain)***

The Spanish National Police and the British Royal Gibraltar Police, supported by Europol dismantled a criminal network operating in Spain, Gibraltar and Morocco. The investigations led to the arrest of 47 individuals for smuggling Moroccan nationals into the EU. The criminal network supported migrants to fraudulently obtain British visas at the embassy in Rabat (Morocco) and facilitated them further to Europe. For these services, they charged in advance approximately EUR 8 000 to EUR 9 000 in total. Once the visa was granted, the migrants were facilitated via plane or ferry from Morocco to Gibraltar, picked up by facilitators with off-road vehicles and brought to Spain. After a temporary stop in Spain, further travel to the other EU Member States was organized.

Source: FIU of Spain (SEPBLAC).



### ***Case Study (Spain)***

The investigation developed by the Spanish National Police with the authorities of France, Portugal, Italy, Austria, Ireland, the Netherlands, the United Kingdom, Albania, Kosovo and the United States, supported by Europol allowed in July 2021 to dismantled a criminal network focused in facilitating the illegal entry of more than 400 Albanian migrants into the United Kingdom and the United States. Since 2019 the investigators detected the growing use of certain types of counterfeited ID documents by Western Balkan migrants. Investigations revealed the existence of a group of counterfeiters in Kosovo with four laboratories in charge of making false documents. Those documents were later handed over to another group of people called "couriers" who distributed them throughout Kosovo and Albania. Investigators also detected some 400 Albanians with false documents at airports in various countries, as well as Spanish women who accompanied some illegal migrants on their trip, pretending fraudulently to be romantic partners and trying to circumvent border controls. The suspects and his accomplices facilitated the illegal entry of migrants through various airports in Spain and Portugal into the United Kingdom while providing them with forged French identity cards. Payments (around EUR 2 000 for documentation and travel) were made by the families of the migrants once they had reached their destination (this part of the investigation is still open). The investigation led to arrests of 46 people, to identify at airports more than 400 migrants and to seize around 1 000 counterfeited documents. It was also seized financial documentation, records of illegal activities, electronic equipment, cash and drugs (cannabis, cocaine and synthetic drugs).

Source: FIU of Spain (SEPBLAC).

### ***Case Study (Turkey)***

During an investigation that carried out by the Anti-Immigration Unit of the Romanian Prosecutor's Office, it was determined that a large number of Turkish citizens were transferred from Turkey to European countries in an organized manner in February and March 2009, as a result of evidence collection methods such as secret investigator assignment, wiretapping and technical follow-up, Romanian nationals. It has been reported that some people, including the suspect ÖH, a Turkish citizen residing in our country and acting in an organized manner with the suspects, were found to be engaged in illegal immigrant trafficking. In the aforementioned investigation, it was determined that the suspects obtained EUR 100 in cash from the immigrants. It has been reported that our country is seen as a place of departure in migrant smuggling and it is aimed to transfer Turkish nationals to various European countries, especially Romania. The Romanian judicial authorities requested the transfer of the investigation to our country, within the scope of the European Convention on the Transfer of Criminal Proceedings, with the request for the fulfilment of its requirements in terms of Turkish citizens. Upon the acceptance of the MLA request, the investigation was initiated by the Edirne Chief Public Prosecutor's Office regarding the aforementioned incident. In addition to the evidence obtained by the Romanian authorities, in the light of the evidence obtained by the Chief Public Prosecutor's Office to detect the communication, a decision of non-prosecution was given for some suspects, while the MS and the Organization were dismissed in terms of others. A public lawsuit was filed against Edirne 2nd Criminal Court of First Instance, for founding crimes.

Source: FIU of Turkey (MASAK).

### ***Case Study (Turkey)***

While the investigation was carried out by Elazig Anti-Immigrant Smuggling and Border Gates Branch Office for the crime of Immigrant Smuggling before the Elazig Chief Public Prosecutor's Office, in the light of the evidence obtained, a separate investigation was initiated under Turkish Penal Code 282. On 09/10/2020, it was determined that there were 4 immigrants from Afghanistan in the vehicle, which was stopped at the Fixed Police Application point located on the Bingöl-Elazığ road in Elazığ, the driver of the vehicle, FA and the backup driver AK for the crime of migrant smuggling, the investigation continues with the Elazig Chief Public Prosecutor's Office. In the studies carried out to shed light on all aspects of the incident, in the examinations made on the phones of the immigrants who were caught in the incident, in the WhatsApp conversations where the records of the incident on the phone of one of the immigrants, money was sent to the bank account opened in the province of Nevşehir by a person named FR, residing in Van province, on behalf of the person named AMS. It was determined that the information of the owners of the accounts where the money transfer was made and the account statement of the person named AMS were requested from the relevant bank. In the account movements obtained from the bank, it was understood that the money deposited in the account of AMS before the event and considered to be related to the event was withdrawn immediately after the account was transferred, the camera footage of the ATM from which the money was withdrawn was requested from the relevant bank, in order to determine who took the money, from the images obtained. It has been determined that a person named KM has withdrawn the money from an ATM in Nevşehir.

In addition, the line numbered XXX used by X person, who was mentioned in the statements of immigrants and suspects, who brought together immigrants who did not know each other in Van and got them into the taxi they were caught, by the person who sent the commercial taxi to Van to pick up the immigrants, and the person mentioned in the statement of the suspect named AK. HTS records of line 46 33 were requested. In the studies conducted to determine who uses the numbers in question, it has been determined that the person named HM used the line numbered 46 33.

Bank account movements related to the incident in question, ATM camera footage, HTS records of lines 46 33 and 20 45, base and counterbase information in HTS records, PTS records of the vehicle used in the incident, statements of the suspects caught, statements of the complainant when the examinations made on the phones of the complainants and the suspect AK are evaluated together;

The person who brought the immigrants caught in the incident together in Van and put them in the taxi they were caught, sent the money to a person within the organization, instead of sending the money directly or through an account registered in his name, through different persons, from accounts registered in the name of different persons, in Nevşehir province, which is also within the organization. The persons named HM and MMM, who reside in our country and have a valid International Protection Applicant Identity Document, requested that the money related to the crime be sent to the account registered in the name of a different foreign national (AMS) instead of requesting the money directly to their own account. It is understood that the account and account card of the person named SHARIFI were used by the person named KM, and the money was taken from the ATM by the person named KM and given to the person named HM. In his statement taken, he stated that KM took 3,000 ₺ (EUR 193) of the money received and gave it to him in return for a commission, and he gave this

money to a taxi driver named AK to transport the immigrants, that he did not send the money to the account, and that a person named AK came to Nevşehir province from Malatya to receive the money.

It has been evaluated that the persons named in the incident tried to launder money by concealing its source by transferring money between accounts opened in the name of different persons, instead of giving each other the money related to the crime directly.

Source: FIU of Turkey (MASAK).

### ***Case Study (Turkey)***

Information note issued by MASAK about KAA, was sent to Konya Provincial Police Department Anti-Immigrant Smuggling and Border Gates Branch Directorate with the letter of Presidency dated 01.10.2020.

As a result of the studies carried out by the Konya Anti-Immigrant Smuggling and Border Gates Branch Directorate; It was determined that the person named KAA organized the arrival and stay of foreigners who came to our country illegally in Konya, found a job for these foreigners and received some of their earnings as a commission, and also acted as an intermediary for foreign nationals to send their earnings to their countries, an investigation is being conducted against the person under the TCK-79 Immigrant Smuggling crime; he is wanted as a fugitive.

Source: FIU of Turkey (MASAK).

### ***Case Study (Zimbabwe)***

On 11 February 2020, two Zimbabwean nationals working with others in Zambia and South Africa facilitated the entry into Zimbabwe of 37 Ethiopian nationals. The immigrants had travelled from Ethiopia and passed through Tanzania and Zambia. They used illegal crossing points in Chirundu along the border between Zambia and Zimbabwe. The two smugglers used two commuter omnibuses to transport the immigrants from the border through the night destined to South Africa. They were intercepted by police while resting in a bush in the Mberengwa area after alert villagers spotted them. Both smugglers and the smuggled immigrants were arrested and taken to court. Investigations in this case established that the local smugglers were paid in cash by the immigrants to facilitate their illegal entry and transit through Zimbabwe to their destination South Africa which they also use as a gateway to Europe. Since the country has no specific legislation for Migrant Smuggling, the two Zimbabwean smugglers were charged for assisting any other person to enter, remain or depart from the country without a travel permit in contravention of section 36 of the Immigration Act Chapter 4:02. They were convicted and sentenced to pay \$30 000 or 6-months imprisonment. Although there were pointers to Human Trafficking, the offence could not be fully established. Financial investigations were instituted but could not be successfully proved since the accused transacted in cash and no assets of value were found. It was however apparent that the accused were part of a smuggling syndicate that involved contacts from Ethiopia, Tanzania, Zambia, Zimbabwe and South Africa to ensure an easy passage across borders. The involvement of border and security officials could not be proved.

Source: Reserve Bank of Zimbabwe.

***Case Study (Zimbabwe)***

On 6 June 2021, a Zimbabwean national working in cahoots with a Congolese national based in South Africa manufactured fake visas and facilitated two Cameroonian nationals to travel from Cameroon to Zimbabwe. The two Cameroonians who flew from their country were intercepted and arrested upon arrival at Robert Gabriel Mugabe International Airport after they presented fake visas. Further investigations led to the arrest of the Zimbabwean national who had also presented himself as a host for the immigrants. He was charged for assisting any other person to enter, remain or depart from the country in contravention of the Immigration Act Chapter 4:02. It was established that Zimbabwe was only a transit route as the two immigrants were to be smuggled through the Beitbridge border post into South Africa. Parallel financial investigations were instituted against the smugglers to detect money laundering and terrorist financing. The involvement of border and security officials could not be proved in this case.

Source: Reserve Bank of Zimbabwe.

**Human Trafficking*****Case Study (Australia)***

State and Federal law enforcement agencies advise the Department of Home Affairs when a foreign national is located at a legal or illegal/residential brothel. In many cases, these persons are suspected to have been smuggled to Australia to work in the illegal sex industry. The number of females located at legal and illegal brothels, hotels and private homes has increased significantly since 2016/17. Biometric checking with international partners indicates that approximately 30 per cent of these females applied to for a visa to another country prior to arriving in Australia, indicating transnational organized attempts to smuggle sex workers into western countries.

Joint investigations by the Australian Border Force and state police forces in Western Australia and Queensland in recent years have established a nexus between the illegal sex industry and money laundering operations, using vulnerable sex workers to layer the proceeds of crime and remit these funds offshore. Financial and data analysis, based on referrals from law enforcement agencies, assisted in the development of a profile that combines suspicious matter report information, remittance and gambling indicators of money laundering with Protection visa application indicators of organized fraud. These indicators include undeclared or unregistered agents lodging the Protection visa applications; common IP addresses and email addresses linked to visa applications; common phone numbers; age, marital status, employment history and English language ability. Joint operations between the Australian Border Force and law enforcement agencies led to further intelligence and understanding of money laundering methodologies.

The financial flow of remittances back to migrants' country of origin usually occurs through the female's offshore bank account, making it difficult to determine the ultimate recipient of the funds and the amount of illicit funds suspected to be co-mingled. Fees obtained from migrants by smugglers are likely received in the form of debt bondage. Illegal sex workers remitting funds are believed to co-mingle the proceeds of sex work with repayments for debts incurred to migrant smugglers. In

some cases, the text of suspicious matter reports includes the word "debt". This indicates a level of sexual servitude or exploitation associated with the remittances.

Illegal sex workers regularly remit funds offshore just below the AUD 10 000 (EUR 6 840) amount. It is suspected that controllers and facilitators are aware of cash threshold transaction reporting amounts (AUD 10 000) and advise the sex workers to remit funds (using trusted remittance agencies) just below this amount.

A recent investigation detected district and regional controllers transferring funds to a construction company set up to launder the proceeds of illegal prostitution. The company director of the construction company was also the director of several registered remittance agencies. The funds obtained from the illegal sex industry were likely transferred from the construction company to the remittance agency and ultimately offshore. Funds are initially deposited into ATMs using the cashless card facility. This conceals the identity of the depositor. Regional collectors then use a range of methodologies, primarily layering between personal accounts, to disguise the source of the funds. The funds are ultimately transferred into a remittance account and are transferred offshore.

Source: FIU of Australia (AUSTRAC).

### ***Case Study (Luxembourg)***

An SAR has been filed regarding 69 transactions made between May 2019 and September 2020 to an online renting platform in Northern Europe, totalling USD 21 300, and suspected to be related to human and / or sex trafficking activities involving one potential perpetrator, six potential victims and three individuals, whose roles were unclear at the moment of filing the SAR. Suspicions that the transactions and associated renters could be associated with possible human and / or sex trafficking were raised based on the transactional behaviour, shared payments instruments and suspicious behaviour reported by the property managers of the real estate properties they rented. More precisely, connections between the abovementioned individuals could be established based on either connected payment instruments, names, devices, phone numbers, email addresses, IP addresses and other identification details provided to the reporting entity. Additionally, the potential victims were identified due to cross-matches made between phone numbers and female escort advertisements in Southeastern Europe. Moreover, rather than submitting a full picture of the official ID document, subjects only provided a screenshot of the photograph on the ID cards, meaning that the individuals were most probably not in possession of their ID cards. Furthermore, it appeared that one identified individual was already known by the reporting entity for being potentially connected to human trafficking, as the police declared the rental property, which the person rented, as crime scene for human trafficking. Additional analysis revealed that the properties were mainly booked last minute by a third party and the property managers reported that the guests that arrived were not the same as the booking party. Further red flags as early check-ins, late checkouts, requests to extend the bookings, requests for private entrances, as well as serious indications (*as for example noise complaints, multiple unauthorized male guests who visited the apartments, etc.*) that prostitution occurred were reported. Based on the information received, FIU Luxembourg informed the Northern Europe homologues about the findings. The information provided by FIU Luxembourg was highly appreciated as further links and evidence were gathered in this way. Requests to identify further connections and collect additional information were provided to FIU



Luxembourg. The investigation was initiated by a SAR, that was filed and a financial analysis in order to gather additional information was initiated. The information gathered was analysed, enhanced by further intelligence received, cross-matched and disseminated to the concerned FIU. The Intelligence gathered in this case provides certainly only part of the solution or modus operandi of the criminal network, but is considered to be relevant in order to lead to potential new perpetrators or victims and identify payment instruments, which could lead to further financial information. In this case the funds were mainly transferred by credit cards (and were used to pay for the renting of premises). The main financial indicators were the shared payments instruments, as well as the information that the renters needed to deposit money in the bank before booking the reservation.

Source: Ministry of Justice of Luxembourg.

### ***Case Study (Luxembourg)***

FIU Luxembourg received information regarding 12 potential individuals involved in the smuggling and / or human trafficking of 39 potential victims from South America. Most of the perpetrators were EU citizens but with their original birthplace being in various South American countries. While there were some victims without official ID, the majority of victims were holders of a passport from a South American country. The links between the perpetrators and victims were made as they used shared payment instruments, as credit cards, bank, as well as e-money accounts, phone numbers and third-party bookings that were identified due to incoherencies regarding the IP location. The perpetrators booked properties online via renting platforms in which they are suspected to have forced the victims to commit sex work as shown by multiple indicators. These indicators include the visits/leaving of different men in a short interval of time, sexual services offered by contacting the phone numbers or items linked to sexual activities such as used condoms, damaged bedsheets or bodily fluid stains were found in the property. Property managers also stated that the individuals who booked the accommodation did speak fluent English while the victims who stayed at the rented could not speak English or the language of the country the property was located in. Based on the information received, further analysis about transactional and behavioural data were conducted. Additionally, information was requested at different payment entities in Luxembourg leading to new IP and postal addresses, as well as other financial transactions that were relevant to the case. Upon sharing this information with other FIUs it became clear that the victims are likely smuggled from South America to one EU country where the perpetrators reside while they were sent to other countries in the EU to perform sex work. The information helped to identify the potential perpetrators of a migrant smuggling and human trafficking network, where mostly only the victims were known. The case is currently ongoing and further intelligence is being gathered and exchanged with the concerned jurisdiction in order to establish more potential connections. This case was initiated by two SARs that were filed, links were made and a parallel financial analysis was conducted in order to gather additional information. The information gathered was disseminated to the concerned FIU. Perpetrators used illegal funds on renting of real estate properties, and victims were suspected of being abused for prostitution. The main indicators in this case were the shared payments instruments, as well as the use of money transfers through money remittance providers.

Source: Ministry of Justice of Luxembourg.

### ***Case Study (UK)***

This is a modern slavery case in relation to forced and compulsory labour of multiple Romanian victims by fellow Romanians on construction sites in the UK. Over a number of years, the defendants arranged for many fellow Romanians to come to the UK on promise of work. Promises of good rates of pay to be made before travel were never intended to be honoured. ID cards were taken from the workers upon arrival. Wages were withheld from the workers and went into the defendant's pockets as they were paid directly to the defendants, conditions in accommodation were appalling and food at most times, was inedible. Physical violence was used by the defendants to keep anyone in line who challenged them and they lived in fear. In short, this was a large-scale criminal enterprise by individuals of the same family and their associates which netted in the region of perhaps as much as GBP 3.8 million. It is estimated that GBP 2 580 790 was withdrawn in the UK and nearly GBP 59K in Romania. There were eight defendants but only three were convicted. The other five were acquitted after trial. On 21 July 2019, at the Crown Court at Blackfriars, 4 the defendants were all convicted of the following offences:

Count 2-Conspiracy to require a person to perform forced or compulsory labour, between 30 July 2015 and 17 October 2018, contrary to Section 1 Criminal Law Act 1977;

Count 4-Conspiracy to arrange/facilitate the travel of another person with a view to exploitation, between 30 July 2015 and 17 October 2018, contrary to Section 1 Criminal Law Act 1977;

Count 5-Conspiracy to convert criminal property, between 31 December 2013 and 17 October 2018, contrary to Section 1 Criminal Law Act 1977.

Confiscation Proceedings were instigated with a view to order compensation to the victims to provide reparation to the victims. The Confiscation hearing is fixed for March 2022.

Source: HM Treasury (UK).

## **Migrant Smuggling - Terrorism Financing**

### ***Case Study (Italy)***

Migrant smuggling through car vehicles and possible funding for terrorist groups in the Middle East.<sup>62</sup>

This case originates from several STRs sent to FIU-Italy during three years, referring to three different contexts that – through network analysis and pattern recognition techniques – have progressively shown relevant elements of interconnection. The first context is represented by a series of STRs sent [by some reporting entities] following the arrest of a group of nationals of Asian Country Y, settled in Southern Italy, on charges of having formed a [terrorist] cell associated with Al-Qaeda. This cell was supposed to be funded by the proceeds of migrant smuggling and the diversion of funds raised by the local Islamic community for allegedly humanitarian purposes. The

<sup>62</sup> UIF, Quaderni dell'Antiriciclaggio – Collana Analisi e Studi, n.16 (2021), p. 62, [https://uif.bancaditalia.it/pubblicazioni/quaderni/2021/quaderno-16-2021/Quaderno\\_16\\_giugno\\_2021.pdf](https://uif.bancaditalia.it/pubblicazioni/quaderni/2021/quaderno-16-2021/Quaderno_16_giugno_2021.pdf)

STRs pertained to MVTs remittances and financial transactions via prepaid cards; the in-depth analysis performed by FIU-Italy identified corporate and financial links, as well as further individuals involved [in the scheme]. Among them, particularly relevant because of the financial role they played were the owner of a travel agency also acting as an agency for primary MVTs operators, and two partners of Alfa building company, Tizio and Caio, the latter also being the legal representative of the cultural-religious association Beta. The second context originates from an STR focusing on the financial activity of Gamma, an MVTs agency located in a border province of Northern Italy. Some customers of this agency – nationals of Middle-Eastern Country X residing in the same North-Italian province – exchanged transfers with counterparties living in several different foreign countries, often in border areas (mainly in North Africa, Central Europe and the Eastern Mediterranean). In some cases, [at different times] the same individuals acted as both customers performing transactions in different provinces along the Italian peninsula and as recipients of the funds abroad. Among the reported customers of MVTs agency Gamma, many turned out to be recorded in the business register as (i) owners of car dealership only recently established in the said North-Italian border province (some of them having their registered offices at the same address), as well as (ii) protested payers, also (iii) showing a limited entrepreneurial profile. Therefore, it was supposed that the reported transactions could be referred to transnational trade of used cars, a business at high risk of being abused for terrorist financing, according to an operational scheme already displayed by previous international investigations. Subsequent analyses performed by UIF showed that the reported financial activity was also recurring in cases of migrant smuggling: in this perspective, it appeared relevant that several counterparties were operating in Turkey and Greece, as well as in some countries in the Balkans and Central-Western Europe, all of them included in the so-called "Balkan route" for migration flows. Subsequent investigations by the LEAs confirmed this latter hypothesis: many customers of MVTs agency Gamma – among whom, Publio – were arrested on charges of smuggling migrants along the said Balkan route, resorting to vehicles formally owned by car dealerships that turned out to be shell companies. The third context was originated by STRs reporting the financial activity (through wire transfers, MVTs transfers and prepaid cards) by Sempronio, born in Middle-Eastern Country X and living in a town of Northern Italy, where he ran a car dealership. The geographical distribution of Sempronio's counterparties showed analogies with the migrant smuggling operational scheme mentioned above. Besides, from open sources, it came out that in the past Sempronio had been involved in a paramilitary group in his country of origin. The in-depth analysis of subsequent STRs allowed to identify links between this third context, on the one hand, and the financial activity of a returnee foreign terrorist fighter who had come back to Italy (Mevio), as well as the Balkan-route migrant smuggling organization belonging to the second context, on the other. More in detail, among those recharging Sempronio's cards, was a Calpurnio, also recharging the cards of his compatriot Filano, who – based on in-depth analyses by the UIF – turned out to play a pivotal role in the overall network:

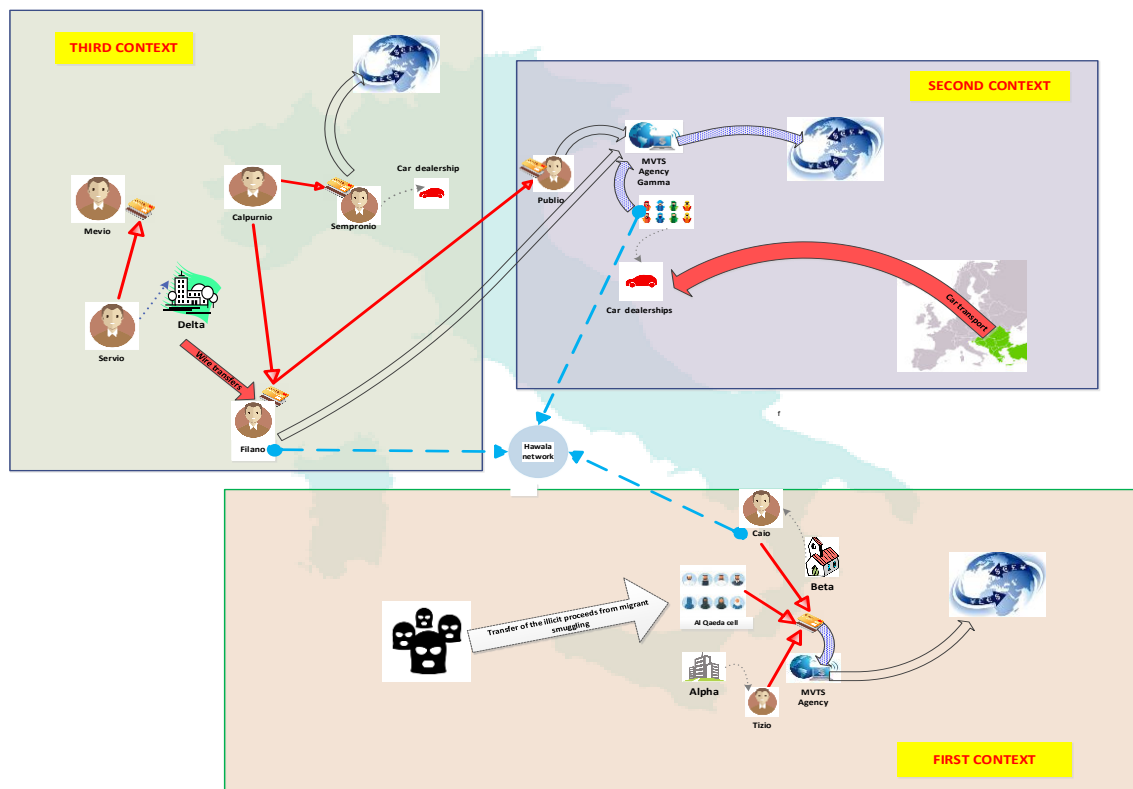
- Filano had performed transactions at MVTs agency Gamma and recharged one of Publio's cards (link with the second scenario, involving one of the individuals arrested for migrant smuggling);
- Filano was involved in a card-recharging network by some compatriots of his, all living in the Italian province where MVTs agency Gamma was placed: these

compatriots used to send money transfers to common counterparties in a Middle-Eastern region rated high-risk for terrorism;

- as said, Filano shared one financial counterparty with Sempronio, i.e. Calpurnio, who recharged the cards of both of them (link with the third scenario);
- Filano had received wire transfers from building firm Delta, partly owned by his compatriot Servio, who in turn had sent money transfer to returnee Mevio and had recharged his cards.

This link with a returnee and Sempronio's past involvement in a paramilitary group triggered the suspicion that the reported financial transactions – which could be referred to as migrant smuggling through car vehicles – could also aim at funding individuals involved in the Middle-Eastern war front, among whom, potentially, members of terrorist organizations.

This reconstruction turned out to be confirmed by a vast investigative operation during which a group of individuals born in Country X – sometimes living and owning car dealerships in the Italian province where MVTs agency Gamma was placed (second context), but also performing transactions in Europe and the Middle-East – were arrested on charges of having set up a vast hawala-style network, through which sums bound to fund a terrorist organization had been transferred. In particular, among the arrested were (i) some of the same individuals already indicted for migrant smuggling along the Balkan route (second context), (ii) the above mentioned Caio (who represents a link with the Al-Qaeda cell belonging to the first context), and (iii) Filano, identified by UIF's in-depth financial analyses as playing a pivotal role in the overall network.



Source: FIU of Italy (UIF).



## Annex B. List of indicators of ML/TF Arising from Migrant Smuggling

The following indicators emerged from the analysis of all case studies, as mentioned in Part Two and Annex A.

An indicator demonstrates or suggests the likelihood of the occurrence of unusual or suspicious activity. The existence of a single indicator in relation to a customer or transaction may not alone warrant suspicion of money laundering or terrorist financing arising from migrant smuggling, nor will the indicator necessarily provide a clear indication of such activity, but it could prompt further monitoring and examination, as appropriate. Similarly, the occurrence of several indicators could also warrant closer examination.

### Money Laundering

- Numerous transactions with money remittance companies and online payment services companies. Sometimes there is no logical reason to use a range of remitters.
- Foreign/Migrants using the same IP or machine ID to perform transactions.
- Transfer remittance through third parties “money mules”.
- Remittances to a different province or country of prior residence or citizenship.
- Immediate liquidation of money.
- Use of Hawala/Hundi transaction system.
- Repeated receipts or fund transfers of relevant overall amount from/to several counterparties abroad.
- Money flows of relevant amount within a short time period.
- Transactions through prepaid cards in areas far from the ordinary place of residence/domicile of their holders.
- Recharging transactions between prepaid cards held by foreign nationals, living or operating in places close to reception centers for immigrants or to border crossing points.
- Transactions involved persons with criminal records for migrant smuggling and human trafficking.
- Deposit of money in foreign currency accounts.
- Regular gambling activity interspersed with remittance and deposit activity.
- Suspicious matter reporting indicating regular cash withdrawals at or outside of casinos.
- Use of front cash intensive legitimate businesses.
- Abnormal payments to hotels, apartments and other accommodation services that are located on or close to migrant smuggling routes.

Generic indicators of ML that can also be related to migrant smuggling

- Cash withdrawals and money transfers through payment institutions.
- High number of deposits of cash in accounts.
- Money transactions to various accounts and banks (spread of the proceeds).
- Investments in real estate/high value goods.
- Cross border transport of money the intended use of which cannot be explained.
- No explanation about the origin of the funds.

### Terrorist financing

- Foreign nationals, recently immigrated [into the jurisdiction], who:
  - live or work in places close to reception centers for immigrants, or border crossings or logistic hubs along migration routes;
  - work as MVTs Agents;
  - hold different prepaid reloadable cards issued in different places - such as above - , often far from each other;
  - are registered by the Customs Agency for cross-border cash transfers (in the case of the said MVTs Agents, this would trigger suspicions that the criminal proceeds could have been laundered by commingling them with the MVTs proceeds and also used for informal hawala-style money transfer systems);
- Intertwisted MVTs transfers and/or card-reloading transactions of huge overall amounts, performed by the same unemployed individual in different regions;
- POS payments bearing descriptions about purchase of travel tickets to and/or stays in Central-Northern European countries;
- Links to individuals known (as per confidential information) to be close to:
  - terrorist organizations or
  - military organizations in countries rated high-risk for terrorism or
  - radical environments/groups (with particular reference to individuals playing official or managing roles in cultural-religious associations suspected of radicalism).
- Transactions through prepaid cards performed also in areas far from the ordinary place of residence/domicile of their holders, with particular reference to the towns constituting logistical hubs of the national transport network (highways, railways, ports and airports);
- Recharging transactions between prepaid cards held by foreign nationals, living or operating in places close to reception centers for immigrants or to border crossing points, without an economic or professional activity that could justify their transactions;
- Owners, managers or employees of MVTs Agencies involved in the network of recharging transactions in any capacity (as cardholders, as well as transaction performers).

## Annex C. Actions/Initiatives in preventing/combating ML/TF arising from MS

**Albania.** Inspections of mobile phones, decision by the Prosecution office to simulate ongoing communications and infiltrate police officers in such cases.

**Belgium.** In 2018, CTIF-CFI, the Belgian FIU, committed to contributing to an awareness-raising leaflet for the banking sector. This leaflet, which was distributed via Febelfin (the Belgian Financial Sector Federation), identifies a number of indicators of ML transactions that may be related to migrant smuggling and trafficking in human beings.

**Burkina Faso.** The following initiatives have been identified:

- the creation of a structure to fight against money laundering and the financing of terrorism;
- the creation of an Anti-Trafficking Airport Unit (CAAT) at Ouagadougou International Airport and at BSIAT (Brigade Spéciale des Investigations Antiterroristes);
- training at the FDS in biometrics in the fight against cross-border crime;
- the promotion of collaboration between the investigation services of the Gendarmerie, the Police with the CENTIF (La Cellule nationale de traitement des informations financières) and other public and private actors;
- the existence of CONASUR, CONAREF and their branches;
- the awareness of mobile phone companies to identify the chips sold;
- the strengthening of control systems in border areas.

In view of the scale of the situation, preventive actions have been taken. These measures have been taken ranging from awareness raising to the establishment of a free of charge number: 116 to denounce cases of migrant smuggling. In addition, the penal policy in the matter tends to prosecute and require dissuasive penalties.

**Egypt.** The National Coordinating Committee for Preventing and Combating Illegal migration and human trafficking (NCCPIM) was keen to include explicit provisions in this regard in its national strategies.

- Preparing multiple national workshops on "Financial investigations related to human trafficking and smuggling of migrants", in cooperation with the United Nations Office on Drugs and Crime (UNODC), and their objective was to enhance participants' understanding of the importance of conducting a parallel financial investigation to the original investigations into human trafficking and MS, as well as to share experiences and best practices on tracking and detecting illicit financial flows associated with migrant smuggling and human trafficking, as well as emphasizing the role that financial institutions carry out the detection of suspicious financial transactions related to both crimes.
- Participation of experts from the Egyptian FIU in a number of workshops concerned with combating of human trafficking, where some of the unit's representatives participated in workshops on exchanging information about the risks of financial crimes related to human trafficking in the countries of the Horn of Africa, the aim of which was to discuss the relationship between human trafficking and money laundering and the financing of terrorism focusing on the

region, which aims to participate experts at the national, regional and international levels and Asian countries.

**El Salvador.** The investigation of MS, as it is a criminal conduct organized crime, of a transnational and multi-offensive nature, requires the implementation of various investigation techniques, such as telephone interventions, undercover agents, timely exchange of information at the regional level, carrying out joint investigations at the binational or regional level.

**Finland.** European Institute for Crime Prevention and Control, affiliated with the United Nations (HEUNI) has made significant research and reporting on migrant smuggling and money flows related to it. The FIU has disseminated this report together with possible Red Flags to reporting entities in private sector.

**Gibraltar.** The good cooperation between Law Enforcement Agencies of Gibraltar, Spain and the UK. These relationships have been nurtured and developed and shown an increase in detections.

**Greece.** Greek Police has been implementing the National Operational Plan on Migrant Smuggling since 2016, signed by the Chief of Police and the Executive Director of Europol, depicts in details, which stresses the importance of intelligence gathering with the aim to further analysis that can potentially lead to the detection of OCGs. Additionally, through this Operational Plan, the deployment of Europol Guest Officers at five islands started to be implemented and continued with their deployment at the Greek-Turkish land borders. As regards the Greek FIU, good practices are the close cooperation with the competent LEAs, money remitters, financial institutions, payment institutions and the direct access to databases (tax, police etc.), bank accounts registry, increase in monitoring NPO's accounts, focusing in STR's and Police reports related to NPO's, as it has been identified from international reports, that NPO's potentially can be misused by MS. Finally, in the AML/CFT National Action Plan 2018-2021 it was incorporated and implemented – under the Strategic Objective to developing mechanisms for identifying, evaluating and addressing ML/TF risks – the setting up of a working group which submitted to the Strategy Committee a report regarding the assessment of the risk arising from cross-border cash flows and high-value items through mixed migration flows.

**Hong Kong China.** The Financial Secretary chairs the Central Coordinating Committee on AML/CFT (“CCC”) that oversees and steers HKC’s AML/CFT policy and strategy at a high level. The CCC comprises senior representatives from Government bureaux/departments with responsibilities for policymaking or law enforcement. There are many platforms and forums to facilitate cooperation and coordination between policymakers, law enforcement agencies (including the JFIU) and regulatory authorities on the development and implementation of AML/CFT policies and activities. Meetings/seminars are regularly held for awareness-raising and capacity-building with the different sectors to assist them in complying with AML/CFT requirements, including STR filing, to keep them abreast of AML/CFT regulatory development, including issues related to STR filing.

**Ireland.** In all migrant smuggling cases under investigation, the Garda National Immigration Bureau (GNIB) have adopted a collective approach, assigning a dedicated Senior Investigating Officer and investigation team to each case under investigation, supported in the conduct of the investigation by the wider Bureau, by intelligence led policing operations and with analyst support. In each case, major investigations are

managed by the GNIB Bureau chief as national priority operations with appropriate support sought on a needs basis from other national bureaus such as: The Garda National Drugs and Organized Crime Bureau, the Garda National Economic Crime Bureau (notably, FIU Ireland), the Garda National Cyber Crime Bureau, the Garda National Protective Services Bureau. In respect of investigating cases of migrant smuggling, Ireland's Garda National Immigration Bureau (GNIB) have identified that a significant proportion of migrants entering the country illegally do so through our national airport, as a secondary movement from a Schengen country. As a result, the GNIB routinely analyses Passenger Name Record (PNR) flight data in respect of persons who are refused leave to land in the state on arrival at the airport. This results in identifying traffickers / facilitators involved in trafficking and smuggling of migrants either escorting the migrants or organizing the logistics of the criminal operation. The analysis of such data returns key information such as email booking addresses, contact numbers, the existence of bogus travel agencies operating under a false International Air Transport Association (IATA) code, reused fraudulent document numbers etc. all of which identifying commonality across such bookings - which on further analysis and checks with air carriers - also identifies members of the criminal enterprise.

In relation to the production and distribution of false travel / identity documents, the GNIB have also built relations with international couriers such as DHL which has resulted in the identification and interception of false documents and related prosecutions of members of an Organised Crime Group. The analysis of DHL data based on customer details, package weights, destination addresses etc. has resulted in arrests and prosecutions in a number of EU member states. As part of the investigation of migrant smuggling cases the GNIB have secured considerable data from money transfer companies such as Western Union, MoneyGram and Ria, which has assisted in prosecutions.

**Lithuania.** Further expansion of border surveillance systems, stricter checks for permissions to be at frontier zone, intensified criminal intelligence cooperation with law enforcement authorities in Lithuania and other EU Member States as well as with international organizations (Europol, Frontex) led to a more effective prevention and detection of irregular migration activities.

**Luxembourg.** The 2020 National Risk Assessment analysed the risk of trafficking in human beings and of migrant smuggling and evaluated the risks as “medium”. The NRA will be updated every two years, leading to an update of the migrant smuggling risks every two years.

Previous analyses by the FIU showed that on the one hand MS Organized Crime Groups (hereafter “OCGs”) are often involved in other crimes including, inter alia, drug trafficking, human trafficking, prostitution or sexual abuse, and often these are a consequence of MS (notably as victims of human trafficking often come to a country by MS and sometimes migrants/victims do not have the financial means to pay for their transfer to the destination country). On the other hand, there are many ways to launder the proceeds of crime and often the use of cash is one of the primary means. Furthermore, the extent to which individuals are involved and the links between the individuals are not always clear. Therefore, conducting simultaneous investigations/analysis, meaning ML/TF financial analysis combined with judicial investigations in MS and international information sharing are a key element. Luxembourg has very good and close cooperation at the national level between the Grand-Ducal Police, FIU, Immigration Department of Ministry of Foreign Affairs and



the Prosecution authorities. Previous experiences showed as well, that SARs and STRs filed either by MVTs operators, online booking platforms or e-money and payment institutions contain valuable information, which are often key factors either to start or support further analysis. Hence, the gathering of a maximum of personal data (i.e., phone numbers, email addresses, credit card numbers, bank accounts, e-money accounts, etc.) of the reported persons (i.e., migrant, victim, perpetrator, facilitator, or other intermediaries, etc.), in order to cross match the data and identify potential links, along with transaction behaviour information should be one of the objectives of the analysis, as well as rapid and effective international information sharing. Besides, filed SARs and STRs having similarities should be collected separately and the data should be reanalysed with a focus on identifying links, potential networks, as well as typologies.

**Malaysia.** In May 2020, due to the Covid-19 pandemic, Malaysian authorities established the National Task Force (NTF) aimed at strengthening the country's border control from the entry of illegal immigrants and coordinating the sharing of intelligence information between 19 government agencies led by the Malaysian Armed Forces (ATM). For domestic AML/CFT cooperation and coordination, Malaysia leverages on the National Coordination Committee to Counter Money Laundering (NCC) to develop strategic and operational priorities for designated offences, including human trafficking and MS. In 2019, to assist Reporting Institutions in identifying and taking mitigating actions against possible risks associated with MS, a Red Flags and Typologies on Human Trafficking and MS was issued by the FIU.

**Mexico.** Regarding MS, the following practices have been identified:

- the inter-institutional coordination has been strengthened, to inhibit or decrease this crime;
- close collaboration with the United States of America, through bilateral meetings in which both the FGR and the National Institute of Migration participate;
- in the last 5 years, many units within the FGR dealing with the smuggling of migrants have received training, in the framework of the UNODC SOMMEX Project, financed by the United States of America (INL);
- establishment of strategic check points;
- exchange of experiences and judicial criteria among the investigators, which enriches the knowledge on ways to perform acts of investigations, and which derives in a greater number of prosecutions leading to favourable sentences.

**Pakistan.** The Federal Investigation Agency (FIA) made significant progress on a range of important activities including development of a Strategic National Action Plan (2021-2025), approval of Rules for the prevention of trafficking and MS laws, development of SOPs for victim support and referral mechanism, capacity building activities, improved performance of Anti Human Trafficking Circles (AHTCs), coordination with Police and relevant stakeholders, and human trafficking/MS activities of FIA link offices. The FIA in collaboration with the UNODC has worked a lot in recent past years to address the threat of MS which has also been discussed in detailed in the recent research report published by FIA<sup>63</sup> includes measures on combating ML/TF arising from MS.

<sup>63</sup> Available at [www.fia.gov.pk/files/immigration/1783290281.pdf](http://www.fia.gov.pk/files/immigration/1783290281.pdf)

**Romania.** The following practices have been identified in the Prosecutor's Office next to the High Court of Cassation and Justice (POHCCJ) of the Public Ministry:

- using financial investigators within the specialized structures of the Ministry of Internal Affairs and financial investigations in parallel with the criminal investigation;
- improving the collaboration with the main providers of fast money transfer services operating in the market (e.g., Money Gram, Western Union, RIA, etc.) and with all banking units operating on the Romanian territory;
- the interaction of prosecutors' offices having general jurisdiction over MS with the DIICOT structures having jurisdiction over OCGs with the aim of committing MS;
- good cooperation with the border police and use of special surveillance or investigative methods to detect and prove criminal activities;
- the ordering and enforcing, as quickly as possible, of the special investigation and surveillance methods;
- speedy carrying out of criminal prosecution acts;
- the hearing of migrants as witnesses in relation to MS by the guides, using the early hearing procedure, as there is a risk that they may not be heard during the trial.

**Senegal.** The adoption of the law against money laundering and the financing of terrorism of 2018 which allowed the exchange of information between investigative authorities, tax and customs authorities, intelligence authorities and National Financial Intelligence Processing Unit (CENTIF).

**Serbia.** Good practices first and foremost refer to the activities of the Smuggling of Persons Task Force, which consists of Representatives of Prosecutor's Office for Organized Crime, Ministry of the Interior – Service for Combating Organized Crime, Department for Suppressing Trafficking and Smuggling of Persons, Border Police, Department for Special Investigative Means, Financial Investigations Unit; Ministry of Finance - Customs Administration, Administration for the Prevention of Money Laundering; Security Information Agency; if necessary, representatives of Service for Combating Terrorism within Ministry are invited to take part in the Task Force as well. Outstanding results have also been achieved in cases involving contacts with Hungary, where Hungarian liaison officer in Belgrade plays a very active role. Furthermore, in 2019 ML/TF typologies were released and a new Strategy against ML/TF for 2020 - 2024 was adopted together with the relevant Action Plan for 2020 - 2022.

**Slovakia.** The National Unit for Combating Illegal Migration of the Border and Alien Police Office of the Presidium of the Police Force, Ministry of the Interior (NUCIM) conducts financial investigation of suspects as well as their family members.

**Slovenia.** Enhanced international cooperation and up-to-date exchange of information with neighbouring countries and others within the EMPACT IM project. Good cooperation with the Office for Money Laundering Prevention, which provides more information on suspicious transfers.

**Spain.** Generally, any investigation for MS is followed by a financial investigation simultaneously, which is usually extended in time. In these cases, it is essential to carry out economic & patrimonial investigations about the main investigated persons and people around them, as well as request information on shipments through remittance companies (request information through name, telephone number and place of shipment), analyse cash income at ATMs and possible links with the hawala system.

**Switzerland.** Processes are implemented to report the detection of money raised from MS to the relevant authorities and control of cross-border cash traffic has been enhanced. In cross-border traffic, a person being checked must provide information on carried cash exceeding the amount of CHF 10 000 and are subject to explicit questioning. The members of the Federal Customs Administration report their findings of cash in excess of CHF 10 000 to MROS (Swiss FIU).

**Tanzania.** Authorities in Tanzania are considering to establish protection and support initiatives particularly to immigrant who have become victims of crime by protecting them and assisting them to return to their countries.

**Togo.** The creation of units specializing in investigations relating to MS and trainings of investigative and criminal prosecution authorities.

**Turkey.** The latest high-level document accepted on Immigrant Smuggling is the document called “Turkey Irregular Migration Strategy Document and National Action Plan” covering the years 2021-2025. The document in question contains measures to combat MS, such as strengthening prevention and development-oriented cooperation in countries that originate irregular migration, increasing border security in order to prevent irregular migration, increasing effectiveness in combating other illegal organizations related to related crimes, etc. With the awareness trainings and staff arrangements made for the prevention of the financing of terrorism, the crime in question is not handled only in one dimension, it is checked whether the persons named as intermediaries in the crimes committed provide financing for terrorism, and when necessary, a report is requested from MASAK (Financial Crimes Investigation Board, Ministry of Treasury and Finance) for the said persons. At MASAK, big data analysis methods and strategic analysis methods based on geographical, demographic and transaction risk have been developed.

**Ukraine.** Interaction with individual providers of electronic money transfers has been established. Use of financial monitoring, criminal analysis and international police cooperation, including by setting up joint investigation teams.







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The background of the lower half of the page is a photograph showing a group of people, likely migrants, in a small, crowded boat. They are looking out over a body of water towards a distant, hazy shoreline. The lighting is dim, suggesting dusk or dawn. The boat's interior is visible, with some people's faces and hands in the foreground.

**Money Laundering and Terrorist Financing Risks arising from Migrant Smuggling** - This report identifies the most common methods to transfer and launder the proceeds of migrant smuggling, from hawala, integration of proceeds into legitimate business such as shops, travel agencies and transport companies, and the increasing use of professional money launderers. Using countries' experiences, the report provides several recommendations and good practices that allow authorities to better trace criminal proceeds and enhance the effectiveness of money laundering investigations.