

Human Trafficking and Sexual Servitude: Organised Crime's Involvement in Australia

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ABSTRACT

This study examined the context of organised crime groups that traffic in people for the Australian sex industry. It is a qualitative study of twenty-one cases of human trafficking. The study found that criminal networks preyed on vulnerable females from countries such as Thailand, South Korea, and China. Victims were deceptively recruited with the cost of their travel to Australia held against them as a highly inflated debt. As a result, they find themselves forced into sex work to repay the debt. This study examined the attributes of the organised crime syndicates involved in the people trafficking and discussed the context in which they operate in Australia. The study used the Sleipnir framework to analyse organised crime groups and it is recommended that the Sleipnir model is integrated into future law enforcement activities in respect of human trafficking. The introduction of a standardised data and statistical collection tool in respect of human trafficking would provide law enforcement and intelligence agencies with a conceptual framework and a greater comprehensive description of human trafficking.

Keywords: organised crime, sex trafficking, human trafficking, people trafficking, Sleipnir model

INTRODUCTION

To date, there has been limited primary research that has directly addressed the extent to which organised criminal groups are involved in human trafficking in Australia (David, 2012). The majority of Australian information is from parliamentary and government reports. A Parliamentary Joint Committee on the Australian Crime Commission (2005) noted that it was particularly interested in the extent of any relationship between trafficking in women and established criminal networks. At that time, the Parliamentary Joint Committee concluded that there appeared to be no strong involvement of organised crime in Australian sex trafficking. Part of the reason the knowledge gap in Australia exists is due to

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the lack of understanding about the context of organised crime groups involvement in this form of people trafficking.

Much of the literature struggles with the concept of organised crime, both in terms of the regulatory frameworks and also in respect of identifiable attributes. This study set-out to investigate what the Australian context for organised crime's involvement in sexually orientated human trafficking. Secondly, the study explored the usefulness of the Sleipnir model for analysing organised crime groups involvement in sex trafficking. The Sleipnir model was developed by the Royal Canadian Mounted Police in 1999 as an intelligence model that factors in the characteristics of organised crime (RCMP, 2010).

LITERATURE REVIEW

What is Organised Crime?

Part of the problem in determining the involvement of organised crime in human trafficking is agreeing on what constitutes *organised crime*. The common misconception is that transnational organised crime traffickers operate in large syndicates (Raymond, 2001). But, as is seen in the United Nations' (UN) definition of organised crime, a large syndicate is not necessarily required and the involvement of a group of three persons can be considered an organised crime group. This is supported by the International Organisation for Migration (IOM) that has identified three different types of networks: large scale (contacts in both countries of origin and destination), medium scale (specialising in trafficking from one specific country) and small-scale networks (which traffic one or two women at a time) (Segrave et al., 2009).

For the purpose of this study, the United Nations definition of organised crime was used as a base-line to determine if a group of people met the criteria of organised crime. This is provided for in the *United Nations' Convention Against Transnational Organized Crime* (UNCTOC) (United Nations, 2000), as being:

...a structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit (United Nations, 2000: 5).

One concept that arises from this definition is that of a *structured group*. The UNCTOC defines a structured group as one that is not randomly formed for the

immediate commission of an offence and that does not need to have formally defined roles for its members, continuity of its membership or a developed structure. It can be seen from the spirit of this definition that the United Nations determined that for a group to be structured there must be some form of planning and tacit agreement amongst the group members to commit an offence and it was not a spur of the moment decision. Other than that, there does not need to be any formal agreement of defined roles or structure within the group, leaving it open to the conclusion that in terms of “structure” of an organised criminal group; the only prerequisite is a group of three or more people who have a tacit agreement to commit a serious crime.

Framework for Understanding Organised Crime

Although a baseline organised crime definition was applied, there was still a need to apply a framework to understand the context of “organised.” A framework for organised crime as a descriptor is based on the nature of the groups and their approaches to crime rather than their activities or enterprises (Morrison, 2002). Morrison (2002) highlighted that there is a need to deal with organised crime from both an operational and a policy perspective. At the local, operational level, it may be expedient to use a simple list of shared characteristics such as in the United Nations definition as a baseline to determine whether a group is engaging or not in organised crime. However, Morrison (2002) indicated that this type of definition is not adequate in the broader debate about the nature of organised crime and it is unlikely that it can stand the test of time. Morrison (2002) also concluded that a framework of organised crime was necessary for a definition of organised crime, one which included the different sets of initiating circumstances, the range of characteristics, and actions of organised crime groups, and perhaps most important of all, the various impacts experienced by communities, such as local crime. Morrison (2002) supported a framework that broke organised crime down into its constituent parts.

Other scholars, such as Finckenauer (2005), propose a framework that began by looking at elements of organised crime. Mann and Ayling (2012) explored the concept of organised crime based on a historical survey of important crime models. Early theorists of organised crime examined the phenomenon through a lens of hierarchical structures and power relations within criminal syndicates and members’ families (Mann & Ayling, 2012). Organised criminality then shifted through a business enterprise approach with a focus on illicit markets.

Since the year 2000, models of organised crime have been presented as networks and transnational in nature (Mann & Ayling, 2012).

Long Matrix for Organised Crime

Law enforcement agencies have tackled the practical problem of determining what constitutes organised crime in a way that is more robust than the general legislative definitions, such as that of the UN definition. In 1999 the Royal Canadian Mounted Police (RCMP) developed an intelligence model that factored the characteristics of organised crime. To assess indicators of organised crime activity and to provide an ability to understand the context of organised crime involvement in any given case, the RCMP developed the Long Matrix for Organised Crime (RCMP, 2010) known as Sleipnir. The Long Matrix for Organised Crime uses a set of twelve attributes that break-down the phenomenon into the most important shared, observable qualities. The attributes of organised crime in rank order are listed in table 1.

Each of these attributes is measurable and weighted, therefore providing a description about the nature of the organised crime group under examination. The purpose of the Sleipnir method is to rank the attributes crime groups “threat profile” (Prunckun, 2015: 290–291). The weights and associated definitions for each attribute reflect consensus achieved using the Delphi Method (Strang, 2005). The Sleipnir technique has been accepted and used in Australia, and also in countries such as Belgium. The method moves from description to explanation (Black & Vander Beken, 2001). The Sleipnir model has been described by Zoutendijk (2010) as being scientifically solid approach when compared to other organised crime assessment methods. This is because the manner in which the instrument was developed. The Sleipnir model was chosen as the framework to analyse the context of organised crime in sex trafficking for this study.

Human Trafficking in Australia

The elements of what constitutes human trafficking is defined in the *Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime* (Trafficking in Persons Protocol) (United Nations, 2000). Article 3 of the Trafficking in Persons Protocol defines trafficking as occurring when a person intentionally recruits, transfers, harbours or receives another person, through threat or use of force or some form of deception, fraud, violence or coercion for the purpose of exploitation. It further defines exploitation to

include conduct that is so severe and harmful that it is proper to describe it as, for example, slavery, forced labour and sexual exploitation.

In 2003, the Australian Federal Police established the Transnational Sexual Exploitation and Trafficking Teams (UNODC, 2009), which in May of 2011 were renamed Human Trafficking Teams to better reflect the crime type. In 2005, criminal offences reflective of slavery, trafficking of persons, sexual servitude and debt bondage were enacted in the *Commonwealth Criminal Code 1995*.¹ These offences cover all the forms of trafficking in persons listed as a minimum requirement in article 3 of the UN Trafficking Protocol (UNODC, 2009).

In determining the level of organised crime in human trafficking there are no definitive studies relevant to Australia. What is known is that most trafficking is national or regional and carried out by people whose nationality is the same as their victims; and that victims from Asia are trafficked to the widest range of destinations (UNODC, 2009). Australia is a primary destination for those victims from Asia (United States Department of State, 2009).

The *Trafficking in Persons Report* (Attorney General's Department, 2010) describes cases of people trafficking for sexual exploitation as largely involving “small crime groups,” rather than “large” organised crime groups. Furthermore, these crime groups use family or business contacts overseas to facilitate recruitment, movement and visa fraud. The report further adds that people trafficking generally involves other crime types, including immigration fraud, identity fraud, document fraud and money laundering; and it further describes the offenders as sophisticated. In respect of the level of trafficking in persons to Australia, the number of persons trafficked into the country is unknown. Australia is primarily a destination country for trafficked women, most of who come from Thailand, South Korea, and to a lesser extent mainland China (UNODC, 2009; Parliament of Victoria, 2010). The U.S. TIP Report adds that most women trafficked into Australia end-up working in the sex industry in the major cities (United States Department of State, 2009). Most prosecutions of sexual servitude and trafficking in persons in Australia have occurred in New South Wales and Victoria, with two cases in Queensland and one in the Australian Capital Territory. This may be due to the population concentration along the east coast, and the size of the local sex industries; however, it is possible that human trafficking occurs in other parts of Australia, albeit on a smaller scale, which makes it more difficult to detect (Parliament of Victoria, 2010).

1.	Corruption (weighting 100)	The corruption of public officials through the practices of illicit influence, exploitation of weakness and blackmail. Also, the ability to place organised criminals or their associates into sensitive positions.
2.	Violence (weighting 70)	The use of violence, and intimidation through explicit or implicit threats of violence, against targets outside the group to further any organisational objective.
3.	Infiltration (weighting 55)	The efforts to gain a foothold within legitimate private organisations and businesses to further criminal activities. This control or influence may be used for: money laundering, establishing pretence of propriety, facilitating, protecting and concealing criminal enterprises, and/or for intelligence gathering.
4.	Money Laundering (weighting 43)	The process of legitimising cash or other assets obtained through illegal activities. Effective money laundering conceals the criminal origins and ownership of the funds, creates a legitimate explanation for the proceeds of crime and creates wealth over time.
5.	Collaboration (weighting 32)	The extent of collaborative links between this and other organised crime groups.
6.	Insulation (weighting 29)	The efforts to protect the main figures in the group from prosecution through the use of: subordinates, fronts, corruption and/or other means.
7.	Monopoly (weighting 29)	Control over one or more specific criminal activities within a geographic area of operations, with no tolerance for competition. This does not prevent partnerships of profitable convenience between or among organisations. Violence, intimidation and/or informing on competitors are common methods used to establish or maintain monopoly.
8.	Scope (weighting 27)	The geographic sphere of operations and influence of the organised crime group.
9.	Intelligence Use (weighting 25)	The intelligence/counter-intelligence and counter-surveillance capabilities of organised criminals. Used to defend themselves against law enforcement and rival groups, and to identify new targets.
10.	Diversification (weighting 24)	The extent to which the illicit activities of the group are diversified.
11.	Discipline (weighting 21)	The practice of coercing obedience to hold the organisation together. This includes the use of violence, intimidation and other sanctions or forms of coercion on group members and associates.
12.	Cohesion (weighting 20)	Strong bonds are fostered at both individual to individual, and individual to organisation levels to create criminal solidarity and common protection. The bonds can be created through such factors as common backgrounds, blood relationships, financial relationships, length of association and geographic origins. They can be instituted through rites of initiation and required criminal acts of loyalty.
13.	Victimisation (not weighted)	The infliction of harm, injury, economic loss or substantial impairment of rights on an individual, group or business in order to undertake or further criminal activities.

Table 1—Sleipnir Organised Crime Attributes

Although over 346 investigations of human trafficking have been undertaken in Australia at the time of this study, with 34 charges being laid, many experts consider that there is insufficient knowledge to confidently make a claim about the involvement of organised crime groups in sex trafficking in Australia (Schloenhardt, 2008). The *Inquiry into People Trafficking for Sex Work in Victoria* received suggestions from several individuals and organisations that organised crime networks were rife in the sex industry in Australia; however, there was little evidence supplied to support or negate such a proposition (Parliament of Victoria, 2010).

Links between Organised Crime and Human Trafficking

While there is an assumption that international organised crime groups are involved in human trafficking, this assumption is not well tested (Aronowitz, Theuermann, & Tyurykanova, 2010; David, 2012). Schauer and Wheaton (2006) attempted to bring together the literature available on the subject of sex trafficking women into the United States and found that although a small body of literature existed, it did not display a disciplinary concentration or orientation. Shelley (2010) asserted that most studies provide little comparative analysis, and few have paid much attention to the role of organised crime in human trafficking, the economics of human trafficking, and the money laundering of the traffickers. One complicating factor in considering the level of organised crime involvement in human trafficking is the evolution and diversity of understanding concepts about organised crime (David, 2012; von Lampe, 2011).

Segrave et al. (2009) pointed-out that there is remarkably little in either research or more general literature of traffickers; what we do know is that certain actors may or may not be part of organised criminal networks and that most traffickers were male. However, internationally, the crimes of human trafficking are recognised to be diverse and to vary in scale and sophistication, with offenders being identified as either highly organised criminal groups, loosely connected networks, individuals, or family and friends of the victim (UNODC, 2010). In support of this Aronowitz et al. (2010) also identified that trafficking offenders differ from one case to the next and range from soloist or individual traffickers, to loose networks of organised criminals, to highly-structured international trafficking networks.

Overall, the subject literature identified that there is diversity in the organisation of trafficking offending (David, 2012; Aronowitz, 2009). In their

analysis of the business model of trafficking, Aronowitz et al. (2010) observed that trafficking operations can fall into a continuum ranging from individual traffickers through to highly-structured international trafficking networks. There are trafficking syndicates that are characterised by small groups of organised criminals who may be involved in domestic trafficking or small-scale international trafficking. These criminal networks are highly flexible and may be comprised of family members or friends. Smaller networks will not be characterised by specialisation due to the limited number of members who may be required to fulfil various roles.

Another level of organisation involves middle-sized, more sophisticated groups which are involved in the provision of victims for sex markets in foreign countries (Aronowitz et al., 2010). They sell their victims to brothel owners in the destination country and may organise the rotation of victims between cities and countries. There is limited specialisation and these criminal syndicates are less sophisticated than the highly-structured criminal organisations.

At the highest end of the continuum are highly-structured organisations that control the entire trafficking process from recruitment and transportation through exploitation and victim disposal. These groups provide the full set of services throughout the entire trafficking chain, which may also include such things as document forgery, safe houses and maintaining relationships with corrupt government officials. These criminal enterprises are characterized as horizontal and decentralised. Their flexibility allows for a rapid response to law enforcement activity and legislative changes and the ability to adapt to fluctuating supply and demand markets. Because these organisations operate internationally, members of the group may be in origin, transit, or destination countries (Aronowitz et al., 2010).

David (2012) reviewed the literature and concluded that the organisation level of criminality is diverse and varied. Surtees (2008) found that in South-Eastern Europe, much human trafficking is by organised criminal groups, which contrasts with regions such as South-East Asia where trafficking is often informal and managed through personal connections. Nevertheless, in South-Eastern Europe, trafficking networks have well-defined organisational structures and operate in several territories and markets.

DiNicola (2000) also found that European organised crime groups who trafficked persons very rarely dedicated themselves to that activity exclusively and

would shift from one illicit activity to another. Webb and Burrows (2009) found that complex hierarchical trafficking structures are rare with most operations relying on links between independent cells or brokers, and family and other social contacts were pivotal to the trafficking process. Hodge and Lietz (2007) also found variations in structure of organised crime groups with some becoming vertically integrated and engaged in the recruitment, transportation and pimping of women, whilst others were decentralised and specialised in a particular area of the trafficking process.

Hughes (2000) argued that whilst causal factors, such as poverty and war, create an environment conducive to human trafficking, the most critical element is criminal networks. Criminal organisations have an interest in manipulating the push and pull factors that are conducive to the recruitment and trafficking of women (Monzini, 2004; Zhao, 2003). Crime groups, particularly traffickers, have also seized the opportunities created by the global economy (Shelley, 2010). Graycar (2002) also analysed the methods by which human trafficking is carried out and identified a range of approaches that included either small groups of organised criminals, or international trafficking networks. Schauer and Wheaton (2006) assert that organised criminals are involved in human trafficking as it is more lucrative than drug trafficking and the criminals take advantage of the state of imbalance of two markets. Increased consumer demand makes way for organised crime as organised criminals are set-up for making a profit by catering to demand for illegal goods and services (Schloenhardt, 1999; Hughes, 2003).

An Australian Government report (Australian Government, 2009) identified that groups detected in sex trafficking in Australia have been small rather than large organised crime groups. The groups tended to use family or business contacts overseas to facilitate recruitment, movement and visa fraud. The report went on to highlight that groups involved in human trafficking in Australia do not appear to have the same high levels of organisation and sophistication as drug traffickers. Research by David (2008) found that while the groups involved in trafficking in persons to Australia clearly have a level of organisation, they are not at the 'high end' of major organised crime.

In 2013, Simmons et al., released analysis of nine trafficking schemes involving fifteen offenders who have been convicted of human trafficking and slavery offences in Australia. It was the first analysis of offenders convicted in Australia. Of interest is that over half of the fifteen offenders were women and that of the female offenders in Australia they all played diverse roles; some were

recognised as leaders. It was also found that of the offenders analysed, most of the offending occurred in brothels.

Simmons et al. (2013) found that the offenders did not match stereotypes about highly organised criminals. In the nine trafficking schemes analysed, the offenders shared similar backgrounds to their victims and in some cases, also a history of prior victimisation. However, all the nine Australian schemes involved varying levels of sustained planning and coordinated activity over time. Most of the schemes involved multiple victims who were exploited over some months or longer and all made profits. Simmons et al. (2013) found that the description of Schloenhardt et al. (2009) of involving small, yet sophisticated organised crime networks applied to some, but not all the cases. The nine cases were found to be consistent with international literature in that the Australian schemes varied from an offender who operated in relative isolation to more organised schemes involving offenders with offshore facilitators who were paid for various services from recruiting to arranging visas and travel (Simmons et al., 2013).

The overall findings of the Simmons et al. (2013) study is that the reported cases of offending in Australia do not match common assumptions about high-end organised crime and found that the groups were relatively small, with many using family or business contacts to facilitate recruitment, movement and visa fraud.

METHODOLOGY

The population group in relation to this study consisted of 346 Australian Federal Police investigations that were undertaken by the AFP Human Trafficking Teams between 25 November 2003 and 29 October 2013. Many of the investigations in the population refer to forced labour, slavery and migration related offences, which when content analysis was applied reduced the population of cases down to 114 investigations that related to sexual servitude. These 114 investigations became the population of cases that the researcher could access to examine and analyse as part of this research.

All one-hundred and fourteen (n=114) investigations pertaining to trafficking for sexual exploitation or the peripheral offences of sexual servitude or debt bondage were analysed for content. A sample size of 21 cases (investigations) that contained extensive sources of evidence in which a comprehensive examination of each document contained within could then take place. Each of the 21 cases selected were ones in which a full and comprehensive

investigation was undertaken by the Australian Federal Police. This equates to 18% of the population frame.

A case study method of research was applied to each investigation. A case study method is a detailed examination of an event or incident (the case) to identify data from all available sources pertaining to that case. In this instance the case was a single human trafficking investigation. The first phase of analysis was content analysis of each document within each case. This consisted of identifying concepts and themes that were consistent with the Long Matrix of Organised Crime. The use of the Long Matrix of Organised Crime allowed for a combination of predetermined codes and emerging codes and could be described as a qualitative codebook.

The second phase of analysis was to undertake axial coding to identify emerging themes and relationships that occurred between the individual cases/investigations. The purpose of this was to refine a set of generalisations, or more precisely, identify interrelationships and correlations across the cases.

The third phase of analysis was selective coding which was undertaken to explore core categories at a higher level of abstraction. This method of inductive analysis was used to generate theory in respect of the context of organised crime involvement in sex trafficking in Australia.

FINDINGS

Each case study was analysed to identify indicators of organised crime attributes as described in the Sleipnir framework. Each attribute under Sleipnir was given a weighting which is an indication of the capacity and capability of each criminal enterprise and the threat that each organised crime group poses to society. Table 2 provides a comparison of the attributes of each criminal syndicate forming the sample. In respect of the twenty-one case studies analysed in this sample there were two cases (Operation Bluestone and Operation Cryolite) where the group was not considered an organised crime group/syndicate as the number of persons involved did not meet the definition for organised crime as outlined by the *UNCTOC*. The comparison of attributes across the case studies using the Sleipnir weightings was useful in identifying common attributes of organised criminality, as well as the level they are observable. This provided further clarity in respect of understanding the context of organised crime involvement in sex trafficking in Australia.

Application of the overall weightings indicated that of the nineteen case studies that involve an organised crime syndicate, their extent of organisation varied widely. However, the application of Sleipnir in assessing levels of attributes was useful in determining the context of organisation of each criminal syndicate. It was observable that in a general sense, violence, insulation and scope of operation were the most common attributes across all syndicates. However, as individual case studies, it was clear that the criminal syndicates observed in Operations Raspberry, Myrtle, Prussian, Alizarin, Cornsilk, Kitrino and Mavro were the more highly organised as they had observable attributes that were more heavily weighted, indicating an increased capacity and capability of organised criminality.

The highest weighted attribute for an organised crime syndicate was that of 'corruption'. The findings from this study were that there were very few instances of observable corrupt activity from the criminal syndicates that were studied. Despite this, what is evident is that those syndicates that had observable attributes of corruption were ranked higher, as a threat, than those that did not. For example, the criminal syndicate from Operation Raspberry was assessed as having high levels of corrupt activity, violence, infiltration and money laundering; the four highest Sleipnir weightings, which ranked this syndicate as the highest threat to society due to their capability and capacity to be organised.

The second most weighted attribute of organised crime, 'violence', was observable across all twenty-one case studies to varying degrees, indicating the nature of human trafficking, sexual servitude and debt bondage as a criminal enterprise was intertwined with violent behaviour committed by the criminal syndicates. Scope of operation was also an attribute that featured in each case study. Similarly, attributes of 'insulation' were observable across all cases, indicating that criminal syndicates employ some efforts to defend themselves from law-enforcement.

Sleipnir Attributes																
Organised Crime Syndicates	Australian Federal Police Operation Name	Corruption	Violence	Infiltration	Money Laundering	Collaboration	Insulation	Monopoly	Scope	Intelligence Use	Diversification	Discipline	Cohesion	Victimisation	Sleipnir Score	Overall Ranking
	Burlywood	N	M	M	M	M	M	M	H	N	H	N	H	H	200	10
	BK & AM	N	H	N	N	N	N	N	M	N	H	N	H	H	138	16
	Bole	N	M	N	N	H	N	M	L	N	H	N	N	M	127	19
	Bluestone	N	H	H	M	M	M	N	M	N	M	N	N	M	203	9
	Bistre	M	M	L	M	N	L	L	M	L	H	N	H	M	196	11
	Blush	N	M	N	M	M	M	N	M	N	M	M	N	H	123	20
	Cerulean	N	H	N	M	M	M	M	H	N	N	N	N	H	164	14
	Cornsilk	H	H	M	M	M	M	M	M	N	H	N	H	H	322	3
	Cryoltie	N	H	N	N	M	M	L	M	N	M	N	N	M	133	17
	Ekala	N	H	N	M	N	M	M	H	N	H	H	N	H	193	12
	Maroon	N	H	M	N	N	M	M	H	L	M	N	H	H	192	13
	Alizarin	N	H	M	H	H	H	M	H	L	H	M	H	H	294	5
	Kitrino	H	H	M	M	L	M	M	M	N	N	N	H	H	290	6
	Myrtle	H	H	M	H	M	M	M	H	N	M	M	H	H	356	2
	Silversky	N	M	N	M	M	M	M	M	L	L	N	H	M	147	15
	Mavro	N	H	H	N	M	M	M	H	N	H	N	H	H	241	7
	Pastel	N	M	H	N	N	L	N	H	N	L	N	N	H	130	18
	Prussian	H	H	H	N	H	M	N	M	M	M	N	N	H	310	4
	Raspberry	H	H	H	H	M	M	H	H	N	M	M	H	H	398	1
Seaboard	N	H	M	M	N	M	M	M	N	H	N	H	H	206	8	
Veleta	N	M	N	N	N	M	L	M	N	N	N	M	H	80	21	

H – High

M - Medium

L - Low

N - Nil

Table 2—Comparison Criminal Syndicate Attributes

Of the remaining attributes of organised crime, there were always some crime syndicates which did not show indicators of these yet showed indicators of other attributes. What this revealed was that the crime syndicates studied predominantly rely on violence, threats and intimidation to progress their criminal enterprises, while they employed some methods to insulate themselves from detection and prosecution. Apart from this, the remaining attributes varied across the different syndicates and highlight that their methods of operation varied from case to case.

THE CONTEXT OF ORGANISED CRIME INVOLVEMENT IN SEX TRAFFICKING IN AUSTRALIA

Scope of Operations

Of the twenty-one cases in this study, all but two identified that the origin of victims was from Asia. This is an important factor when considering the context of organised crime. The context of organised crime involvement in sex trafficking in Australia reveals that to enable the identification of victims for recruitment, the syndicate must have members, associates, or at the least, links into other countries. In the more highly organised crime syndicates in this study, such as those observed in Operation Burlywood, Operation Raspberry and Operation Alizarin there were observable links to syndicate members across several countries at the same time. The findings of this study are consistent with government reports; for example, the Australian Institute of Criminology trafficking in person monitoring report 2009–2011 (AIC, 2012) identified that a considerable proportion of known trafficking victims in Australia originated from Asia and the majority were trafficked for the purpose of sexual exploitation.

This study found that the recruitment of victims in the source country mainly occurred by nationals of that country. It was evident that all aspects of the trafficking process were controlled or overseen by the one syndicate. The data indicated that the recruiters, financiers, facilitators and exploiters were all working for the syndicate with a common purpose.

It was found that the crime groups involved in Operation Burlywood, Operation Cornsilk, Operation Ekala, Operation Alizarin, Operation Kitrino, Operation Maroon, Operation Mavro and Operation Raspberry were responsible for all aspects of the trafficking process. Even with the low and mid-level organised crime syndicates observed in this study, where it could be identified that a “broker” was involved in the recruitment and facilitation of transport of the victims, the data indicates that the individual broker was still part of the criminal syndicate and recruited victims on behalf of the syndicate.

There were no data that indicated that recruiters or brokers in countries outside of Australia were acting autonomously, as their own enterprise, and dealing with several organised crime syndicates at any given time. This finding is contrary to some reports, such as the Australian Institute of Criminology report, which describe that recruiters sell victims on to organised crime groups and that “...this would indicate that there are few instances of organised crime groups

dominating the entire process of recruitment, transport and exploitation” (AIC, 2012: 30). This is an important finding, as it indicates that the identification of victims, recruitment, transport and subsequent exploitation are all undertaken by members or closely linked associates of the one criminal network and not by specialised groups undertaking discrete portions of the process, as described by the AIC report (2012).

Violence

The level of violence used or threatened by the syndicates is another important element when considering the context of organised crime involvement in sex trafficking in Australia. Violence is weighted heavily in the Sleipnir model as a key indicator of organised crime activity, particularly when the type of violence displayed is used as an offensive tactic and an integral part of the syndicates' strategy to be applied in a premeditated manner; as opposed to whether the violence or intimidation is used as a defensive tactic only.

The cases analysed in this study indicated that violence, threats and intimidation were consistently used by the crime syndicates as an offensive tactic, sometimes with long term strategic aims involved, other times as a more short-term measure. The predominant purpose for the use of violence by the criminal syndicates was to ensure compliance and obedience by victims to the syndicates' demands. Violence was used to ensure exploitive conditions were maintained. This is consistent with numerous government reports and other studies. For example, the Parliament of Victoria (2010) inquiry into people trafficking for sex work found consistently there was a 'breaking-in' stage when women first arrived in Australia, which included removal of passports, being locked in rooms, escorted to and from the brothel to the place of accommodation, general isolation, and not being provided money.

In this study, violence was never perpetrated against a victim during the recruitment phase; it was only when the victims arrived in Australia that the violence began. These findings reinforce previous research and government reports that violence against the victims is a key method of trafficking syndicates, particularly during the exploitation phase.

Corruption

This study highlights that trafficking for the purposes of sexual servitude in Australia is not overly reliant on the corruption of public officials and can survive

as a criminal business enterprise regardless. In this study there was little evidence of corrupt activities forming part of the organised crime syndicates' methods. Evidence of corruption was identified in Operation Myrtle, Operation Raspberry, Operation Cornsilk and Operation Prussian, all common in the context that the syndicate heads were known to be aware when compliance visits or search warrants were to be conducted at their brothels by regulatory agencies, allowing them to remove victims before it happened.

There was never any substantiated investigation undertaken that identified the source of corruption. This is an important distinction between human trafficking syndicates and traditional organised crime groups and relevant to law enforcement agencies to understand that corrupt activity is not necessarily a characteristic of human trafficking syndicates in Australia. This supports an Australian Crime Commission report (2015) that describes Australia as a relative corruption-free country in respect of public sector corruption. Where corruption has been observable in this study it is generally at lower levels and does not significantly impact on the ability for law enforcement agencies to disrupt these criminal networks.

Infiltration

Somewhat related and observable on a larger scale than corruption is the infiltration of the criminal syndicates into private businesses. It was observed that the crime syndicates would infiltrate legitimate businesses, in particular migration agents, medical practitioners, and language schools. The need for this was based on the regulatory environment that exists in respect of visa requirements and the health requirements of working in a licensed brothel. For example, the syndicate head in Operation Mavro owned an education facility and an onshore migration agency, both of which were used to facilitate the movement of victims into Australia and to comply with visa requirements.

In the same case study, the syndicate head employed a principal to run the language school and would provide women to him for sex. In Operation Prussian, for example, a Melbourne doctor would fraudulently provide medical certificates for victims working in the brothel for large payments of money from the syndicate. The most common link identified in the case studies was into private education facilities to fulfil TU-570 student visa requirements. It was common that the victims never attended the schools they were enrolled in as part of the process to

enter Australia, and therefore; the crime syndicates were often paying bribes or gratuities to maintain this charade.

The Australian Crime Commission (2013) did predict that infiltration into legitimate business by organised crime groups is a growing concern. In respect of human trafficking for sexual exploitation in Australia, and supported by the findings of this study, that prediction and concern is valid. Unlike Asia and Europe, Australia is somewhat difficult to enter illegally; however, it remains an attractive destination country for traffickers. Human trafficking syndicates need to exploit the regulatory environment that exists in Australia in respect of visa requirements and the health requirements of working in a licensed brothel.

This study identified future research opportunities in respect of the infiltration of organised crime into legitimate businesses. It would be beneficial to explore the connections and relationships between legitimate and illegitimate-irregular businesses in respect of how trafficking may be facilitated along or during the trafficking process, with a view to determining if trafficking syndicates with greater legitimate connections can survive longer and operate more successfully.

Money Laundering

There was significant evidence of money laundering with thirteen criminal syndicates observed to be laundering money, some with large money flows in-and-out of the country; and consistently the data indicated that the money was being sent back to the country of origin of the traffickers. There were only a few instances where it was identified that funds were spent on lavish lifestyles, particularly when those syndicate heads or brothel managers submit tax returns indicating modest salaries below A\$50,000. However, this was often contradicted by AUSTRAC and financial institution reports providing evidence of large amounts of money being transferred out of the country and to a lesser extent back into Australia. For example, the syndicate head in Operation Alizarin utilised associates and reverse money remitters to move between A\$100,000 and A\$200,000 on a weekly basis.

The movement of money observed in this study is consistent with various government reports and studies in respect to sex trafficking. Money laundering is an intrinsic enabler of serious and organised crime. Organised crime groups rely on it as a way of legitimising or hiding the proceeds of their criminal activities. The consistent theme identified in the current study is that large amounts of money

have been laundered overseas and that those criminal syndicates involved in sex trafficking in Australia were making significant financial profits.

In respect of laundering methods, it was clear that most of the trafficking syndicates used basic methods, predominantly through bank deposit transfers and international money remitters. There were only three cases, being Operation Alizarin, Operation Myrtle and Operation Raspberry that showed an indication of complex and high-level attributes of money laundering where the laundering process was outsourced to professionals. There is no existing research relative to Australia that explores the money laundering practices of human trafficking syndicates. This study found evidence of money laundering activity by the organised crime syndicates involved in sex trafficking.

Diversification

A key finding of this study was the contradiction of the assumption that organised trafficking syndicates may be linked to other forms of criminality. This study showed that although there were some isolated cases where the syndicates were involved in trafficking drugs, the primary focus of the syndicates was prostitution and the criminal offending observed predominantly surrounded the trafficking of persons for that purpose. This is consistent with Schloenhardt and Jolly (2013) who found there is no proven link between trafficking in persons and other forms of organised crime. Nonetheless, this should be viewed from possibly a uniquely Australian context, as more than 30% of organised crime groups active in Europe are considered poly-crime groups as they are involved in more than one crime area (Europol, 2013).

Victimisation

Victimology is an important consideration when analysing people trafficking cases. This attribute was developed by this study and included as an attribute of organised criminality because the crime of trafficking in persons is reliant on the criminal syndicate identifying and then recruiting a certain type of victim.

It has been observed through this study that most victims are from Asia, with two case studies involving victims of Russian and Indian origin. Origin of country is an important consideration as it was observed that the syndicates in this study particularly targeted victims due to some common features which all made the victims vulnerable to being exploited. Most of the victims were from low socio-economic backgrounds, whether it be from a region of a country, or just a

particularly poor family. Often women were working in massage parlours in their own country and were lured to Australia based on the promises of lucrative earnings for doing the same thing, only to find the conditions were not as described, they were then isolated, exploited and dependent on the trafficking syndicate for survival. Similarly, there were incidents observed where the promise of education and jobs were made which would earn the victims far more money than they could in their own countries.

The observations in this study were that these women were deceived in order to ensure their transport into Australia and upon arrival were placed into exploitive conditions of sexual servitude. Victim identification and recruitment was a significant element of the context of organised crime activity when it relates to sex trafficking in Australia.

Healey (2012) described that human trafficking is driven by supply and demand, and a lack of protection, poverty, a lack of access to employment and education, discrimination of minorities and cultural practices that are all factors that make persons vulnerable to being exploited. Healey (2012) described that due to these factors; vulnerable groups were more easily manipulated, tricked or forced by traffickers into exploitive situations. The observations in this study support the premise described by Healey (2012). The addition of analysing victimological factors provided for deeper understanding and analysis from an Australian perspective and it was evident that exploitive conditions imposed by trafficking syndicates work due to the background, origin, social standing, level of education and isolation of the victim. In the paradigm of human trafficking, victims are the essential element for any organised crime group to succeed.

By developing this additional characteristic and adding it to the Sleipnir model of organised crime group, allowed for deeper analysis of the victimological indicators. From a law enforcement perspective, the use of a victimological framework identifies opportunities in which the disruption of the trafficking process can occur.

CONCLUSION

The study found that organised crime syndicates are heavily involved in trafficking women into Australia for the purpose of sexual exploitation. The crime syndicates may vary in size, structure, and methodology, but nevertheless they are considered organised crime syndicates under the *UNCTOC* definition. The organised crime groups analysed revealed increased and higher-level indicators in

respect of attributes related to violence, scope of operations, money laundering and infiltration of business/entities. This was reflective of the process required to be successful as a trafficking syndicate and aligns to the phases of trafficking and exploitation of victims.

The study identified that in Australia, the network nature of the organised crime groups showed great scope of operations and they are considered transnational organised crime networks. Of interest to existing research is that the recruitment, transport, and subsequent exploitation of victims are all undertaken by members or linked associates of the one criminal network.

The study also identified that organised crime networks involved in sex trafficking in Australia showed very little capacity to corrupt public officials; however, there was much greater infiltration of private businesses. This is influential in respect of human trafficking because future research that explores the question whether this is unique to Australia or is applicable to global human trafficking markets would prove thought-provoking.

Prior to this study, there had been no known research in respect of the money laundering practices of human trafficking syndicates operating in Australia. This study adds to finds that there is significant evidence of money laundering activity by human trafficking syndicates linked to Australia.

Another key finding of this study that contributes to and somewhat contradicts existing literature is that it was shown that although there were some isolated cases where the syndicates were involved in other crimes, the primary focus of the syndicates was prostitution and the criminal offending observed predominantly surrounded the trafficking of persons for that purpose.

There are a number of implications that arise for law enforcement in Australia based on the findings of this study. The 'network' nature of the organised crime groups identified in this study should be of great concern to Australian law enforcement efforts to prevent trafficking. The difficulty facing Australia is the ability to disrupt and dismantle organised crime groups that are transnational in nature. It was also evident the organised crime networks observed in this study are flexible and fluid to exploit the demand for prostitution services in Australia. A recommendation of this study is to introduce a standardised data and statistical collection tool in respect of human trafficking, that provides a conceptual framework and a more comprehensive description of human

trafficking in order to enhance intelligence holdings and contribute to targeting criminal networks involved in people trafficking.

This study has identified the ability to use the Sleipnir framework, being a law-enforcement developed intelligence method for use in a research context. The application of the Sleipnir model was an effective framework that was able to be consistently applied to the data. Its successful application in this study supports an ongoing role in research when analysing the characteristics of organised crime groups. In terms of a law enforcement application, the Sleipnir framework had application to identify the strengths and weaknesses of a crime group. During the midst of an investigation into a human trafficking crime syndicate, the analytical application of the Sleipnir framework can provide valuable intelligence and inform the tactical direction of an investigation. It is recommended that law enforcement agencies integrate the Sleipnir tool into their activities in respect of people trafficking.

It was identified in designing the methodology for this research that the Sleipnir model lacked reference to victimological indicators. In the paradigm of human trafficking, victims are an essential element for any organised crime group to succeed. For this study a definition of victimisation was developed using a victimological framework that recognises that a human victim is a central commodity for organised crime groups in respect of human trafficking as a crime. If a law enforcement or intelligence agency chose to incorporate ‘victimisation’ as an attribute, they would need to undertake a Delphi survey to determine the requisite weighting and priority of the characteristic.

NOTE

1. Divisions 270 & 271 of the *Commonwealth Criminal Code 1995* contain the relevant offences of people trafficking, slavery, deceptive trafficking, sexual servitude, and debt bondage.

ABOUT THE AUTHOR

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