

EXPERT INSIGHT

Human Trafficking Crisis after Russia's Invasion of Ukraine



Table of Contents

03	The Situation
05	Targeting Women and Girls
07	Danger along Transportation Routes
08	Ukrainian Children and Foreign Fighters
11	Efforts to Address the Situation
13	Headwinds in Reporting & Detection
14	Human Trafficking Detection and Enforcement
17	Conclusion

The Situation

Russia's invasion of Ukraine in 2022 exacerbated a human trafficking crisis that has been present in the region since the fall of the Soviet Union. As Ukrainian victims evacuate their homes in the wake of continued Russian attacks against civilian infrastructure, criminal actors exploit desperate victims looking for safety and a source of income for themselves and their families. Limited access to food, shelter, and essential services may also increase vulnerabilities to human trafficking according to the [State Department's 2023 Trafficking in Persons Report on Ukraine](#), including sex and labor trafficking and exploitation in armed conflict.

- Even before Russia's invasion, Ukraine was [facing an increase](#) in human trafficking caused by the COVID-19 pandemic and ongoing displacement from conflict-affected eastern Ukraine and occupied Crimea, according to the United States Agency for International Development (USAID).
- The UN [reported](#) that Russia's invasion of Crimea in 2014 and the subsequent conflict in Eastern Ukraine quadrupled the number of Ukrainian victims detected in Western Europe in 2016.
- UN Envoy on Sexual Violence in Conflict, Pramila Patten, in 2022 [commented](#) that Russia's invasion of Ukraine has created a human trafficking crisis.

Financial red flags, human trafficking methodologies, and behavioral indicators of human trafficking have changed little over the years. But Russia's invasion of Ukraine has provided trafficking organizations with more opportunities to cash in and more vulnerable victims to exploit.

Human trafficking is the recruitment, transportation, transfer, harboring, or receipt of people through force, fraud, or deception, with the aim of exploiting them for profit, according to the United Nations. Common forms of exploitation include forced prostitution or other forms of sexual exploitation and forced labor or services.

Human trafficking earns at least \$150 billion a year in profits, with the majority (\$99 billion) sourced from commercial sexual exploitation, according to the International Labor Organization (ILO), and disproportionately affects women and girls (who account for 71 percent of the world's victims).

A variety of factors increases the risk of vulnerability to trafficking, including poverty, financial exclusion, low educational background, disability, and dysfunctional family environments, according to the International Organization for Migration (IOM). In Ukraine, however, the risk is amplified by Russia's invasion, because the government's capacity to address these crimes is diminished as the result of Russia's invasion.



Targeting Women and Girls



Tried-and-true methodologies are working well for traffickers looking to exploit vulnerable victims. And although the ploys to lure women and young girls into sex work have become more sophisticated, and technological advances allow criminals to more efficiently target their prey, the techniques have remained consistent over the past several decades.

- A 2003 Office of Justice Programs report on trafficking in women from Ukraine [highlighted](#) that approximately 70 percent of the victims were trafficked by offers of work abroad as waitresses or dancers. Traffickers also approached beauty contest participants with offers of contracts for modeling abroad. Women are most frequently trafficked through travel agencies, most of which are legally registered.
- The Global Initiative in 2022 [reported](#) similar methodologies being used to lure Ukrainian women. An investigation in Kyiv detected a criminal group that targeted women who had participated in beauty contests, worked in television broadcast jobs, or were active on Instagram, and offered them modeling work in Morocco. In reality, the women were destined to be sexually exploited in Marrakesh.



Danger Along Transportation Routes

Humanitarian information portal ReliefWeb in 2023 [reported](#) that human traffickers use transportation routes to lure their victims, exploiting the need for transport for those fleeing conflict. Russia's attacks on transportation infrastructure have caused major disruptions, forcing Ukrainian refugees to travel on their own, use the services of smugglers, or accept job offers from human traffickers.

- Traffickers allegedly sought to exploit refugees at border crossings and transit centers. Media reports at the start of Russia's invasion [indicated](#) that traffickers targeted displaced Ukrainians at the Polish border by offering them transportation or accommodation, contingent upon domestic labor or commercial sex. Experts noted that thousands of unaccompanied children, and children evacuated from at least 195 facilities, were at especially high risk of trafficking.
- Traffickers sometimes pose as volunteers to offer "assistance" to potential victims, according to a [Helsinki Commission hearing](#) in 2022.
- EU authorities in mid-2022 [coordinated](#) joint investigations targeting criminal networks grooming Ukrainian refugees for online sexual and labor exploitation. The investigations monitored posts offering help to refugees for transportation, accommodation, and work on dating sites and recruitment websites, as well as platforms offering sexual services. The countries bordering Ukraine focused on recruitment, transportation, and accommodation of refugees, while others focused on platforms offering housing and jobs to refugees. The results of the operation resulted in:
 - 125 online platforms monitored in total
 - 42 online platforms suspected for links to human trafficking checked
 - 6 online platforms linked to human trafficking checked
 - 9 suspected human traffickers identified
 - 9 possible victims identified
 - 15 new investigations initiated
 - 93 officers participated
 - 351 persons/usernames checked



Ukrainian Children and Foreign Fighters

Ukrainian orphans and unaccompanied minors are particularly vulnerable to falling prey to human traffickers, according to the [Report](#) on Human Trafficking Issues to the Standing Committee of the 2023 Winter Meeting of the OSCE Parliamentary Assembly and [UNICEF](#). Thousands of displaced children in Ukraine lack adult supervision, either because they were evacuated from state care or because they lost their parents or caretakers in the war. Many children—especially at the start of the war—simply passed through borders and disappeared. UNICEF in March 2023 also [warned](#) that children fleeing war in Ukraine are vulnerable to human trafficking and exploitation.

In addition, Russia has been [illegally transporting](#) Ukrainian children to Russia and placing them with Russian families, giving them Russian identity documents, and falsely telling them that their parents are either dead or did not want them any longer. The EU [notes](#) that the forcible transfer and “russification” of Ukrainian children matches the international definition of genocide. The US State Department in its [2023 Trafficking in Persons report](#) kept Russia on a list of state sponsors of human trafficking. Russia is listed as a “Tier 3” country under the Victims of Trafficking and Violence Protection Act (TVPA) of 2000, which was amended by Congress in 2019 to recognize that governments can also act as traffickers. Tier 3 governments do not fully meet the TVPA’s minimum standards and are not making significant efforts to do so. Human Rights Watch has [extensively documented](#) how Russian officials and their proxies used coercive measures to forcibly transfer Ukrainian civilians, including those fleeing hostilities, to Russia or Russian-occupied areas of Ukraine.

Media reports note that Russia’s strategy to deport thousands of Ukrainian children to Russia is an effort to replenish the [dwindling](#) Russian population and [create](#) a culture loyal to Russia. In addition, media outlets in September 2023 [reported](#) that Cuba uncovered a human trafficking ring that coerced Cuban citizens to fight for Russia in Ukraine.

- The forcible transfer of thousands of Ukrainian children to Russia is the subject of prosecution at the International Criminal Court, which [issued arrest warrants](#) for Russian President Putin and the country’s Commissioner for Children’s Rights Maria Lvova-Belova, who [acknowledged](#) in July 2023 that more than 700,000 Ukrainian children were taken to Russia since the start of the full-scale war.
- A BBC investigation last year [revealed](#) that a key political ally of Russia’s president Putin, Sergey Mironov, has “adopted” a child who was kidnapped from the Kherson Regional Children’s Home in Ukraine, and had her identity changed. The 10-month old baby was hospitalized for bronchitis. Further investigation uncovered that Inna Varlamova was the woman responsible for taking the baby to Russia and that she works in Russia’s parliament and owns property near Moscow.

- Russian president Putin has [signed](#) a citizenship decree expediting Russian citizenship for foreigners and individuals considered “stateless,” also paving the way for Ukrainian children trafficked to Russia during the war to forcibly become Russian citizens at the request of their new Russian guardians or a Russian institution that has custody of them.
- In late May 2023, a Russian newspaper in Ryazan reported that several Cuban citizens had signed contracts with Russia’s armed forces and had been shipped to Ukraine in return for Russian citizenship. Cuban authorities that month said that they [arrested](#) 17 people for their involvement in the human trafficking network that lured Cuban men to serve in the Russian military.

Many of the traffickers are part of [well-organized](#), transnational organized crime syndicates who, in addition to human trafficking, often commit other criminal activities such as drugs and weapons trafficking. Recent reporting indicates that international criminal organizations also smuggle people and force them to work in scam call centers, conducting a variety of scams, including romance, tech support, and investment fraud. The FBI in 2023 [warned](#) about fake job advertisements to lure applicants into scamming operations, primarily in Southeast Asia. Although most victims in Ukraine are trafficked for sexual exploitation, malign actors looking for slave labor for online scams can target these individuals as more attention turns toward the Asia region.





Efforts to Address the Situation

IOM in October 2023 [launched](#) an awareness campaign in Ukraine called “LOOK AGAIN” to warn potential human trafficking victims about the risks that can come from employment opportunities that seem too good to be true. IOM estimates that since the start of Russia’s war in Ukraine, more than 32 million people, or 85 percent of the country’s population, have been affected by the invasion, and because women and children have been forced to flee—often without a husband or other individual who can look out for their welfare—Ukrainian victims provide traffickers ample opportunities to exploit desperate individuals looking for work. According to IOM Ukraine’s Deputy Chief of Mission, Marco Chimenton, “Faced with the direct or indirect impact of hostilities, displacement and a weakened economy, the population in Ukraine has become more prone to trafficking and more vulnerable to other forms of exploitation... Every second Ukrainian is ready to accept at least one risky offer that could lead to human trafficking or exploitation.”

The Organization for Security and Cooperation in Europe (OSCE), in partnership with Thomson Reuters, in 2022 launched the “BE SAFE from Human Trafficking” Campaign to warn vulnerable Ukrainians about indicators of human trafficking. The organizations [warn](#) that traffickers can use “trusted persons,” such as other women for initial contact with potential victims, so spotting the warning signs is key.

- Is someone offering a job with an unrealistically high salary or an arrangement that looks too good to be true without asking for a resume?
- Does someone insist on meeting you alone?
- Are they offering money?
- Are they making an unsolicited offer of employment, transportation, or other assistance?
- Have your passport or other identification documents and your means of communication, such as your laptop or phone, been confiscated?
- Are you being forced to perform work, services, or sex, or was psychological pressure or manipulation used to gain your consent?
- Is your freedom to move or act being forcibly restricted?
- Are the conditions of your employment being violated?

Ukraine’s government last year [took some steps](#) to address the situation, including by screening vulnerable populations for possible trafficking victims and increasing awareness efforts among displaced Ukrainians, according to the US State Department.



Headwinds in Reporting & Detection

Victim reporting is likely stymied by Russia's war, so trafficking cases may be underreported or undetected. Victims who fled war zones and destroyed regions may not report crimes against them upon their return home, and those not requiring specialized services may choose not to apply for victim status. "Victims of sexual exploitation are massively reluctant to come to the police to file a formal document," [according to an undercover police officer](#) in Kyiv. Therefore, increases in human trafficking are likely much more significant than officially reported.

Ukrainian victims are exploited in sex trafficking and forced labor in Ukraine as well as in Russia, Poland, Germany, and other parts of Europe, China, Kazakhstan, North America, and the Middle East, according to the State Department. Traffickers exploit most victims for forced labor, and sexual exploitation of children is often underreported.

- According to Dutch media company Nederlandse Omroep Stichting (NOS), the number of Ukrainian trafficking victims in the Netherlands in 2022 [increased](#) to 51 from seven the previous year, but the actual number of victims could be much higher. In March 2023, Ukrainian press [reported](#) that 69 cases were reported in the Netherlands in which victims were threatened with human trafficking. The country's National Rapporteur on Human Trafficking, Conny Rijken, says that Ukrainian refugees are particularly vulnerable because they do not speak the language and are not familiar with the Netherlands.
- A Canadian woman in April 2023 was being [investigated](#) for asking Ukrainian refugees whom she was ostensibly hosting in her Ontario home to perform online sex acts for money. European media also [reported](#) that searches for keywords such as "escort," "porn," or "rape" together with the word "Ukrainian" increased by 600 percent, while "Ukraine refugee porn" emerged as a trending search.

In a statement on World Day Against Trafficking in Persons in July 2023, US Deputy Chief of Mission to the OSCE, Katherine Brucker, [highlighted](#) the case of a 14-year-old Ukrainian girl who was rescued from a sex trafficker in the UK.

Ukraine-United Kingdom

After a Russian airstrike killed her parents in Ukraine, 14-year-old Daria fled to the United Kingdom to seek asylum. While awaiting processing at a temporary shelter for unaccompanied minors, a young British man approached Daria and offered her a job as a waitress. The man claimed that having a job would expedite the asylum process and promised to provide Daria with English lessons and a safe place to live. Trusting his promises, Daria left the shelter and traveled with the man to a nearby city, where he quickly became abusive, locking her in a hotel room and making her take drugs. This man exploited Daria in sex trafficking. He threatened her with deportation if she went to the police for help. Eventually, the police found Daria and referred her to temporary shelter where she could await processing for her asylum claim.

Courtesy of the US State Department

Human Trafficking Detection and Enforcement

UN data as of July 2023 [indicated](#) that more than six million people have been forced to flee Ukraine to neighboring countries. Most of these refugees are women and children, who are most at risk of being trafficked. FinCEN in 2020 [updated](#) its human trafficking advisory with new typologies that criminals use to hide their illicit proceeds.

Front Companies

Human traffickers routinely establish and use front companies that combine illicit proceeds with those gained from legitimate business operations. Massage businesses, escort services, bars, restaurants, and cantinas are just some of the entities used as fronts to hide sex trafficking activities. The establishments used as front companies often appear legitimate and have registrations and licenses, and patrons can obtain illicit sexual services from trafficked individuals, usually elsewhere in the establishment, in addition to the entity's legitimate business. Illicit massage businesses or nail and hair salons can offer sexual services under the guise of legitimate businesses and/or exploit individuals for the purpose of forced labor, according to FinCEN. Payments for these illicit services are usually in cash, and traffickers may invest the illicit proceeds in high-value assets, such as real estate and cars.

Exploitative Employment Practices

Some seemingly legitimate businesses use exploitative employment schemes, such as visa fraud and wage retention, to profit from labor and sex trafficking. FinCEN reports that some labor recruiters mislead or defraud victims, taking advantage of workers before and after they enter the United States. They often switch contracts and job descriptions and confiscate or destroy workers' identity documents. Another common practice is to charge exploitative fees to workers by withholding their salary or paying less than promised, claiming that the fees cover the costs of recruitment or access to job opportunities. Victims' salaries are transferred to the traffickers or their co-conspirators via teller checks or wire transfers and can be disguised as legitimate business expenses, such as cleaning services. Financial institutions may see multiple employees receiving their salaries in the same account, or payment for employment may be followed by immediate withdrawal or transfer into another account.

Funnel Accounts

Human traffickers may use funnel accounts—accounts in a single geographic area that receive multiple cash deposits, often in amounts below the cash reporting threshold, and from which the funds are withdrawn in a different geographic area with little time elapsing between the deposits and withdrawals. Funnel accounts allow human traffickers to quickly move proceeds and maintain anonymity. In labor and sex trafficking schemes, human traffickers may open accounts in their name, or escort victims to a bank, and force them to open an account. Traffickers maintain control of the victims' bank accounts through coercion, and direct victims to deposit money into their accounts and other accounts that the traffickers can access. In some cases, victims also are coerced or forced to wire proceeds via money services businesses (MSBs) to facilitate the funneling of proceeds, according to FinCEN.

Alternative Payment Methods

Traffickers also accept payment via credit cards, prepaid cards, mobile apps, and virtual currencies. Prepaid cards can be acquired anonymously with cash or on the dark web and used to purchase sexual services, hotel rooms, and other items. Illicit actors also use virtual currencies to advertise commercial sex online. For example, human traffickers have purchased prepaid cards, and then used the cards to purchase virtual currency on a peer-to-peer exchange platform. Human traffickers then use the virtual currency to buy online advertisements that feature commercial sex acts to obtain customers. Human traffickers also use third-party payment processors to wire funds, making the transaction seem like it originated from the processor or that the processor is the beneficiary of the funds.

Behavioral Indicators

FinCEN in 2020 also listed a selection of behavioral indicators that can provide insights to financial institutions about their bank being used by human traffickers.

- A third party speaks on behalf of the customer (a third party may insist on being present and/or translating).
- A third party insists on being present for every aspect of the transaction. A third party attempts to fill out paperwork without consulting the customer.
- A third party maintains possession and/or control of all documents or money. A third party claims to be related to the customer, but does not know critical details.
- A prospective customer uses, or attempts to use, third-party identification (of someone who is not present) to open an account.
- A third party attempts to open an account for an unqualified minor. A third party commits acts of physical aggression or intimidation toward the customer.
- A customer shows signs of poor hygiene, malnourishment, fatigue, signs of physical and/or sexual abuse, physical restraint, confinement, or torture.
- A customer shows lack of knowledge of their whereabouts, cannot clarify where they live or where they are staying, or provides scripted, confusing, or inconsistent stories in response to inquiry.

Financial Indicators

FinCEN also included a list of new financial indicators to help identify and report transactions associated with human trafficking.

- Customers frequently appear to move through, and transact from, different geographic locations in the United States. These transactions can be combined with travel and transactions in and to foreign countries that are significant conduits for human trafficking.
- Transactions are inconsistent with a customer's expected activity and/or line of business in an apparent effort to cover trafficking victims' living costs, including housing (e.g., hotel, motel, short-term rentals, or residential accommodations), transportation (e.g., airplane, taxi, limousine, or rideshare services), medical expenses, pharmacies, clothing, grocery stores, and restaurants, to include fast food eateries.
- Transactional activity largely occurs outside of normal business operating hours (e.g., an establishment that operates during the day has a large number of transactions at night), is almost always made in cash, and deposits are larger than what is expected for the business and the size of its operations.
- A customer frequently makes cash deposits with no Automated Clearing House (ACH) payments.
- An individual frequently purchases and uses prepaid access cards.
- A customer's account shares common identifiers, such as a telephone number, email, and social media handle, or address, associated with escort agency websites and commercial sex advertisements.
- Frequent transactions with online classified sites that are based in foreign jurisdictions.
- A customer frequently sends or receives funds via cryptocurrency to or from darknet markets or services known to be associated with illicit activity. This may include services that host advertising content for illicit services, sell illicit content, or financial institutions that allow prepaid cards to pay for cryptocurrencies without appropriate risk mitigation controls.
- Frequent transactions using third-party payment processors that conceal the originators and/or beneficiaries of the transactions.
- A customer avoids transactions that require identification documents or that trigger reporting requirements.

The Financial Action Task Force in 2018 published its report on the ["Financial Flows from Human Trafficking"](#) that provided numerous indicators of money laundering related to human trafficking. To better detect human trafficking, financial institutions should keep up to date on the latest human trafficking trends and red flags, which include a variety of behavioral and financial indicators. Failure to do so can result in [regulatory fines](#) and [lawsuits](#).



Conclusion

Although human trafficking methodologies and red-flag indicators have remained constant during the past years, financial institutions should pay closer attention to jurisdictional risks, especially in conflict areas such as Ukraine, which are seeing an increased flow of refugees seeking to leave the country. Indicators, such as increased financial activity that exhibits human trafficking red flags in countries bordering Ukraine, transactions that display human trafficking red flags and take place at specific times of the month or during significant sporting events in host cities may help compliance professionals identify and report these financial activities.

Excessive, abnormally timed deposits in round amounts and deposits into accounts in adjacent cities can also indicate financial transactions linked to human trafficking, because traffickers will often transport their victims to neighboring jurisdictions. Deposits into the same account from locations that are far away from each other within a short period of time can indicate funnel account activity and could be tied to human trafficking, especially when coupled with other indicators.

Financial institutions are in a unique position to detect and disrupt illicit proceeds generated by human trafficking. AML professionals at banks can flag possible patterns associated with human trafficking by examining bank statements and other documents and file suspicious activity reports (SARs) that can flag this activity for law enforcement. FinCEN also requests that US entities that file SARs reference the agency's latest advisory by including the key term: "HUMAN TRAFFICKING FIN-2020-A008" in SAR field 2 to indicate a link to human trafficking highlighted in the agency's latest advisory.