

MONEY LAUNDERING RULES USED TO TACKLE THE TRAFFICKING OF WOMAN AND CHILDREN

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The definition of trafficking in human beings in the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children(2000) states: :

“1.(a) 'Trafficking in persons' shall mean the recruitment, transportation, transfer, harbouring or receipt of persons, by means of threats or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments of benefits to achieve the consent of a person having control over another person, for the purposes of exploitation. Exploitation shall include , at a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, slavery or practices similar to slavery, servitude or the removal of organs. The consent of the victim of trafficking in persons to the intended exploitation set forth in subparagraph (a) of this article shall be irrelevant where any of the means set forth in sub-paragraph (a) have been used.

)b) The recruitment, transportation, transfer, harbouring or receipt of a child for the purpose of

exploitation shall be considered ‘trafficking in persons’ even if this does not involve any of the means set forth in subparagraph(a) of this article.

(c) ‘Child’ shall mean any person under eighteen years of age.”

The United Nations estimate that 1.2 million children are trafficked each year. The reasons for trafficking people are mainly for prostitution, domestic servitude, to beg on the streets, for cheap labour, for restaurant work, as drugs contraband mules and to carry out benefit fraud.

The Police have decided to tackle the slavery of trafficking women and children by establishing dedicated financial investigation units to gather evidence that will convict gang-masters and organised criminals because it is very difficult to convict such criminals using the Sexual Offences Act or immigration laws .The Sexual Offences Act 2003 includes a specific offence of trafficking within the UK. They are going down the financial route because they have very little intelligence that can help them to catch the traffickers and because the UK Government has decided to opt out of the EU Directive on Illegal Immigration and Trafficking.

It has been estimated that people trafficking is the second most profitable crime after the trafficking of guns and drugs. The police feel that disruption is the most effective way of stopping this crime and that seizing the proceeds of crime and the suspected proceeds of crime is the most effective means of disruption. There have already been convictions for document forgery . There is a Serious Organised Crime Agency proposed and part of their agenda will be people trafficking offences. There is already a Trafficking Guide published for Chief Police Officers.

The accountancy profession can help to detect trafficking by being vigilant on the PAYE side, spotting large tranches very low-paid workers in the accounts records, spotting payments to lorry companies in a non-transport company’s records, spotting one-off payments to someone abroad, spotting mass purchase of cheap clothing and footwear, spotting money being deposited in many different branches of the company’s bank , far away from the place of business, spotting sudden rises in income, spotting different modes of personal drawings, etc. It may seem far removed from the accountancy profession, but technicians have trained eyes and as the first port of call for the preparation of accounts, are better placed to discover such crimes than accountants.

What sort of accounts can reveal such organised crime? Any. From newsagents, tobacconists,

doctors' accounts (sudden increase in patients), family firms with many low paid workers or much regular cash withdrawals, companies suddenly renting large cheap accommodation on the pretext of storage, sudden large purchases of cheap foodstuffs, clothing and footwear, sudden rises of income in any business from pornography retail outlets, massage parlours to market traders to new small subsidiaries abroad.

The UK's Proceeds of Crime Act 2002 cuts through all persons and companies and all crimes. It contains definitions of money laundering. A person commits an offence of concealing, disguising, converting or transferring criminal property. Criminal property is that which is had from criminal conduct or that which represents the benefit from criminal conduct and the offender knows or suspects that it constitutes or represents such a benefit. No offence is made if the person concerned makes a timely disclosure of the facts to the police, a customs officer or a person nominated for the purpose by the person's employer. It is also an offence to acquire, use or have possession of criminal property.

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