

FINANCING OF TRAFFICKING IN HUMAN BEINGS IN THE NETHERLANDS¹

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In the Netherlands human trafficking became a matter of public and political importance in the 1990s, following international concern about the issue. When speaking of trafficking for sexual exploitation, however, civil concern and activism against trafficking in women already existed long before that, notably in the forms of a moral panic about “white slavery” at the turn of the 19th century (e.g. Doezema, 1999) and concern about Asian women coming to work in the Dutch sex industry in the 1970s and 1980s. The Foundation Action Group against Trafficking in Women (Stichting Actiegroep tegen Vrouwenhandel, abbreviated: STV) originated in 1987 and fought trafficking in women in the slipstream of the general movement for women’s emancipation.² In the 1990s, after the fall of the Berlin Wall, the Netherlands saw an increase in East European women working in the Dutch sex industry – a trend other west European countries witnessed as well. The Netherlands became the first country to legally differentiate between women who voluntarily worked in prostitution, and those being forced to do so. Several organisations pleaded in the 1990s for a national rapporteur on human trafficking, who eventually was appointed in 2000 following The Hague Declaration of the European Union in 1997.³ In 2017, on its 30th anniversary, STV changed its name into CoMensha (Foundation Coordination Centre Human Trafficking) to express the broadened area of concern from trafficking in women for sexual exploitation to different kinds of trafficking in persons, affecting both men, women and children. At present, labour trafficking as well as trafficking for other purposes (e.g. organ harvesting) fall within the scope of the Coordination Centre, at least formally. We can, however, safely claim that trafficking for sexual exploitation, by far, draws most of the civil and law enforcement’s attention when compared to other forms of trafficking, such as labour exploitation.

Labour exploitation, as a manifestation of trafficking in human beings, only recently has received attention in the Netherlands. As late as 2005, labour exploitation was criminalised in the Dutch Criminal Code as a result of international legal obligations (Law of 9 December 2004, STB. 2004, 645). However, at that time it was not clear at all whether and, if so, to what extent labour exploitation posed an actual problem in the Dutch labour market (Parliamentary Paper II, 2003/04, 29291, 3; see also the research of Van der Leun & Vervoorn, 2004). Until then, the shadow side of the Dutch labour market mostly fell within the sphere of illegal work and workers, and connected fields of labour law and immigration

¹ We thank all our respondents for their time and energy, without which this research would not have succeeded. We, furthermore, thank research assistants Marianne Sijtsma and Tineke Hendrikse for their contributions to this project.

² See: <http://www.comensha.nl/pagina/30jaar>, retrieved 08/02/2018.

³ See: <https://www.nationaalrapporteur.nl/Over/geschiedenis/>, retrieved 08/02/2018.

law (Van der Leun, 2010). However, over the past decade, and especially in the past couple of years, the attention towards labour exploitation in the Netherlands increased considerably. This is illustrated, for example, by the fact that since 2014 it is one of the priorities of the Task Force on trafficking in human beings (THB) (see also section 1). Moreover, one of the priorities when the Netherlands held the Presidency of the Council of the European Union in 2016 was increasing EU efforts against THB for labour exploitation. In the same spirit, the Dutch Inspectorate for Social Affairs and Employment (ISZW) developed a new program to tackle labour exploitation in 2017 (see section 4 in this report). Also, efforts of NGO's such as FairWork in tackling THB in the Netherlands can be mentioned in this regard.⁴

In Dutch criminal law, multiple offences criminalise conduct that may fall under the definition of “trafficking in human beings” as adhered to in this report. One can think of specific provisions of labour law, immigration law, sexual offences, offences against the person or fraud offences. Yet the offence that is considered to be the core offence of THB and that is used to implement the most important international legal obligations on THB for the Netherlands, is laid down in article 273f of the Dutch Criminal Code (DCC).

Article 273f DCC is a very long and complex provision. Under influence of both various international legal obligations and national (policy) developments, mostly in the field of prostitution, the provision has come to encompass many paragraphs and subparagraphs that criminalise various forms and stages of human trafficking (Alink & Wiarda, 2010).⁵ In short, article 273f DCC criminalises the actual trafficking in human beings and trafficking in minors with a view to exploitation – here the definition closely resembles the definition of THB in the Palermo Protocol – conduct close to the actual exploitation and the actual exploitation, profiting from the exploitation, and forcing or inducing profits from exploitation. Minors are especially protected in the provision at various points.

Exploitation – which is central to the various forms of THB laid down in article 273f DCC – includes, but is not limited to, the exploitation of another person in prostitution, other forms of sexual exploitation, forced or compulsory labour or services including mendicancy, slavery, slavery-like practices, servitude and exploitation of criminal activities. For the interpretation of these concepts, the international instruments that have influenced the development of article 273f DCC and case law, both at

⁴ See: https://www.fairwork.nu/wie_zijn_wij/, retrieved 09/02/2018.

⁵ These international legal obligations that have been of influence on the development and wording of article 273f DCC stem from, amongst others: International Convention for the Suppression of the White Slave Traffic Paris, 4 May 1910; International Convention for the Suppression of the Traffic in Women and Children Geneva, 30 September 1921; International Convention for the Suppression of the Traffic in Women of Full Age Geneva, 11 October 1933, The Convention to Suppress the Slave Trade and Slavery 1926; the Protocol to Prevent, Suppress and Punish Trafficking in Persons Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime (the Palermo Protocol); the Council of Europe Convention on Action against Trafficking in Human Beings; the Council Framework Decision 2002/629/JHA of 19 July 2002 on combating trafficking in human beings; Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA.

the national and at the international level, are important.⁶ Yet, article 273f DCC is broader and covers more forms of exploitation.⁷ In order to determine whether there is a situation of exploitation, case law shows that various factors that may point to exploitation should be weighed.⁸ An analysis of both national and international case law shows that these factors include: the type of the work, the duration, the working conditions and, if applicable, also the housing conditions, the restrictions that follow from the work, the received income, the economic profit for the offender, the age of the victim, and the level of involuntariness and unavoidability. Dutch standards function as the benchmark in weighing all these factors. For example, one could take the Dutch legal minimum wage into account (for the analysis, see Schaap, 2017). The upshot of this is that, for example, in case a woman used to work voluntarily in prostitution while retaining some freedom of movement, the situation can still be regarded as exploitative if other circumstances (e.g. the use of force in combination with giving up her income) tip the scales to exploitation.

At this point, it is important to note that article 273f DCC carries the label “trafficking in human beings,” but is based on a broad conception of trafficking of human beings that includes but is broader than the definition of THB provided by the Palermo Protocol. Moreover, the legislative work on human trafficking allows for a broader criminal protection than the Netherlands is legally obliged to implement following all international instruments on THB the Netherlands is bound by (Alink & Wiarda, 2010: 214), as is illustrated by the definition of exploitation as set out above. Yet, this is also the consequence of the conduct that is criminalised under article 273f DCC such as the *profiting* from the exploitation laid down in subsection 6 which brings people normally operating in the background of the exploitation within the reach of the criminal law. This subsection has a purely national origin (See Parliamentary Papers II 1996/97, 25437, 3, 9). Since article 273f DCC is at the core of the criminal prosecutions in the Netherlands, the conduct criminalised in the provision as such is reflected in our collected data.⁹ Yet, in this regard it must be noted that in case law, even though the Dutch Supreme Court has provided more guidance over the past couple of years, article 273f DCC is not always interpreted in a consistent manner nor is the guidance of the Supreme Court applied in a consistent manner in lower case law (Van der Leun 2013; Nationaal Rapporteur 2017. In the context of labour exploitation see also Schaap, 2017, chapter 5).

⁶ A more detailed discussion of all these forms of exploitation goes beyond the scope of this contribution. For now, it suffices to know that their meaning can be obtained by considering for example the case law and guidance of the ECtHR on art. 4 of the ECHR, which lays down the prohibition of slavery and forced labour.

⁷ As is apparent from the text article 273f (2) DCC. See A-G Knigge in his conclusion of Supreme Court 27 October 2009, ECLI:NL:HR:2009:BI7099.

⁸ Supreme Court 27 October 2009, ECLI:NL:HR:2009:BI7099; See also Supreme Court 24 November 2015, ECLI:NL:HR:2015:3309 with regard to weighing these factors in case a minor is involved.

⁹ This research focused, as made clear later in this section (under the heading *Data Collection*), on human trafficking for sexual and labour exploitation. We framed these two offences conform the National Rapporteur, who differentiates exploitation within the sex industry and exploitation outside of the sex industry – the latter consisting of the modalities labour exploitation, forced services and exploitation of criminal activities. Our research, besides sexual exploitation mainly focused on labour exploitation, although the dividing line between the two may often be vague.

Neither prostitution nor the profiting from prostitution are illegal in the Netherlands. Since the lifting of the ban on brothels in 2000 one can legally run a prostitution business, provided that one has a licence and complies with the rules implied in it. Nevertheless, the “criminogenic” character of the sex industry has been emphasised in media and political discourse since the end of the last decennium. More repressive local measures towards (visible) prostitution have been observed ever since. Self-help organisations for sex workers, health-related NGO’s, and critical academic scholars claim that the increasingly repressive measures and the equation of sex work with human trafficking are the result of a Dutch moral panic on, firstly, the phenomenon of the so called “lover-boys” (e.g. Bovenkerk et al., 2006; Outshoorn, 2012), and secondly on human trafficking.¹⁰ The latter started with two large, international trafficking “signal crimes” (Innes, 2014) called the “Sneep” and the “Koolvis” cases (respectively in 2008 and 2009).¹¹ Since 2009, the Dutch government has been debating a new law on prostitution (“Law regulating prostitution and suppressing abuse in the sex industry”), which should address this supposed criminogenic character. It imposes stricter regulation of prostitution, for instance through an obligation for sex workers to register with local authorities and the lifting of the legal age to work in the sex industry from 18 to 21. It also investigates the possibility to make the client of prostitution punishable by law, if he would have reasonable grounds to be aware that the sex worker is a victim of trafficking.¹²

This particular framing of the sex industry as directly intertwined with human trafficking and exploitation has caused a sharp turn away from a tolerant approach towards, and progressive legalisation of prostitution, to “adopting a strict regulation of all prostitution” (Outshoorn, 2012: 233) in the Netherlands. This is most to the discontent of sex worker organisations, which claim that stricter policies will encourage sex workers to go underground, thereby making incidences of exploitation ever less visible (Oude Breuil & Siegel, 2012; Gibly, 2012).

Data collection

For this report three research methods were combined: desk research on relevant academic studies and policy papers; semi-structured interviews with law enforcement, governmental and non-governmental organisations and other stakeholders related to THB; and file analysis of police and court cases.

In total, 11 interviews with a total number of 17 experts were conducted.¹³ Most interviews were face-to-face and semi-structured. Three interviews

¹⁰ See Siegel, 2015 or Oude Breuil & Siegel, 2012 for the Netherlands or Weitzer, 2007 for an international perspective on the moral panic on human trafficking for sexual exploitation.

¹¹ See on the Sneep case: https://ec.europa.eu/anti-trafficking/legislation-and-case-law-case-law/sneep-case_en, and on the Koolvis case: https://ec.europa.eu/anti-trafficking/legislation-and-case-law-case-law/koolvis-case_en, retrieved 08/02/2018.

¹² We see an anticipation of the eventual adoption of this law already reflected in the so-called Valkenburg vice case (Valkenburgse zedenzaak) tried in 2016, which manifested a strong emphasis on the prosecution of over 30 clients of a 16-year-old trafficking victim. See: <https://www.om.nl/onderwerpen/valkenburgse/>, retrieved 08/02/2018.

¹³ The sources have been coded in order to preserve their anonymity. The first two letters of the code indicate the country, “E” indicates an expert. The description of the background of the individual sources referenced can be found in the list of interviewees in the references section.

were held by telephone, due to time constraints on both the respondents' and the researchers' side, and were, where necessary, followed up by email-correspondence. The interviews were transcribed and analysed by the Dutch country research team. This shared analysis ensured researcher triangulation, which enhances the validity of the project findings.

Besides the desk-research and interviews 14 (confidential) cases of THB for sexual exploitation were examined, next to 11 publicly available court reports on THB for labour exploitation.¹⁴ The 14 cases of sexual exploitation cannot be generalised, as they have a regional bias, due to the fact that we could only access these particular files. However, we chose as diverse set of cases as possible in terms of the following variables: size of the trafficking network; domestic/foreign case; number of perpetrators/victims; modus operandi et cetera, in order to prevent a selection bias in those respects. Initially a large sample of 33 court files of sexual exploitation that happened within the Region Middle Netherlands in the last 5 years were screened and 11 cases were selected for content analysis. The last two cases (NL-CC13 and 14) were related, in the sense that the same victims appeared in them, although the traffickers did not seem to be related. The 11 cases consisted of 19 files, meaning that in some cases, multiple suspects, who were separately tried before court, were implied. Thus, by "case" we refer to an incidence of exploitation in a certain exploitative setting. The number of files per case does not say anything about the number of victims (one suspect could have one or more victims, just like two or more suspects can have, in theory, one or more victims). It does say something, however, about the *complexity* of the trafficking network: cases with more files are generally concerning larger networks of greater complexity. Next to the 11 court cases of the Region Middle Netherlands (NL-CC4 to CC14), we added another 3 confidential cases of our police respondents (NL-PC1 to PC3). For reasons of anonymity we cannot elaborate on the concerned region.

The files on sexual exploitation (cases 1 to 14: PC1 to CC14 on sexual exploitation) were different in content and richness from the information in the court reports (CRP1 to CRP11 on labour exploitation), which is not surprising as the court and police files were confidential data for which we needed clearance, whereas the court reports were published and, therefore, publicly available.¹⁵ The depth of the available information in both kinds of files, however, was not a problem in this research, as the files were not to be compared. THB for labour and sexual exploitation are two such different modalities that they needed to be analysed separately, anyway. The files were coded and analysed separately and will be separately treated in the report under each heading. See section 2 for an elaboration on the cases.

Using three different methods – desk-research, semi-structured interviewing and file analysis – ensured methodological and data triangulation, which enhances the validity in qualitative research.

¹⁴ The cases have been coded and are referred to in the text with their code; they are listed in the "List of studies cases" table in the references section.

¹⁵ Available at www.rechtspraak.nl

1. MARKET OVERVIEW

The Netherlands serves both as a destination and source country for human trafficking and is among the five countries of western Europe recording the highest number of trafficking victims (Shelley, 2014). Human trafficking is classified along two main axes by authorities like the National Rapporteur on human trafficking (*Nationaal Rapporteur Mensenhandel en Seksueel Geweld tegen Kinderen*): sexual versus non-sexual exploitation on the one hand, and domestic versus cross-border forms of human trafficking on the other hand. This results in a distinction of four types of human trafficking. **Domestic sexual exploitation** oftentimes concerns exploitation via the so-called lover-boy method, in which young males feign a love relationship to make (often minor, Dutch) girls dependent on them and drag them into sexual exploitation. Secondly, in **cross-border sexual exploitation** foreigners, foremost women from east European countries like Hungary, Bulgaria and Romania, or west African women are victimised by criminal groups that have a certain level of organisation. They are legally or illegally transferred to the Netherlands and put to work in the sex industry. Sexual exploitation in the twenty-first century is oftentimes facilitated by the Internet; likewise, political and law enforcement awareness about digital forms of sexual exploitation is increasing and must be further addressed (Nationaal Rapporteur 2017a). The third and fourth type of THB distinguished are **domestic and cross-border exploitation outside the sex industry**. Labour exploitation spans both categories.

Foreign victims of labour exploitation are typically from east European countries and Asia. Based on the statistics of the National Rapporteur, the sectors in which labour exploitation occurs the most seem to be constantly changing. This, however, is probably caused by the impact of the detection and prosecution of large cases on the statistics. Typical risk sectors include agriculture, forestry, the catering industry and housework including au pairs. Considering the predominance of law enforcing institutions' attention to exploitation within the sex-industry (Bos et al., 2016; Heemskeerck & Rijken, 2011, Smit, 2011), we can safely assume that the number of labour exploitation cases hides a considerable dark figure. In view of the migration and refugee inflows and deregulation of the labour markets, labour exploitation is, according to a study conducted by the ISZW, expected to increase in the upcoming years (Inspectie SZW 2017). Between 2011 and 2015, 41 investigations on labour exploitation were conducted by the Inspectorate SZW. Seventeen investigations were completed in 2016 (Inspectie SZW 2017).

Victims of human trafficking are registered at the Coordination Centre for Human Trafficking (*Coördinatiecentrum Mensenhandel*, hereafter: CoMensha); their numbers concern notifications of *possible* victims of human trafficking. CoMensha is responsible for the national reporting, registration and coordination of human trafficking victims known to different authorities or persons. The number of registered victims is declining in the last years, from 1.287 in 2012 to 952 registered victims in

2016.¹⁶ In the period between 2012 and 2016, about 60% of registered victims belong to the first two categories of human trafficking, pertaining to *sexual* exploitation. Sex trafficking is therefore, according to registries at CoMensha, more prevalent in the Netherlands than exploitation outside the sex industry. The group of sexually exploited victims comprises 43.9% Dutch nationals in 2016; compared to 56.1% foreigners.

In total, 61.3% of all registered victims of human trafficking at CoMensha in 2016 are foreigners. Cross-border exploitation outside the sex industry is superior in numbers to domestic exploitation outside the sex industry (90.1% of victims outside the sex industry were foreigners in period between 2012 and 2016). Of the 244 registered victims outside the sex industry, labour exploitation counts for 82.5%. The rest percentage concerns other forms of exploitation (such as organ trafficking or the exploitation of criminal activities of minors). The group of victims outside the sex industry, in contrast to victims of sexual exploitation, is comprising equally of men and women.

The national report on human trafficking points out that the assessed number of victims of human trafficking is very high. The National Rapporteur recently published, for the first time, an *estimation* of the total amount of victims besides their usual numbers on *registered* victims of human trafficking. It is estimated that annually between 5,000 and 7,500 persons become victims of human trafficking in the Netherlands (Nationaal Rapporteur, 2017a). On average, one can therefore speak of 6,250 human trafficking victims each year. The number of registered victims at CoMensha is thus, supposedly, about six times smaller than the estimated total number, which implies a high dark number of victims. Estimations are based on the method of MSE (multiple systems estimation), which allows for estimations of the number of victims that do not appear in official databases based on how registered victims are distributed across various registries (e.g. police, Ministry of Social Affairs and Employment, care institutions and regional coordinators for human trafficking). The MSE-estimation combines numbers of registered victims of human trafficking in a 6-year period. Considering the fact that generally more public and law enforcement attention is paid to sexual exploitation than to labour exploitation (or other forms of human trafficking, such as organ trade), we can safely assume that not all forms of human trafficking have the same dark number. Thus, the estimates should be read with caution, or even scepticism.

According to the National Rapporteur (2017b) an increasing proportion of human trafficking remains out of sight due to shifts in enforcement priorities and a growing lack in expertise and capacity of responsible authorities. The number of registered cases at the Public Prosecution Service (*Openbaar Ministerie*, hereafter: PPS) serves as another indicator of this negative trend. Whereas in 2014, 282 cases were registered, this number decreased by 22% to 220 cases in 2016 of which in 103 cases a sentence was passed. Additionally, 30% of cases were dropped due to insufficient

¹⁶ Both numbers do not consider victims exclusively reported by KMar who, since the judgment of the Supreme Court of 17 May 2016, belong to the group of sub-3 cases without exploitation (e.g. cross-border prostitution) and can no longer be regarded as THB.

evidence in 2015 (Nationaal Rapporteur, 2017a). The developments say little or nothing about the extent of or trends in the phenomenon itself as they might correlate with, for instance, investigative capacity and prioritisation. The dwindling of case numbers, the drop of the conviction rate and the average duration of imposed unconditional custodial sentences might also indicate that the criminal justice system conveys a too broad or vague concept of human trafficking (van Kempen, 2017: 2).

An increase in the available budget in 2017 and 2018 should, according to the National Rapporteur (Nationaal Rapporteur, 2017a: 16) strengthen and intensify the tackling of human trafficking¹⁷ and the (upcoming) new law on prostitution (“Law regulating prostitution and suppressing abuse in the sex industry”) should further help combat human trafficking and organised crime within the Dutch sex industry, it is claimed, as it would allow for stricter regulation of prostitution (see Introduction). The firm belief, however, that these measures will lead to an increased control over abusive conditions in the Dutch sex industry is refuted by self-help organisations and critical scholars, who consider further stigmatisation and criminalisation of the sex industry as a deterioration of labour conditions and transparency in the industry.

Since the lifting of the ban on brothels in 2000, legal prostitution in the Netherlands has comprised of licensed companies, like window prostitution, sex clubs or escort companies on the one hand, and non-licensed companies or independent prostitutes in municipalities with no licence obligation, on the other hand (Daalder, 2007; Nationaal Rapporteur, 2017b; Outshoorn, 2012). Paradoxically, prostitution at private, indoor locations, as one of the most invisible forms of prostitution, has been and remains the most common form of sexual exploitation in the latest human trafficking report (41% of 1.383 registered victims of sexual exploitation between 2012 – 2016 in which the specific sector of prostitution is known; Nationaal Rapporteur, 2017a). This argument further bolsters the plea for a new prostitution law, which also aims to put escort services under stricter regulation. However, the increase might very well have to do precisely with the more repressive stance on prostitution, as the current diminishing of legal and visible places to do sex work (e.g. legal window prostitution areas have been closed in parts of The Hague, Amsterdam, Utrecht and several smaller cities in the Netherlands, see: Siegel, 2015) could have urged sex workers to switch to less visible and less regulated settings. The result is a market of a few legal (licensed and non-licensed, if a licence is not necessary) and monitored sex industries, and a supposedly numerically bigger share of illegal or criminal sex enterprises. Another remarkable trend, according to the public prosecuting office and an NGO that assists individuals confronted with domestic, sexual and honour-based violence, is the growing involvement of very young girls in prostitution, sometimes as young as 11 years old. The NGO employee, quoted from a national news website, attributes this growth to the importance of internet and social media, which make it easier to recruit girls for prostitution (NOS 2018).

¹⁷ Bos, Loyens, Nagy and Oude Breuil (2016) similarly claim that in the case of trafficking in minors for exploitation of criminal activities, the expertise and capacities are lacking to properly identify and treat such cases.

The Netherlands has an “integrated approach” of combatting human trafficking, referring to a focus on prevention, protection, repression and cooperation of different government and non-government organisations in human trafficking policy (Harbers 28/11/2017), including administrative enforcement, but with criminal prosecution as a keystone (Alink & Wiarda, 2010). In the context of this integrated approach, there seems to be an informal division of tasks, according to which the Dutch police sees criminal prosecution of traffickers as their main goal, leaving the protection of victims mainly to civil organisations and NGOs (Oude Breuil et al., 2011: 37). With the Task Force Human Trafficking (*Task Force Aanpak Mensenhandel*), a collaboration of different parties involved in combating human trafficking was introduced in 2008 (Heemskeerck & Rijken, 2011; Nationaal Rapporteur, 2017a). In the Task Force, each party has its own responsibilities when it comes to tackling human trafficking and/or supporting victims. This division of tasks carries the risk of confusing victims and other involved parties as to which partner organisation they should turn to. Moreover, it implies a risk of undiscovered cases if cooperation between involved parties is ineffective and indications for human trafficking are not recognised (Nationaal Rapporteur, 2017a). The “barrier model” is (still) the leading policy approach in combatting human trafficking in the Netherlands. In this approach, based on situational prevention theory, different institutions (such as the tax authority, municipalities, police, chamber of commerce, housing corporations, et cetera) work together to “mount barriers” with the purpose of disrupting the human trafficking business process.

2. MARKET STRUCTURE AND SOCIAL ORGANISATION OF TRAFFICKING NETWORKS

With regard to **labour exploitation**, the present research (interviews and file research) revealed two prevalent forms in the Netherlands. Firstly, organised labour exploitation in companies in which temporary employment agencies are often (but not necessarily) a facilitating player. Characteristic of this type of labour exploitation is the involvement of multiple victims, mainly from eastern Europe or Turkey. Secondly, there is one-on-one labour exploitation in cases of au pairs or smaller businesses like restaurants. According to our respondents (NL-E8, NL-E13), organised labour exploitation is more prevalent in the Netherlands. However, cases of exploiting au pairs are increasing or becoming more visible in recent years (NL-E14).

Both types of labour exploitation can often be regarded as **family businesses**, as suspects of labour exploitation usually operate with their spouse, siblings or within their extended family (NL-E8, NL-E13, NL-E14). Another remarkable characteristic is the exploitation of fellow countrymen. Labour exploitation can thus be characterised as an **intra-ethnic phenomenon**. In the case of the exploitation of au pairs, this would mean that for instance a Brazilian woman living in the Netherlands organises young women to migrate from Brazil to the Netherlands for

housekeeping jobs (NL- CRP6). According to FairWork and the Inspectorate SZW (NL-E8, NL-E13), exploiters are either own family members or acquaintances in cases of one-on-one labour exploitation or “dubious temporary employment agencies” (NL-E9, NL-E14) in the case of organised labour exploitation. Additionally, labour migrants are oftentimes put to work behind the scene or closed doors (cleaning, cooking, au pair) or out of public view (seasonal workers).

The recruitment *modus operandi* can often be described as an **“all-inclusive” package** with which recruits are approached. In these all-inclusive packages transport from the country of origin, work place and accommodation in the Netherlands as well as transport from housing to the work place are arranged by the exploiting parties or accomplices. They create a situation of total isolation, dependency, and control. In the case of a Chinese restaurant, the victim was accommodated in a room above the restaurant, which was secured and controlled by an alarm system that was activated at night, to which the victim did not know the code. Consequently, the victim was effectively restricted in his freedom of movement (NL-CRP7).

Travel to the Netherlands is arranged in some cases. In other cases, workers arrange and pay for the travel themselves. The funds required for the travel are oftentimes either borrowed from relatives or future employers (NL-E13). The travel sum may then be used as *raison d'être* for a form of bonded labour. Accordingly, the migrant workers are in a stringent debt relationship with their exploiters. Debts are paid off gradually through later job earnings. Although such a system might give the impression that migrant workers are not necessarily forced to enter “fortress Europe” to work under hazardous conditions (Andrees, 2008), some form of coercion, or profiting from someone’s (financially instable and therefore) vulnerable position, is employed at this stage, and is further induced by false promises. Moreover, the **line between poor working conditions and labour exploitation is often blurry** (Hiah & Staring, 2013; Van Ellemeet, 2007), which can partly explain our finding that victims and suspects do not always identify themselves as such (NL-E13). That is, they legitimise the act of exploitation through culturally shared expectations on working conditions (Hiah & Staring, 2013).

Temporary employment agencies either operate in workers’ countries of origin or, recently becoming more prevalent, the Netherlands (NL-E8). In the first case, they advertise for better work in the Netherlands and profit from more deprived working conditions and lower salaries in the country of origin. Labour migrants are easy targets due to their limited proficiency in the Dutch language, their lack of knowledge of Dutch laws and rights, their limited access to the legal labour market and therefore – when illegally working – a lack of alternatives and a general fear of authorities (Van Ellemeet, 2007). The focus of employment agencies is usually on seasonal work, the Inspectorate for Social Affairs and Employment (NL-E13) points out. If work is provided through temporary employment agencies, usually two parties are involved: the agency itself and a hiring company. In that case, exploitation can take place on both ends,

meaning that the temporary employment agency as well as the hiring company profit by extracting money from the migrants. The interviews (NL-E14) have shown that the lines between the two companies can be blurred to the extent that one party is involved rather than two, as both the agency and hiring company might be owned by one and the same person. Family businesses which cooperate are another possibility. In these constructions, different family members own different businesses involved in the commission of labour exploitation (e.g. NL-CRP5).

With regard to human trafficking for **sexual exploitation**, based on the studied cases (NL-PC1 to NL-CC14) we can conclude that it is elucidating to categorise the encountered “business models” in **four main categories** or typologies.

The first category concerns **domestic human trafficking cases**, in which there is generally **no international component, nor an extended, organised trafficking network**. The pimps are Dutch young men – according to some respondents (e.g. NL-E14; NL-E1, 2, 3, 5 & 6; see also: Verwijs et al 2011) often with a migrant background – who have only one or a limited number of girls working for them. Although the pimp might have friends who are also into pimping, they are generally not part of an organised trafficking ring or network, in the sense that no sophisticated distribution of tasks exists. The modus operandi is known in the Netherlands as the **lover-boy method**. This refers to the strategy of grooming and socially isolating the victim, so that she falls in love and becomes emotionally dependent on the pimp (Verwijs et al 2011). Victims are generally Dutch girls who are of minor age when the grooming begins. They are often easy targets, namely girls who have limited intellectual abilities or mild psychological disorders (e.g. NL-CC8, and this also came forward in several of the expert interviews), grew up with dysfunctional family relations, were interned at youth institutions (see also: Verwijs et al 2011) or have low self-esteem. The pimp will specifically target such girls, making them believe that “love” is mutual. Through a narrative of him being indebted to a friend, which can be settled if she has sex with the friend, she will be drawn into sexual exploitation in the confined space of an apartment. Having sex with the pimp’s friends will become a more regular activity she is convinced or coerced into. This evolves into her having multiple clients outside of the pimp’s social network (still in a private apartment, or in a hotel room) and eventually ends up in a window prostitution area upon becoming 18 years old. Cases NL-CC5, 8, 9, 10, 13 and 14 could be typified as domestic cases with such lover-boy modus, and without an extensive criminal network, although these cases differ in their number of victims per case – from one victim (NL-CC8) to two (NL-CC9 and 10) and three (NL-CC5). Moreover, in one of these cases (NL-CC13&14) two pimps seemingly worked together as their respective victims overlapped and claimed to be working for three pimps of the same ethnic background. Although this might point towards a more organised form of domestic trafficking, we still classify it in the first category; there was no international component, the degree of organisation seemed to be still relatively low and the modus operandi clearly matched the other cases in this category.

The second type are run by **Dutch perpetrators** as well, but they exhibit a **larger degree of organisation** and, moreover, often have an international component in the sense that (some of) the traffickers' **victims are coming from abroad**. The trafficker or pimp, who has Dutch nationality or has a stable residence permit in the Netherlands, **employs third parties** to facilitate part of the work. He might, thus, outsource tasks such as: a) recruiting girls¹⁸ in (generally) eastern Europe; b) transporting girls to the Netherlands; c) assisting the girl – once in the Netherlands – to acquire a tax number, inscribe at the Chamber of Commerce or a housing corporation, or rent a window; d) offering one's home address as postal address; e) driving the girl to the (window) prostitution area; f) other small services, such as buying condoms and lubricants, et cetera. The victims in these cases are Dutch girls, girls from eastern Europe, Greece or another EU country that is linked, for example, to the migratory roots of the perpetrator. Case NL-CC4 (and see also NL-CC6 and 11) is an example of this type: two men who appear to be friends and know each other's victims, and who have overlapping acquaintances who are in the pimping business as well, exploit two (possibly three) women in one and the same prostitution area in a Dutch town. From their court files it becomes clear that they probably both run their own businesses, but do spend time together, giving each other advice and going to brothels together. Both of them employ third parties to facilitate their businesses and some of these third parties even overlap. By way of illustration, one exploiter demands a female sex worker to assist his newly recruited girl in renting a window and other administrative tasks in return for a small fee. Likewise, the exploiter maintains professional relationships both with a recruiter in another European country and with a Dutch taxi driver who brings the girl to the prostitution area. The other exploiter, in his turn, pays someone to offer his postal address to the girl, et cetera. The lover-boy tactic might initially play a role here as well – in the sense of making the girl fall in love, as well as isolating her by taking her identity papers, smashing laptops, mobile phones, et cetera – but the women are generally older and more experienced than in the above type case, and consequently show more resilience and initiative. Interesting in this regard is that we found examples of online recruitment (e.g. NL-CC4). The means of coercion may include severe violence, or the threat of violence (e.g. "Wherever you go, I will find you and I will kill you," NL-CC4) but can also involve subtler modes of persuasion, for instance through pointing out the opportunity to earn a lot of money and applying some form of debt bondage (i.e. she is told that she owes him money for the travel, rent, et cetera). There are also examples of victims with a religious or conservative background being forced by the threat of exposure (e.g. by pictures taken, NL-E5, 6). The means of coercion show an important difference with the next type of trafficking for sexual purposes: threats of violence are in the above type generally limited to the victim herself (as that is the only person within easy reach of the Dutch pimp), whereas in the following category, they may extend to family members in east European home countries.

¹⁸ In the cases studied, only girls figured as victims. Also in the larger sample of 33 cases we have not come across a case in which the victim was a man/boy.

In the third category we find cases in which **both victims and pimps or perpetrators come from abroad**, mainly eastern Europe – particularly Hungary, Romania and Bulgaria (e.g. NL-E1, 2, 3, 5, 6 and NL-E14). The prostitution business they run is generally a **family business** (as we already claimed in section 1 of this report) and some respondents (e.g. NL-E14) mentioned the Roma origin of some of these families. Case NL-CC12 is a clear example of this, as both the pimp and his victim are of Romanian origin. Information from the police surveillance (namely telephone taps) clearly shows that the pimp's family members in Romania are involved in the business, as the mother regularly calls to discuss how business goes, and the father sends new girls to the pimp, who stays in the Netherlands. The interviewed lawyer, NL-E14, also comments on this type of trafficking:

"It is often a family. Father and son, uncle and who-knows-whom. Or they come from the same village, are neighbours and the brother of the one is married to the sister of the other, that kind of cross-connections. Brothers-in-law... yes, family relations. (...) [Sometimes the victim has been] the girlfriend of one of them and there is also a child. And the child then stays with the mother of one of her pimps. Awful constructions which make it very difficult to press charges. (...) A couple of women in this situation do not see their children anymore."

The trafficking network is generally quite flexible; when one of its members gets arrested, another family member (son, brother, nephew, son-in-law, NL-E14) will take over. There is some kind of hierarchy in the sense that the head of a family runs the business from the source country, but apart from that, the network is flexible and can easily adapt. Victims are oftentimes also part of the family as the wives or girlfriends of the pimps. Coercion strategies generally coincide with authority and gender structures in these families, or, if the victims are unrelated, with local perceptions of such families as powerful and dangerous.

The fourth and last category was mentioned to us in our interviews with the police and FIU-the Netherlands (NL-E1, 2 & 3, and NL-E11 & 12, see also: OM 2016; Van Reisen et al., 2012: 30-32), and consists of trafficking cases **related to migration routes from the African continent and the Middle East**.¹⁹ (This might have to do with the fact that our files were from the Region Middle Netherlands. Cases related to refugee and migration routes might rather be found at regions next to the Dutch border or those which have an airport.) The above-mentioned migration and refugee flows coming from these regions (and our FIU-the Netherlands respondents, NL-E11 & 12 particularly mentioned Libya as an area where both smuggling and trafficking take place) produce a vulnerable population which consists of easy targets for traffickers and smugglers.

We have summarised the above-mentioned types or categories in Table 1. It should be taken into account that our case-study sample is not

¹⁹ We did not encounter such cases in the court files.

representative for the illegal market as a whole; after all, only a limited number of files could be studied, and they were all from one region in the Netherlands. Moreover, some cases might exhibit such organisational sophistication that they are less easily identified and investigated – such cases existing in the Netherlands are illustrated by the Sneep and Koolvis cases, for example (see footnote 11). Therefore, Table 1 should not be read as an extensive overview of all possible forms of trafficking organisations in the Netherlands, but, rather, as a categorisation of the cases studied in this research.

TABLE 1. TYPOLOGY OF CASES OF HUMAN TRAFFICKING FOR SEXUAL EXPLOITATION STUDIED IN THIS RESEARCH

Case type name	Trafficker Foreign/Domestic	Trafficked Foreign/Domestic	Family business?	Level of organisation	Outsourcing
Domestic lover-boy cases	D	D	No	Low; individual business	No, barely
Dutch/foreign organised cases	D	D&F	No	Employ one or more facilitators	Yes, one or more tasks
Foreign family businesses	F	F	Yes	Family network structure; everyone his/her own task; patriarch on top	Yes, several tasks within family
Foreign, migration-related cases	F	F	?	Network structure	Yes, flexible network with diverse partners

Source: File research & interviews, Oude Breuil, Schaap & Merz, 2018.

3. FINANCING AND FINANCIAL MANAGEMENT

3.1. Source of capital for initiating/sustaining criminal operations. Access to capital in critical moments

Sources of capital for initiating operations of **labour exploitation** are limited as workers are often put to work in the exploiters’ own company, which can be seen as a vehicle for recruitment. Payments to arrange travel, first residence and work, which go as “brokerage fees,” are used as starting capital. This implies that no further investments are needed. In the case of several exploited Hungarian workers (NL-CRP5), victims had to pay a €270 brokerage fee in advance, followed by €60 weekly for accommodation in housing provided by the exploiters. Job trainings are commonly used to finance labour exploitation activities among temporary

employment agencies (NL-E8). During periods of job trainings, workers are put to work for a certain period of time either without receiving any payment, being forced to pay for the trainings in advance or having to pay back ostensible costs at a later point in time.

As far as human trafficking for **sexual exploitation** is concerned, the afore-mentioned difference between domestic sexual exploitation through the lover-boy method, on the one hand, and domestic and international sexual exploitation through more complex, international trafficking structures, on the other hand (see section 2) is reflected in the financial management of such forms of exploitation.

In domestic lover boy cases with a low level of organisation **no significant starting capital** was needed. Pimps did not have a particularly large financial base, and did not need any, as their girl(s) would, once recruited, be quickly put to work. As such, her first earnings would serve as (starting) capital for paying initial expenses such as lingerie. We could argue, though, that the pimps rely on their social capital or, more particularly, their **social skills** in order to start their businesses. According to Baron and Markman (2000: 106) “the nature of the entrepreneurs’ face-to-face interactions can strongly influence their success,” and they particularly highlight the importance of “the ability to **read other persons** accurately, to make a good first impression on them, and to **persuade or influence** them (ibid: 107, emphasis added by us).” In these trafficking cases, we have seen how the pimps targeted particular girls who would be susceptible to their recruitment style. In other words, the offenders were particularly good at reading their victims (NL-E14). They would then invest personal attention, time, and some money (presents) in making the girls, who would eventually engage in sex work for them socially, mentally and sometimes physically (e.g. drug addiction) dependent on them. Her falling in love with him can be seen as a result of good persuasion or influencing skills, and so can his ability to convince her to give him all, or the lion’s share of her earnings under the pretence that he would save that money for a shared apartment (NL-CC9), a nail studio for her (NL-CC9), a holiday, a car (NL-CC8) et cetera. A last resource that is possibly used as starting capital is **benefit fraud**. Some of our interviewees (NL-E1, 2, 3) revealed that young pimps abuse the so-called WAJONG benefit scheme. This is a benefit meant for young people with a chronic illness or handicap.

Access to capital – in general or in critical moments – for pimps of this organisation type is mainly acquired **through the girl(s) working for him**. The money earned by the girl might be used to secure a new place for prostitution or access to another venue (window, brothel, massage parlour, et cetera), but, considering the low organisation degree of the business, is more generally used for the costs of living of the pimp and the girl(s). In other words: **capital earned is most often spent**. If the pimp needs more money, he encourages the girl – at times very coercively and violently (see also section 3.2) – to work longer, take more clients, engage in sexual activities she dislikes (e.g. NL-CC5) or get a breast enlargement surgery and liposuction (NL-CC9). One of our expert respondents (NL-E13) came across some cases of sexual

exploitation, in which the pimp's lawyer in the lawsuit in which one of his girls testified, was paid with the money another girl working for him earned (in prostitution).

The picture is somewhat different for the more complex Dutch/foreign and international cases. In one of the cases in which the main part of the organisational network is located in the Netherlands (NL-CC4), we have come across an interesting way to acquire starting capital: **acquiring a loan from a(n) (insurance) bank** (e.g. a mortgage on an acquired house or apartment). In this case, the person convicted of human trafficking acquired a mortgage twice – one time on a false employment declaration – for a house that the trafficked person was later lodged in. Because of the limited size of our sample of court files, we cannot presume this practice to be a common strategy. However, the example does show that the world of sexual exploitation effectively uses the legal financial market for acquiring financial means. Apart from that, we can conclude from both the cases and interviews that traffickers might use **starting capital proceeding from other illegal businesses**, such as a hemp plantation (NL-CC4), selling ecstasy (NL-CC5), weapons trade (NL-E14) or scams (NL-E6). For sustaining the business, we have come across two more techniques (which also apply to the domestic, low-level organisation type mentioned above): one is what we would call **scamming the (naïve) client**, and the other the **artificially top-ranking the internet profiles of exploited girls**. As far as the first technique is concerned, respondents NL-E5 and NL-E6 mentioned cases in which clients would pay in advance for making several appointments with the girl in a row. After the first appointment, there is no next one and the client has lost his money. Another source of revenue encountered by these respondents is the client who pities the girl and wants to buy her free. He might then pay “several thousand” but the girl will (have to) continue working anyway. Secondly, when girls are advertised on “sex service websites” such as www.kinky.nl, it can be profitable for the business to have her profile appear first on the front-page of the website. This can be artificially achieved through calling her number a multitude of times, which pimps do in order to raise her status as a sex worker and her visibility on the internet (NL-E 5, 6; NL-CC5).

As far as the foreign family business category is concerned, we further observed that **social capital** is an important form of starting capital here, too. The East European pimp in case NL-CC12 could rely on his family members, who were aware of his work in the Netherlands and even seemed to play a “coaching” or steering role in it. When ‘his girl’ did not earn enough money, he was reassured by his mother on the telephone that his father would soon bring him another girl. Through family bonds, more girls could be recruited, who would bring in more money. More in general, the financial investigators we interviewed (e.g. NL-E1, 2, 3) commented that it was **extremely difficult to get insights into the capital** that such family business traffickers actually own, as – partly due to the extended family structures, within which many are involved in the business – it is hard to determine who owns what, and how that is related to the business. In that way, a trafficker can appear to have no income when his bank accounts in the source country are checked,

because his earnings or properties are hidden through inscribing them on the name of another family member.

3.2. Settlement of payments

In labour exploitation cases the traffickers have several means to acquire profit through employing legal or illegal migrant workers. We can categorise these in three revenue models, which are intricately related: i) **saving on salary costs**, thereby lowering the costs of production; ii) **paying few or no taxes**; iii) **other revenues directly extracted** from labour migrants. To start with the first, employers can reduce the costs of production to such an extent that their net profits augment by finding ways to realise more production against lower salary costs. Salaries are kept low in many different ways, for instance through a rewarding system based on piece rates instead of hour rates, by paying lower wages per hour to migrant workers compared to Dutch workers, by demanding long working days, by allowing little or no free days/hours, by ordering labourers to work weekends or overtime without paying extra and by pushing the legal possibilities of temporary or seasonal working conditions through unpaid periods of job training, spending minimal money on working conditions and fraudulently minimising the worked hours of employees. An example of the latter is the manipulation of time clocks in the Champignon case (NL-CRP10). Time clocks were used to track attendance of workers by recording their arrival and leave from work and manipulated in such ways that the time worked would appear as less than the actual working hours. Secondly, and related to paying low salaries, employers paid few or no taxes (NL-E13) as their social charges (*werkgeverslasten* in Dutch) remained low. Social charges, after all, are related to paid salary: if salary costs are lower, charges decrease with it.

Besides these two ways to *reduce costs* (i and ii) employers, in the third place, extract money in a *more direct way* from their employees (iii). One way is **rack-renting** (*huisjesmelkerij* in Dutch), meaning that employees are forced to **rent housing facilities** provided by the employers, for which the employees pay much more than the actual value of the facilities. Facilities are small, overcrowded and dirty. Water or electricity are not sufficiently provided and broken furniture is not repaired (NL-CRP4, NL-CRP5). A paradoxical means of exploitation related to this – which has been recognised by McGauran et al. (2016) as a form of labour exploitation – is **providing not enough work** to labour migrants. Back in their home countries, the workers signed a contract – the aforementioned all-inclusive package deal which covered travel, housing facilities, working contract – that included a certain number of working hours, which is necessary to be able to pay for all the expenses and have some residual earnings. If, consequently, the working hours are less than promised, but the expenses (e.g. housing and subsistence) remain the same, labour migrants find themselves in an unfortunate situation, and the employer ends up earning without spending any money. Subsequently, housing facilities become a revenue model for exploiters. According to McGauran et al. (2016), this should be interpreted as exploitation as well. We have, moreover, found examples in both file research and interviews (e.g.

NL-CRP3, NL-E8) of exploited labour migrants being forced to pay **fin**es for “infractions of the rules” (e.g. being late for work, making a phone call during working hours, accidentally damaging property, et cetera), or being forced to spend part of their earnings on **meals** provided by the employer (NL-CRP10), or in supermarkets owned by the employer. **Debt bondage** also recurs in our cases as a mechanism to profit from labour migrants. In this context, debts incurred by travel costs, fines, lack of work or outstanding rent of housing facilities are involved.

Another direct way to extract money from labour migrants is by having their **salary directly sent to the exploiter’s or a family member’s (of the exploiter) bank account**. Alternatively, they are in possession of the workers’ money cards and pin codes and therefore are directly in command of their earnings (e.g. NL-CRP5, NL-CRP7, NL-E8, NL-E9). In one case (NL-CRP5), a total of € 23,092 – in wages for Hungarian employees was paid in 2009 and 2010 by various temporary employment agencies on a bank account number of the exploiter. Furthermore, €19,030 of the amount was withdrawn by the exploiters via ATMs in the Netherlands and Hungary; an act which itself can be interpreted as “converting” the money. Profits emerging from accommodation are usually collected weekly. Labour migrants need to pay off their brokerage fees with their work. It is oftentimes completely unclear to the victims whether, and if so, to what extent their salary was set off against the debts that they had with the exploiters (NL-CRP5) as labour migrants have no insight in the administration. Blackmailing and threatening are commonly used strategies, either with or without use of physical violence, to ensure they get their money. In the case of illegal labour migrants, their illegality and fear of authorities is oftentimes used to keep workers quiet (Van Ellemeet 2007). Exploiters threaten to inform the police or, in the case of relatives being the victims, send them back to their country of origin.

As far as **sexual exploitation** is concerned, most pimps – irrespective of the category or type of sex trafficking (see section 2) – have **non-transparent, dynamic “agreements”** with the women working for them. For example, in case NL-CC4, the girl who came from a Central European country to the Netherlands for work – the pimp had paid her travel expenses – had been told that she could earn up to €1,000 or €2,000 a day as a sex worker in the red-light district of a Dutch town. She supposedly owed the pimp €3,000 for domiciling her on an address in the town and for the rent of the window. Until that sum of money would be paid off, she would first hand over all her earnings, then 70% of it, and once paid off, she would pay him 50% of her earnings, plus the rent of the apartment where she stayed when she was not working. Another girl in the same case (belonging to pimp number two in this case) agreed to paying half of the rent of their apartment, but she was informed that the rent was €1,400, whereas it was only €900. Generally, we can conclude that in most cases we came across victims did not precisely know how much they earned, spent, and handed over, or how large their debt to the trafficker was. This might very well be a conscious tactic of the trafficker: the less she knew about her earnings in relation to what he received, the better.

Another common strategy to make sure the girl would hand over the money was **constant close supervision and control**. To illustrate, the pimp would call or WhatsApp the girl constantly (in most of the cases studied), would ask her to take pictures of herself in the street where she was supposed to see a client (NL-CC5), or would watch her from the other side of the street (NL-CC12), in order to keep track of how much she was probably earning and whether that matched the money handed over. Some pimps **set a target** for the girl to earn every night, and she was not supposed to come home before the target was reached (NL-CC4, NL-CC5). Besides that, several forms of **threats and violence** were imposed upon the victims in order to make them comply with the rules and discipline them into handing over their money. To name but a few methods that appeared throughout the studied cases: threatening to hurt or kill the victim or her family, severe physical and sexual abuse, mental abuse (making the girl feel bad about herself if she does not earn a certain amount of money), damaging her property, in particular mobile phones, laptops, et cetera, in order to isolate her, taking away identity papers, having the girl place a tattoo with his name or initials on it, inventing fictive debts, et cetera.

3.3. Costs for doing business

As stated in section 3.2, **labour exploitation** cases are characterised by saving on salary costs, taxes and other revenues directly extracted from workers. Seeing that the operating expenses are nominal, the benefits usually outweigh the costs of doing business. Costs for **advertisements and recruiting** are minimal due to the widespread use of website, newspaper advertisements and social media in the Netherlands and abroad. Besides, labour migrants are often family members or acquaintances of the recruiter. Methods of recruitment are therefore largely based on intermediary contacts and word of mouth. As mentioned earlier, **housing** is oftentimes arranged via family members or other accomplices and labour migrants are accommodated under poor conditions. Although housing is a cost post for traffickers, at the same time, it functions as a basic revenue model.

Although companies run the risk of making costs due to investigations run by authorities – they may need to pay **finances** for providing insufficient labour conditions, or spend time and money on inventing and applying fraudulent administrative constructions – we also found a case of labour exploitation (NL- CRP3) in which the employers gave instructions to workers about what to say in case of visits by the Labour Inspectorate. In this particular case, the costs they would eventually face due to labour inspectorate controls were limited by training workers for such incidents, and limit the damage.

In the sexual exploitation cases studied, we have encountered the following possible costs. Of course, these depend on the degree of organisation of the trafficking network (or lack of it). First of all, there are **costs related to the recruitment** of the girls. In one-man trafficking activities, these might include buying the girl presents, costs for personal

image management (golden necklaces, rented cars, et cetera) and parties. Advertising the girl on the internet also can involve payments to webhosts and costs for photographs. In international trafficking businesses, recruitment might involve paying for **advertisements** on the internet and in local newspapers to attract girls to the job, or paying a third, local party to arrange for that.²⁰ Costs will also be involved for **transporting** the girl(s) to the Netherlands and **housing** her once arrived. When a girl comes from abroad, there are **administrative costs**, such as registering her in the municipality and on a fixed address. The pimp then has to **rent a window** (in window prostitution) or **pay for hotel rooms** or other locations to work along with paying **subsistence costs** and costs **related to the job** (such as for condoms, lubricants, lingerie et cetera). Next, **telephone costs** will be made in order to groom, control and supervise the girl(s). Depending on the size and “professionalism” of the business, traffickers might further need to **pay their facilitators**. For example, in NL-CC4 one of the traffickers paid a (sex worker) associate €300 for helping “his” girl acquire a window and informing her on the ins and outs of the job. The other trafficker, in the same case, paid €250 to a man who would go with the girl to the municipality to have her registered at his home address. From our sample of cases, but also from large national signal cases such as the Sneep case (see footnote 11), we know that costs might also be incurred through abortions, tattoos, breast implants et cetera. Last but not least, traffickers of foreign, family-business type of trafficking bear the expense of **transporting the money** back home (see next section).

Moreover, there are costs when getting caught. Table 2 mentions the amounts to be paid in the cases where a fine, or compensation to the victim(s) was imposed (as far as these came to the fore in the files studied).

TABLE 2. COMPENSATIONS TO VICTIMS IMPOSED ON TRAFFICKERS

Case	Total Sum	Material damage	Immaterial Damage	Amount per victim
NL-CC4	€17,100	12,100	5,000	(to 1 victim)*
NL-CC5	€15,453.32	Not indicated	Not indicated	Victim 1: €6,329 Victim 2: €7,564.40 Victim 3: €1,559.92
NL-CC6	€13,300	Not indicated	Not indicated	(to 1 victim)
NL-CC7	€2,609.42	€1,109.42	€1,500	(to 1 victim)
NL-CC8	€25,489.15	Not indicated	Not indicated	(to 1 victim)

²⁰ We have not come across the exact prices paid to these facilitators.

TABLE 2. COMPENSATIONS TO VICTIMS IMPOSED ON TRAFFICKERS (CONTINUED)

Case	Total Sum	Material damage	Immaterial Damage	Amount per victim
NL-CC9	€704,000	Not indicated	Not indicated	Victim 1: €515,000 Victim 2: €189,437
NL-CC10	€20,000	€10,000	€10,000	(to 1 victim)
NL-CC12	€3,090	Not indicated	Not indicated	(to 1 victim)

* As explained in section 4, in the Netherlands the convicted does not pay the compensation directly to the victim, but to the Dutch state, which will pay the compensation to the victim.

Source: File research, Oude Breuil, Schaap & Merz 2018.

3.4. Profits and profit sharing

Profits in **labour exploitation** cases, and especially in those cases in which migrants are employed in the exploiter's legal business, are typically re-invested and laundered in the exploiter's business. In the case of the involvement of temporary employment agencies, profits can emerge on two ends: the temporary employment agency and the hiring company. In organised cases of labour exploitation involving cross-border exploitation, profits are (partly) transferred abroad (NL-E14).

In **sexual exploitation cases**, again, profit making, spending, and sharing depends on the type of trafficking organisation. The first type of domestic, low-organised, lover-boy technique trafficker is said by our respondents to mainly **spend the profits** on partying, expensive cars, watches, trademark clothing, gambling, drugs, et cetera, as exemplified in the responses of NL-E1 and NL-E3:

NL-E1: "The lover-boys? They spend it all. They do not have registered capital, no money on the bank, no property, no income. Sometimes they do have an alimony (...). They are really boasting about their money. So they spend a lot, and if they have some money, it is cash, hidden somewhere. (...) These lover-boys, they drive luxurious rented cars, they spend enormous amounts of money on that. (...) Yes, they spend on parties... it is really about bragging, the classic show-off. That's how they also impress the girls... with the money and that big car, golden necklace, nice watch."

NL-E3: "Yes, and they also like to shop in the PC Hooftstreet: clothes, coats and Louis Vuitton toiletry bags, I encountered."

NL-E1: "Yes, coats and jeans of €800."

NL-E3: "[Calvin] Klein pants..."

From the above quotation we could also conclude that profits are, rather, **invested in image and reputation**.

Dutch/foreign trafficking networks with a higher degree of organisation rather invest their profits in **property**: houses (e.g. NL-CC4: one of the offenders owned two houses), a boat (e.g. NL-CC11) and cars (NL-E6, NL-E14). That is to say, it can be proven that they own this property and considering their earnings in prostitution it can be safely assumed that they either got the property with the exploitation money or *sustain* it with this money.

As far as the foreign, family businesses are concerned, profits are **invested in the country of origin**. Revenues are usually **laundered** via real estate (shops and shopping centres, holiday parks, hotels – NL-E13) or luxury goods like expensive cars (NL-E5). According to NL-E2 and NL-E3 some Bulgarian traffickers showed similar patterns of spending as Dutch domestic lover-boy traffickers: gambling, boasting at parties, nice cars, anabolic-steroids and impressing new victims with these lifestyles. Besides, the money might be saved, not so much on a bank account but through **underground banking systems** that are ethnically organised (NL-E13).

In the international cases, money earned would be **sent abroad** to family members “back home” via **money transfer offices**, such as GWK or Western Union. The amounts transferred would be low enough so as not to attract the attention of financial intelligence units.²¹ Our respondents, however, commented that money transfers via Western Union are declining due to the traceability of transactions and an increase in investigations. **Cash couriers or “money mules,”** people who carry the money with them, have become the most prevalent form of transferring money. Mention is made of special minibuses that transport traffickers, victims, and money for a fee (NL-E5, NL-E10, NL-E14). Women might also carry the money with them on the plane or on the bus. We came across a peculiar case (NL-E1, 2, 3) of a man who made deposits up to €30,000 to send to an African country, only to pick it up himself in that country.

3.5. The role and impact of the internet on human trafficking activities and finances

In comparison with sexual exploitation, the internet seems to play a less central role in human trafficking activities for **labour exploitation** in the Netherlands as clues of online involvement are scarce. In one case of organised labour exploitation and trafficking (NL-CRP5), Hungarian workers were **recruited online via advertisements** on a Hungarian job placement website. The job offers in the Netherlands included various

²¹ Since 1994, financial institutions in the Netherlands dealing with cash payments have had an objective notification obligation; every cash payment above a certain amount of money had to be notified to the Notification Point Unusual Transactions (*Meldpunt Ongebruikelijke Transacties*). Since 2005, there has been a general indicator that obliges financial institutions to subjectively notify other suspicious financial behaviour as well, such as: consistently staying (just) under the threshold for notification. In the Netherlands, we now have an objective indicator (which is, for banks, financial institutions, et cetera, €2,000), above which transactions should be notified to FIU-the Netherlands, and a subjective indicator, saying that if such institutions have a suspicion on a transaction, they are obliged to notify that (see Ministerie van Financiën January 2014).

promises and commitments for job-seekers like net hourly wages varying from €7,30 up to €9 or contracts for at least half a year with the possibility of a five-year contract.

In **sexual exploitation** cases, however, the internet and social media play an important role in three phases of the trafficking process. First, the internet plays a role in the **recruitment of women**, particularly in the case of international trafficking. Advertisements on the internet and in local newspapers were found to be used by domestic traffickers with international businesses in order to attract women to the job (NL-CC4). Secondly, internet and social media are crucial in **attracting clients** and making the girl (and her services) visible for a large public. Especially in the domestic, lover-boy-related cases, the pimp would make an internet profile of the girl, including explicit photos, on a client website such as www.kinky.nl. In order to make sure the girl's profile is on the top of the list of advertisements, pimps call in on her profile/number so many times that the advertisement ends up on top (NL-CC5). Moreover, social media are used for communication and are an important means to **control** strategies – WhatsApp is commonly used by the pimp or trafficker and his girl(s), both in its facility to send text messages, and in its facility to send pictures. In NL-CC5, the victim was forced to send pictures very regularly to prove that she was actually where she had told her pimp that she would be, or to show whether she really had the money she had promised. Social media was used in case NL-CC10 as a threat. The pimp threatened to release sex videos and nude pictures to family and friends of the victim, if she would refuse working for him. In the fourth place, social media and internet could function as an **exploitation modality** in itself, for example in cases where child pornography was produced (NL-CC6). The National Rapporteur exemplified this as well, in mentioning the Amersfoort case, which is unique in the Netherlands so far. In this case, a young woman stated that for thirteen months she had been forced by her trafficker to perform sexual acts for the webcam against payment. The entire exploitation took place digitally and the victim had no physical contact with customers (Nationaal Rapporteur, 2017a).

4. FINANCIAL INVESTIGATIONS OF THB CRIMES: CHALLENGES AND GOOD PRACTICES

As a result of the Dutch integrated approach towards human trafficking, financial investigations on THB are not only conducted in the context of criminal investigations by investigative authorities such as the police, but some form of financial investigation may for example also be done by a public body at the administrative level (e.g. by municipalities), by financial intelligence services (such as FIU-the Netherlands), or by private bodies such as financial institutions (e.g. by banks), either at their own initiative or to fulfil legal obligations. Clearly, the financial investigations differ in approach and pursued results, depending on – amongst others – the aim of the investigation, the investigative authority concerned and the legal

and institutional framework the authority operates in. In this section, the main focus is on criminal financial investigations, yet two examples of other financial investigations on THB are also briefly discussed below.

Criminal financial investigations

In essence, three authorities are in charge of criminal investigations of THB in the Netherlands. These are the Dutch police force, the Royal Netherlands Military Constabulary (*Koninklijke Marechaussee*, hereafter: KMar), and the ISZW. All three investigative authorities operate under the authority of the PPS when investigating THB. Yet, under this authority, all three can in principle conduct their own criminal investigations on THB in the form of sexual exploitation and/or labour exploitation, or cooperate with and support one another in a criminal investigation (Aanwijzing Mensenhandel 2013). However, each of these authorities has a focus area and specific legal powers and duties related to their overall responsibilities and objectives. The upshot of this is that sexual exploitation is investigated primarily by special units of the Dutch police force, the so-called Aliens Police, Identification and Trafficking in Human Beings Department (AVIM). Labour exploitation is investigated primarily by the ISZW. The KMar plays an important role in investigating signals of THB (in both forms) at airports, ports, and the Dutch borders (NL-E3, E13, E14).²² In this report we discuss the financial investigations into THB for sexual exploitation on the basis of the information provided by the police (AVIM departments in three regions of the Netherlands), and the investigations into THB for labour exploitation on the basis of the ISZW data.

Every criminal investigation of THB must go hand in hand with a criminal financial investigation that is directed – if possible – not only at the defendant but also at the entire criminal network.²³ The aim of the criminal financial investigation is threefold: i) to support the case in terms of evidence; ii) to enable the confiscation of unlawfully obtained profits; iii) to substantiate a possible claim of damages of the victim (Aanwijzing Mensenhandel, 2013).

The first objective is considered to be especially important when the THB investigation is conducted *ex officio* – i.e. an investigation that starts at the investigative authority's own initiative and not on the basis of a report by a victim (NL-E1).²⁴ For various reasons only very few victims tend to press charges in trafficking cases, while testimonies of victims are considered to be of great importance in proving THB (Holvast & Van der Meij, 2011; Vianen et al., 2006). In the absence

²² For the exact legal powers and the allocation of tasks between the police and the KMar, see article 4 of the Police Act 2012 (*Politiewet, 2012*), and the letter of the Minister of Security and Justice of 29 November 2016 (*Brief van de Minister van Veiligheid en Justitie van 29 november 2016 over de Wettelijk taak Koninklijke Marechaussee bij mensenhandel, Kenmerk 2016928*).

²³ This starting point is laid down in the direction on THB of the Public Prosecutor's Service, the so-called *Aanwijzing Mensenhandel 2013*, which provides authoritative guidance.

²⁴ An *ex officio* investigation can start, for example, on the basis of signs picked up by prostitution controls or by the basic team of the police, by an anonymous notification at *Meld Misdaad Anoniem* (Notify Crime Anonymously – a telephone number for citizens to notify observations of crime anonymously), but also on the basis of information of intelligence services, such as information of the Financial Intelligence Unit.

of a report by a victim, a THB investigation can still be initiated and then, the criminal financial investigation can contribute significantly to the evidence in trafficking cases (NL-E1, E6). That said, even if there is a report by a victim or reports of multiple victims, financial investigations are considered to be of great importance in establishing and/or supporting proof of THB. After all, a characteristic of human trafficking cases is that statements by victims may be difficult to assess and inconsistencies in statements are often present (NL-E2, NL-E7; see also Holvast & Van der Meij, 2011; Goderie & Boutellier, 2009). Financial data and calculations can help to support, verify or negate these statements (NL-E1, NL-E3, NL-E7).

The second objective of the financial investigations – to enable the confiscation of unlawfully obtained profits – should be read in light of the Dutch instruments on combatting organised and lucrative crime. In these instruments, the deprivation of proceeds of crime plays a central role. An important instrument to deprive the proceeds of crime is the Dutch measure on the deprivation of unlawfully obtained profits (*maatregel ter ontneming van wederrechtelijk verkregen voordeel*, hereafter: confiscation measure), laid down in article 36e DCC. The confiscation measure does not have a punitive aim but is of a restorative nature. It aims to restore the financial situation as it was before the commission of the crime by making a person who is convicted of a crime pay a sum of money to the state in order to deprive that person of unlawfully obtained profits (*Kamerstukken II 1989/90, 21504, 3*; see also Borgers 2001: 75-118). Since investigating the possibility to deprive traffickers of their criminal proceeds gained is the starting point in every human trafficking case (*Aanwijzing Mensenhandel 2013*), criminal financial investigations are to be directed at the application of article 36e DCC as well. The upshot of this is that the investigators gather data, make calculations and – if possible – draw up a confiscation report in order to establish the amount of unlawfully obtained profit, which can be the material profit made, subsequent profit made and/or costs saved by the commission of THB (NL-E1, NL-E2, NL-E3; Emmelkamp et al., 2016; see for more information Borgers, 2001: 185-261). Important to note in this regard is that if there is a conviction, the confiscation measure can be imposed in a separate court decision for profits made by that very offence, but – under certain conditions – also for criminal acts for which the offender is not convicted.²⁵

Apart from establishing the unlawfully obtained profits, another important task for the financial investigators with regard to the confiscation proceedings is to search for assets to effectuate prejudgment attachments with the aim of **securing assets** for the execution of the confiscation measure if imposed (NL-E3, NL-E1, NL-E6, NL-PC1; see in this regard article 94a (2) Dutch Code of Criminal Procedure (*Wetboek van Strafvordering*, hereafter:

²⁵ The latter can be the case if there are “sufficient indications” that the offender committed the offences and they yielded profit for the offender, as follows from article 36e subsection 2 DCC. However, the latter can under certain circumstances, also be the case if it concerns profit from offences that are not committed by the convicted person but did result in profit for the convicted person, as follows from article 36e subsection 3 DCC. As will become clear in the subsequent sections this has consequences for the methods used to calculate the profit.

DCCP).²⁶ Notably, under Dutch criminal law, in order to prevent the frustration of recovery by sham arrangements, **assets belonging to other people** can under certain conditions also be seized with that same aim (art. 94a (4) and (5) DCCP).

The third objective of the financial investigations (substantiating a possible claim of damages of the victim) should be read against the background of the central position of victim care in trafficking cases, of which **enabling compensation of damages for victims** constitutes an important part (*Aanwijzing Mensenhandel 2013*).²⁷ The Dutch legal system knows several ways by which a victim of THB can claim damages.²⁸ Apart from filing a civil suit, a victim can claim damages via the criminal procedure in the Netherlands, by filing a claim by an injured party (*vordering benadeelde partij*), as laid down in article 51f DCCP.²⁹ The data gathered and calculations made by financial investigators can help to substantiate the claim of the victim (NL-E14), can inform the public prosecutor in forming an opinion on the claim, can be of use for the defence in rebutting the claim, and inform the judge(s) when deciding on the claim.³⁰

In this regard, another but often interrelated route of receiving damages for the victim must be mentioned that presents a unique feature of the Dutch legal system (Giesen et al., 2015). A criminal court can, on its own discretionary power or on demand of the public prosecutor, impose a **compensation order** to pay compensation **to the state for the benefit of the victim** of the crime (article 36f DCC).³¹ If a compensation order is imposed, this grants an executorial title to be executed by the PPS (in practice by the Collective Debt Collection Agency, the CJIB) on behalf of the victim allowing police and judicial powers to be used to enable enforcement.³² The main advantage of the compensation order, thus, is that it strengthens the recovery position of the victim and **relieves the victim of the burden of enforcement**. There is an **advance payment**

²⁶ It should be noted that prejudgment attachments can also be imposed for the purpose of preserving the right of recovery for a possible imposition of a fine (see article 94a (1) DCCP) and for the purpose of the compensation order (article 94a (3)(4) DCCP). For the procedure of recovery, see article 574, 575 DCCP and 577 DCCP.

²⁷ The third objective is related to the second objective: compensating a victim can be another way to deprive an offender of the proceeds of crime and to enable restoration of the financial situation as it was before the commission of the crime.

²⁸ In this report, only those avenues are mentioned for which the financial investigation is directly relevant. Yet, more avenues of receiving/claiming damages exist.

²⁹ This provision should be read together with article 6:162 of the Dutch Civil Code on unlawful acts in Dutch tort law.

³⁰ To rule on the question of damages, the criminal court applies the rules of Dutch tort law. However, ruling on a claim of damage by an injured party is only allowed for the criminal court on condition that the ruling does not cause a disproportionate burden and hinders the criminal trial, that an order or penalty is imposed (or there is a conviction without the imposition of any penalty or other order), and that the damages claimed stem directly from the crime (article 361 DCCP). If these requirements are not met, the claim is inadmissible or partially inadmissible, leaving it to the victim to file a civil suit in order to claim compensation (Giesen et al., 2015).

³¹ Prerequisite for imposing the order is that liability to pay damages under tort law must be established. As seen above, this will be the case if “a claim by an injured party” is sustained. Therefore, in practice, the compensation order is almost always imposed together with a sustained claim by the injured party (Giesen et al., 2015; Candido et al. 2017).

³² If the offender does not meet the obligation to pay the compensation, the accompanying order of substitute custody in default will be imposed, but this accompanying order does not dissolve the civil law obligation to satisfy the compensation.

scheme connected to the compensation order (article 36f subsection 7 DCC). This scheme determines that the State advances the amount of damages that is not paid by the offender within eight months after the decision imposing the order on the offender has become final.³³

Financial investigations by the police (focus on sexual exploitation)

When the police conduct a criminal investigation on THB, in theory every police officer of the specific unit in charge of such investigations (AVIM) is expected to conduct some form of financial investigation him/herself.³⁴ However, when the case contains a more complex or extensive financial component, financial investigators specialised in THB can be called upon (NL-E3; NL-E7). This is for example the case when it is suspected that large profits have been made and a confiscation report needs to be drawn up or a prejudgment attachment must be imposed (NL-E3). These financial investigators can advise the police officers in the principal investigation, or they can conduct their own financial investigation within or in parallel to the principal investigation.³⁵ In these financial investigations, the first step usually taken is to financially investigate the actors already known to be involved in the case, starting with the suspect(s) and victim(s), and – depending on the case – also taking into account family members or friends of the suspect(s).³⁶ The financial investigators try to establish the role of the actors and their relationships, reveal (more) of the network involved, and establish the financial position – in the broad sense of the word – of the actors involved, which can eventually be important in providing evidence of profits made by suspects, of damage suffered by victims, of possibilities for confiscation, and for proof of the offence of THB more in general.³⁷

Data to base the case on include direct financial data, indirect financial data and other information. **Direct financial data** refers to financial data that regard the financial position and/or transactions of the actors involved, such as bank records, data from the tax authorities, data from currency exchange offices, data from FIU-the Netherlands where various entities are legally obliged to report unusual transactions³⁸ and data from the Credit Registration Office where credit providers are legally obliged to register all granted loans.³⁹ **Indirect financial data** refers to data that provide information on the financial position of the actors, but

³³ Although the compensation measure with advance payment generally is considered a best practice, a critical note is that receiving a large amount of money at once without professional support might put vulnerable victims of THB at risk. They might not know what to do with the money and risk to fall prey to other (or the same) traffickers or other criminals (NL-E1, NL-E2, NL-E3).

³⁴ In this regard, see also the last subsection (*Obstacles*) in this section.

³⁵ A financial investigation that is concerned with the unlawfully obtained profit can be conducted next to the principal investigation. This is a so-called *Strafrechtelijk financieel onderzoek* (criminal financial investigation), abbreviated SFO.

³⁶ For the legal requirements that must be met in requesting the data, see below.

³⁷ Yet, it is important to note that the financial investigations conducted more or less simultaneously with the principal case are initially aimed at discovering tactical clues for the investigation of the THB. Only later the focus shifts to substantiating demands for a confiscation order and/or for damages (NL-E1, NL-E2).

³⁸ For more information on FIU-the Netherlands, see below.

³⁹ On the basis of the Financial Supervision Act (*Wet op het financieel toezicht*).

that are not financial data. One can think of data from the municipal personal records database that show where and how (in what kind of property) the actors live or information from the land registry office where property is registered. Indirect financial data can also concern information on registered vehicles and driving licenses. Besides, it is verified whether the relevant actors are registered as entrepreneurs at the Chamber of Commerce (*Kamer van Koophandel*) and/or are involved in or with corporate entities. Clearly, **other information** can shed light on flows of money as well, such as information posted on Facebook, other social media accounts and WhatsApp or text messages that can provide insights in the lifestyle and the pattern of spending of the actors involved. Also relevant are payment information of advertisements on sex websites, the bookkeeping of offices that rent windows for prostitution, booking information of hotels, et cetera. More general police information, gathered in the principal proceeding – or if not yet gathered that can also be requested – such as the results of searches of places and objects seized, telephone data or tap results can also be of importance. Of great importance are the results of **interviews with the suspect(s), victim(s) and other actors involved**. It is considered to be highly beneficial if financial investigators are involved in the preparation of the interview and/or conduct interviews themselves, since specific questions on financial aspects can be asked and financial data gathered can be clarified and verified (NL-E3, NL-E1, NL-E6, NL-E7).

In order to request many of these data, a formal demand of the public prosecutor is necessary, in several instances an investigating judge must grant a written authorisation, and in some instances – also depending on the kinds of data and the kind of investigation in which the data are being requested – additional requirements must be met and/or other procedures should be followed (for more information, see Corstens & Borgers 2014: 281-355, 411-595).

In order to gather the data in the Netherlands, the financial investigators can – if all procedural requirements are met – contact the respective bodies and/or consult the systems themselves. That said, every police district has its own information hub (*Districtelijk Informatie Knooppunt*) that can provide up-to-date information from various police systems and on various police issues 24/7. The information hub can also request data from external bodies and/or systems (NL-E7). In this hub, various types of expertise are combined; its main advantage is that it can provide the information faster and in a more structured way (NL-E7).⁴⁰

The above concerned data are available in the Netherlands. However, in many cases of THB an international component is involved and

⁴⁰ In this regard, reference must also be made to an intelligence cooperation that used to exist between the National Police, the Tax Authority, Customs, the Fiscal Intelligence and Investigation Service (FIOD), the CJIB, various special investigation services, and the PPS, the so-called Infobox Criminal and Unexplainable Property (*Infobox Crimineel en Onverklaarbaar Vermogen*, hereafter: iCOV), that was considered to be very valuable in the investigation (NL-E1, NL-E2, NL-E3, NL-E5, NL-E6, NL-E7). iCOV delivered data-intelligence products to the co-operating authorities and developed risk-indicators and patterns that could help to expose money laundering and fraud constructions. (Opportuun nr. 4, 2016; NL-E7). However, due to a problem with the Covenant at this time of writing, iCOV is no longer operational (NL-E7).

data must be gathered abroad. In order to gather data abroad, usually, **requests of assistance** must be sent abroad. In Europe, various European legal instruments govern these requests. Yet, the national procedural law of the requesting and requested state remains important to a certain extent (for more information, see Klip 2016). The requests can concern data but also the confiscation of property or assets. Yet, as will become clear below, the international component often turns out to be an obstacle to the criminal financial investigations. Another option to gather data abroad is co-operating in a Joint Investigation Team (JIT). Various respondents have already participated in these JITs and were overall very positive about their experiences.

Once the data are gathered, the next step in the financial investigation is to **interpret the data**. Once interpreted, as seen above, the data can provide a lot of information or evidence for the principal case. Clearly, the data can also provide information on the existence and amount of unlawfully obtained profit and can help to uncover property of the offender for the purpose of preserving the right of recovery for the compensation order or the confiscation measure as discussed above. In establishing the unlawfully obtained profit (and also in establishing the amount of damages for the victim) calculations play an important role. These calculations can in turn also help to establish the plausibility of the unlawfulness of the profit (Borgers, 2001: 302).

In order to calculate the unlawfully obtained gains, different methods can be used. The method that is most commonly used and that usually results in the most accurate amount is the so-called **transaction calculation** (NL-E3, NL-E6). In a transaction calculation, profits made by of the offence are determined and the expenses made are subtracted, resulting in the overall unlawfully obtained profit (NL-E3, NL-E2; Emmelkamp, Felix & Verschaeren, 2016). The profits made by the offence can be determined by multiplying various – so-called – building blocks. In a case of sexual exploitation, these building blocks are for example: the number of victims, the number of days the victim has worked, the number of clients the victim has had, and the price per client. It should be noted that since the price per client and the number of clients per day may differ, often average numbers are established over a certain period of time (NL-E1). Also, the building blocks can be extrapolated to other periods of time which can partially relieve the burden of proof on the Public Prosecutor.⁴¹ The expenses that are subtracted clearly depend on the case concerned, but one can think of money for food, housing, booking costs for the workroom or hotel, telephone costs, lingerie, condoms, lubricant, et cetera (NL-PC1, NL-CRP11 – see also section 3.3). Yet only those costs directly related to the THB can be subtracted (art. 36e (8) DCC; NL-E1; NL-CRP11). Evidence for the building blocks and costs can come from the data described above. For example, the bookkeeping of the prostitution offices, telephone data, and wiretapped conversations, for instance, on the number of customers (NL-PC1). Declarations of victims, witnesses and customers are also very important (NL-E2, NL-PC1, NL-CRP11). Often several sources of

⁴¹ See the judgement of the Dutch Supreme Court of 25 March 1997, ECLI:NL:HR:1997:AK1364.

Box 1.**Income in the period of 2006 – 2012**

2006: 96 working days x €500 per day = €48,000
 2007: 294 working days x €500 = €147,000
 2008: 294 working days x €500 = €147,000
 2009: 294 working days x €350 = €102,900
 2010: 126 working days x €350 = €44,100
 2011: 13 working days x €400 = €5,200
 2012: 31 working days x €400 = €12,400
 Total = € 506,600

Costs over the period from 2006 – 2012:

Rent €84,040
 Condoms, lubricant and other attributes €17,220
 Working clothes €5,000
 Make-up and tanning 2 times €2,410.00 €4,820
 Transport €57,400
 Total = €168,480 -/-

 Total = €506,600-€168,480 = €338,120

data must be combined in order to paint an accurate picture. For some costs (such as the costs of food or condoms), standard fees can be used in the calculation. However, for the building blocks no standard fee is available; the building blocks depend on too many variables, e.g. the street the woman works in, the competition, the age of the woman, the looks of the woman, the sexual acts the woman is willing to perform, et cetera (NL-E3, NL-E2, NL-E14). Yet, in case it is impossible to find or provide any information on the amount of money earned, but it is clear that window prostitution took place during a certain period, a minimum fee of €100 per day (NL-E14) is used. Yet, this should be regarded as an absolute minimum. In Box 1 an example from a recently published case report is provided as an illustration of a transaction calculation concerning one victim. Evidence for the building blocks in this case was provided by declarations of the victim and the bookkeeping of the workroom the victim worked in.⁴²

Because of the design of the law (as set out above) under certain circumstances,⁴³ abstract methods of calculation can be used and no direct causal connection needs to be established between the advantages and the offences from which they are the result (De Zanger, 2015). Therefore, the point of departure of these calculations is not the profit per crime, but the amount of money/property/assets (hereafter: property) the offender had at his or her disposal over a certain period of time that cannot legally be accounted for. These methods are the so-called property analysis method and the cash position method.

With the **cash position method**, a comparison is made between the opening balance and ending balance of the person involved, and the intervening flows of money are investigated. Central to this method is the presumption that expenditures that cannot be legally accounted for are the result of criminal activity. It is up to the defendant to argue plausibly that the expenditures had a legal source.⁴⁴ In the simple version of the cash position method, only cash flows are investigated. Deposits on the bank are booked as expenditures. Cash withdrawals are considered

⁴² See the judgement of the Court of the North of the Netherlands of 5 December 2017, ECLI: NL:RBNNE:2017:4662.

⁴³ For article 36(2) DCC if the profit can be related to specific criminal offences and for article 36(3) DCC if it concerns a conviction for an offence with a high category of fine (so-called 5th category, which is THB in article 273f DCC). See also Supreme Court of 14 March 2017, ECLI: NL:HR:2017:414.

⁴⁴ According to the Dutch Supreme Court this is not in violation of article 6 EHRM as long as several requirements are met. See Dutch Supreme Court 17 September 2002, ECLI:NL: HR:2002:AE3569.

Box 2. Simple cash position method

Opening balance in cash

- +/+ legal cash receipts
- /- End balance cash
- = available for expenditure
- /- Factual cash expenditures
- = difference
- = **unlawfully obtained profit**

Box 3. Complex cash position method

Opening balance in cash and bank account

- +/+ legal receipts
- /- End balance cash and bank account
- = available for expenditure
- /- Factual expenditures
- = difference
- /- profit from saving costs
- /- non-monetary profit
- /- subsequent profit
- = **unlawfully obtained profit**

Box 4. Property analysis method

Property at the end date

- /- Property at the starting date
- = increase in property
- +/+ Actual expenditures
- = total expenditure
- /- legal income
- = **unlawfully obtained profit**

to be legal income.⁴⁵ In the complex cash position method, account movements are also taken into account. Important with this calculation is to filter cash withdrawals and deposits in order to prevent double counting (NL-E1, NL-E2, NL-E3; NL-PC3; Borgers, 2001, p. 301-302, 351; Emmelkamp et al., 2016). However, since not all profit can be made visible, one can also take into account non-monetary profit, outstanding debts and subsequent profit (Butter-Sintenie & Van Diggelen, 2014). In box 2, a schematic example of a simple cash position derived from a police file is set out.⁴⁶ In box 3, a schematic example of a complex cash position derived from Emmelkamp, Felix & Verschaeren (2016) is set out.

In the **property analysis method**, the unlawfully obtained profit is calculated by making use of the property of the offender with the presumption that an increase in property that cannot be explained by visible and legal sources of income has an illegal origin (NL-E1; Borgers, 2001).⁴⁷ It is up to the offender to argue plausibly that there were indeed legal sources of income. This method is affected by establishing the property (money and possessions) at two moments in time (a starting date and an end date). The property at the start date is compared to the property at the end date, yet a correction is made by adding the actual expenditures (also investments) and by subtracting the legal income (Borgers, 2001). The result of this calculation is the sum that cannot be related to legal flows of money. An example also derived from Emmelkamp, Felix & Verschaeren (2016) is set out in box 4.

It is possible to use different calculations to substantiate the plausibility of the calculations. However, a disadvantage of the abstract methods is that in practice, it turns out to be very difficult to map all the expenditures and property, especially if part of the property is located or cash flows take place outside the Netherlands. This often makes the result of the abstract calculation less accurate and lower than the

⁴⁵ Important is to make sure that alleged cash expenditures are not also specified on the bank statements (lest these are counted twice).

⁴⁶ If Butter-Sintenie and Van Diggelen are followed, the profit from saving costs, non-monetary profit and subsequent profit should also be subtracted.

⁴⁷ According to the Dutch Supreme Court this is not in violation of article 6 EHRM as long as several requirements are met; Dutch Supreme Court of 28 may 2002, ECLI:NL:HR:2002:AE1182.

results of a transaction calculation (NL-E3, NL-PC1; see also Borgers, 2001).

Financial investigations by the ISZW (labour exploitation)

Cases of THB for labour exploitation are less dealt with by the police (NL-E13; *Tiende Mensenhandelrapportage 2017*), but are rather part of the inspection work of the ISZW – the supervising and investigative authority of the Ministry of Social Affairs and Employment. In its task of identifying cases of labour exploitation, ISZW collaborates with several NGOs (the most important one being FairWork). An important component of ISZW's investigation of labour exploitation is a financial investigation, comparable to the financial investigation elaborated upon above. This means that various direct financial data, indirect financial data, and other data are requested and investigated, both in the Netherlands and abroad – since significant profits in some labour exploitation cases are transferred abroad. Naturally, due to the nature of labour exploitation the data requested, and especially the third category of other data, will differ to a certain extent from the kinds of data requested in cases of sexual exploitation. Important in labour exploitation cases are for example hour registrations, pay slips and data from internal systems of the ISZW, e.g. reports on corporations made by the inspectorate. Some of the data are also gathered online, for example by looking at reviews on businesses posed online which can provide important information. Contrary to cases of THB for sexual exploitation, for **labour exploitation cases it is often possible to follow a paper trail** (NL-E13). An explanation can already be found in the fact that Dutch legislation on wages determines that the statutory minimum wage must be transferred on the bank account of the recipient and may not be paid in cash (article 7a *Wet minimumloon en minimumvakantiebijslag*; NL-E13).⁴⁸

To request the data, the same legal (procedural) requirements must be met as set out in the sections above. When the data are gathered, the next step is interpreting the data and – if possible – making calculations. Also for calculations of the unlawfully obtained profit by labour exploitation, declarations of victims are very important and function as a starting point. Interesting in cases of labour exploitation is, however, that the emphasis in the calculations will often be on **costs saved by the exploiter** (NL-E13). Yet, also calculations are made that establish the amount of money a victim should have received but did not receive. In order to establish the unlawfully obtained profit, also the amount of money that should have been paid to the tax authorities is calculated (NL-E13). Another important task of ISZW is to uncover/reveal how the money was invested, also for the purpose of prejudgment attachments. For this, in practice, it is often necessary to make requests to search abroad.

⁴⁸ However, we did come across constructions by which exploiters try to circumvent these obligations.

Other financial investigations

Financial investigations on THB are also conducted outside of the scope of criminal law. Two relevant examples are provided by financial investigations conducted by FIU-the Netherlands and financial investigations by banks.

FIU is the organisation in the Netherlands where institutions are obliged (by law) to report unusual financial transactions on terrorism and money laundering.⁴⁹ This means that the data FIU-the Netherlands works with are transactions that are labelled “unusual,” following so-called report-indicators implementing the legal report obligation laid down in the Money Laundering and Terrorist Financing Prevention Act, (*Wet ter voorkoming van witwassen en financiering van terrorisme*, hereafter: *Wwft*).⁵⁰ The main task of FIU-the Netherlands is to investigate the unusual transactions reported, to enrich them with additional information, and to see whether these transactions can be declared suspicious and thus be shared with investigative and intelligence services (article 13 *Wwft*; NL-E12). Other tasks of FIU-the Netherlands are to share developments they monitor with other parties such as the ministry and investigative authorities, to conduct their own investigations and to share their expertise with other (foreign) parties (NL-E12).

With respect to THB, investigative authorities can ask FIU-the Netherlands to provide transactions and information on transactions of a certain actor.⁵¹ As already became clear above, data gathered on unusual transactions by FIU-the Netherlands can be of great importance in criminal investigations on THB. Vice versa, the requests of the investigative authorities with the accompanying information on the investigation can help FIU-the Netherlands to label their transactions. Yet, FIU-the Netherlands can also conduct its own intelligence investigations regarding THB on their data.⁵² On the basis of acquired knowledge on THB (e.g. based on information coming from police, the ISZW, academic research or results of their own research), queries are developed. These queries are run on the data on a weekly basis. Results of the queries are investigated by researchers of FIU-the Netherlands and if declared suspicious, the data and information can be passed on to investigative authorities. In their investigations,

⁴⁹ This is laid down in the *Wwft*, which implements the Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and subsequent directives. However, it should be noted that the reporting obligation was already laid down in predecessors to the *Wwft* that, in turn, implemented the predecessor of Directive 2005/60/EC, namely Directive 2001/97/EC. FIU-the Netherlands is part of the Dutch Police in organizational terms but is an independent body of the Netherlands (NL-E12).

⁵⁰ These report-indicators can be found on the website of FIU-the Netherlands: <https://www.fiu-nederland.nl/>

⁵¹ This should be done via a so-called **LOVJ2 request**. This is a request made by an investigative authority via the National Public Prosecutor for Money Laundering to FIU-the Netherlands. The request can concern the suspect, but also people related (in one way or another) to the suspect and/or alleged or potential victims.

⁵² These investigations can be initiated on their own initiative or can be based on a request of for example the Expertise Centre on THB (*Het Expertisecentrum Mensenhandel en Mensensmokkel*, see: <https://www.rijksoverheid.nl/contact/contactgids/expertisecentrum-mensenhandel-en-mensensmokkel-emm>) or an information hub from a police district if there is capacity and will to start a new investigation.

FIU-the Netherlands can collect various sorts of other data as well (direct financial data and indirect financial data). The data collected are interpreted and the results are laid down in so-called intelligence reports. These intelligence reports can be of great value to the investigative authorities in order to start an investigation (NL-E11, NL-E12).

For FIU-the Netherlands, it is also very **easy to request data from other FIUs abroad since no formal requests need to be sent**. This information can also be passed on to investigative authorities (to direct the investigation) if the other country has given its consent. This tends to provide very useful information in THB investigations and can speed up and further the investigation. After all, the time-consuming obstacle of a formal requests is not present. However, if the information is used in an official report, a formal request must be sent anyway, but then the information is already known.

A financial investigation can, furthermore, be conducted by a financial institution such as a bank. After all, their core business centres on financial transactions. Considering the money management of THB described above, this can be especially interesting in cases of labour exploitation. Yet, there is no legally binding obligation for banks to conduct financial investigations on THB that can be compared to the obligations in respect of anti-money laundering and anti-terrorism financing. This means that **picking up signals of THB is often considered to be an added bonus rather than an obligation** (NL-E10).⁵³

However, just like anti-money laundering and terrorist financing, financial crime units of banks can (and sometimes they do) take up the issue (NL-E9). A bank can analyse its transactions and identify red flags. A bank can scan its transactions by **running queries on certain scenarios of THB** (just as FIU-the Netherlands does). However, a major difference is that FIU-the Netherlands has the benefit of the fact that a selection has already been made – the data FIU-the Netherlands works with are *unusual* transactions that are reported as such – while a bank has to work with *all* transactions. In practice, if such queries are run, this results in a very high number of hits. Running these queries has therefore not been proven to be very successful so far (NL-E9, NL-E10). Also, privacy regulations certainly do not allow banks to undertake every action that could potentially be undertaken in identifying red flags (NL-E10). It should, however, be reminded that investigative authorities such as the police or the ISZW can of course request data (e.g. transactions) from a bank on certain subjects in a THB investigation and banks also have the obligation to report unusual transactions to FIU-the Netherlands that can also concern THB cases. When it comes to the role of financial

⁵³ Also, if banks do conduct financial investigations of some sort on THB, the investigations are often part of so-called human rights due diligence. Human rights due diligence on THB is not the result of a binding legal obligation but follows from non-binding instruments such as the United Nation Guiding Principles on Business and Human Rights and can be described by some banks in their statement published under the UK's Modern Slavery Act (Van Dijk et al., 2016). Yet, if due diligence is conducted, it is mostly directed at high risk sectors, high risk countries and multinational or large corporations, while THB clearly is also present closer to home and in other segments of the market, and can concern all kinds of corporations and individuals (Van Dijk et al., 2016).

institutions in combatting THB, it is interesting to note that they can be and according to our respondents also are **present at the “front door.”** After all, when people or corporations apply for loans, open bank accounts or are involved with a bank in another way, account managers and customer relationship managers that are trained in picking up signals of THB and know what do when these signals are present, can (and do) play an important role in combatting THB. Moreover, **several banks register suspicious behaviour they encounter in their day-to-day activities** in internal systems. This can, for example, already be the case when a woman opens up a bank account but a man who accompanies her does all the talking and demonstrates “suspicious behaviour” (NL-E9). In theory, investigative authorities can also request this information when investigating a certain subject in a THB case. However, in practice this is not always done (according to our respondents, an explanation could be that there is a **lack of awareness**).

*Obstacles*⁵⁴

Based on the interviews with our respondents and the case studies done, several obstacles can be identified. Some of the most important obstacles are connected to the nature and the modus operandi of the trafficking. An example is the fact that in many cases of human trafficking for sexual exploitation, there is **no (or only a limited) paper trail**. It is a cash business and – as it appears – large amounts of cash money are transported abroad and/or rapidly spent. This makes it difficult to trace and confiscate the money and is further complicated by reluctance to press charges by victims, as well as their oftentimes-inconsistent declarations (see above), and by the complicated distinction (in labour exploitation) between bad work management and actual exploitation (see sections above). In terms of legislation, **privacy legislation** is sometimes experienced as an obstacle since some data (e.g. video footage) can only be saved for a certain amount of time and certain (investigative) actions are not allowed due to privacy considerations. Also applying for formal demands of the public prosecutor or written authorisation of the investigative judge (and formalising data) are by some considered to be time consuming. However, other respondents do not experience this as a problem. On a practical level, borders are often experienced as an obstacle: when requests for data or for the confiscation of property must be sent abroad, in transnational THB cases, it can be very **difficult to get a request executed**. Most notably in countries that are not parties to a treaty with the Netherlands on this matter. This tends to constitute a problem particularly in cases of labour exploitation.

Even if there is an existing legal framework, **time** is considered to be an important obstacle. Executing the requests in practice takes a lot of time. The investigative authorities often depend on the authorities in other countries, and it is sometimes difficult to know where the request must be made. This can not only delay the investigation (and therewith a subsequent procedure in court) with associated negative consequences,

⁵⁴ In this section, references to the experts are omitted in order to protect their position and anonymity.

but can also frustrate the investigation and possible confiscation of the proceeds of THB. To provide an example, there have been cases where people abroad were notified (by offenders in the Netherlands) about the investigation and requests for searches, which resulted in possessions being hidden and property put on other names. Another time-consuming aspect related to requests for data is the fact that once data is received, often **translations** must be made.

Another aspect that makes national borders an obstacle is the fact that **procedural rules and/or practices on gathering data and on confiscation differ in various countries**. A unique feature of the Netherlands is, for example, that prejudgement attachments on assets of the offender (or under conditions on assets belonging to another person) are also possible for the purpose of preserving the right of recovery for the compensation order. However, in other countries this option does not seem to exist. Since investigations in the Netherlands are more and more focused on enabling damages for the victim, this constitutes an obstacle in those investigations. Also, not in every country can prejudgment attachments be imposed on assets belonging to another person. Yet, also if there are common rules on gathering data or confiscation (e.g. due to European legislation on the matter), these rules are not always enforced as such in practice and confiscations are not always imposed. Even if property is confiscated, the right of recovery (for the confiscation measure) may still not be secured, since in a number of cases the **property is not alienated in due time**, which can cause a decline in value and frustrate the procedure.

Moreover, in a JIT, although highly valued, respondents experienced some obstacles. Some of these were caused by (differences in) procedural rules as well. For example, if in a certain country only one person participating in the JIT can draft a formal document and eight other people must sign it before it is formalised, the investigation can take a long time. Another example provided by our respondents is that in a certain country wiretaps were allowed for only a very limited number of days, yet, in the JIT there was a clear hint that something was going to be discussed in another country. However, wiretapping was no longer allowed. Some of the obstacles experienced in a JIT also related to practicalities in other countries, e.g. data that needed to be collected physically at banks.

A lot of respondents face obstacles in terms of **capacity**. On the one hand, there does not seem to be enough time, manpower and means available to investigate all that *could* be investigated. For example, it may be of great importance to clarify how a certain suspect lives in a case of sexual exploitation, regarding the above discussed difficulty to trace cash money flows. Investigating, for example, the amount of money at one's disposal and the pattern of expenditure can provide evidence on the amount of unlawfully obtained profit and may be useful for making abstract calculations. Investigating the facilitators was also brought forward as a useful addition to what is currently investigated, as facilitators in one case can be also involved in another case. However, investigative authorities are lacking capacity to do this. Neither is there enough

time and/or manpower to be present at all interviews of suspects or witnesses, or to support the preparation of all interviews, while this is considered to be of great value.

On the other hand, there does not seem to be enough capacity to investigate all that *should* be investigated according to the guidelines of the PPS either. Not in every THB case a financial investigation can be conducted. In some instances, it is not even possible to investigate every THB case in due time. In this regard, it should be noted that the available means and time seem to differ depending on the kind of case concerned. If it concerns a case that starts on the basis of e.g. intelligence information (a so-called proactive case), often with more suspects involved, usually more means and time are available than in a case that starts e.g. on the basis of a report of a victim (a so-called reactive case).

In terms of **intelligence and ICT-technology**, according to our respondents, **only limited action is undertaken** on this part by the investigative authorities themselves on THB when case preparation is concerned, whereas this could be very fruitful in discovering (more) cases and for securing evidence. Yet, FIU-the Netherlands sometimes plays an important role in this regard. Also, THB cases include suspects with a lot of knowledge on the use of technological means and social media, who use it for example to recruit victims, to recruit clients or to control/pressure their victims, as mentioned in section 3.5. However, the same **knowledge** is not always present at the investigational level. A related obstacle seems to be the fact that **digital tools to process financial data** such as bank accounts are still missing. Some are being developed and purchased, but not all investigative departments have these systems at their disposal.

5. CONCLUSION AND RECOMMENDATIONS

Maybe the most important conclusion of this research is implied in the concern reflected (in different wordings) by financial investigators in this research: Where does the money go? Notwithstanding huge developments in the Netherlands over the last decennia in financial investigation, in confiscation possibilities, and in the compensation for victims in THB – both in a legal sense and in the professionalization of the practice of financial investigations – a lot of money flows in THB remain invisible.

On the one hand, that is intrinsic to the crime: only a small part of the actual THB and traffickers are visible and investigated. According to some respondents, this often concerns the “stupid” and unorganised traffickers; the smart, well-organised traffickers often escape investigation. Moreover, as far as sexual exploitation is concerned, this form of THB oftentimes **does not leave a paper trail**, contrary to labour exploitation. Whereas *in casu* labour exploitation it was perceived as difficult to determine when “bad working conditions” would become

labour exploitation, that situation is vastly different from the reality of human trafficking for sexual exploitation – and even more so since The Netherlands made a sharp turn towards a more repressive approach on prostitution. The latter trend further distances sex work from other branches in the labour market that are vulnerable to exploitative working conditions (like working in fruit production in Dutch greenhouses), as well as from a successful claim to rights.

But the lack of a paper trail in THB for sexual exploitation can also be linked to the characteristics of the different types of trafficking organisations and their financial “habits” in the Dutch context. This research revealed that it is elucidating to typify these different forms of organisation into four models or categories. Firstly, we differentiated domestic sex trafficking cases with a low degree of organisation – not seldom one (Dutch, often migrant background) pimp with one or two (Dutch) victims – and a typical lover-boy method of recruitment and exploitation. A paper trail of profits earned is often lacking here, with **money made being immediately spent** on a boasting pimps’ lifestyle of golden necklaces, (hired) cars, expensive brands clothing and luxurious parties. This lifestyle is also a recruitment asset. For this type of trafficking starting capital mainly exists of **social skills** – such as reading a person, influencing, and persuading her. The case is different for the second type: cases in which pimps are Dutch, and (some) victims are from abroad, and in which we see a higher degree of organisation and (often) an international component. These Dutch traffickers recruit – often indirectly via a recruiter in the source country – not only Dutch girls but also girls from Eastern Europe. They **use facilitators to outsource** part of their (criminal) activities. They invest their profits in **property**: real estate, boats, cars, in which case there might be a paper trail. However, since the allocation key of earnings in prostitution is often non-transparent and dynamic (it may change over time, at the pimps’ will), that paper trail is often complex, internally inconsistent and incomplete. In the third type of trafficking organisation – the foreign, family business structured organisation – the paper trail is often missing as well. Starting capital is limited, but **social capital** seems to compensate for the lack of financial capital and provides the trafficker with some stability and security. The revenues are **invested in the source country** – in real estate, cars, et cetera. Financial investigators often have a hard time getting sufficient insight in such foreign investments, being hindered by time constraints and (transnational) administrative complexities. Moreover, **money is increasingly transported in cash**, instead of being sent to the source country via money transfers – contributing only to the lack of a paper trail. We have not looked deeply into the fourth type in this research, namely THB as a result of migratory (refugees) flows, as we did not encounter such cases, notwithstanding the fact that our respondents did. Moreover, we did not come across highly sophisticated, large, international trafficking organisations, although prior cases in the Netherlands – such as Sneep and Koolvis – suggest that these do exist.

All of the discussed types of THB for sexual exploitation use the internet and social media quite extensively. They use it: i) for **recruitment** of new girls; ii) for **advertising the girl** to clients; iii) as a **means to control** her;

and iv) as an **exploitation modality** in itself. In labour exploitation, the internet is similarly, though far less, used for recruitment.

Although in both forms of human trafficking – for labour and for sexual exploitation – the lion's share of profits emanates from the very basic technique of having someone work for you without paying that person (enough), there are other practices to augment the profits. In labour exploitation we found three revenue models, which are intricately related: i) saving on salary costs through letting the victims work more hours than they are paid for; ii) paying few or no taxes; iii) other revenues directly extracted from labour migrants – like money for a meal, relatively expensive housing, fines, et cetera. Profits made are generally invested back in the company.

As far as the detection and confiscation of profits of THB are concerned, we can say that the Dutch legal system and policies concerning THB are unique in some aspects. First of all, because of an **integrated approach** to THB, not only the police but other parties – FIU-the Netherlands, banks, municipalities, ISZW – are involved in financial investigation. The fact that they all look at the phenomenon and the money to be traced from a different professional perspective seems to be a strength for financial investigations (as long as these perspectives are sufficiently communicated and exchanged). They can all add different information to the puzzle and work with different methods, thereby helping each other finding the information needed. However, there are limits to such cooperation, as our respondents pointed out. While some of them were pretty content about the amount of information they could share with other organisations, others believed that the law on privacy and/or differences in “culture” often played havoc with exchanging private and public information freely and thereby being able to combat THB more effectively. They would, thus, like to see more exchange of information. In general, it is considered to be important that various parties (both public and private) share information on, for example, modalities, modus operandi, and financial management in THB cases on a structural level. The Dutch legal system further provides for a **compensation order**, which implies that the convicted should pay compensation to the victim, but will not do so directly, but via the Dutch state, which will apply an **advance payment scheme**. This construction relieves the victim of the burden of enforcement – the possible scenario that the trafficker does not pay (in time) is not the victim's problem any longer.

A useful aspect of the Dutch approach to recovering money earned in THB, concerns the **confiscation of assets**. Not only can the Dutch state impose prejudgement attachments on money and assets from the trafficker, but also under certain conditions **from others than the trafficker**. This is also possible in order to preserve the right of recovery for the compensation order. This is, in principle, a valuable response to traffickers putting their revenues on other people's names to hide their “black” money.

Notwithstanding these highlights in the Dutch legal system, our respondents also brought forward some challenges for the future. They concern,

in the first place, **complexities in international cooperation**. Notwithstanding the fact that JITs were without exception positively valued, these international teams could not solve every problem related to the transnational character of (combating) THB. Also, JITs are not and cannot be established in every THB case. Therefore, the obstacle remains that requests for data or for the confiscation of property sent abroad, can take a long time to be executed. Moreover, procedural rules and practices on gathering data and on confiscation are not the same in other countries. This slows down or even frustrates the (transnational) detection and confiscation of finances and assets acquired through THB.

Secondly, respondents mentioned the **lack of capacity** within the Dutch legal system as an important limitation of financial investigations into THB. They feel they could do a better job combating THB if they would have more capacity to pro-actively analyse the vast amount of available (financial) data. True as this may be from their point of view, there are some considerations to take into account here: firstly, the fact that in the contemporary information era the amount of available data will *always* (far) extend investigative capacities. Secondly and related to that, it depends on the available technology, expertise and skills of investigative authorities whether the vast amount of data can be efficiently tapped into; in that respect it is important to mention that some respondents in this research expressed their concern over the insufficient knowledge of ICT technology and social media in Dutch law enforcement. Thirdly, the quest for data – and more particularly the linking of different data systems – may be at odds with European citizens' privacy and the safety of their personal data. Fourth and lastly, the wish to tap into the vast amount of data (assemblages) in order to fight human trafficking needs to be balanced with rather protective goals: making sure European citizens can have their human rights respected and work without being exploited.

LIST OF ABBREVIATIONS

AVIM	Aliens Police Department, Identification and People Trafficking
CJIB	Collective Debt Collection Agency
DCC	Dutch Criminal Code
DCCP	Dutch Code of Criminal Procedure
ECHR	European Convention on Human Rights
ECtHR	European Court of Human Rights
FIU	Financial Intelligence Unit
ISZW	Inspectorate Social Affairs and Employment
JIT	Joint Investigation Team
KMar	The Royal Netherlands Military Constabulary
PPS	Public Prosecutors Service
STV	The Foundation Action group against Trafficking in Women
THB	Trafficking in Human Beings
Wwft	Money Laundering and Terrorist Financing Prevention Act

LIST OF INTERVIEWEES

Respondent code	Position/Department	Institution/Role
NL-E1	Financial investigator	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) Amsterdam
NL-E2	Financial investigator	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) Amsterdam
NL-E3	Financial investigator	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) Amsterdam
NL-E4	THB Expert	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) Amsterdam
NL-E5	Financial investigator	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) Central Netherlands
NL-E6	Financial investigator	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) Central Netherlands
NL-E7	Financial investigator	Aliens Police Department, Identification and Trafficking in Human Beings (AVIM) East Netherlands
NL-E8	Director NGO	FairWork
NL-E9	Head Intelligence & Analysis	Bank
NL-E10	Head Environmental, Social & Ethical Risk Policy	Bank
NL-E11	FIU-the Netherlands	Financial Intelligence Unit (FIU)
NL-E12	FIU-the Netherlands	Financial Intelligence Unit (FIU)
NL-E13	Financial Specialist	Inspectorate Social Affairs and Employment (ISZW)
NL-E14	Lawyer victims of THB	Law firm
NL-E15	Policy maker Administrative Approach Organized Crime	Municipality Amsterdam
NL-E16	Employee	Foundation BARKA NL (support for Polish migrants)
NL-E17	Financial Investigator	Inspectorate Social Affairs and Employment (ISZW)

LIST OF STUDIED CASES

Case	Institution	Particularities
NL-PC1	Police	Police files, case 1 (sexual exploitation)
NL-PC2	Police	Police files, case 2 (sexual exploitation)
NL-PC3	Police	Police files, case 3 (sexual exploitation)
NL-CC4	Court	Court files, ⁵⁵ case 4 (sexual exploitation, 2 files) ⁵⁶
NL-CC5	Court	Court files, case 5 (sexual exploitation, 1 file)
NL-CC6	Court	Court files, case 6 (sexual exploitation, 6 files)
NL-CC7	Court	Court files, case 7 (sexual exploitation, 2 files)
NL-CC8	Court	Court files, case 8 (sexual exploitation, 1 file)
NL-CC9	Court	Court files, case 9 (sexual exploitation, 1 file)
NL-CC10	Court	Court files, case 10 (sexual exploitation, 1 file)
NL-CC11	Court	Court files, case 11 (sexual exploitation, 2 files)
NL-CC12	Court	Court files, case 12 (sexual exploitation, 1 file)
NL-CC13&14	Court	Court files, case 13&14 (sexual exploitation, 2 files)
NL-CRP1	Court	Court report 1 ⁵⁷ (labour exploitation) ECLI:NL:RBAMS:2013:8461
NL-CRP2	Court	Court report 2 (labour exploitation) ECLI:NL:RBDHA:2013:16185
NL-CRP3	Court	Court report 3 (labour exploitation) ECLI:NL:RBOVE:2013:2951
NL-CRP4	Court	Court report 4 (labour exploitation) ECLI:NL:RBZWB:2014:6563
NL-CRP5	Court	Court report 5 (labour exploitation) ECLI:NL:RBROT:2015:3785
NL-CRP6	Court	Court report 6 (labour exploitation) ECLI:NL:GHAMS:2016:5035
NL-CRP7	Court	Court report 7 (labour exploitation) ECLI:NL:RBOBR:2016:6594
NL-CRP8	Court	Court report 8 (labour exploitation) ECLI:NL:RBOBR:2016:6595
NL-CRP9	Court	Court report 9 (labour exploitation) ECLI:NL:RBLIM:2016:9602
NL-CRP10	Court	Court report 10 (labour exploitation) ECLI:NL:RBLIM:2016:9615
NL-CRP11	Court	Court report 11 (labour exploitation) ECLI:NL:RBNNE:2017:4662

⁵⁵ We screened a total sample of 33 court files of sexual exploitation that took place in the Region Middle Netherlands. Of the 33 files, we selected a sample of 11 cases for content analysis (of which the latter two were related to one another). The cases consisted of 19 files (see footnote 58 on the difference between a “case” and a “file”). We chose the cases as diverse as possible regarding size of the trafficking network; domestic/foreign case; number of perpetrators/victims; modus operandi et cetera in order to prevent a selection bias. For further backgrounds of the sample method and data analysis, see *Data collection* above.

⁵⁶ A case refers to an incidence of exploitation in a certain exploitative setting. In some of our case-studies, the case existed of two or more files, meaning that there were two or more suspects connected to the case, who were separately tried before court. The number of files per case does not say anything about the number of victims (one suspect can have one or more victim(s), just like two or more suspects can have, in theory, one or more victim(s)). It does say something, however, about the *complexity* of the trafficking network. Cases with more files generally concern larger networks of greater complexity. See section 2 for an elaboration on the cases.

⁵⁷ Whereas the court and police files (cases 1 to 14: PC1 to CC14 on *sexual exploitation*) involved confidential data for which we needed clearance, the court reports (CRP1 to CRP11 on *labour exploitation*) are publicly available on [www.rechtspraak.nl].

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