



Safeguarding America Through  
Financial Investigations

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Cornerstone is U.S. Immigration and Customs Enforcement's (ICE) comprehensive investigative initiative for fighting financial crime.

The Cornerstone Report is a quarterly bulletin highlighting key issues related to ICE Homeland Security Investigations' (HSI) financial, narcotics and special operations investigations.



U.S. Immigration and Customs Enforcement

Toll Free Tip Line:  
1-866-DHS-2-ICE

[www.ice.gov/cornerstone](http://www.ice.gov/cornerstone)

# Human Trafficking vs Human Smuggling

**H**uman trafficking and human smuggling are often confused. The two crimes are very different and it is critical to understand the difference between the two.

**Human trafficking** involves exploiting men, women, or children for the purposes of forced labor or commercial sexual exploitation.

**Human smuggling** involves the provision of a service—typically, transportation or fraudulent documents—to an individual who voluntarily seeks to gain illegal entry into a foreign country.

It is possible the crime may start out as human smuggling but quickly turn into human trafficking. U.S. Immigrations and Customs Enforcement (ICE) Homeland Security Investigations (HSI) is the lead agency countering both issues.



HSI exploits the financial vulnerabilities of smuggling and trafficking organizations to stop their illegal activities.

If you think you have witnessed trafficking and/or smuggling activity, please call HSI at:

1-202-312-9746

Or

1-800-BE-ALERT

### Trafficking vs. Smuggling

**Human Trafficking is defined as:**

- sex trafficking in which a commercial sex act is induced by force, fraud or coercion, or in which the person induced to perform such act has not attained 18 years of age; *or*
- the recruitment, harboring, transportation, provision or obtaining of a person for labor or services through the use of force, fraud or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage or slavery.

**Human Smuggling is defined as the importation of people into the United States involving deliberate evasion of immigration laws. This offense includes bringing illegal aliens into the United States as well as the unlawful transportation and harboring of aliens already in the United States.**

**These are *not* interchangeable terms**

- Smuggling is transportation-based
- Trafficking is exploitation-based



Report Suspicious Activity:  
1-866-DHS-2-ICE (1-866-347-2423)  
[www.dhs.gov/bluecampaign](http://www.dhs.gov/bluecampaign)

Please feel free to send your questions and comments to the editors of the Cornerstone Report at: [cornerstone@ice.dhs.gov](mailto:cornerstone@ice.dhs.gov)

For Project Stamp and case studies: [www.ice.gov/stamp](http://www.ice.gov/stamp)



# HS/HT Red Flag Indicators

- Common Human Trafficking business fronts: Modeling and travel agencies, employment companies, “au pair” babysitting and international matchmaking services (mail order bride), massage parlors
- Transactions conducted by individuals, escorted by a third party (under the pretext of requiring an interpreter), to transfer funds to other countries
- Frequent transactions, inconsistent with expected activity or line of business, carried out by a business customer in apparent efforts to provide sustenance to individuals such as: payment for housing/lodging, regular vehicle rentals, purchases of large amounts of food, frequents purchases at pharmacies (e.g. medicine/condoms for victims)
- Payment to employment or student recruitment agencies that are not licensed/registered or that have labor violations
- Frequent payments to online escort services for advertising, including small posting fees to companies of online classifieds as well as more expensive high-end advertising and website hosting companies
- Accounts of foreign workers or students where the employer or employment agency serves as a custodian
- Business owner does not exhibit normal payroll expenditures such as wages, payroll taxes, social security contributions. Payroll costs can be non-existent or extremely low for the size of the customer’s alleged operations, workforce or business model.
- Multiple accounts established for different businesses or persons with the same signatory powers on each account
- Frequent outbound wire transfers with no business or apparent lawful purpose, directed to countries at higher risk for human trafficking or to countries that are inconsistent with the customers expected activity
- Business bank accounts that lack typical business expenses or account activity does not relate to the business
- Credit or debit processing for even dollar amounts, or transactions at time when atypical for business type (e.g. 2 am transactions)
- Leasing of high-end luxury vehicles and extravagant trips paid by electronic funds transfers from business bank accounts
- Receipt of numerous incoming wire transfers or personal checks inconsistent with account type
- Wire transfers from one business account to another business account that has no apparent ties
- Checks deposited from a possible funnel account appear to be pre-signed, bearing different handwriting in the signature and payee fields
- Frequent exchange of small denomination bills for larger denomination bills by a customer who is not in a cash intensive industry
- Sudden increases in cash deposits, rapid turnover of funds and large volumes of cash deposits from unknown sources
- Money flows that do not fit common remittance patterns such as wire transfers that originate from countries with high migrant populations (Mexico, El Salvador, Honduras, Guatemala) directed to beneficiaries location in US or Mexican cities along the border
- Beneficiaries receiving wire transfers from countries with high migrant populations who are not nationals of those countries
- Inflows are largely received in cash where substantial cash receipts are inconsistent with the customers line of business
- Wire senders may use similar transactional information, including commons accounts, addresses, phone numbers and IP addresses
- Multiple wire transfers to the same beneficiary who may be located in the US or Mexican city along the SW border
- When questioned, the senders have no explanation for the purpose of the wire transfer and have no relation to the recipient of the funds
- New accounts that often reflect similar activity of that of the closed account

## HSI – A Diverse, Global Force

**HSI is a critical investigative arm of the Department of Homeland Security and is a vital U.S. asset in combating criminal organizations illegally exploiting America's travel, trade, financial and immigration systems.**

## DHS/ ICE

### Homeland Security Investigations

500 12th Street, SW  
Washington, DC 20536

E-mail: [cornerstone@ice.dhs.gov](mailto:cornerstone@ice.dhs.gov)

Web: [www.ice.gov](http://www.ice.gov)