



Uncovering the links between labour trafficking and economic crimes

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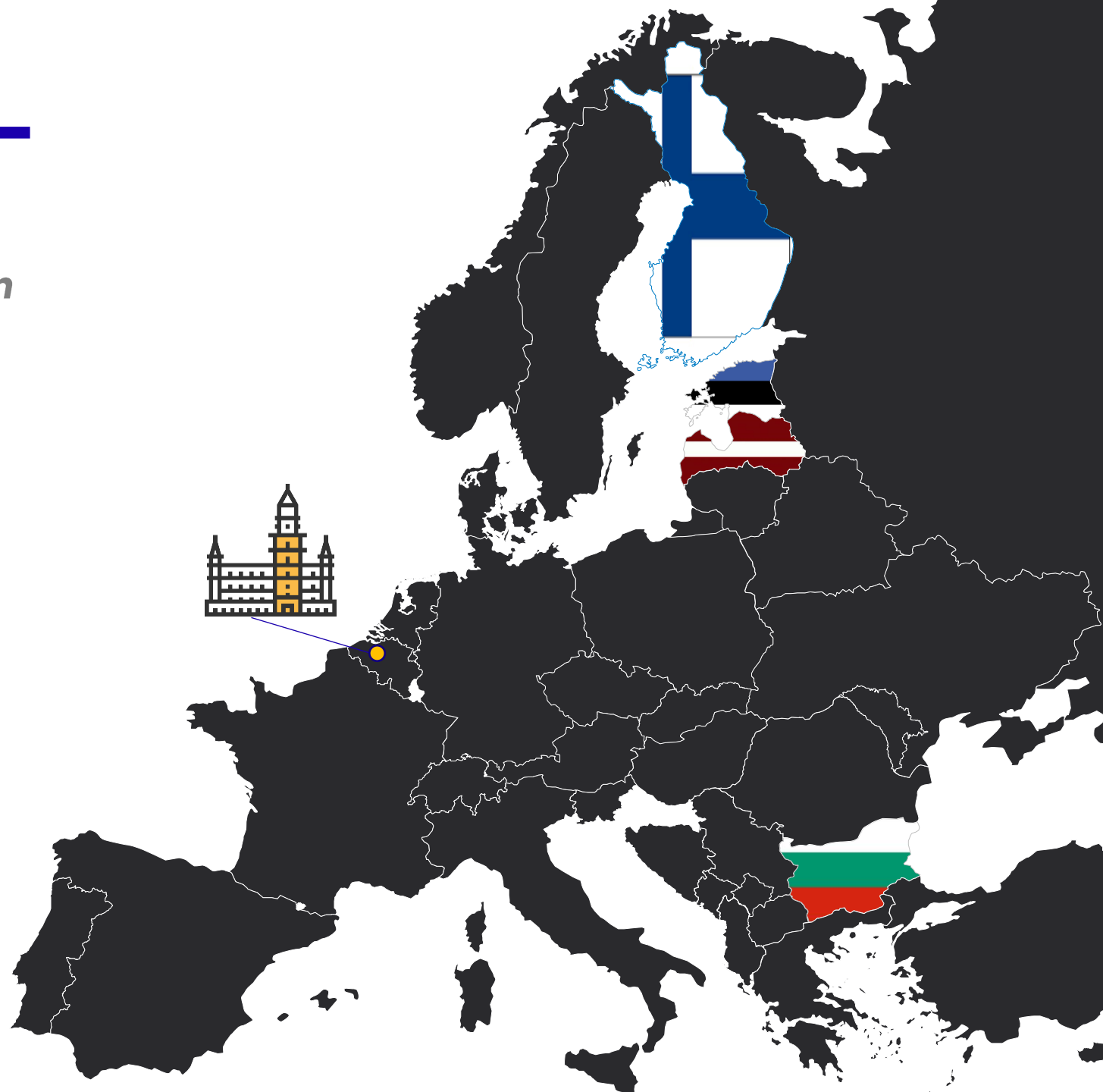


FLOW project (2018-2020)

"Flows of illicit funds and victims of human trafficking: uncovering the complexities"

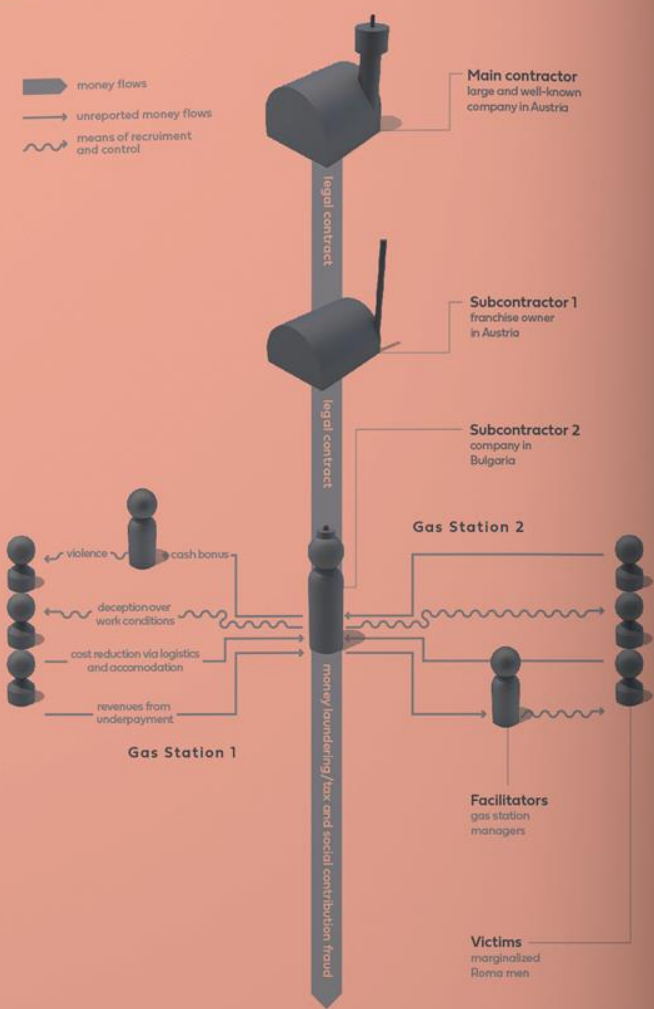
- EU-ISFP-funded, focus on links between labour exploitation and financial crimes
- Finland, Estonia, Latvia, Bulgaria + study trip to Brussels

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Shady business

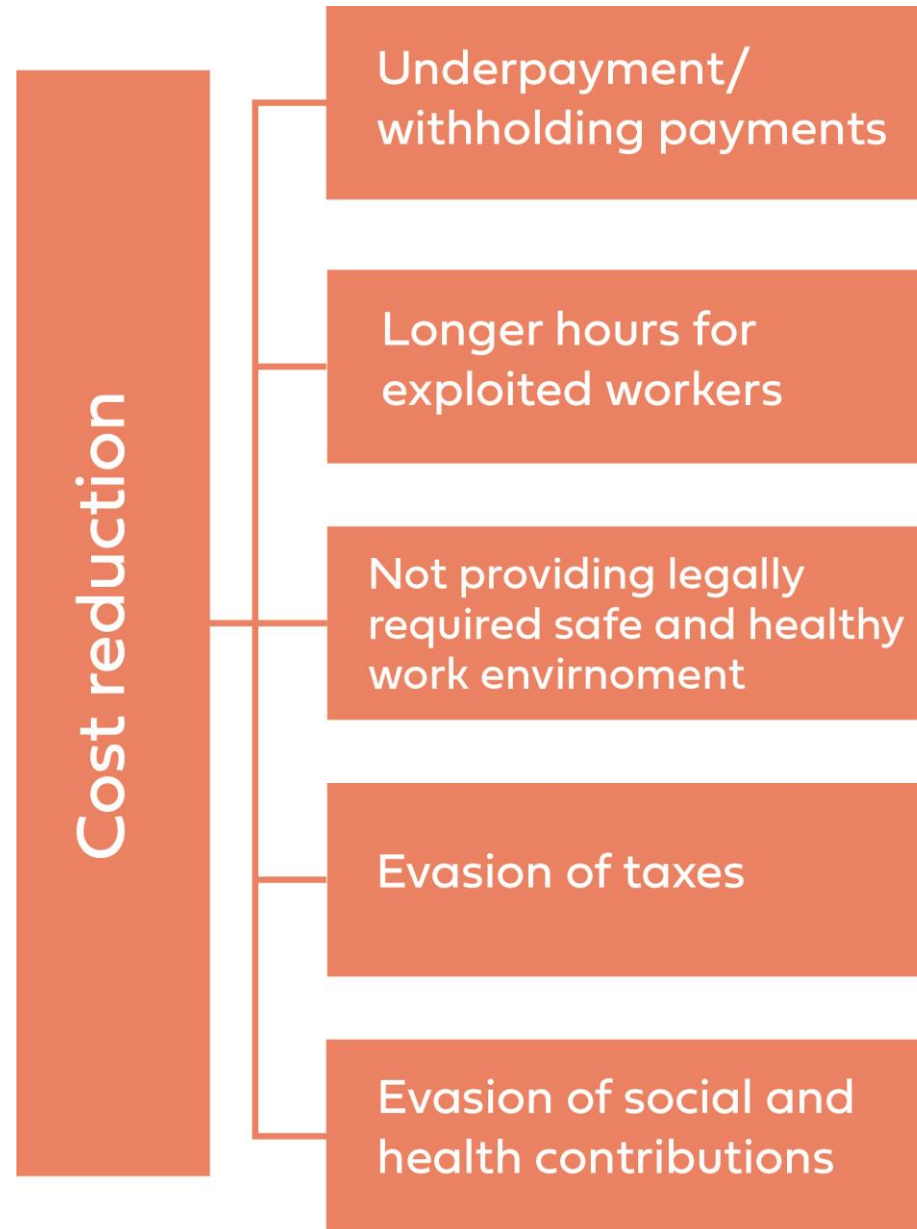


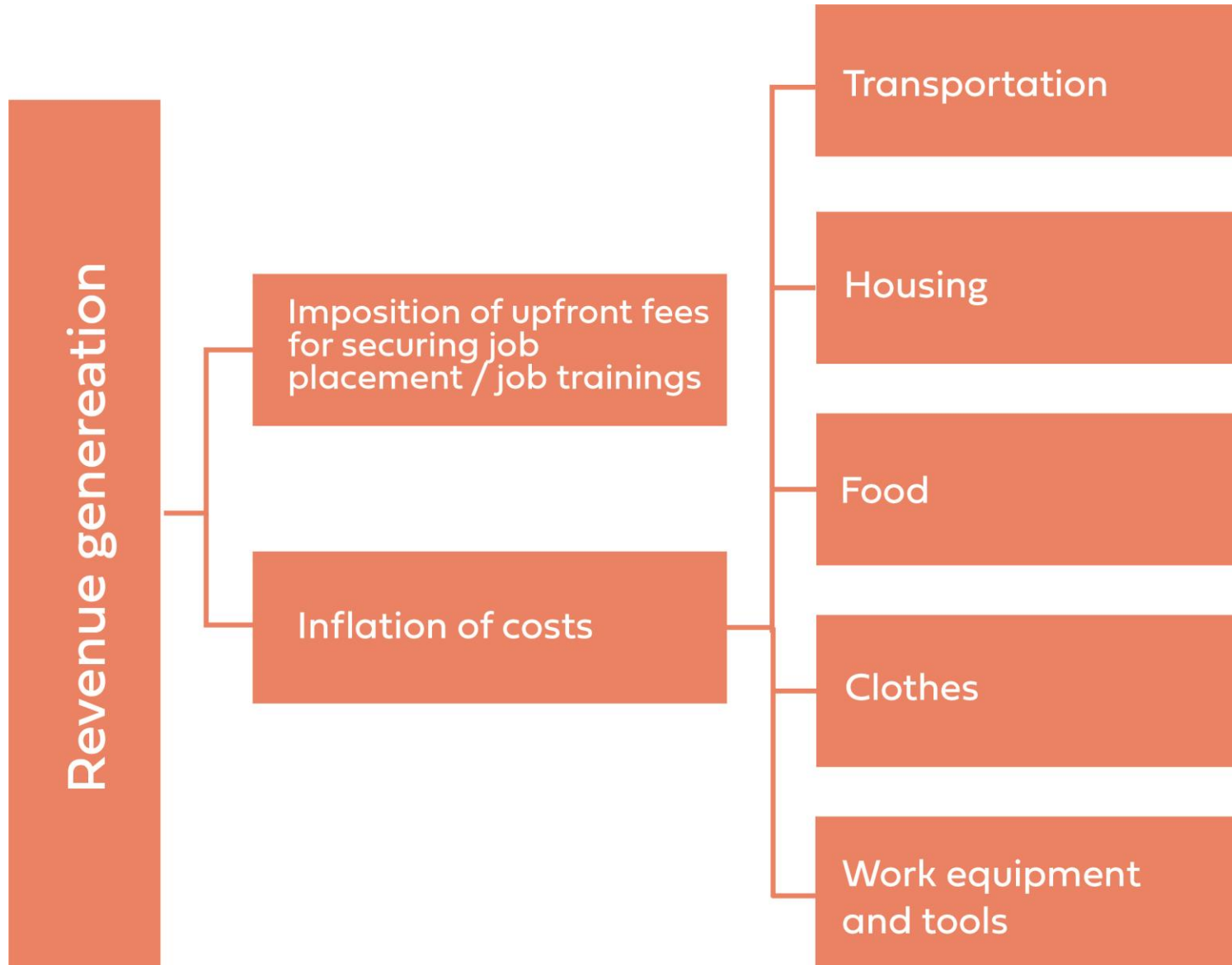
Crimes related to labour exploitation

Based on our findings from Bulgaria, Estonia, Finland and Latvia, several types of related economic crimes and other offences are commonly committed in connection with labour trafficking and labour exploitation.

In many instances, only some of the related crimes and/or violations of the labour law are identified by authorities, and relevant cases might never be investigated and/or qualified as trafficking. Investigation of such cases is often very labour intense and requires specialised expertise in labour crimes, economic crimes as well as human trafficking and use of interpreters.

Economic crime	Document offenses	Benefit fraud	Tax, social and health-care dues evasion
Money laundering	Online card fraud	Bribery	Extortion
Labour law violations	Work safety violations	Fraud	Charging illegal recruitment fees





Structural issue

- Labour exploitation is a low-risk, high gain form of corporate crime motivated by profit-making
- Legal structures are used to hide grey and illegal activities & illicit flows, e.g.
 - Cascade subcontracting
 - Posting of workers
 - Bogus self-employment
 - Use of fronts & straw mem
- Links to economic crimes and shadow economy are evident





Uncovering labour trafficking

Investigation tool for law enforcement and checklist for labour inspectors

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Checklist 1. Identification of labour exploitation for labour inspectors and other authorities

Labour inspectors are uniquely placed to identify features of human trafficking or labour exploitation in the course of their inspections. In addition, tax, fire, health, food safety and other inspection authorities are also in a position where they can uncover potential cases. An informed inspector may notice details which individually are not incriminating but when taken together may lead to a suspicion of criminal activity. Details that may be noted in a labour inspection include the following:

- The employer forbids the inspector from talking to the employees
- The employer answers all questions on behalf of the employees
- An employee is unwilling to answer any questions and tells the inspector to ask the employer
- When an employee is asked for an ID, it turns out that it is in the employer's possession and/or the employer brings it out for the inspector to see
- An employee is unable to say how much he/she is paid
- An employee reports, when asked, that he/she has paid to get the job
- The payslips indicate that the wages of all workers are paid into the same bank account
- The work contracts are in a language that the worker does not understand
- There are many persons in the workplace whose shift has already ended according to the shift roster or who should be on a day off
- An official shift roster is displayed at the workplace, but there is a roster of actual working hours in another room (e.g. a roster for chefs in the restaurant kitchen)
- Employees are required to work without adequate protective equipment, or the working conditions are substandard
- It looks like people are being accommodated at the workplace, e.g. there is a bed/mattress, a suitcase and/or many personal items in a storeroom or a similar room
- An employee lives with the employer
- Employees show signs of abuse or malnutrition and/or other symptoms
- An employee reports that he/she has no days off or no holidays
- An employee reports that he/she works overly long days or that there are problems with wage payments
- At a farm or other location where workers are provided with accommodation near the workplace, the living conditions are substandard
- Employees do not have the required work permit, rendering them vulnerable to abuse
- An employee does not know where in Finland he/she is living and working
- An employee reports that transport provided by the employer is the only way to get to/from work
- There are discrepancies between the details submitted by the employer to the income register and the payroll accounting

Economic crime approach

- Law enforcement tends to prioritize the investigation of economic crimes at the expense of crimes against individuals → both aspects must be considered!
- The proceeds of crime and their confiscation facilitates also victims' access to justice.
- Business bans also useful.



Financial investigation

- Financial investigation techniques help find evidence of THB → tracking financial transactions and assets of both the suspects and the victims can reveal e.g.
 - Transfers or deposits by offenders to victims' accounts, and further transfers to abroad or into other assets
 - Evidence of kickbacks where victims pay back their wages
 - Victims' bank accounts show no payments for living cost expenses etc.





Project publications

- All materials are available on our website www.heuni.fi in five languages
 - [Shady business](#)
 - [Investigation tool and checklists](#)
 - [Business Toolkit](#)
 - [Normative Framework and examples of contractual clauses](#)
- Easy to read [policy briefs](#) in seven languages



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