



**RISK ASSESSMENT
ON MONEY LAUNDERING AND TERRORISM
FINANCING ARISING FROM HUMAN
TRAFFICKING, MIGRANT SMUGGLING AND
LABOR SMUGGLING**

2023

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SMUGGLING AND LABOR SMUGGLING**

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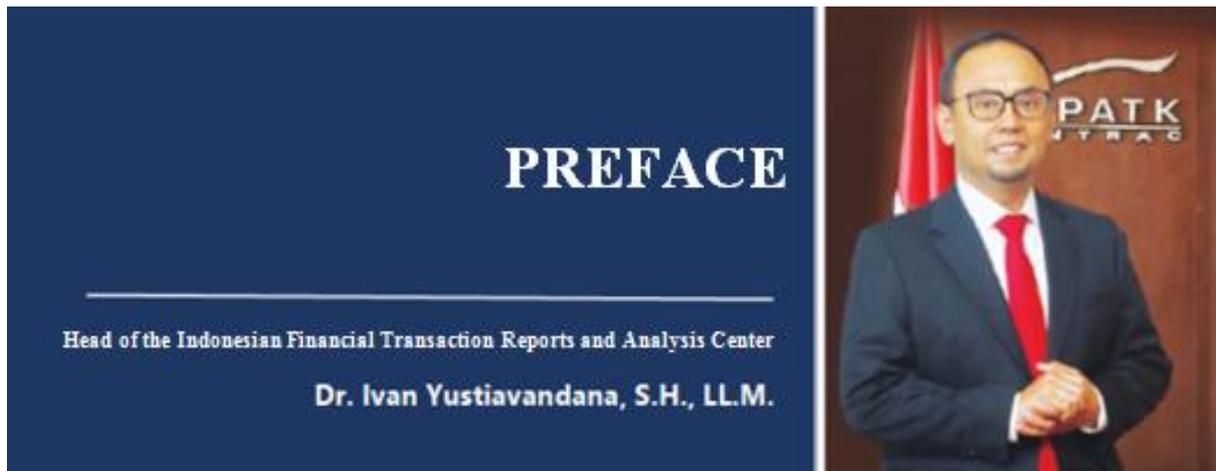
EXECUTIVE SUMMARY

As regional conflict and violence, economic challenges, widening social and cultural disparities, and natural disasters continue to escalate, potential risks for organized human trafficking, migrant smuggling, and labor smuggling have increased. The influence of globalization and global communications has expanded the networks of these perpetrators. As is widely known, human trafficking is a type of predicate crime defined in Article 2, paragraph 1, letter 1 of the Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering. Human trafficking is classified as extraordinary crime, characterized by its transnational, organized nature and supported by modern technology in the fields of communications and informatics.

In light of these developments, strategic steps are required by the Indonesian Financial Transaction Reports and Analysis Center (INTRAC) and other stakeholders to align national and institutional controls and strategies in addressing money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling, taking into account the results of the risk assessment of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling.

This risk assessment report outlines various characteristics of human trafficking, migrant smuggling, and labor smuggling that may potentially lead to money laundering, as well as their interconnection with Terrorist Financing Crime. It also provides an overview of the business processes and governance of the Indonesian Migrant Workers and Immigration, and provides an overview of trends, methods, organizational structures, networks, and fund flows

indicating money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling. Specifically, this report outlines the results of risk mapping, case studies and red flag indicators of suspicious financial transactions indicating human trafficking crime, migrant smuggling and labor smuggling, and provides an overview of good practices in handling human trafficking crime, migrant smuggling and labor smuggling and/or money laundering crime and Terrorist Financing Crime in Indonesia.



As we have known, human trafficking, migrant smuggling, and labor smuggling constitute organized and transnational crimes. Therefore, the Indonesian Financial Transaction Reports and Analysis Center (INTRAC) deems it necessary to conduct a Collaborative Analysis between the Government and the Private Sector. This aligns with the President of the Republic of Indonesia's directive to cooperate, coordinate, and collaborate in addressing these issues comprehensively, including eradicating transnational human trafficking networks through various mechanisms and initiatives to break the chain and intensify criminal acts through asset tracing and money laundering, as highlighted by regional countries at the 42nd ASEAN Summit in 2023.

In addition, as follow-up efforts to the National Action Plan for the Prevention and Handling of Criminal Acts of Human Trafficking for the period of 2020-2024 as stipulated in the Presidential Regulation Number 19 of 2023 and Regulation of the Coordinating Minister for Political, Legal and Security Affairs Number 58 of 2023 concerning the National Action Plan for the Prevention and Eradication of Criminal Acts of Money Laundering and Terrorism Financing in 2023, Ministries/Institutions, especially the Indonesian Financial Transaction Reports and Analysis Center (INTRAC), have been required to play a role as the responsible party in following up on the national action plan related to handling of human trafficking acts.

I, therefore, welcome the preparation of the 2023 sectoral risk assessment report for money laundering and terrorism financing crimes arising from human trafficking, migrant smuggling, and labor smuggling. This demonstrates the commitment of the Indonesian Financial Transaction Reports and Analysis Center (INTRAC) and all relevant stakeholders to

addressing human trafficking, migrant smuggling, and labor smuggling, both nationally and globally.

Finally, I would like to express my gratitude and appreciation to all parties who have contributed to the preparation of this 2023 sectoral risk assessment report for money laundering and terrorism financing crimes arising from human trafficking, migrant smuggling, and labor smuggling. I hope this report can be used by all stakeholders as a basis for formulating strategies and policies to prevent and eradicate money laundering and/or predicate crimes, as well as terrorism financing crimes.

Jakarta, January 2024

Dr. Ivan Yustiavandana S.H., LL.M.

Head of the Indonesian Financial Transaction Reports and Analysis Center

LIST OF ABBREVIATION

Abbreviation/Term	Remarks
SC	Ship Crew
IMWC	Indonesian Migrant Worker Candidate
WPL	Wanted Persons List
FATF	<i>Financial Action Task Force on Money Laundering</i>
FIU	Financial Intelligence Unit
FTF	Foreign Terrorist Fighters
TF PH-HTC	Task Force for the Prevention and Handling of Human Trafficking Crimes
AR	Analysis Result
IR	Inspection Result
ARI	Analysis Result Information
IOM	<i>International Organization for Migration</i>
PCR	Public Complaint Report
TRA	Transaction Report from/to Abroad
STR	Suspicious Transaction Report
CTR	Cash Transaction Report
OSIS	One-Stop Integrated Services
JTI	Job Training Institute
PCOI	Placement for the Company's Own Interests
IMWPC	Indonesian Migrant Worker Placement Company
PoC	<i>Point of Concern</i>
COWS	Computerized Overseas Workforce System
IMWPIP	Indonesian Migrant Worker Placement Implementation Permit
DP	Deployment Permit
IMWRP	Indonesian Migrant Worker Recruitment Permit
MLC	Money Laundering Crime
TFC	Terrorist Financing Crime
HTC	Human Trafficking Crime
UNICEF	<i>United Nations International Children Emergency's Fund</i>

TABLE OF CONTENTS

EDITORIAL TEAM	ii
EXECUTIVE SUMMARY	vi
LIST OF ABBREVIATION	x
TABLE OF CONTENTS	xi
LIST OF TABLES	xiv
CHAPTER 1 INTRODUCTION	1
1.1 BACKGROUND	1
1.2 RESEARCH QUESTION	5
1.3 OBJECTIVE	6
1.4 OUTPUT	6
CHAPTER 2 CONDITIONS AND DEVELOPMENTS OF HUMAN TRAFFICKING, MIGRANTS SMUGGLING AND LABOR SMUGGLING	8
2.1 HARACTERISTICS OF HUMAN TRAFFICKING, MIGRANTS SMUGGLING, AND LABOR SMUGGLING, AND THEIR INTERCONNECTION IN MONEY LAUNDERING	8
2.2 THE DEVELOPMENT OF MONEY LAUNDERING CRIME AND TERRORIST FINANCING CRIME ARISING FROM HUMAN	

TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING AT THE INTERNATIONAL LEVEL	13
2.3 CHALLENGES AND GOOD PRACTICES IN HANDLING MONEY LAUNDERING AND TERRORIST FINANCING CRIME ORIGINATED FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING	17
CHAPTER 3 METHODOLOGY	21
3.1 RESEARCH METHOD	21
3.2 RESEARCH LIMITATION AND SCOPE	25
3.3 RISK-FORMING FACTORS IN THE RISK ASSESSMENT STAGE	26
3.4 DATABASE	31
CHAPTER 4 MAIN RISKS OF MONEY LAUNDERING CRIME AND TERRORIST FINANCING CRIME ARISING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING	35
4.1 BUSINESS PROCESSES AND GOVERNANCE OF THE INDONESIAN MIGRANT WORKERS AND IMMIGRATION IN RELATION TO HUMAN TRAFFICKING CRIME AND MIGRANT SMUGGLING	35
4.2 TRENDS DEVELOPMENT, MODUS OPERANDI, ORGANIZATIONAL STRUCTURES AND NETWORKS, AND FUND FLOWS THAT INDICATE MONEY LAUNDERING CRIME ARISING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING	45

4.3	MAIN RISKS OF MONEY LAUNDERING CRIME ORIGINATING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING AND LABOR SMUGGLING, AND THE INTERCONNECTION WITH TERRORIST FINANCING	57
4.3.1	Main Risks of Money Laundering Crime Arising from Human Trafficking Crime	58
4.3.2	Main Risks of Money Laundering Crime Arising from Migrant Smuggling Crime	67
4.3.3	Main Risks of Money Laundering Crime Arising from Labor Smuggling Crime	72
4.3.4	Interconnection between Terrorist Financing and The Crime of Human Trafficking, Migrant Smuggling, and Labor Smuggling	77
4.4	CASE STUDY AND RED FLAG INDICATORS OF SUSPICIOUS FINANCIAL TRANSACTIONS THAT INDICATE MONEY LAUNDERING CRIME ARISING FROM INDICATIONS OF HUMAN TRAFFICKING CRIME, MIGRANT SMUGGLING, AND LABOR SMUGGLING	81
4.5	BEST PRACTICES FOR PREVENTION AND ERADICATION OF ML AND TF CRIME ORIGINATED FROM INDICATIONS OF HUMAN TRAFFICKING CRIME, MIGRANT SMUGGLING, AND LABOR SMUGGLING	106

CHAPTER 5 CONCLUSION AND MITIGATION STRATEGY	120
5.1 CONCLUSION	120
5.2 MITIGATION STRATEGY	126

LIST OF TABLE

Table 1	Characteristics of Human Trafficking Crimes and Their Connection with Money Laundering Crimes	9
Table 2	Characteristics of Labor Smuggling Crimes and Their Connection with Money Laundering Crimes	11
Table 3	Characteristics of Migrant Smuggling Crimes and Their Connection with Money Laundering Crimes	12
Table 4	Schedule of In-depth Studies at Headquarters	33
Table 5	Schedule of In-depth Studies in Regions	34
Table 6	Statistics on Handling Human Trafficking Crime Cases	36
Table 7	List of the Top 10 Placement Countries and	46
Table 8	Number of Analysis Results/Examination Results/Information on Indications of Money Laundering Crimes Arising from Human Trafficking Crimes, Migrant Smuggling, and Labor Smuggling During the Period of 2017 to 2023	47
Table 9	Distribution of Suspicious Financial Transactions in Indonesian Migrant Worker Placement Companies	54
Table 10	Distribution of Suspicious Financial Transactions in Indonesian Migrant Worker Placement Companies by Business Type	55
Table 11	Financial Transaction Activity in Inactive or Unlicensed Migrant Worker Placement Companies	56
Table 12	Money Laundering Crime Risks Arising from Human Trafficking Crimes by Individual Perpetrator Profile	59
Table 13	Money Laundering Crime Risks Arising from Human Trafficking Crimes by Corporate Perpetrator Profile	59
Table 14	Money Laundering Crime Risks Arising from Human Trafficking Crimes by Region	60
Table 15	Money Laundering Crimes Arising from Human Trafficking Crimes by Stage	62
Table 16	Money Laundering Crimes Arising from Human Trafficking Crimes by Form of Exploitation	63

Table 17	Data on Handling Prostitution Content and Job Vacancies or Human Trafficking Crimes (HTC) as of November 20, 2023	63
Table 18	List of Websites and Complaints from Agencies Indicating Human Trafficking in the Form of Exploitation of Indonesian Migrant Workers	65
Table 19	Money Laundering Crimes Arising from Human Trafficking by Industrial Sector	64
Table 20	Money Laundering Crimes Arising from Migrant Smuggling by Perpetrator Profile	68
Table 21	Money Laundering Crimes Arising from Migrant Smuggling by Region	69
Table 22	Money Laundering Crimes Arising from Migrant Smuggling by Industrial Sector	71
Table 23	Money Laundering Crimes Arising from Labor Smuggling by Perpetrator Profile	72
Table 24	Money Laundering Crimes Arising from Labor Smuggling by Region	74
Table 25	Money Laundering Crimes Arising from Labor Smuggling by Industrial Sector	76

LIST OF FIGURES

Figure 1	Development of Suspicious Transaction Reports Indicating Predicate Crimes of Migrant Smuggling and Labor Smuggling	3
Figure 2	Formulation for Money Laundering Crime Risk Assessments Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling	27
Figure 3	Factors Shaping Money Laundering Risks Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling	28
Figure 4	Quantitative Transformation	29
Figure 5	Risk Level Categories	29
Figure 6	Risk Heatmap	30
Figure 7	Risk Evaluation Matrix	31
Figure 8	Distribution of Response Rates for Questionnaires and/or Minutes of In-depth Interviews	32
Figure 9	Mechanisms/Techniques for Placement and Protection of Indonesian Migrant Workers	37
Figure 10	Business Process for Placement and Protection of Indonesian Migrant Workers	39
Figure 11	Non-Procedural (Illegal) Placement Mechanisms	40
Figure 12	Employment Opportunities for Indonesian Migrant Workers Abroad	45
Figure 13	Data on Protection of Indonesian Migrant Workers	45
Figure 14	Mapping of Human Trafficking Crime Syndicates	50
Figure 15	Map of Human Trafficking Crime Networks	51
Figure 16	Number of Suspicious Transaction Reports	53
Figure 17	Statistical Data on Passport Issuance and Departure Delays from 2018 to 2021	112

CHAPTER 1

INTRODUCTION

1.1. BACKGROUND

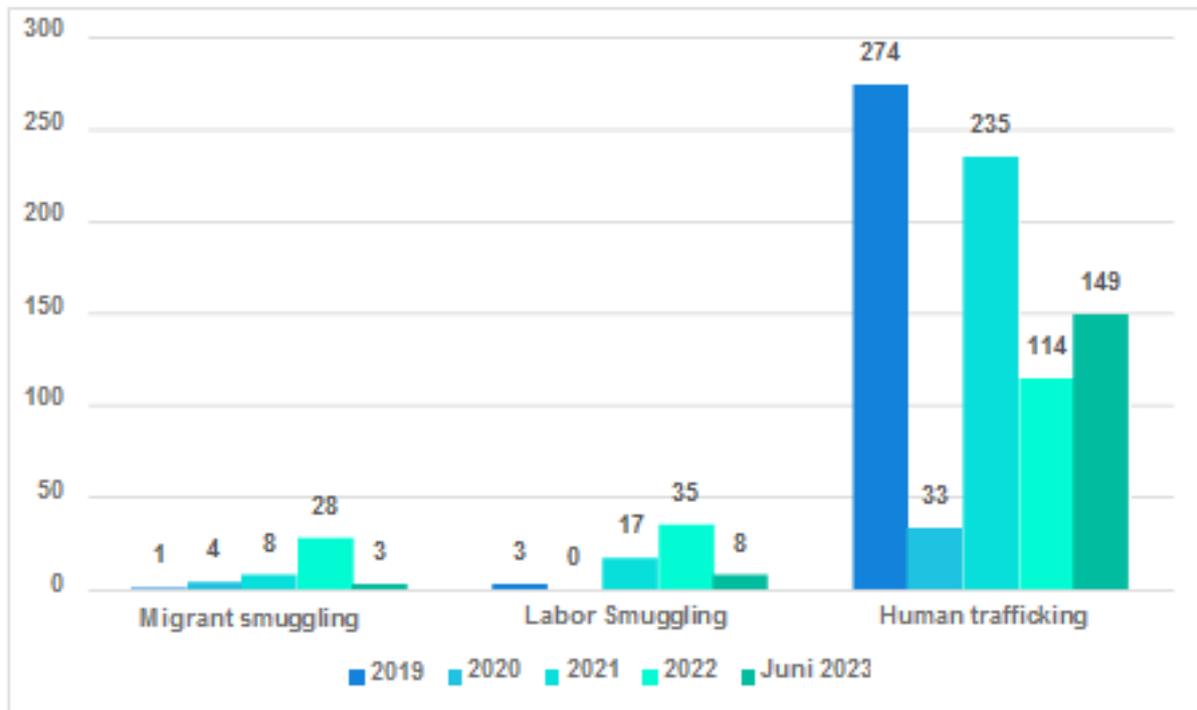
As is widely known, human trafficking is a type of predicate crime defined in Article 2, paragraph 1, letter I of the Law Number 8 of 2010 concerning the prevention and eradication of money laundering. Human trafficking is classified as an extraordinary crime, characterized by its transnational, organized nature and supported by modern technology in the field of communications and informatics. In terms of criminal procedural law, this crime is specifically regulated under the Law Number 21 of 2009 concerning the Eradication of Human Trafficking Crime. Handling this crime also requires specialized law enforcement that support institutions with broad authority. This has been regulated under the Presidential Regulation Number 69 of 2008, in order to increase efforts to eradicate human trafficking, the Government formed a Task Force for the Prevention and Handling of Human Trafficking Crime (TF PH-HTC), with the Chairman being the Coordinating Minister for Human Development and Culture (previously the Coordinating Minister for People's Welfare) and the Daily Chairman being the Minister for Women's Empowerment and Child Protection (previously the Minister of State for Women's Empowerment), with members consisting of 24 Ministers and Heads of Institutions, including the INTRAC institution.

The increasing number of human trafficking cases occurring in various countries requires serious attention to address the threats, impacts, and risks of this predicate crime. In addition to the International Organization for Migration (IOM), the ASEAN-Australia Counter Trafficking Program, and UNICEF (United Nations International Children's Emergency Fund), the Financial Action Task Force (FATF), as the global task force for preventing and eradicating money laundering crime (MLC), also focuses its significant attention to the issue of human trafficking. The institution has produced a report on financial flows from human trafficking in 2018 and money laundering and terrorist financing risks arising from migrant smuggling in 2022. According to the report, it is discovered that the risks of MLC and TFC have provided information on the flow of funds and there are differences in the risks of human trafficking for the purposes of sexual exploitation or labor and migrant trafficking. Furthermore, the FATF states that migrant smuggling is a crime that generates significant profits globally, with criminal networks growing very rapidly. However, some countries consider migrant smuggling to be less risky than other crimes such as tax evasion or fraud. Despite this low level of risk, countries still consider the impact of fundamental violations and the human suffering that sometimes results in loss of life.

In Indonesia, the escalation of regional conflict and violence, economic challenges, widening social and cultural disparities, and natural disasters have created potential risks for organized crime, including human trafficking, migrant smuggling, and labor smuggling. The impact of globalization and global communications has expanded the networks of these perpetrators. During the 2019-2022 period, there was a significant increase in Suspicious Transaction Reports indicating migrant smuggling crimes during the past year, from 2021 to 2022 (a 71 percent increase), and labor smuggling (a 51 percent increase), while human trafficking crimes shows a significant increase during the COVID-19 pandemic, particularly in

the 2020-2021 period, with 235 Suspicious Transaction Reports (an 86 percent increase). This number continued to increase from 2022 to June 2023, although this decreased compared to 2021.

Figure 1. Development of Suspicious Transaction Reports Indicating Predicate Crimes of Migrant Smuggling, Labor Smuggling, and Human Trafficking During the Period of 2019 to the First Semester of 2023



Source: processed data, INTRAC 2022

According to the 2015-2019 Human Trafficking Task Force Report, various factors contribute to human trafficking, including the desire to improve one's standard of living, a consumerist lifestyle, child marriage, the development of overseas labor recruitment businesses, the rise of cross-border organized crime networks, and the prevalence of discrimination and gender issues. Furthermore, poverty, unemployment, and lack of education, along with a lack of social protection from family and community, contribute to the vulnerability and powerlessness that lead to human trafficking.

Based on FATF recommendations that all countries must implement money laundering crimes to all types of serious crimes including human trafficking crime, migrant smuggling and labor smuggling. In Indonesia, all types of such crimes have characteristics and are regulated in specific laws and regulations, among others under the Law Number 21 of 2007 concerning the Eradication of Human Trafficking Crime, the Law Number 6 of 2011 concerning Immigration, the Law Number 39 of 2004 concerning the Placement and Protection of Indonesian Migrant Workers Abroad and the Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers and the Law Number 15 of 2009 concerning the ratification of the protocol against the smuggling of migrants by land, sea and air, supplementing the united nations convention against transnational organized crime. In addition, the different aspects between human trafficking crime and the crime of smuggling migrants and labor include: 1) migrants and labor have agreed to be transported, while victims of human trafficking are unaware and/nor do they agree to this, 2) smuggling will end with the arrival of migrants at their destination, while human trafficking often involves ongoing exploitation, 3) smuggling of migrants and labor is always transnational while human trafficking may not necessarily be so. Furthermore, the routes and amounts of transactions generated are often different. However, there are some connections between these types of crimes, for example the same criminal networks may be involved in smuggling migrants and labor as in human trafficking.¹

In light of these developments, strategic steps are required by the Indonesian Financial Transaction Reports and Analysis Center (INTRAC) and other stakeholders to align national

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FATF 2022, Money Laundering and Terrorist Financing Risk Arising from Migrant Smuggling.

and institutional controls and strategies in addressing money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling. To support the formulation of these strategic steps, it is deemed necessary to enhance and update understanding of the risks of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling.

1.2. RESEARCH QUESTION

The focus of this study among others are:

1. What is the overview of the business processes and governance of Indonesian migrant workers and immigration?
2. What are the trends, methods, organizational structures, networks, and fund flows that indicate money laundering crimes arising from human trafficking, migrant smuggling, labor smuggling, and money laundering in Indonesia?
3. What is the level of money laundering risk from human trafficking, migrant smuggling, and labor smuggling based on the type of crime, the perpetrator's profile (individual and business), the industrial sector, the geographic location of the flow of funds, and the route of the predicate crime?
4. What are the case studies and red flags, or indicators of suspicious financial transactions that indicate human trafficking, migrant smuggling, and labor smuggling?
5. What are the best practices in mitigating and handling human trafficking, migrant smuggling, and labor smuggling by countries?

1.3. OBJECTIVES

The objectives of this risk assessment are as follows:

1. To understand the business processes and governance of the Indonesian migrant workers and immigration.
2. To understand the trends, methods, organizational structures, and networks, as well as the flow of funds that indicate money laundering crimes arising from human trafficking, migrant smuggling, labor smuggling, and money laundering in Indonesia.
3. To understand the level of money laundering risk arising from human trafficking, migrant smuggling, and labor smuggling, according to the type of crime, the perpetrator profile (individual and business), the industrial sector, and the geographic location of the source of funds and the route of the original crime.
4. To understand the outline of case studies and red flags, or indicators of suspicious financial transactions that indicate human trafficking, migrant smuggling, and labor smuggling.
5. To understand best practices in mitigating and addressing human trafficking, migrant smuggling, and labor smuggling by countries.

1.4. OUTPUT

The expected outputs of this risk assessment report are:

1. It is expected to enhance and update understanding of the risks of money laundering arising from human trafficking, migrant smuggling, and labor smuggling.
2. It is expected to assist ministries/agencies and the private sector in aligning controls and mitigation strategies nationally and institutionally by enhancing understanding of the money laundering risks stemming from human trafficking, migrant smuggling, and labor smuggling.

3. It is expected that the Reporting Party will pay attention to and improve the detection of Suspicious Transaction Reports indicating human trafficking, migrant smuggling, and labor smuggling.
4. It is expected that regulators and law enforcement agencies can formulate risk-based prevention, monitoring, and law enforcement efforts related to money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling.

CHAPTER 2

CONDITIONS AND DEVELOPMENTS OF THE CRIMES OF HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING

2.1. CHARACTERISTICS OF THE CRIMES OF HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING, AND THEIR CONNECTION WITH MONEY LAUNDERING

Specifically, this section will describe the various characteristics of the crimes of human trafficking, labor smuggling, and migrant smuggling, as well as their connection with money laundering. As is commonly known, there are several specific provisions regarding the crimes of human trafficking, labor smuggling, and migrant smuggling, as regulated and explained in Article 2 of the Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering, with the following details:

3. Human trafficking crime, as governed in the Law Number 21 of 2007 concerning the Eradication of Human Trafficking;
4. Labor smuggling crime, as governed in the Law Number 39 of 2004 concerning the Placement and Protection of Indonesian Migrant Workers Abroad;
5. Migrant smuggling crime, as governed in the Law Number 6 of 2011 concerning Immigration.

2.1.1. Characteristics of Human Trafficking Crime Offence

Provisions regarding Human Trafficking Crime (HTC) are specifically governed in the Law Number 21 of 2007 concerning the Eradication of Human Trafficking Crime (the Law Number 21 of 2007). Following the issuance of the Law Number 21 of 2007, Indonesia ratified the Palermo Protocol under the Law Number 14 of 2009 concerning the Ratification of the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, especially Women and Children 2000. However, this section will specifically discuss the Law Number 21 of 2007, which contains various articles that includes formal and material offenses², with the following details:

Table 1. Characteristics of Human Trafficking Crime and its Connection with Money Laundering

HUMAN TRAFFICKING CRIME OFFENCE (THE LAW NUMBER 21 OF 2007)	EXPLANATION
<p>Article 2 Paragraph 1 Recruiting, transporting, harboring, sending, transferring, or receiving a person by means of threats of violence, use of force, kidnapping, confinement, forgery, fraud, abuse of power or a position of vulnerability, debt bondage, or the provision of payments or benefits, even with the consent of a person in control of another person, for the purpose of exploiting that person within the territory of the Republic of Indonesia.</p>	<p>In forgery, fraud, debt bondage, or the provision of payments, there is a potential for money laundering with the intent to obtain proceeds of crime, provided that the act has been committed repeatedly and/or on a large scale.</p>
<p>Article 2 Paragraph 2 If the act referred to in Article 2 paragraph 1 results in the exploitation of a person, that person shall be subject to the same penalties as referred to in paragraph 1.</p>	<p>In this situation, there is a potential for money laundering due to the proceeds of crime obtained from the form of exploitation committed.</p>

² A formal crime is a crime that is fulfilled if the elements of the act in the formulation of the article are fulfilled. Meanwhile, a material crime is a crime that is fulfilled if the consequences required in the article occur.

<p>Article 3</p> <p>Bringing a person into the territory of the Republic of Indonesia with the intent to exploit them within the territory of the Republic of Indonesia or in another country.</p>	<p>The process of sending the person involves various resources that must be financed. Furthermore, the person's entry naturally involves financial resources, thus potentially creating a money laundering crime at this stage of the process.</p>
<p>Article 4</p> <p>Bringing an Indonesian citizen outside the territory of the Republic of Indonesia with the intent to exploit them outside the territory of the Republic of Indonesia.</p>	<p>The process of sending the person involves various resources that must be financed. Furthermore, the person's entry naturally involves financial resources, thus potentially creating a money laundering crime at this stage of the process.</p>
<p>Article 5</p> <p>Adopting a child by promising or giving something with the intent to exploit the child</p>	<p>Any act with the intent of exploitation involving the abuse of a child for economic gain has the potential for money laundering, both during and after the process.</p>
<p>Article 6</p> <p>Sending a child within or outside the country by any means that results in the child being exploited</p>	<p>Any act with the intent of exploitation involving the abuse of a child for economic gain has the potential for money laundering, both during and after the process.</p>

2.1.2. Characteristics of Labor Smuggling Crimes Offence

Provisions regarding labor smuggling crimes are specifically explained in Article 2, letter e of the Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crime, which defines Labor smuggling as the smuggling of labor as referred to in the Law concerning the Placement and Protection of Indonesian Migrant Workers Abroad. The

detailed characteristics of this crime and its connection to money laundering crime are outlined in the table below.

Table 2: Characteristics of Labor Smuggling Crimes and Their Connection to Money Laundering Crime

LABOR SMUGGLING CRIME OFFENCE (THE LAW NUMBER 39 OF 2004)	EXPLANATION
<p>Article 102</p> <ul style="list-style-type: none"> a. placing Indonesian citizens to work abroad as referred to in Article 4; b. placing Indonesian migrant workers without permission as referred to in Article 12; or c. placing Indonesian migrant workers candidate in positions or workplaces that violates humanitarian values and moral norms as referred to in Article 30. 	<p>In the case of Article 102 letters a to c being carried out and having obtained the proceeds of crime and/or being carried out repeatedly or massively, which can potentially lead to money laundering.</p>
<p>Article 103</p> <ul style="list-style-type: none"> a. transferring or assigning the Indonesian Migrant Worker Placement Permit (SIPPTKI) as referred to in Article 19; b. transferring or assigning the Indonesian Migrant Worker Placement Permit (SIP) to another party as referred to in Article 33; c. recruiting Indonesian Migrant Workers Candidates who are not qualified as referred to in Article 35; d. placing Indonesian Migrant Workers who fail the work competency test as referred to in Article 45; e. placing Indonesian Migrant Workers who do not meet the health and psychological requirements as referred to in Article 50; f. placing Indonesian Migrant Workers/Indonesian Migrant Workers Candidates who do not possess the documents as referred to in Article 51; 	<p>In the case of Article 103 letters a to f being carried out and having obtained the proceeds of crime and/or being carried out repeatedly or massively, which can potentially lead to money laundering.</p>

<p>g. placing Indonesian Migrant Workers abroad without insurance protection as referred to in Article 68; or</p> <p>h. treating prospective Indonesian Migrant Workers unfairly and inhumanely during their stay in the shelter facility as referred to in Article 70 paragraph (3).</p>	
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2.1.3. Characteristics of Migrant Smuggling Crimes Offence

The provisions regarding migrant smuggling crimes are specifically explained in Article 2, letter f, of the Law Number 8 of 2010 concerning the Prevention and Eradication of Money Laundering Crime. Migrant smuggling is defined as the smuggling of migrants as referred in the Immigration Law. According to UNTOC Article 3a, migrant smuggling is defined as an attempt to obtain, directly or indirectly, a benefit or other material benefit from the illegal entry of a person into a country where that person is not a citizen or permanent resident. The following are the characteristics of migrant smuggling crimes in relation to money laundering.

Table 3: Characteristics of Migrant Smuggling Crimes and Their Linkages to Money Laundering Crimes

<p>MIGRANT SMUGGLING CRIME OFFENCE (THE LAW NUMBER 6 OF 2011)</p>	<p>EXPLANATION</p>
<p>Article 120</p> <p>Anyone who commits an act aimed at seeking profit, either directly or indirectly, for themselves or another person by transporting a person or group of people, whether organized or unorganized, or ordering another person to transport a person or group of people, whether</p>	<p>In this act, there is an agreement between the smuggle and the smuggler by violating the law to seek financial or other material gain, which can potentially lead to money laundering.</p>

organized or unorganized, who do not have the legal right to enter or leave the territory of Indonesia and/or enter the territory of another country, whether using valid or false documents, or without using a Travel Document, whether or not through immigration inspection, shall be punished for Human Smuggling.	
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2.2. DEVELOPMENT OF MONEY LAUNDERING CRIME AND TERRORIST FINANCING CRIME ARISING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING CRIME AT THE INTERNATIONAL LEVEL

From 2011 to March 2022, the Financial Action Task Force (FATF) has consistently published developments in the risk of money laundering crime arising from human trafficking and migrant smuggling. This information is intended to enable all countries to understand the nature and scale of the problem resulting from human trafficking and migrant smuggling by examining: countries of origin, transit, and country of destination, operational responsibilities, identified challenges and trends, and the development of typologies and indicators of suspicious financial transactions. Based on the FATF Recommendations, all countries should implement the money laundering crime to all serious crimes, including migrant smuggling. Article 6 of the UNTOC Protocol states that smuggling must be intended to generate financial or other material gain.

Furthermore, migrant smuggling crime differs from other crimes, particularly human trafficking. First, migrants have consented to being transported, while victims of human trafficking have not; second, smuggling ends with the arrival of migrants at their destination, while human trafficking often involves continued exploitation through other means; and third,

migrant smuggling is always transnational, while human trafficking may not be. In addition, the routes and amounts of proceeds often differ. However, there are some connections between the two types of crimes; for example, the same criminal networks may be involved in both migrant smuggling and human trafficking. Migrant smuggling and human trafficking may not generate high volumes compared to other major transnational crimes, but they often cause significant physical harm and suffering. Meanwhile, labor smuggling is not specifically addressed in the FATF report.

The numerous cases have been identified for both migrant smugglers committing laundering money or using third parties, particularly among more sophisticated migrant smuggling organizations. Migrants often pay smugglers in cash. Cash can be used by migrants to pay smugglers for services rendered, or deposited in individual accounts as small payments that are then quickly withdrawn. Proceeds of crime can also be invested in real estate, high-value goods, and legitimate businesses in both the origin and destination countries. Furthermore, in some cases, migrant smugglers directly use the proceeds of crime to finance living expenses, purchase luxury goods, or even support drug trafficking or gambling. Migrant smuggling is by definition a transnational crime, and smugglers often need to transfer funds back to their home country or to another country. The most common method for transferring funds (often cash) generated from migrant smuggling from one jurisdiction to another is the use of hawala, making it extremely difficult for Financial Intelligence Units (FIUs) and Law Enforcement Agencies to conduct financial analysis and investigations. The hawala system has evolved to include minimarkets, mobile phone and/or electronic device stores, and travel agencies owned by members of organized crime groups. Restaurants are also used to operate the hawala system, run by smugglers or other members of criminal organizations, many of whom share the same nationality as the migrants.

Unlike human trafficking, there are several different forms of crime based on the flow of funds, the amounts given to various individuals within the human trafficking organization, and the transaction methods used. Such differences are driven by two factors:

- a. The organizational and financial infrastructure that are required varies widely, depending on the recruitment and transportation mechanisms used by the criminal group;
- b. The exploitative purpose of human trafficking, which is to generate various types of material benefits for the perpetrator.

Different acts can or may occur to initiate a human trafficking crime. These acts can occur from the recruitment stage to the transportation, transfer, harboring, or receipt of the persons. Each of these stages can occur across jurisdictional boundaries. Perpetrators may begin in a low-income source country and continue in one or more transit countries, ultimately ending up in a higher-income country. Human trafficking may occur entirely within a specific jurisdiction. Depending on the fitting mechanisms for initiating human trafficking activities and the structure of the criminal organization, financial flows for the group can take different forms as the crime is committed. According to the FATF report, perpetrators involved in various types of human trafficking can profit in various ways. This can range from cash payments to corporate enrichment. The FATF has categorized human trafficking crimes into three categories:

- 1. Human trafficking for the purpose of prostitution or other forms of sexual exploitation**

Victims are generally exploited through various means over a prolonged period or repeatedly. There have been developments in the use of financial transactions using new

payment technologies, such as electronic money and wallets, cryptocurrencies, and other payment instruments.

2. Human trafficking for the purpose of forced labor or services, slavery, or practices similar to slavery.

Most forms of forced labor involve some form of initial recruitment of the victim. This is often performed under the pretext of better jobs abroad, with significantly higher wages. In cases where victims are forced to work in legitimate employment, the employer (who is often unaware that they are employing individuals based on trafficking proceeds) may make payments to the victim's or the trafficker's bank account. If financial institutions with reporting obligations observe financial activity such as multiple employees being paid into a single account or if salary receipts are followed by rapid withdrawals or subsequent transfers to a single account, they should consider assessing the situation to determine whether there is suspicion of laundering of human trafficking proceeds.

3. Human trafficking for the purpose of organ removal

Human trafficking for the purpose of organ removal causes significant harm to victims, with little, if any, potential reward. This crime, while having a significant impact on victims, represents a small fraction of human trafficking cases. With regard to this matter, it is expected to develop the ability to detect human trafficking for the purpose of organ removal through the identification of medical equipment procurement beyond the context of formal medical care facilities.

Human trafficking for organ removal provides a more significant one-time financial gain than exploitation for sexual or labor purposes. According to a UNODC report, case studies show that kidney procedures can cost as much as USD 100,000–USD 200,000 on the black

market. The payment itself can be made to a single individual coordinating the human trafficking for organ removal, or to a network of individuals who each contribute to human trafficking, in the form of payments that are not commensurate with their job profile. Various parties are involved in human trafficking crimes for the purpose of organ removal, including: Recruiters, Medical Professionals (specialists such as surgeons and nephrologists, medical doctors specializing in kidney care), facilitators in the private and public sectors (hospitals, transplant centers, laboratories, and other medical facilities, as well as insurance companies, travel agents, and airlines).

Terrorist Financing and Migrant Smuggling

Migrant smuggling is defined as "an act with a purpose to seek financial or other material gain, directly or indirectly, by illegally bringing a person into a country of which that person is not a national or permanent resident" (Protocol for the Eradication of Smuggling, Article 3(a)). In other words, migrant smuggling is an organized transnational crime, where perpetrators facilitate others in illegally crossing borders for profit. Those who use smuggling services can be migrants, asylum seekers, and others. Criminals, including foreign terrorist fighters, also frequently use the services of migrant smugglers. Smuggled migrants may not be 'victims' of migrant smuggling crimes, but it does not rule out the possibility that they can also become victims of other crimes during the journey, including serious crimes such as human trafficking, abuse and rape.

2.3. CHALLENGES AND GOOD PRACTICES IN HANDLING MONEY LAUNDERING CRIME AND TERRORIST FINANCING CRIME ARISING FROM THE CRIMES OF HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING

Based on previous FATF reports, several challenges have been identified in detecting, investigating, and prosecuting money laundering from human trafficking and migrant smuggling, among others:

1. The risk of money laundering from the proceeds of human trafficking and migrant smuggling is not adequately detailed and understood. This is due to various factors, particularly the very few cases of money laundering related to human trafficking and migrant smuggling that have been initiated or terminated, the difficulty of identifying assets obtained from human trafficking and migrant smuggling, and the fact that most proceeds of crime are in cash. If the risk of money laundering is underrepresented in human trafficking and migrant smuggling, then the risk mitigation measures taken are not commensurate with the risk profile.
2. Incomplete and inconsistent domestic information sharing. With numerous stakeholders authorized to address human trafficking and migrant smuggling, each stakeholder possesses relevant information to eradicate money laundering and the crime of human trafficking and migrant smuggling. This diversity demonstrates the inability of some national authorities to share information with all partners, resulting in incomplete and/or misunderstood domestic information sharing that should have been more coordinated and comprehensive.
3. Detecting, reporting, and analyzing suspicious financial transaction reports. In many cases, Reporting Parties do not provide detailed information to accurately identify these transactions or distinguish them from other reported suspicious financial transactions. The majority of Reporting Parties still rely on information obtained through negative media reports, regulators, or law enforcement agencies involved in investigations or suspects in related cases.

4. Lack of confidence and intelligence information regarding the proceeds of human trafficking that contribute to terrorist financing. Several literature studies, press releases, and victim testimonies have highlighted the connection between human trafficking and terrorist financing. According to the FATF Report, terrorist organizations such as Boko Haram and Al Shabaab have used human trafficking as a means to raise funds and provide material support for their terrorist organizations and activities. However, there are no law enforcement case studies confirming that human trafficking proceeds contribute to such terrorist financing, due to various considerations, among others:
 - a. Authorities prioritize victim safety over evidence or intelligence gathering.
 - b. The collection of evidence and intelligence information in certain geographies that are controlled or partially controlled by terrorist groups is extremely challenging, even after the end of the conflict.
 - c. Seeking specific convictions or intelligence on terrorist financing from human trafficking proceeds is a lower priority for authorities in combating terrorist groups.
 - d. Prosecutors may choose to file other charges rather than terrorist financing charges because evidence is more readily available and penalties are commensurate.

In this regard, the following good practices have been identified based on the FATF report, among others:

1. The national AML/TF regime conducts a detailed assessment of the ML/TF risks from human trafficking, reflecting the various types of trafficking exploitation.
2. The National Action Plan is developed to eradicate the identified ML/TF risks from human trafficking and defines the responsibilities and commitments of public stakeholders, private sector/civil society actors.

3. The exchange of information with all relevant stakeholders in eradicating ML/TF crimes from human trafficking.
4. The strengthening of coordination between institutions or task forces in preventing or eradicating migrant smuggling and related crimes.
5. A financial behavioral profile has been developed by one country to detect key roles in migrant smuggling by adopting pattern recognition techniques, helping financial institutions detect suspicious activity.
6. There is coordination between the FIU, the Reporting Party, and UNODC in developing the "Red Flags" or "Suspicious Financial Indicators for Human Trafficking and Migrant Smuggling," which has helped raise awareness among the Reporting Party.

CHAPTER 3

METHODOLOGY

3.1. RESEARCH METHOD

This study was conducted using a collaborative approach between the government and the private sector (Reporting Party), while maintaining data and information confidentiality. This collaborative analysis approach is considered to help financial institutions better understand, assess, and mitigate the risks of money laundering and terrorist financing, as stipulated in the 2021 FATF guidelines on data pooling inventory, collaborative analysis, and data protection³

According to Article 40 letter b of the Law Number 8 of 2010, in implementing its tasks, the Indonesian Financial Transaction Reports and Analysis Center (INTRAC) plays a role as a data and information manager. Therefore, keeping this a consideration, the INTRACT will form a collaborative analysis team involving regulators, law enforcement, and the Reporting Party.

The following illustrates the thematic mapping of the collaborative analysis team regarding the handling of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling.

³ <https://www.fatf-gafi.org/en/publications/Digitaltransformation/Data-pooling-collaborative-analytics-data-protection.html> accessed on May 22, 2023

Name of Institution/Agency	Category	Explanation
<ol style="list-style-type: none"> 1. Coordinating Ministry for Political, Legal, and Security Affairs 2. Ministry of Women's Empowerment and Child Protection 3. Coordinating Ministry for Human Development and Culture 4. Ministry of Manpower 5. Ministry of Law and Human Rights 6. Ministry of Communication and Information 7. Witness and Victim Protection Agency 8. Indonesian Migrant Workers Protection Agency 	<p>Regulator</p>	<ol style="list-style-type: none"> 1. Provides information on business processes and governance related to migrant workers and Indonesian labor, and syndicated tourism travel modes. 2. Provides population data and information and/or distribution of entities related to migrant workers and Indonesian labor, and syndicated tourism travel modes. 3. Provides data and information on licensing and recommendations for business entities in the labor and migrant sector. 4. Provides data and information on supervision, guidance, and the imposition of sanctions/enforcement. 5. Provides data and information on public complaints related to indications of human trafficking, migrant smuggling, labor smuggling, and money laundering.

		6. Provides immigration data and information on suspected human trafficking, migrant smuggling, and labor smuggling.
1. Financial Services Authority 2. Bank Indonesia	Supervisory and Managerial Agency	Create guidelines for indicators of suspicious financial transactions that indicate money laundering crimes arising from human trafficking, migrant smuggling and labor smuggling.
Indonesian Financial Transaction Reports and Analysis Center	Financial Intelligent Agency	1. Conduct analysis and inspections 2. Submit a watchlist of entities suspected of money laundering related to human trafficking, migrant smuggling, and labor smuggling. 3. Conduct a risk assessment study for money laundering related to human trafficking, migrant smuggling, and labor smuggling.
1. Indonesian Navy Military Police (POMAL) 2. Indonesian Maritime Security Agency 3. Ministry of Maritime	Law Enforcer	1. Provides data and information on a list of entities being monitored or targeted. 2. Provides data and information on a list of entities with criminal records

<p>Affairs and Fisheries</p> <p>4. State Intelligence Agency</p> <p>5. Indonesian National Police</p> <p>6. Attorney General's Office</p> <p>7. Supreme Court</p>		<p>indicating money laundering related to human trafficking, migrant smuggling, and labor smuggling.</p> <p>3. Provides case studies on the handling of money laundering cases arising from human trafficking, migrant smuggling, and labor smuggling.</p> <p>4. Conduct case building on the handling of money laundering cases arising from human trafficking, migrant smuggling, and labor smuggling.</p>
<p>Financial Services Provider Representative</p> <p>Goods and Services Provider</p>	<p>Reporting Party</p>	<p>1. Performs identification, verification, and monitoring process on service users against a list of high-risk profiles indicating money laundering related to human trafficking, migrant smuggling, and labor smuggling.</p> <p>2. Monitors and develops scenarios for suspicious financial transactions indicating money laundering related to human trafficking, migrant smuggling, and labor smuggling.</p> <p>3. Reports suspicious financial</p>

		<p>transactions indicating money laundering related to human trafficking, migrant smuggling, and labor smuggling.</p> <p>4. Provides data and information to the Indonesian Financial Transaction Reports and Analysis Center (INTRAC) and/or law enforcement officials.</p>
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3.2. SCOPE AND LIMITATIONS OF THE RESEARCH

The scope and limitations of this research, in assessing the risk of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling, consider the following factors:

1. The profile and characteristics of each type of predicate crime, such as transnationality, exploitation, and consent.
2. It encompasses convergence with other predicate crimes related to money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling.
3. It is limited in its direct analysis of the connection between human trafficking, migrant smuggling, and labor smuggling and the potential risk of terrorist financing.

Specifically, the scope and limitations of this research relate to the characteristics of the predicate crimes, including:

1. The Law Number 39 of 2004 concerning the Placement and Protection of Indonesian Migrant Workers Abroad;
2. The Law Number 21 of 2007 concerning Human Trafficking;

3. The Law Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers;
4. The Law Number 15 of 2009 concerning the Ratification of the Protocol Against the Smuggling of Migrants by Land, Sea, and Air, supplementing the United Nations Convention against Transnational Organized Crime;
5. The Presidential Regulation Number 49 of 2023 concerning the Second Amendment to the Presidential Regulation 69/2008 concerning the Task Force for the Prevention and Handling of Human Trafficking Crime;
6. The Presidential Regulation Number 19 of 2023 concerning the National Action Plan for the Prevention and Handling of Human Trafficking Crime for 2020-2024.

3.3. RISK-FORMING FACTORS IN THE RISK ASSESSMENT STAGE

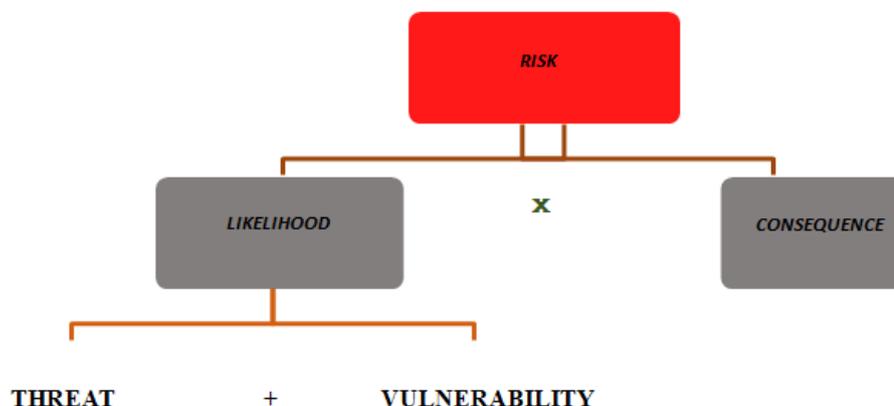
During the implementation of risk assessment, the methodology used refers to best practices based on the FATF Guidance for Risk Assessment, using a mixed-method explanatory sequential design approach. This methodology combines qualitative and quantitative research methodologies sequentially. The quantitative approach utilizes statistical data in the form of public complaint reports, Suspicious Transaction Reports, cash financial transaction reports, reports of transactions from/to overseas, expert testimony, FIU information exchanges, financial intelligence reports, investigations, prosecutions, and court decisions. Whereas the qualitative approach utilizes independent assessments by experts from the Reporting Party, supervisory and regulatory authorities, the Financial Intelligence Agency (INTRAC), and law enforcement agencies responsible for the AML/CFT program.

The risk assessment for money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling is derived from threat, vulnerability, and impact factors. The detailed definitions of these three factors are as follows:

- a. Threat: individuals or groups of individuals, objects, or money laundering activities that have the potential to cause losses.
- b. Vulnerability: factors that can be exploited or support threats, or factors that illustrate weaknesses in the Anti-Money Laundering system.
- c. Consequence refers to the consequences or losses resulting from money laundering crimes on institutions, the economy, and society in broader sense, including losses from the crime and the activity itself.
- d. Likelihood refers to the probability of money laundering activities occurring.
- e. Mitigation refers to actions taken to reduce risks, including the effectiveness, capacity, and capabilities of the industry sector, Self-Regulating Bodies, the Financial Intelligence Agency (INTRAC), law enforcement agencies, and relevant stakeholders.

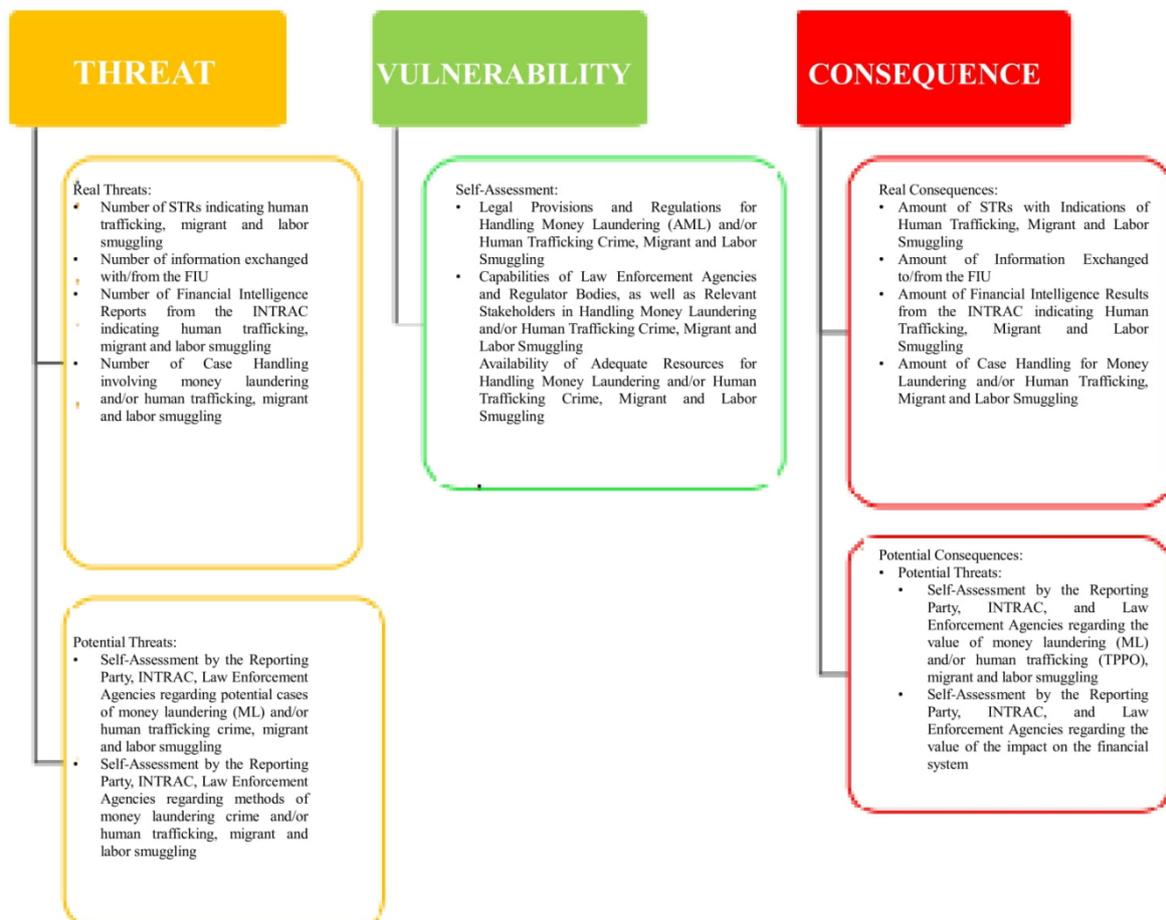
The FATF Guidance explains that risk is a formula that can be described by the algorithmic function $R = f[(T), (V)] \times C$. In this formula, R represents risk, T represents threat, V represents vulnerability, and C represents consequence. The formula for assessing money laundering risks is illustrated in the figure below.

Figure 2: Formula for Assessing Money Laundering Risks Originating from The Crimes of Human Trafficking, Migrant Smuggling, and Labor Smuggling



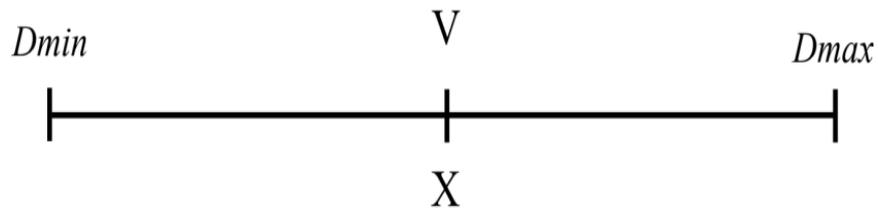
After determining the main risk assessment outputs for ML arising from human trafficking, migrant smuggling, and labor smuggling, it is necessary to determine the factors shaping these risks. The following is an overview of the risk factors shaping ML arising from human trafficking, migrant smuggling, and labor smuggling, consisting of threat, vulnerabilities, and real and potential impacts (self-assessment) factors.

Figure 3: Factors Shaping ML Risks Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling



Furthermore, the quantification method for each variable is carried out by transforming the threat, vulnerability, and consequence volumes onto a scale of 3-9. This quantitative transformation is performed using the min-max method, as described in the figure below.

Figure 4: Quantitative Transformation



$$X = \frac{6(y - D_{min}) + 3}{D_{max} - D_{min}}$$

The smallest scale is 3 and the largest is 9, for both the threat, vulnerability, and consequence variables. In accordance with the risk assessment formula, after obtaining the threat and vulnerability quantity values, they are then added to obtain the likelihood value. In accordance with the risk formula, after obtaining the likelihood value, it is then multiplied by the consequence scale to obtain the risk value.

Figure 5: Risk Level Categories

Risk Value Range	Risk Level
$x > 7$	High
$5 \leq x \leq 7$	Medium
$3 \leq x < 5$	Low

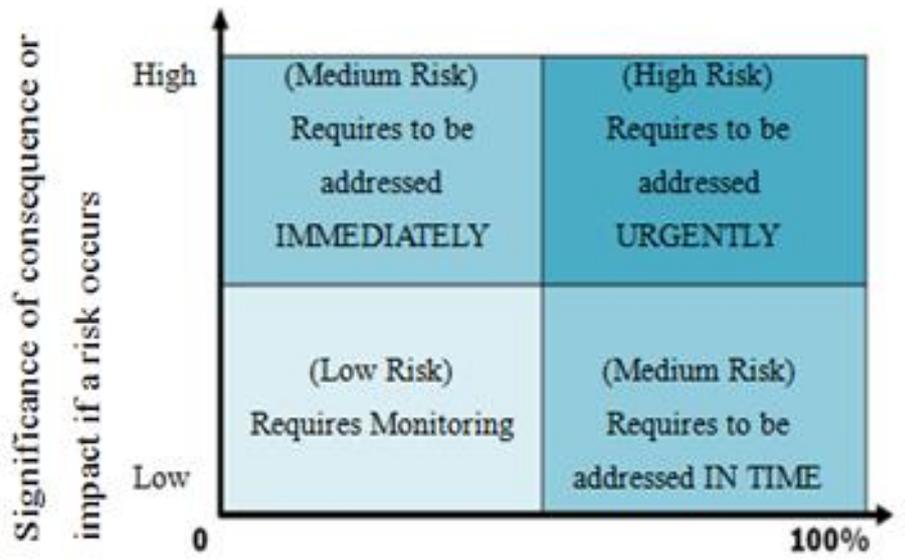
The risk values in each risk context are then divided into risk categories: low, medium, and high, as described in the risk heatmap in Figure 6.

Figure 6 Risk Heatmap

Matriks Risiko		Level Kecenderungan						
		3	4	5	6	7	8	9
Level Dampak	9	27	36	45	54	63	72	81
	8	24	32	40	48	56	64	72
	7	21	28	35	42	49	56	63
	6	18	24	30	36	42	48	54
	5	15	20	25	30	35	40	45
	4	12	16	20	24	28	32	36
	3	9	12	15	18	21	24	27

After the risk mapping is generated, the following stage is risk evaluation. This stage involves collection of results generated during the analysis to determine priorities for addressing risks, taking into account the objectives of the initial risk assessment. This stage also contributes to the development of risk mitigation strategies, leading to the development of strategies for addressing the risks. An overview of this risk evaluation matrix is shown in the following quadrant.

Figure 7: Risk Evaluation Matrix



3.4. DATABASE

The risk assessment of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling has been compiled using various data and information sources, both based on the INTRAC’s internal database and external data collection methods, including questionnaires, in-depth interviews, in-house training, and focus group discussions (FGDs) from 2019 to the first semester of 2023. The data sources used in this risk assessment among others are:

1. Internal Data

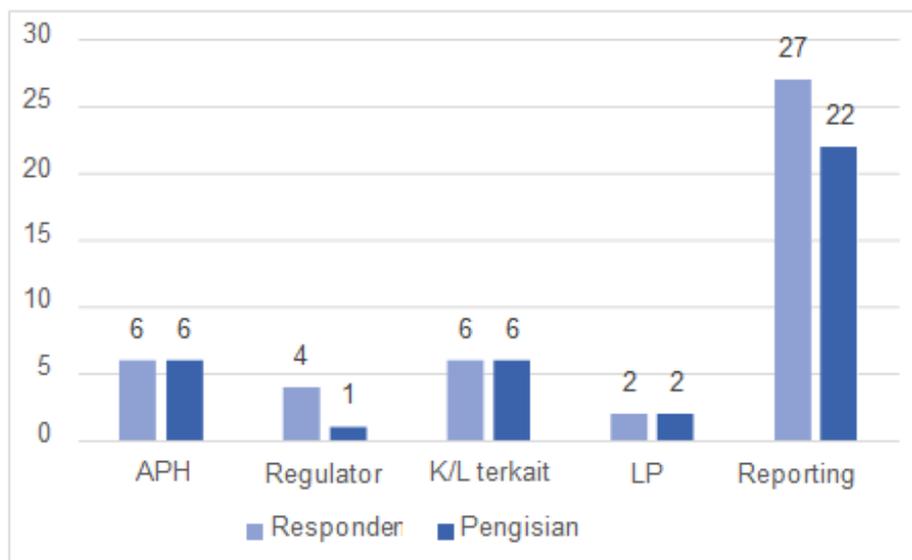
- a. Public Complaint Report
- b. Expert Statement Report
- c. Suspicious Transaction Report (STR)
- d. Cash Financial Transaction Report (CFTR)
- e. Foreign Transaction Report (FTR)

- f. Analysis Report (AR)
- g. Examination Report (ER)
- h. Intelligence Information Exchange Report with Foreign FIUs

2. External Data

- a. Witness and Victim Protection Report
- b. AML-CFT Program Implementation Report
- c. Supervision Report
- d. Investigation Report
- e. Prosecution Report
- f. Court Decision Report
- g. Literature Review and Public Report
- h. Questionnaire Package for 45 respondents, including in-depth interviews, with a response rate of 8222%, or 37 out of 45 respondents, as follows:

Figure 8. Distribution of Response Rates for Questionnaires and/or Minutes of In-depth Interviews



Source: processed data, PPATK

To obtain in-depth data and information, INTRAC has conducted in-depth studies in several sample regions and at the central level, taking into account the interconnected tasks, functions, and authorities of stakeholders within the Collaborative Working Team, as well as the characteristics and distribution of Suspicious Transaction Reports (STRs), INTRAC analysis results, and court rulings. The following is the overview of the implementation of the in-depth study activities conducted from October 25 to November 29, 2023, with details as follows:

Table 4: In-depth Study Implementation Schedule at Head Office

No	Ministry/Institution	Time of Implementation
1	The Indonesian Police	15-Nov-23
	Attorney General's Office	
2	Supreme Court	16-Nov-23
	Indonesian Migrant Workers Protection Board	
3	Coordinating Ministry for Political, Legal and Security Affairs	17-Nov-23
	Coordinating Ministry for Human Development and Culture	
4	Ministry of Women's Empowerment and Child Protection	21-Nov-23
	Ministry of Foreign Affairs	
5	Directorate General of Immigration	22-Nov-23
	Ministry of Manpower	
6	State Intelligence Agency	23-Nov-23
	Witness and Victim Protection Agency	
7	Ministry of Communication and Information	24-Nov-23
	Ministry of Maritime Affairs and Fisheries	
8	Indonesian Maritime Security Agency (Bakamla)	28-Nov-23
	Naval Military Police	
9	Indonesian Financial Services Authority	29-Nov-23
	Bank Indonesia	

Table 5 Schedule for Implementation of In-depth Study in the Region

	25 October 2023	26 October 2023
Manado	Indonesian Migrant Workers Protection Agency of North Sulawesi	The Regional Police of North Sulawesi
	Class I TPI Manado Immigration Office	North Sulawesi High Prosecutor's Office
	01-Nov-23	02-Nov-23
Batam	National Agency for Placement and Protection of Workers Indonesian migrant worker protection service post of Batam	Regional Police of Riau Island
	District Attorney of Batam	Class I Special Immigration Office TPI Batam

CHAPTER 4

RISKS OF MONEY LAUNDERING CRIME AND TERRORIST FINANCING CRIME ARISING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING

This section will explain the results of analysis and in-depth study of the general business processes within the Indonesian Migrant Workers and Immigration related to indications of human trafficking and migrant and labor smuggling, the latest risk developments and trends, methods, and case studies, including best practices in handling money laundering and terrorist financing arising from indications of human trafficking and migrant and labor smuggling.

4.1. BUSINESS PROCESSES AND GOVERNANCE OF THE INDONESIAN MIGRANT WORKERS AND IMMIGRATION IN RELATION TO HUMAN TRAFFICKING CRIME AND MIGRANT SMUGGLING

As an effort to streamline and ensure the implementation of human trafficking prevention and handling measures in Indonesia, a Task Force for the Prevention and Handling of Human Trafficking Crimes has been established, as stipulated in the Presidential Regulation Number 49 of 2023 concerning the second amendment to the Presidential Regulation Number 69 of 2008 concerning the Task Force for the Prevention and Handling of Human Trafficking Crimes. The structure of the Central Task Force consists of 19 Ministries and 8 Institutions, with the following task descriptions:

- a. Coordinating efforts to prevent and handle human trafficking challenges;
- b. Carrying out advocacy, outreach, training, and cooperation, both nationally and internationally;
- c. Monitoring the progress of victim protection, including rehabilitation, repatriation, and social reintegration;
- d. Monitoring the progress of law enforcement; and
- e. Carrying out reporting and evaluation.

Based on the changes to the Task Force, there was a restructuring of the Central Task Force was restructured, specifically the change of the Daily Chair of the Central Task Force becoming the Chief of the Indonesian National Police. This was done to increase the effectiveness of the prevention of recurrent human trafficking, as the problem of human trafficking has a more complex connection with law enforcement and criminal law. According to statistics, from 2019 to the first semester of 2023, 1,095 Human Trafficking cases were handled by the Indonesian National Police. The most dominant Human Trafficking method was Indonesian Workers/Migrant Workers and Domestic Workers with a total of 773 cases, Prostitution/Commercial Sex Work with a total of 389 cases, and Child Trafficking with a total of 62 cases. Furthermore, there is an emerging Human Trafficking method that utilizes information technology or the internet, namely online scamming, which is being carried out in several ASEAN countries, such as Cambodia and Thailand.

Table 6 Statistics on Handling of Human Trafficking Cases by the Indonesian National Police from 2019 to the First Semester of 2023

YEAR	NUMBER OF POLICE REPORT	METHOD						CASE POSITION						NUMBER OF CASE
		Indonesian Migrant Workers	Commercial Sex Workers	Domestic Workers	Ship Crew	SCAM	Child Trafficking	Investigation	Criminal Investigation	P19	P21	SP3	Transfer for Further Investigation	
2019	103	51	50	2	0	0	0	33	38	0	26	0	0	97
2020	126	23	76	15	12	0	0	19	52	0	53	3	0	127
2021	122	34	75	12	1	0	0	14	35	0	51	4	1	105
2022	133	89	22	0	0	2	5	29	46	0	58	5	0	138
Smt I 2023	715	547	166	0	8	0	57	99	501	0	27	0	1	628
GRAND	1.199	744	389	29	21	2	62	194	672	0	215	12	2	1.095

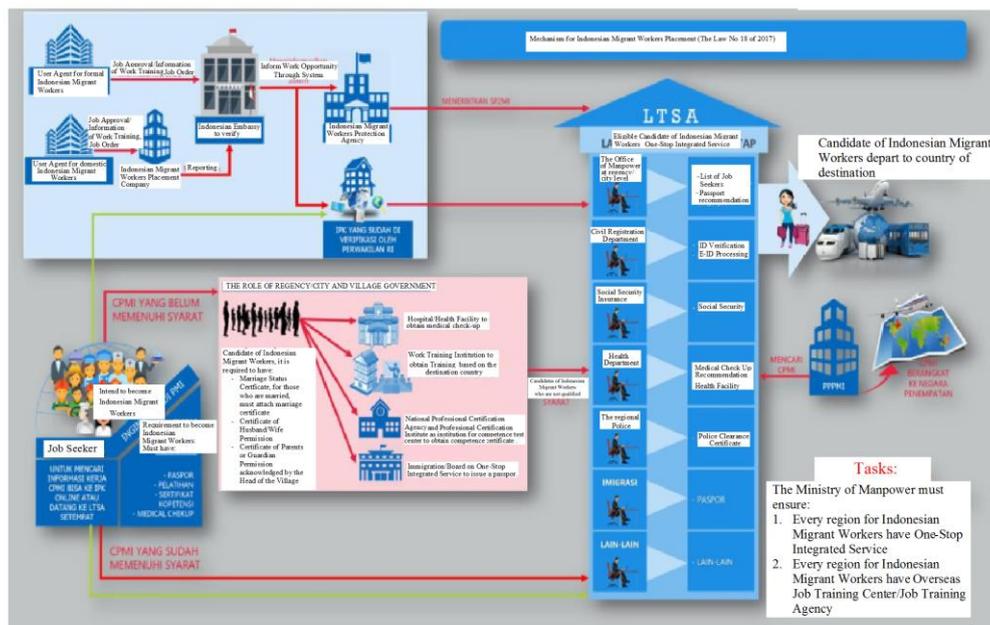
Technically, the placement mechanism for Indonesian Migrant Workers can be carried out in four ways, namely:

- a. placement through Government-to-Government or Government-to-Legal-Entity Employers, as stipulated in Government Regulation Number 10 of 2020 concerning Procedures for the Placement of Indonesian Migrant Workers by the Indonesian Migrant Worker Protection Agency. Such placement is carried out based on a written agreement between the Government and the Government of the Indonesian Migrant Worker Employer or Legal-Entity Employer in the Destination Country.
- b. placement through Private-to-Private or between Legal-Entity Employers and Legal-Entity Institutions in the Destination Country, as stipulated in The Regulation of the Minister of Manpower Number 9 of 2019 concerning Procedures for the Placement of Indonesian Migrant Workers.
- c. placement for the benefit of the company itself (UKPS) can only be carried out by State-Owned Enterprises, Regional-Owned Enterprises, or Private Companies Not Established for the Placement of Indonesian Migrant Workers (P3MI).
- d. Individual placements are conducted without a placement agency, but by identification with the Indonesian Migrant Worker Protection Agency.

Under the proper process, recruitment and placement between G-G and G-P is always conducted through the Government Representative Office (Embassy) by submitting a job order. If the requirements are met, it shall be forwarded to the Indonesian Migrant Worker Recruitment Agency (BP2MI) through the Information System of the Man Power System to issue an Indonesian Migrant Worker Recruitment Permit (SP2MI). The source of labor is obtained from Indonesian Migrant Worker Placement Company through a process and prerequisites established by the government through the One-Stop Integrated Service (OSIS).

The Ministry of Manpower must ensure that each migrant worker meets the One-Stop Integrated Service requirements at the Regency/City Manpower Office, Population and Civil Registration Office, Social Security Agency (BPJS), Regional Police, Immigration Office, and other agencies. Furthermore, it must ensure that migrant worker candidates possess a certificate from a Job Training Institute or Overseas Job Training Center. Based on an in-depth study at the Indonesian Migrant Worker Recruitment Agency Central Office, it was stated that once a migrant worker's employment period has expired, they must undergo a new registration process. A detailed overview of the pre-employment business process for Indonesian migrant worker candidates is regulated in the Indonesian Migrant Workers Protection Agency Regulation Number 7 of 2022 concerning the Pre-Employment Process for Indonesian Migrant Worker Candidates and the Regulation of the Indonesian Migrant Workers Protection Agency Number 2 of 2023 concerning Guidelines for Pre-Employment Stages for Indonesian Migrant Worker Candidates Placed by the Indonesian Migrant Workers Protection Agency.

Figure 10. Business Process for Placement and Protection of Indonesian Migrant Workers



Source: Ministry of Manpower

In the context of non-procedural workers, they are defined as workers who participate in placements without following the proper Indonesian Migrant Worker placement procedures. This includes: falsifying documents and manipulating Indonesian Migrant Worker Candidates (CPMI) data, incomplete documents, ignoring the Indonesian Migrant Worker Placement Procedures and Mechanisms stipulated by the applicable laws and regulations, not using work visas, and with the assistance of individuals or groups. These conditions pose risks to direct recruitment, among others:

1. Unsustainable Legal Protection
2. Exploitation of Workers
3. Unclear Contracts and Rights
4. Difficulty Obtaining Emergency Assistance
5. Risk of Unfair Job Loss
6. Lack of Social Security Welfare
7. Risk of Human Rights Violations
8. Uncertainty on Security and Health

Figure 11: Non-Procedural (Illegal) Placement Mechanisms



Source: Ministry of Manpower

The image above shows one form of non-procedural Indonesian Migrant Worker placement mechanism, which involves migrant workers who do not involve and report to the government in the country of origin or the country of placement, known as Direct Hiring. This

situation can be influenced by various driving factors or vulnerabilities that contribute to the potential for non-procedural migrant workers, including:

1. Indonesian migrant workers/ Indonesian migrant worker candidates prefer to leave the country individually for practical reasons;
2. The vulnerability of Indonesian migrant workers/ Indonesian migrant worker candidates, making them susceptible to deception, persuasion, and exploitation;
3. Easy access to document falsification;
4. The departure process is difficult to control because Indonesian migrant workers/ Indonesian migrant worker candidates often do not identify themselves as migrant workers (using visit visas/pilgrimage visas);
5. Different regulations in the countries of placement, which creates opportunities for non-procedural migrant workers to leave the country;
6. The involvement of international syndicates/networks to address the high demand or need for labor abroad.

Furthermore, there are several driving factors that create the potential for money laundering crimes arising from human trafficking based on the stages or business processes of migrant worker placement, among others:

1. Recruitment Stage

- **Lack of Economic Opportunities:** Limited economic opportunities in an area can drive people to seek employment elsewhere, which poses a risk of human trafficking or labor smuggling.
- **Illegal Recruitment Practices:** Abuse by illegal recruiters promising fake jobs or inadequate compensation as an enticement to recruit victims.
- This phase is vulnerable to money laundering by syndicates.

- The high demand for labor abroad, coupled with differing regulations between countries, creates potential for violation.
- Low levels of education and skills, as well as strong public trust in certain individuals/figures within human trafficking networks.

2. Shelter Stage:

Conditions of Exploitation: Renting shelter, such as housing or shelter houses, can be the beginning of exploitation of human trafficking victims.

3. Transportation/Movement/Sending Stage:

- **Illegal Routes or Black Lanes:** The use of illegal routes to move or transport victims of human trafficking across national or regional borders.
- **Use of Smuggling Services:** Involves middlemen or smugglers who exploit marginalized individuals to illegally transport or move people, as well as owners of vulnerable modes of transportation carrying products or commodities of high economic value, such as agricultural products, cigarettes, and prohibited goods like used clothing and narcotics.

4. Placement/Receipt Stage:

- **Illegal or Undocumented Employment:** The placement of migrant workers in illegal employment or in certain sectors without official permits.
- **Violence or Exploitation:** The recruitment of victims of human trafficking into working conditions that involve exploitation, violence, or exclusion.

In relation to detecting non-procedural or illegal Indonesian migrant workers, the following steps can be taken:

A. Document Checks

Checking documents such as passports, visas, stay permits, or other official documents can be a key indicator for authorities, such as the Ministry of Foreign Affairs and Immigration. If these documents are incomplete or invalid, it is possible that the migrant worker enters a country illegally. In Indonesia, data management for individuals who have overstayed their stay permits is handled by the Directorate of Consular Affairs or the Directorate of Facilities, Ministry of Foreign Affairs.

B. Field Research

Observing the conditions of shelters, living quarters, or the environment where migrant workers reside, for example, if they are living in unsuitable conditions or hidden in certain places, this can be used as a sign of illegal entry.

C. Activity Tracking

Observing the work patterns or activities of migrant workers. If they work in certain sectors frequently occupied by illegal workers, or if they continually move from one job to another without valid permits, this can be used as an indicator of their status. Furthermore, migrant workers who have worked for a certain period but do not go through the proper procedures when renewing their contracts can be classified as illegal because their contracts do not align with the initially registered documents.

D. Interviews and Information Tracing

Conducting interviews with migrant workers during travel document processing and checks at Immigration Checkpoints to understand their background and the purpose and objectives as stated in their travel documents (such as visa checks). Information obtained from these interviews can provide indication as to whether they are in the country illegally.

E. Inter-Agency Cooperation

Coordinating and collaborating with several domestic institutions or organizations to monitor and enforce immigration laws. This may involve domestic cooperation with the police, immigration, or related agencies.

Furthermore, the issue of human trafficking in relation to immigration is very strong, as immigration is the foremost aspect in the inspection of people entering or leaving Indonesian territory, as well as monitoring the deployment of Indonesian migrant workers, as stipulated in the Circular Letter of the Director General of Immigration Number: IMI-0277.GR.02.06 of 2017 concerning the Prevention of Undocumented Indonesian Migrant Workers. Based on their segmentation, there are several classifications of Indonesian migrant workers who are undocumented or illegal and do not pass through the Immigration Checkpoint, namely:

- a. Illegal stay, where workers hold valid immigration permits but such permits have expired, resulting in overstay.
- b. Illegal entry, where workers enter a country illegally, i.e., they do not pass through immigration control by using fake travel documents or visas.
- c. Illegal entry and illegal stay, where workers enter or remain in an unauthorized stay.

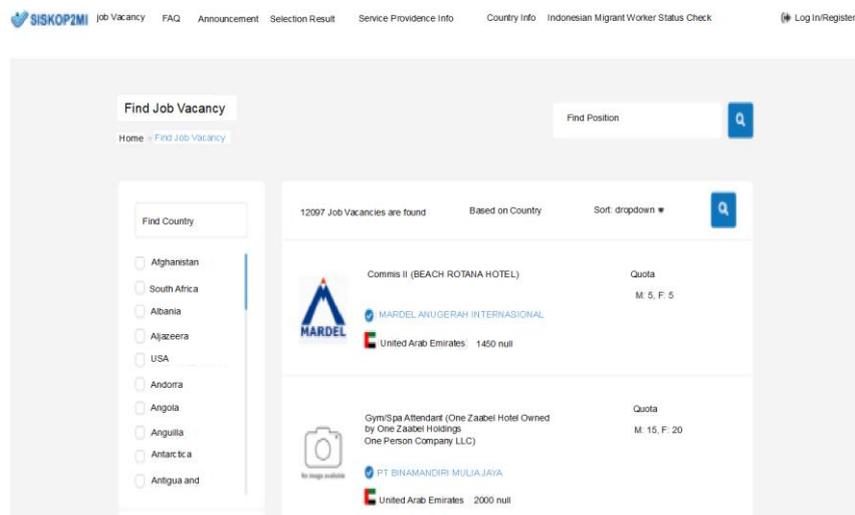
Immigration officers may reject applications if they are strongly suspected of being

Undocumented Indonesian Migrant Worker Candidates. In accordance with the Regulation of the Minister of Law and Human Rights Number 8 of 2014 concerning Ordinary Passports and Travel Documents in Lieu of Passports, it is stipulated that applicants for migrant worker passports must submit an additional requirement, namely a recommendation letter from the Regency/City Manpower Office.

4.2. TRENDS DEVELOPMENT, METHODS, ORGANIZATIONAL STRUCTURES AND NETWORKS, AND FUND FLOWS THAT INDICATE MONEY LAUNDERING CRIME ARISING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING, AND LABOR SMUGGLING

The development of human trafficking, including migrant and labor smuggling, has posed a serious concern for countries at the regional and global levels. This is due to the extraordinary nature of these crimes, involving transnational organized crime supported by modern technology in the fields of communications and informatics, as well as serious crimes against humanity using syndicates. Based on data from the Overseas Manpower Computerization System (SISKOP2MI), in 2023, there were 12,096 job vacancies or job orders recorded abroad, while the number of placements for workers between 2021 and 2023 was only approximately 539,658 workers. This situation presents a significant opportunity for the recruitment and placement of Indonesian migrant workers, both legally and illegally (undocumented).

Figure 12: Employment Opportunities for Indonesian Migrant Workers Abroad



Source: SISKOP2MI Website, Indonesian Migrant Workers Protection Agency

The majority of Indonesian migrant workers are placed in Malaysia (1,355,987), Taiwan (929,330), and Hong Kong (888,436), and also several countries at risk, according to

complaints reports in 2023, include Saudi Arabia (498), Malaysia (380), and Taiwan (367). Details are provided in the table below.

Table 7: List of the Top 10 Countries for Placement and Complaints of Indonesian Migrant Workers

No	Complaints Data by Country of Placement in 2023	Grand Total	No	Indonesian Migrant Worker Data by Country of Placement As of June 2023	Grand Total
1	Saudi Arabia	498	1	Malaysia	1.355.987
2	Malaysia	380	2	Taiwan	929.330
3	Taiwan	367	3	Hong Kong	888.436
4	Hong Kong	217	4	Saudi Arabia	451.884
5	South Korea	76	5	Singapore	323.421
6	Myanmar	52	6	United Arab Emirates	178.172
7	United Arab Emirates	43	7	South Korea	105.871
8	Singapore	41	8	Brunei Darussalam	92.999
9	Cambodia	39	9	Qatar	76.329
10	Poland	39	10	Oman	63.075

Source: processed data, Indonesian Migrant Workers Protection Agency

According to the losses or impacts of human trafficking crimes, based on data on the protection of Indonesian Migrant Workers from 2019 to July 2023, there were 3,541 Indonesian migrant workers suffered from illness, 2,270 were repatriated after death, 102,945 were deported and repatriated, and the impact resulted in high costs for victim recovery and safe housing or protection facilities.

Figure 13: Data on the Protection of Indonesian Migrant Workers from 2019 to July 2023

HANDLING OF INDONESIAN MIGRANT WORKERS SUFFERING FROM ILLNESS	REPATRIATION OF THE DECEASED INDONESIAN MIGRAN WORKERS	HANDLING OF THE DEPORTATION AND REPATRIATION OF INDONESIAN MIGRANT WORKERS

		
3,541 2 Indonesian Migrant Workers per day	2,270 1 Indonesian Migrant Workers per day	102.945 63 Indonesian Migrant Workers per day

Source: processed data, Indonesian Migrant Workers Protection Agency

Currently, there is an increasing trend of money laundering crime indications arising from human trafficking, migrant smuggling, and labor smuggling crime in Indonesia. Based on the INTRAC financial intelligence database, there have been 159 Analysis Results Reports /Investigation Results/Analysis Results Information from 2017 to 2023. The INTRAC financial intelligence data shows that there are various categories of exploitation in human trafficking, among others: child and sexual exploitation, ship crews, migrant workers/domestic workers, illegal child adoption, organ trafficking, and forced labor in the form of online scams.

Table 8: Number of Results of Analysis /Investigation Results/Information Indication on Money Laundering Crimes Arising from Human Trafficking Crime, Migrant Smuggling, and Labor Smuggling from 2017 to 2023

Category	2017	2018	2019	2020	2021	2022	2023	Grand Total
FIU - Incoming Request	0	0	0	2	0	0	1	3
Human smuggling and/or Human trafficking and ML	0	0	0	2	0	0	1	3
FIU - Incoming Spontaneous	0	0	3	0	0	0	0	3
Child Sex	0	0	3	0	0	0	0	3
FIU - Outgoing Spontaneous	37	3	35	0	34	0	1	97
Human smuggling and ML	25	3	0	0	0	0	0	28
Human trafficking and ML	0	0	0	0	21	0	0	21
Child Protection, Human trafficking and Pornography	0	0	18	0	0	0	0	18
Child Sex	0	0	17	0	0	0	1	18
Human smuggling	11	0	0	0	0	0	0	11
Human trafficking and or Placement on the Protection of Indonesian Migrant	1	0	0	0	0	0	0	1

Workers Abroad and ML								
Analysis Results Reports /Investigation Results/Analysis Results Information	8	12	4	2	8	8	15	49
Human trafficking and ML	3	0	1	0	7	6	2	11
Human smuggling, Corruption and ML	0	7	0	0	0	0	0	7
Human smuggling and ML	3	3	0	0	0	0	0	6
Human smuggling and/or Human trafficking and ML	0	0	1	2	0	0	0	3
Human trafficking	1	2	0	0	0	2	10	13
Migrant smuggling and ML	1	0	0	0	0	0	0	1
Child Protection, ITE, Pornography and ML	0	0	0	0	0	0	0	1
Child Protection, Human trafficking, Pornography, ITE, and ML	0	0	0	0	0	0	1	1
Child Protection, Pornography, and ML	0	0	0	0	1	1	0	1
Immigration	0	0	0	0	0	0	1	1
Migrant Smuggling	0	0	0	0	0	0	2	2
Grand Total	45	15	40	4	42	8	17	159

Source: processed data, INTRAC

In spite of that, based on an in-depth study at the Supreme Court, it was found that to date, there has been no legally binding court decision regarding money laundering crimes arising from human trafficking, labor smuggling, and migrant smuggling. This situation presents a unique challenge for law enforcement agencies in these areas, including the Indonesian National Police, the Indonesian Migrant Workers Protection Agency (BP2MI), and the Directorate General of Immigration, to implement multi-door law enforcement that will allow for dissuasive criminal sanctions and the eradication of syndicates or networks. This will also allow an optimal asset confiscation through the criminalization of money laundering and victim recovery through restitution, as stipulated in the Regulation of the Supreme Court Number 1 of 2022 concerning Procedures for the Settlement of Applications and Granting Restitution and Compensation to Victims of Crime.

Specifically, the in-depth study identified several methods of human trafficking crime, among others:

1. Conventional Method

- a. Recruiters or Middle Men directly offer jobs to the public, offering high salaries, quick departure times, and requiring the victim to cover all or part of the costs.
- b. Use of document forgery at the village/sub-district level.

- c. The victim is taken to a shelter, either facilitated for the victim or paid for by the victim.
- d. All travel documents (passport, visitor/tourist visa, pilgrimage or Umrah visa, travel tickets) and other requirements (health documents/medical check-ups) are prepared by the recruiter or middlemen.
- e. Travel to the official airport/port through immigration checks arranged by the holding agency (individuals/other parties) or through unofficial/illegal/black channels arranged by the syndicate.
- f. Departure.

2. Method Using Social Media or Job Vacancy Website Propaganda

- a. The victim obtains information on job opportunities (location, salary, type of work) from social media or a fake job vacancy website created by the syndicate.
- b. The victim approaches/communicates via social media or telephone.
- c. Victims are asked to pay for pre-placement fees.
- d. All required documentation is handled by the job offerer.
- e. Victims are brought/arrived in person at the designated shelter.
- f. Victims are taken to the airport/port.
- g. Upon arrival at the airport/port, they are handled by the handling staff until immigration checks.
- h. Departure.

3. Method Using Job Training Institutions Coverage Propaganda

- i. While carrying out job/language training, Job Training Institution would offer job placement services.
- ii. Job Training Institution prepares all required documentation.
- iii. Victims are asked to pay for pre-placement fees according to the destination country.
- iv. Victims are brought/arrived in person at the designated shelter.
- v. Victims are taken to the airport/port.
- vi. Upon arrival at the airport/port, they are handled by the handling staff until immigration checks.

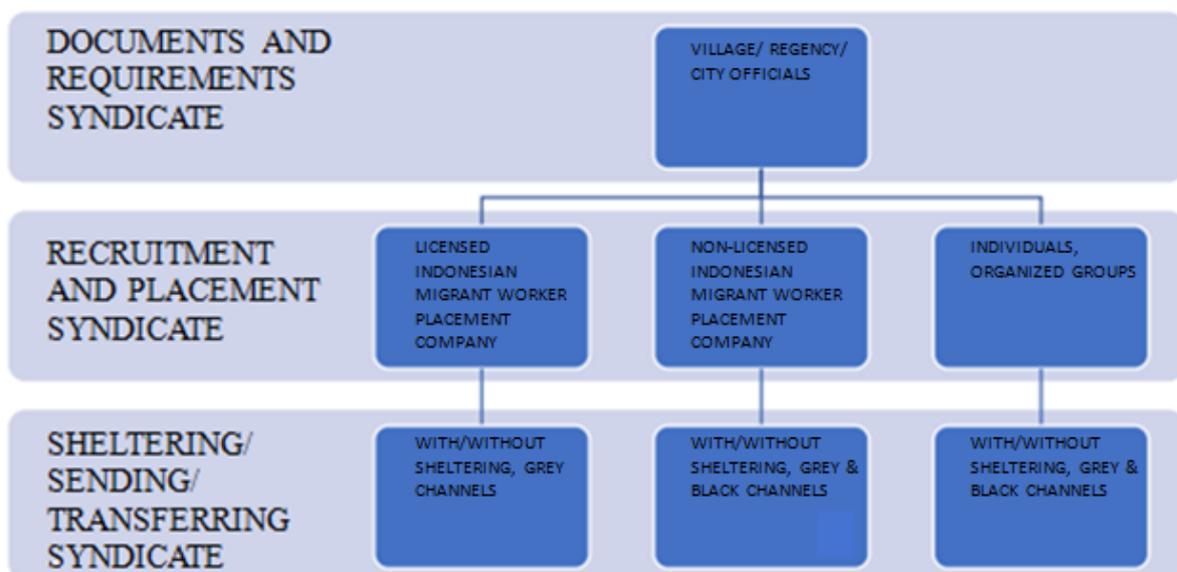
vii. Departure.

4. Illegal Placement Method by Legal Indonesian Migrant Worker Placement Company

- a. Indonesian Migrant Worker Placement Company is officially registered, but engages in illegal placement practices, for example, to countries without cooperation agreements, without regulations regarding the protection of migrant workers, and countries listed in the moratorium and/or countries in conflict.
- b. Indonesian Migrant Worker Placement Company conducts placement practices using various departure methods (e.g., Umrah visas, pilgrimage visas, calling visas to Singapore, referral visas to Malaysia).
- c. Indonesian Migrant Worker Placement Company applies overcharging (charges exceeding the cost structure) practice.

Human trafficking crimes, labor smuggling, and migrant smuggling certainly involve specific networks or syndicates, depending on their characteristics and methods. Based on document analysis and in-depth studies, several practices, from upstream to downstream, have been identified and they are organized by the following networks or syndicates:

Figure 14: Mapping of Human Trafficking Syndicates

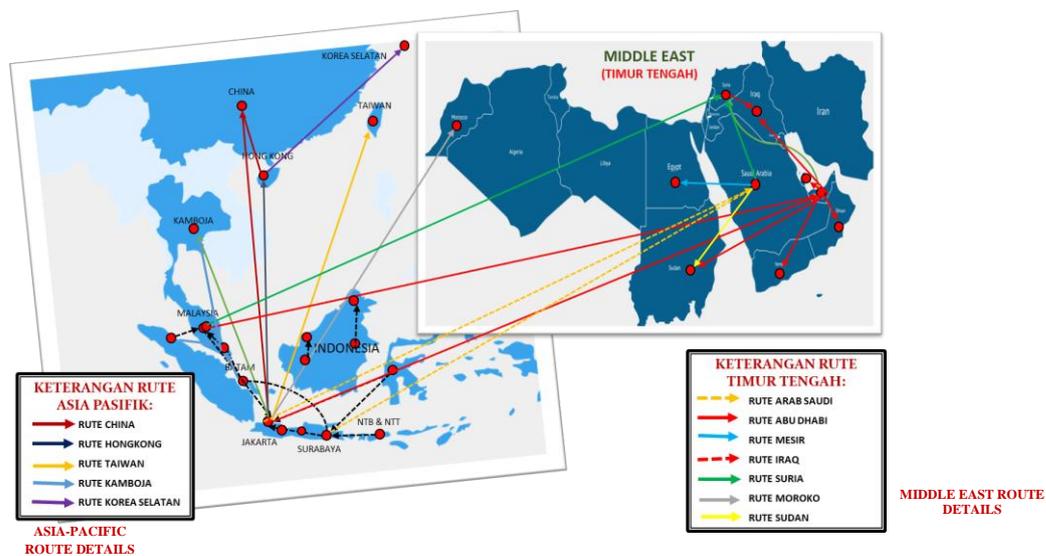


Source: processed data, INTRAC

During the document preparation and employment requirements stages, several syndicates generally offer services, both conventionally and through information technology,

to falsify required documents, such as Population Data, Birth Certificates, Diplomas/Certification Documents, and Travel Documents/Fake Stamps. Furthermore, during the recruitment and placement stages, syndicates typically utilize mechanisms through Licensed Indonesian Migrant Worker Placement Agencies/Companies (P3MI), Unlicensed Indonesian Migrant Worker Placement Agencies, or Individuals or Organized Groups, using fraud, trickery, abuse of power or taking advantage of vulnerability, or by giving or receiving payments or profit to obtain the consent of a person in control of another person. Furthermore, during the shelter and sending/transfer stages, syndicates have been identified for these services, including the provision of transportation services and "grey channels," namely official routes through immigration checkpoints, but the travel documents is not supplement with work visa, and black channels, which are unsupervised routes without official documents.

Figure 15. Human trafficking network map for the Asia Pacific and Middle East region.



Source: Directorate of General Crimes, Criminal Investigation Agency of the Indonesian National Police

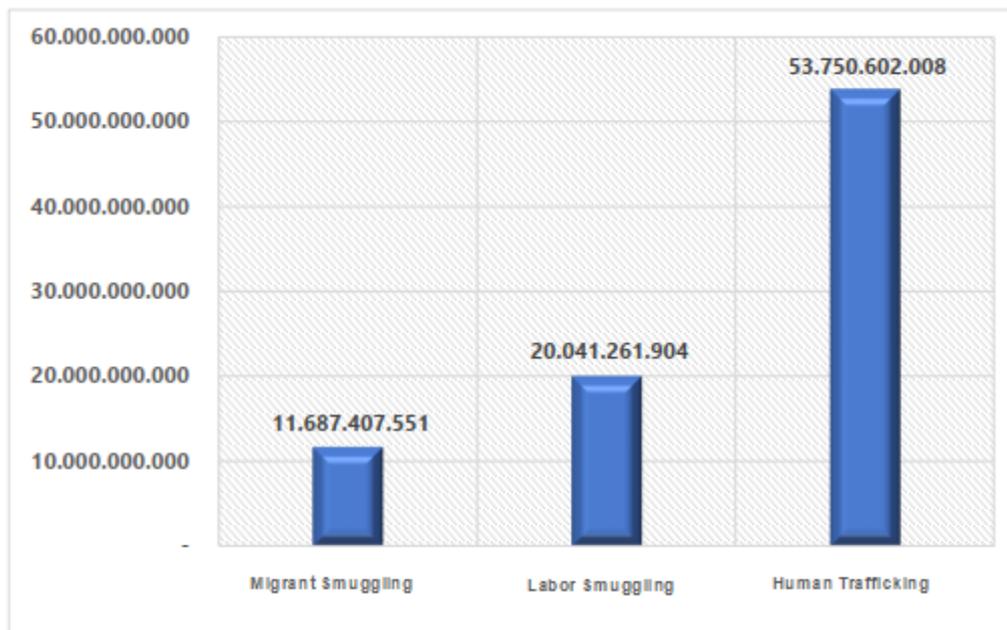
Based on the results of analysis and in-depth studies, various maps of human trafficking networks have been developed by region, with the majority occurring in the Asia Pacific and Middle East regions. This is due to high demand or job orders from the host countries, as well

as regional factors that drive the increasing numbers of human trafficking crimes. The network mapping reveals various characteristics within specific countries and regional clusters, among others:

1. Malaysia and Singapore have become destination countries for informal workers, including domestic workers and palm oil plantation workers. However, Malaysia is particularly vulnerable due to the prevalence of border crossings without going through immigration checkpoints, making detection more difficult and dangerous.
2. The ASEAN region and the United Arab Emirates, where workers are employed as domestic workers, commercial sex workers, online scammers and gambling operators, and as ship crew members, such as in Taiwan.
3. The Middle East, which is the largest destination for illegal or undocumented placements.

Based on the flow of funds, the INTRAC has identified Suspicious Transaction Reports from 2019 to the first semester of 2023, reported by 79 Reporting Parties from eight industry sectors, including Commercial Banks, Foreign Exchange Traders, E-money and/or E-wallet Providers, Money Transfer Business Providers, Insurance Companies, Securities Companies, Financing Companies, and Companies operating in Commodity Futures Trading related with the indication of Human Trafficking Crime, Migrant and Labor Smuggling, with a nominal transaction value reaching Rp85,479,271,463.

Figure 16. Number of Suspicious Transaction Reports Indicating Human Trafficking, Migrant Smuggling, and Labor Smuggling Crimes from 2019 to the First Semester of 2023.



Source: processed data, INTRAC

Based on the identification results of the Suspicious Transaction Report, specifically related to human trafficking crimes, there are clusters of financial transactions, both individual and corporate. Further investigation reveals financial transactions conducted by Indonesian Migrant Worker Placement Companies (P3MI), both legal/licensed and illegal/unlicensed. Based on the database established by the Ministry of Manpower in May 2023, 362 active Indonesian Migrant Worker Placement Companies and 203 inactive Indonesian Migrant Worker Placement Companies were identified. According to the INTRAC database, 59 Suspicious Financial Transactions were identified within the Indonesian Migrant Worker Placement Companies population, involving 8 active Indonesian Migrant Worker Placement Companies and 5 inactive Indonesian Migrant Worker Placement Companies, with a total transaction value of Rp41,380,302,662. The identified predicate crimes include human trafficking, fraud/embezzlement, and narcotics, with the reasons being Suspicious Transaction Reports, including requests from the Indonesian Financial Transaction Reports and Transaction

Reports (INTRAC) and/or law enforcement, negative media coverage of human trafficking allegations, and financial transactions that deviate from the company's profile.

Table 9: Distribution of Suspicious Financial Transactions at Indonesian Migrant Worker Placement Companies During the Period of 2019 to Semester I of 2023

Status	Indonesian Migrant Worker Placement Company	Number of STR	Amount of STR
Active	Arni Family	1	165.520.000
	Citra Putra Indarab	3	1.064.745.000
	Jatim Duta Pembangunan	2	3.000.000
	Mustari Mitra Mahkota	9	59.660.000
	Phinisi Sumber Daya	2	168.912.500
	Prima Duta Sejati	4	44.000.000
	Putra Timur Mandiri	6	31.280.000.000
	Tritunggal Nuansa Primatama	1	3.200.000
Total		28	32.789.037.500
Inactive	Binhasan Maju Sejahtera	1	4.932.470
	Dasa Graha Utama	4	5.599.850.000
	Hosana Adi Kreasi	8	937.112.842
	Putra Hidayah	8	257.375.000
	Unikarya Panca Mustika	10	1.791.994.850
Total		31	8.591.265.162

Based on review by business type, the frequency and amount are dominated by non-Indonesian Migrant Worker Placement Company businesses, namely Transportation and Warehousing Services, Travel Agent Activities and Other Services, Management Consulting, and Other Businesses, for Rp34.2 billion or amounting 82.83 percent, while labor placement businesses accounted for Rp7.1 billion or 17.1 percent.

Table 10: Distribution of Suspicious Financial Transactions in Indonesian Migrant Worker Placement Companies by Business Type from 2019 to the First Semester of 2023

No	Type of Business	Number of Suspicious Transaction Report	Amount of Suspicious Transaction Report (Rp)
A	Non-Indonesian Migrant Worker Placement Companies		
1	Transportation and Warehousing	18	2.729.107.692
2	Travel Agent Activities	8	257.375.000
3	Other Services	6	31.280.000.000
4	Management Consulting	1	3.200.000
5	Other Businesses	1	4.932.470
Grand Total		34	34.274.615.162
B	Indonesian Migrant Worker Placement Companies		
6	Indonesian Labor Distribution Service	9	59.660.000
7	Labor Distribution Service	4	44.000.000
8	Indonesian Migrant Worker Placement Agencies	3	4.841.950.000
9	Indonesian Migrant Worker Placement Agencies & Migrant Worker Recruiter Agencies	3	1.064.745.000
10	Labor Distributor Service	2	3.000.000
11	Labor Service	2	168.912.500
12	Indonesian Migrant Worker Placement	1	757.900.000
13	Worker Recruiter Agencies for Overseas	1	165.520.000
Grand Total		25	7.105.687.500

Source: processed data, INTRAC

Furthermore, based on the INTRAC database and the results of data searches by the Reporting Party respondents, it has been identified that there have been massive and significant financial transaction activities, both domestically and inflows from overseas, conducted by

several inactive migrant worker placement companies. Several other Indonesian Migrant Worker Placement Companies have been reported for suspicious financial transactions, as detailed in the table below.

Table 11: Financial Transaction Activity at Inactive or Unlicensed Migrant Worker Placement Companies during Semester I of 2023

No	Name of Migrant Worker Placement Company	Inactive/Non-Licensed Status	Total Credit Funds Incoming (Rp)
1	KNE	No renewal since 2017	1.268.848.858.121
2	MMJ	Number 650 of 2016, on December 30, 2016	196.700.000.000
3	GI	Number 56 of 2017, on March 22, 2017	131.600.000.000
4	BRDS	Number 646 of 2016, on December 30, 2016	94.400.000.000
5	MIL	Number 81 of 2020, on February 14, 2020	90.700.000.000
6	BPS	Number 653 of 2016, on December 30, 2016	38.300.000.000
7	FRHB	Number 655 of 2016, on December 30, 2016	35.800.000.000
8	BT	Number 654 of 2016, on December 30, 2016	24.100.000.000
9	PH	Number 648 of 2016, on December 30, 2016	20.800.000.000
10	BPSH	Number 653 of 2016, on December 30, 2016	12.713.643.146
11	BMJ	Number 42 of 2020, on February 14, 2020	11.961.034.302
12	TCB	Number 119 of 2020, on February 14, 2020	7.347.869.372
13	DGU	Number 139 of 2020, on February 24, 2020	5.599.850.000
14	AKM	Number 32 of 2020, on February 14, 2020	4.032.602.479
15	ABP	Number 645 of 2016, on December 30, 2016	3.900.000.000
16	CTIK	Number 233 of 2015, on May 4, 2015	2.800.000.000
17	KHM	Number 91 of 2018, on May 25, 2018	2.073.961.507
18	MKM	Number 87 of 2020, on February 14, 2020	1.900.000.000
19	UPM	Number 121 of 2020, on February 14, 2020	1.791.994.850
20	PAS	Number 93 of 2020, on February 14, 2020	1.253.292.055

21	JKU	Number 72 of 2020, on February 14, 2020	1.147.829.341
22	ZZP	Number 11 of 2023, on January 27, 2023	1.143.429.495
23	CTIK	Number 68 of 2020, on February 14, 2020	937.112.842
24	SHA	Number 109 of 2020, on February 14, 2020	840.202.537
25	PLM	Number 95 of 2020, on February 14, 2020	560.721.865
26	ABS	Number 136 of 2020, on February 24, 2020	560.312.130
27	BTS	Number 34 of 2020, on February 14, 2020	367.395.603
28	BMB	Number 37 of 2020, on February 14, 2020	125.078.048
29	MSI	Number 675 of 2016, on December 30, 2016	71.797.736
30	LKS	Number 78 of 2020, on February 14, 2020	69.929.797
31	MKM	Number 91 of 2020, on February 14, 2020	69.916.708
32	AB	Number 30 of 2020 on February 14, 2020	69.916.425
33	TDP	Number 117 of 2020 on February 14, 2020	37.358.005
34	JOB	Number 71 of 2020 on February 14, 2020	11.430.768
35	HKN	Number 65 of 2020 on February 14, 2020	7.142.467
36	BMS	Number 44 of 2020 on February 14, 2020	4.932.470
37	DHT	Number 56 of 2020 on February 14, 2020	NA
Total Amount of Funds Received			Rp1.961.710.499.227

Source: processed data, INTRAC

4. 3. RISKS OF MONEY LAUNDERING CRIME ORIGINATING FROM HUMAN TRAFFICKING, MIGRANT SMUGGLING AND LABOR SMUGGLING, AND THE INTERCONNECTION WITH TERRORIST FINANCING

Based on Recommendation 3 of the Financial Action Task Force (FATF), predicate offenses for money laundering crime should include all serious or extraordinary crimes, including human trafficking, migrant smuggling, and labor smuggling. Therefore, it is required to conduct a specific risk mapping for money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling, as stipulated in Recommendation 1 of the FATF. The risk analysis will be outlined according to points of concern (PoC), such as perpetrator profiles, regions, stages, and industrial sectors, which can thereafter be considered for the monitoring and handling of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling.

4.3.1. Main Risks of Money Laundering Crime Arising from Human Trafficking Crime

Based on the identification, analysis, and evaluation results of money laundering risks arising from human trafficking, according to individual perpetrator profiles, it is discovered that entrepreneurs/self-employed individuals, private employees, and traders are at high risk. This is due to the high threat and consequence factors influenced by the number of suspicious financial transactions and court decisions originating from these individual profiles. Specifically, these profiles are primarily connected to the mechanisms and roles in human trafficking.

Table 12: Risk of Money Laundering Crime Arising from Human Trafficking Crime Based on Individual Perpetrator Profiles

Based on the Perpetrator Profile (Individual)	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Legislative and Government Officials	4,18	4,33	4,29	8,52	4,85	20,84	4,06	LOW
Civil Servants (including retirees)	5,11	4,33	4,20	9,44	5,37	22,55	4,21	LOW
Indonesian National Armed Forces (TNI)/Indonesian National Police (including retirees)	4,58	4,33	6,89	8,91	5,08	34,96	5,32	MEDIUM
State-Owned Enterprises (BUMN)/Regional-Owned Enterprises (including retirees)	5,08	4,33	7,02	9,42	5,35	37,60	5,55	MEDIUM
Political Party Officials	4,27	4,50	4,38	8,77	5,00	21,91	4,15	LOW
Private Sector Employees	8,50	6,17	8,63	14,67	8,26	71,30	8,56	HIGH
Professionals and Consultants	5,16	4,67	7,28	9,83	5,58	40,63	5,82	MEDIUM

Teachers and Lecturers	4,86	4,50	6,85	9,36	5,32	36,47	5,45	MEDIUM
Businesspeople/Self-Employed	7,71	7,33	9,00	15,05	8,47	76,25	9,00	HIGH
Traders	9,00	7,00	8,30	16,00	9,00	74,69	8,86	HIGH
Farmers and Fishermen	4,64	5,17	4,66	9,80	5,57	25,95	4,51	LOW
Craftsmen	3,91	3,83	3,92	7,74	4,43	17,37	3,75	LOW
Labors, Domestic Helpers, and Security Personnel	4,89	5,17	6,96	10,05	5,71	39,73	5,74	MEDIUM
Housewives	6,37	4,67	7,19	11,04	6,25	44,93	6,21	MEDIUM
Students	5,73	4,50	6,85	10,23	5,81	39,76	5,74	MEDIUM
Management board and employees of foundation/other legal entity institutions	4,45	4,83	4,48	9,29	5,28	23,65	4,31	LOW
Management board/employees of NGOs/Other Non-Legal Entities	4,64	5,17	6,96	9,80	5,57	38,77	5,66	MEDIUM
Clerics/Pastors/Leaders of Organizations and Religious Groups	4,36	4,67	4,38	9,03	5,14	22,54	4,21	LOW
Others	3,00	2,17	3,00	5,17	3,00	9,00	3,00	LOW

Source: processed data, INTRAC

Based on the type of corporate perpetrator, it is discovered that Non- Indonesian Migrant Worker Placement Company Corporations, such as employment agencies, travel agencies, transportation services, medical clinics, and financing companies, are at high risk of money laundering related to human trafficking. As previously explained, there is evidence indicating a high rate of Suspicious Transaction Reports for corporations operating in the Non- Indonesian Migrant Worker Placement Company sector, as well as Indonesian Migrant Worker Placement Company institutions whose permits for recruitment and placement have been revoked.

Table 13: Money Laundering Crime Risks Arising from Human Trafficking Crimes by Corporate Perpetrator Profile

Based on the Perpetrator Profile (Corporate)	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
P3MI Corporations (Indonesian Migrant Worker Placement Companies)	8,08	6,50	8,08	14,58	8,15	36,75	5,80	MEDIUM

Non-P3MI Corporations (Employment Agencies, Travel Agencies, Transportation Agencies, Medical Clinics, Financing)	9,00	7,00	9,00	16,00	9,00	73,50	9,00	HIGH
Others	3,00	3,00	3,00	6,00	3,00	4,50	3,00	LOW

Source: processed data, INTRAC

Based on the risk assessment of money laundering arising from human trafficking crimes, DKI Jakarta, Riau Islands, East Java, East Nusa Tenggara, and West Java are identified as having a high risk by region. This is due to the high level of Suspicious Transaction Reports, financial intelligence findings, and case handling and court decisions related to these predicate crimes. Furthermore, there are several vulnerabilities, with the majority of these high-risk regions being the primary sources and facilitators of human trafficking crimes. Moreover, structurally, there are no court decisions related to money laundering arising from human trafficking crimes in all these jurisdictions.

Table 14: Money Laundering Risks Arising from Human Trafficking Crimes by Region

Based on Regional Distribution	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Aceh	5,37	7,33	5,11	12,70	6,42	32,83	5,46	MEDIUM
Bali	5,20	7,67	6,98	12,86	6,54	45,65	6,89	MEDIUM
Banten	5,94	6,33	6,29	12,27	6,11	38,42	6,08	MEDIUM
Bengkulu	4,20	5,50	4,08	9,70	4,24	17,29	3,73	LOW
DI Yogyakarta	5,16	5,67	5,62	10,83	5,06	28,41	4,97	LOW
DKI Jakarta	8,58	7,67	7,18	16,25	9,00	64,59	9,00	HIGH
Gorontalo	4,11	5,33	4,00	9,44	4,05	16,21	3,61	LOW
Jambi	4,47	5,33	5,40	9,81	4,31	23,30	4,40	LOW
Jawa Barat	7,69	6,33	6,34	14,02	7,38	46,79	7,02	HIGH
Jawa Tengah	7,78	6,33	6,26	14,12	7,45	46,66	7,00	MEDIUM
Jawa Timur	8,04	6,33	6,41	14,37	7,63	48,94	7,26	HIGH
Kalimantan Barat	6,98	5,67	5,56	12,64	6,38	35,43	5,75	MEDIUM
Kalimantan Selatan	4,59	5,67	5,44	10,26	4,64	25,27	4,62	LOW

Kalimantan Tengah	5,00	5,67	5,66	10,67	4,94	28,00	4,92	LOW
Kalimantan Timur	4,98	5,67	5,72	10,65	4,93	28,21	4,95	LOW
Kalimantan Utara	4,88	5,67	5,43	10,54	4,85	26,33	4,74	LOW
Kep. Bangka Belitung	4,18	5,50	4,17	9,68	4,22	17,59	3,76	LOW
Kep. Riau	6,68	7,00	8,00	13,68	7,13	57,03	8,16	HIGH
Lampung	5,02	5,50	5,63	10,52	4,84	27,24	4,84	LOW
Maluku	5,03	5,33	5,55	10,37	4,72	26,22	4,72	LOW
Maluku Utara	4,15	4,17	4,99	8,32	3,23	16,13	3,60	LOW
Nusa Tenggara Barat	6,94	8,00	5,78	14,94	8,05	46,51	6,99	MEDIUM
Nusa Tenggara Timur	6,61	8,00	6,04	14,61	7,80	47,12	7,05	HIGH
Papua	5,13	6,00	5,80	11,13	5,27	30,58	5,21	MEDIUM
Papua Barat	5,04	6,00	5,90	11,04	5,21	30,73	5,23	MEDIUM
Riau	6,77	6,33	5,88	13,10	6,71	39,49	6,20	MEDIUM
Sulawesi Barat	4,33	5,67	4,25	10,00	4,45	18,93	3,91	LOW
Sulawesi Selatan	5,16	5,67	5,93	10,83	5,06	30,00	5,14	MEDIUM
Sulawesi Tengah	4,59	5,67	5,41	10,26	4,64	25,11	4,60	LOW
Sulawesi Tenggara	4,69	5,67	5,58	10,36	4,71	26,30	4,73	LOW
Sulawesi Utara	4,62	5,67	4,25	10,28	4,66	19,80	4,01	LOW
Sumatera Barat	4,88	5,33	5,45	10,22	4,61	25,14	4,60	LOW
Sumatera Selatan	4,81	5,33	5,48	10,14	4,56	24,96	4,58	LOW
Sumatera Utara	6,97	5,33	5,70	12,30	6,13	34,96	5,70	MEDIUM
Papua Tengah	4,50	6,00	4,42	10,50	4,82	21,28	4,17	LOW
Papua Pegunungan	4,50	6,00	4,42	10,50	4,82	21,28	4,17	LOW
Papua Selatan	4,50	6,00	4,42	10,50	4,82	21,28	4,17	LOW
Papua Barat Daya	3,67	4,33	3,58	8,00	3,00	10,75	3,00	LOW

Source: processed data, INTRAC

Based on the stages on the risk of money laundering arising from human trafficking crimes, it is discovered that the exploitation, harboring, transportation, and delivery stages are at high risk. This is caused by various factors, particularly during the exploitation stage, which materially involve obtaining the proceeds of crime, and also based on the vulnerability aspect it is discovered that there are individuals from the authorized authorities involved during the sheltering and exploitation practices.

Table 15: Money Laundering Crimes Arising from Human Trafficking Crimes by Stages

Based on the Stages of Human Trafficking	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Recruitment	7,00	4,67	4,11	11,67	7,68	31,56	6,37	MEDIUM
Transporting	6,92	4,67	4,95	11,58	7,58	37,49	7,32	HIGH
Sheltering	5,25	7,33	5,08	12,58	8,80	44,72	8,47	HIGH
Sending	5,08	4,67	6,75	9,75	5,34	36,04	7,09	HIGH
Transferring	3,92	4,67	3,75	8,58	3,92	14,68	3,67	LOW
Receive	3,67	4,17	3,50	7,83	3,00	10,50	3,00	LOW
Exploitation	5,42	7,33	5,33	12,75	9,00	48,00	9,00	HIGH

Source: processed data, INTRAC

Based on the forms of exploitation of human trafficking crimes, it is known that sexual exploitation (CSW), Physical Exploitation, Sexual Exploitation, Reproductive Organs, and Indonesian Migrant Workers have a high risk of money laundering. Meanwhile, other forms of exploitation such as Domestic Workers, Ship Crew, Online Scamming, and Removing/Transplanting Organs or Body Tissues have a medium risk category. This condition is influenced by the increasing trend in human trafficking cases and reports on various forms of exploitation, especially the phenomenon of online scamming which has become an emerging trend by utilizing information technology, such as websites and social media. Based on statistical data from the Ministry of Communication and Informatics, as of November 20, 2023, there were 130,099 pieces of content related to prostitution and job vacancies or human trafficking crimes. Specifically, there were 37 websites related to job vacancies originating from public complaints and 4 complaints from law enforcement agencies related to social media content, such as Facebook, which is used as a means of recruitment and placement for work overseas.

Table 16 Money Laundering Crimes Arising From Human Trafficking Crimes By Form of Exploitation

Based on the Form of Exploitation of Human Trafficking Crimes	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Sexual Exploitation, Physical, Sexual, and Reproductive Organ Abuse	7,00	7,33	8,33	14,33	8,61	71,74	9,00	HIGH
Forced Labor/Service/Slavery/Oppression/Extortion:								
a. Domestic Workers	8,17	7,17	5,00	15,33	9,00	45,00	6,58	MEDIUM
b. Indonesian Migrant Workers	5,31	7,17	7,11	12,48	7,88	56,08	7,58	HIGH
c. Ship Crew	5,46	7,50	5,25	12,96	8,07	42,37	6,34	MEDIUM
d. <i>Online Scam</i>	5,09	6,83	4,92	11,92	7,67	37,69	5,92	MEDIUM
e. Others, child exploitation	2,56	1,17	2,02	3,72	4,46	9,01	3,33	LOW
Removing/ Transplanting Organ / Body Tissues	5,17	7,17	5,00	12,33	7,83	39,13	6,05	MEDIUM
Others,	1,50	-	1,50	1,50	3,59	5,38	3,00	LOW

Source: processed data, INTRAC

The following is detailed content handling measures implemented by the Ministry of Communication and Informatics as of November 2023.

Table 17: Data on Handling of Prostitution and Job Vacancy Content or Human Trafficking Crime as of November 20, 2023

Year	Web site	Twitter	Facebook / META	YouTube / Google	File sharing	MiChat	Bigolive	Helio-app	Mangolive	Telegram	Total

2019	0	24.096	0	0	0	85	580	0	0	0	24.761
2020	0	41.926	0	0	0	0	0	0	0	0	41.926
2021	73	33.489	17	0	109	79	0	0	0	0	33.767
2022	7	15.149	18	1	11	1.126	0	0	177	1	16.490
Nov-2023	37	10.924	4	0	0	1.198	452	129	411	0	13.155
Total	117	125.584	39	1	120	2.488	1.032	129	588	1	130.099

Source: processed data, The Ministry of Communication and Information Technology

The following describes the list of measures taken to address job vacancy content available on websites and agency complaints. Despite these measures, challenges remain in addressing the misuse of information technology in human trafficking, particularly in monitoring activity in closed communication groups or media, the emergence of new websites that resemble previously blocked sites by the government, and the advancement of algorithms to target specific searches, both for legal and illegal content.

Table 18: List of Websites and Agency Complaints Indicating Human Trafficking Crime in the Form of Exploitation of Indonesian Migrant Workers

No	Website or Url	No	Website or Url	No	Website or Url
1	jualo01.cc	16	auction555.com	31	laza.neicus.com
2	lazashop.cc	17	tkp624.com	32	poodd.vip
3	global999.shop	18	q67n6.xyz	33	hotelheh.com
4	money77.shop	19	ladangrekeh.xyz	34	jualoshop.com
5	ttc88.shop	20	m.luxurysvip138.com	35	shopping-mall.com
6	s-vip.plus	21	racentura-online.shop	36	officialpln.com
7	laza.lazadfdo.com	22	g20global.shop	37	ruparupa-mall.shop
8	c-vip.shop	23	ymx6.shop	38	Facebook: Komar Jos Luar Negeri
9	lazashop.shop	24	smart999.shop	39	Facebook: Alvin Octora Mimiw
10	amazon.987jh7.com	25	g20global.work	40	Facebook: Ney Ney
11	s-vip.xyz	26	blibrr333.com	41	Facebook: RM Iput
12	mdhrne.com	27	vip.amazonen.cc		
13	seas6699.com	28	bddhk.buzz		
14	milenialbusiness.shop	29	mbussiness.shop		
15	idpodinmd.pages.dev	30	investama92.com		

Source: processed data, the Ministry of Communication and Information Technology

According to the convergence of human trafficking crime, it is connected with other predicate crimes, including: narcotics, corruption, bribery and gratuities, child protection, sexual violence, fraud and embezzlement, customs, immigration, online gambling, and illegal barter transactions for agricultural commodities, cigarettes, and used clothing (thrifting).

Moreover, money laundering crimes arising from human trafficking proceeds can certainly involve the financial sector, goods and service providers, and professionals. Based on the results of identification, analysis, and risk evaluation, it is discovered that commercial banks pose a high risk. This is due to the preference of criminals towards available financial access and networks and the existing general challenges, among others the difficulty of detecting indications of suspicious financial transactions that indicate human trafficking based on transaction patterns and habits, limitations in the collection and sharing of intelligence data by the Government and Transnational Organizations, the unavailability of a list of parties recorded as perpetrators of human trafficking, and the unavailability of technical guidelines for reporting parties in identifying red flags of indications of suspicious financial transactions related to human trafficking. Additionally, other financial industry sectors, such as IT-Based Lending Service Providers, Foreign Exchange Traders, Money Transfer Businesses, and e-money and/or e-wallet providers, pose medium risk.

Table 19: Money Laundering Crimes Arising from Human Trafficking Crime by Industry Sector

Based on Industrial Sector	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Commercial Banks	7,3	5,3	6,5	12,6	9,0	58,5	9,0	HIGH

	3	3	0	7	0	0	0	
Rural Credit Banks (BPR)	4,2 5	5,3 3	3,4 2	9,58	5,3 6	18,3 2	4,0 0	LOW
Insurance Companies	3,9 6	4,6 7	3,9 2	8,63	4,2 3	16,5 8	3,7 9	LOW
Trust Agents	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Custodians	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Pension Funds of Financial Institutions	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Investment Managers	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Securities Companies	3,9 6	4,6 7	3,9 2	8,63	4,2 3	16,5 8	3,7 9	LOW
Pawnshop	4,3 0	5,3 3	4,2 5	9,63	5,4 1	23,0 1	4,5 9	LOW
Financing Companies	4,3 0	5,3 3	4,2 5	9,63	5,4 1	23,0 1	4,5 9	LOW
Venture Capital Companies	4,2 5	5,3 3	4,2 5	9,58	5,3 6	22,7 8	4,5 6	LOW
Export Financing Institutions	4,4 2	5,6 7	4,4 2	10,0 8	5,9 5	26,2 8	4,9 9	LOW
Microfinance Institutions	4,4 2	5,6 7	4,4 2	10,0 8	5,9 5	26,2 8	4,9 9	LOW
Infrastructure Financing Companies	4,2 5	5,3 3	4,2 5	9,58	5,3 6	22,7 8	4,5 6	LOW
Information Technology-Based Lending Service Providers	4,9 2	6,6 7	4,9 2	11,5 8	7,7 2	37,9 6	6,4 5	MEDIUM
Crowdfunding Service Providers Through Information Technology-Based Stock Offerings	3,9 2	3,6 7	3,4 2	7,58	3,0 0	10,2 5	3,0 0	LOW
Savings and Loans Cooperatives	3,9 2	3,6 7	3,4 2	7,58	3,0 0	10,2 5	3,0 0	LOW
Foreign Exchange Traders	4,7 1	6,0 0	4,6 7	10,7 1	6,6 9	31,2 3	5,6 1	MEDIUM
Money Remittance Business Activities	4,9 2	6,3 3	4,8 3	11,2 6	7,3 4	35,4 6	6,1 4	MEDIUM
e-money and/or e-wallet Providers	4,7 5	6,3 3	4,7 5	11,0 8	7,1 3	33,8 7	5,9 4	MEDIUM
Card-Based Payment Instrument Providers	4,2 5	5,3 3	4,2 5	9,58	5,3 6	22,7 8	4,5 6	LOW
Commodity Futures Trading Companies	3,9 2	3,6 7	3,4 2	7,58	3,0 0	10,2 5	3,0 0	LOW
Physical Crypto Asset Traders	4,8 0	6,3 3	4,7 5	11,1 3	7,1 8	34,1 3	5,9 7	MEDIUM
Postal Companies as Giro Service Providers	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW

Vehicle Companies	3,9 6	4,6 7	3,9 2	8,63	4,2 3	16,5 8	3,7 9	LOW
Property Companies/ Property Agents	4,0 8	5,0 0	4,0 8	9,08	4,7 7	19,4 8	4,1 5	LOW
Gem and Jewelry/Precious Metal Traders	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Auction Houses	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Advocate	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Notary Public	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Land Deed Certifier	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Financial Planner	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW
Accountant, Public Accountant	3,9 2	4,6 7	3,9 2	8,58	4,1 8	16,3 7	3,7 6	LOW

Source: processed data, INTRAC

4.3.2. Main Risks of Money Laundering Crime Arising from Migrant Smuggling Crime

Based on the identification, analysis, and evaluation of the risks of money laundering crime arising from migrant smuggling crimes according to individual perpetrator profiles, it is discovered that entrepreneurs/self-employed individuals and traders pose a high risk, while private sector employees pose a medium risk. This is due to the high threat and consequence factors influenced by the number of suspicious financial transactions and court decisions based on these individual profiles. Based on court decisions, migrant smuggling crimes involve individuals pretending to be corporations acting as facilitators for profit, either directly or indirectly, to smuggle individuals from Indonesia who do not have the legal right to enter another country by using forged documents, such as the application of Indonesian entry and exit permit stamps and several travel stamps. Other methods include creating personal bank statements for individuals applying for visas through e-commerce platforms and booking tickets by issuing hold bookings with a validity period of 7-14 days.

Table 20 Money Laundering Crimes Arising from Migrant Smuggling By Perpetrator Profile

Based on the Perpetrator Profile (Individual)	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Legislative and Government Officials	3,75	4,33	3,75	8,08	4,40	16,51	3,76	LOW
Civil Servants (including retirees)	4,21	4,33	6,38	8,54	4,71	30,07	5,04	MEDIUM
Indonesian National Armed Forces (TNI)/Indonesian National Police (including retirees)	4,21	4,33	6,36	8,54	4,71	29,97	5,03	MEDIUM
State-Owned Enterprises (BUMN)/Regional-Owned Enterprises (including retirees)	3,67	4,33	3,67	8,00	4,35	15,93	3,70	LOW
Political Party Officials	3,83	4,50	3,83	8,33	4,57	17,52	3,85	LOW
Private Sector Employees	5,07	4,83	6,83	9,90	5,63	38,44	5,83	MEDIUM
Professionals and Consultants	3,83	3,67	3,33	7,50	4,01	13,36	3,46	LOW
Teachers and Lecturers	3,75	3,50	3,25	7,25	3,84	12,48	3,38	LOW
Businesspeople/Self-Employed	8,08	6,83	8,00	14,92	9,00	72,00	9,00	HIGH
Traders	5,06	6,50	7,75	11,56	6,74	52,23	7,13	HIGH
Farmers and Fishermen	4,08	4,17	3,58	8,25	4,51	16,18	3,73	LOW
Craftsmen	3,50	3,00	3,00	6,50	3,34	10,01	3,14	LOW
Labors, Domestic Helpers, and Security Personnel	4,08	4,17	3,58	8,25	4,51	16,18	3,73	LOW
Housewives	4,53	3,67	6,12	8,19	4,48	27,38	4,78	LOW
Students	3,75	3,50	3,25	7,25	3,84	12,48	3,38	LOW
Management board and employees of foundation/other legal entity institutions	3,92	3,83	3,42	7,75	4,18	14,27	3,55	LOW
Management board/employees of NGOs/Other Non-Legal Entities	4,17	4,17	3,67	8,33	4,57	16,76	3,78	LOW
Clerics/Pastors/Leaders of Organizations	3,9	3,8	3,4	7,75	4,1	14,2	3,5	LOW

and Religious Groups	2	3	2		8	7	5	
Others	3,3 3	2,6 7	2,8 3	6,00	3,0 0	8,50	3,0 0	LOW

Source: processed data, INTRAC

Based on the risk assessment of money laundering arising from migrant smuggling crimes, West Java, Jakarta, and Riau are identified as having a high risk, according to their regional distribution. Meanwhile, the Riau Islands, West Kalimantan, Banten, Aceh, North Kalimantan, North Sumatra, Central Java, East Java, Bali, and East Nusa Tenggara have a medium risk. This is due to the high level of Suspicious Transaction Reports, as well as the handling of cases and court decisions regarding these predicate crimes. Furthermore, several vulnerabilities exist, with the majority of these high-risk regions serving as primary sources and transit areas for migrant smuggling crimes, due to several geographic factors within the border areas. Furthermore, structurally, there are no court decisions related to money laundering arising from migrant smuggling crimes in all jurisdictions.

Table 21: Money Laundering Crimes Arising from Migrant Smuggling Crimes by Region

Based on Regional Distribution	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Aceh	6,07	8,00	5,08	14,07	7,77	39,48	6,18	MEDIUM
Bali	5,33	7,33	5,17	12,66	6,73	34,77	5,66	MEDIUM
Banten	5,93	6,33	6,17	12,26	6,44	39,73	6,21	MEDIUM
Bengkulu	4,42	6,17	4,42	10,58	5,20	22,98	4,36	LOW
DI Yogyakarta	4,67	6,33	4,67	11,00	5,51	25,71	4,66	LOW
DKI Jakarta	6,89	6,83	7,46	13,72	7,51	56,04	8,02	HIGH
Gorontalo	4,08	5,17	4,08	9,25	4,22	17,25	3,72	LOW
Jambi	4,08	5,17	4,08	9,25	4,22	17,25	3,72	LOW
Jawa Barat	6,87	7,33	8,25	14,20	7,86	64,88	9,00	HIGH
Jawa Tengah	5,45	7,33	5,25	12,78	6,82	35,81	5,78	MEDIUM
Jawa Timur	5,45	7,33	5,25	12,78	6,82	35,81	5,78	MEDIUM

Kalimantan Barat	7,35	6,33	5,50	13,68	7,48	41,15	6,37	MEDIUM
Kalimantan Selatan	4,75	6,33	4,75	11,08	5,57	26,46	4,74	LOW
Kalimantan Tengah	4,62	6,33	4,58	10,96	5,48	25,11	4,59	LOW
Kalimantan Timur	4,42	5,67	4,42	10,08	4,84	21,36	4,18	LOW
Kalimantan Utara	7,35	5,67	5,50	13,02	6,99	38,46	6,07	MEDIUM
Kep. Bangka Belitung	4,08	5,33	4,08	9,42	4,35	17,75	3,78	LOW
Kep. Riau	6,55	7,33	5,50	13,88	7,63	41,96	6,46	MEDIUM
Lampung	4,46	6,00	4,42	10,46	5,11	22,57	4,31	LOW
Maluku	4,21	5,17	4,17	9,37	4,32	17,98	3,80	LOW
Maluku Utara	3,58	4,00	3,58	7,58	3,00	10,75	3,00	LOW
Nusa Tenggara Barat	4,29	5,50	4,25	9,79	4,62	19,64	3,99	LOW
Nusa Tenggara Timur	5,53	5,67	5,25	11,20	5,65	29,69	5,10	MEDIUM
Papua	4,28	4,17	4,08	8,45	3,64	14,85	3,45	LOW
Papua Barat	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW
Riau	8,75	7,00	5,75	15,75	9,00	51,75	7,55	HIGH
Sulawesi Barat	4,61	4,50	4,25	9,11	4,12	17,52	3,75	LOW
Sulawesi Selatan	4,75	4,67	4,75	9,42	4,35	20,65	4,10	LOW
Sulawesi Tengah	4,29	4,50	4,25	8,79	3,89	16,52	3,64	LOW
Sulawesi Tenggara	4,25	4,50	4,25	8,75	3,86	16,39	3,63	LOW
Sulawesi Utara	6,10	4,50	5,50	10,60	5,22	28,69	4,99	LOW
Sumatera Barat	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW
Sumatera Selatan	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW
Sumatera Utara	7,71	4,33	5,75	12,04	6,28	36,09	5,81	MEDIUM
Papua Tengah	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW
Papua Pegunungan	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW
Papua Selatan	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW
Papua Barat Daya	4,08	4,17	4,08	8,25	3,49	14,25	3,39	LOW

Source: processed data, INTRAC

Money laundering crimes arising from proceeds of migrant smuggling crimes can certainly involve the financial industry, goods and services providers, and professionals. Based on the results of risk identification, analysis, and evaluation, it is discovered that foreign exchange traders pose a high risk, while commercial banks and insurance companies pose a medium risk. This is due to the perpetrators' preference for available financial access and networks, as well as the use of insurance services, particularly life insurance, as a means of

disposing of funds obtained from migrant smuggling crimes and as a form of protection in the event of a risk.

Table 22: Money Laundering Crimes Arising from Migrant Smuggling Crimes by Industrial Sector

Based on Industrial Sector	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Commercial Banks	5,82	4,67	6,84	10,49	5,72	39,12	6,06	MEDIUM
Rural Credit Banks (BPR)	3,92	4,67	3,92	8,58	3,32	12,99	3,16	LOW
Insurance Companies	5,19	4,50	6,83	9,69	4,72	32,24	5,30	MEDIUM
Trust Agents	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Custodians	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Pension Funds of Financial Institutions	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Investment Managers	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Securities Companies	4,36	4,50	3,83	8,86	3,66	14,05	3,28	LOW
Pawnshop	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Financing Companies	3,83	4,50	6,36	8,33	3,00	19,07	3,84	LOW
Venture Capital Companies	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Export Financing Institutions	4,00	4,83	4,00	8,83	3,63	14,53	3,34	LOW
Microfinance Institutions	4,00	4,83	4,00	8,83	3,63	14,53	3,34	LOW
Infrastructure Financing Companies	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Information Technology-Based Lending Service Providers	4,00	4,83	4,00	8,83	3,63	14,53	3,34	LOW
Crowdfunding Service Providers Through Information Technology-Based Stock Offerings	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Savings and Loans Cooperatives	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Foreign Exchange Traders	7,42	5,67	7,29	13,08	9,00	65,60	9,00	HIGH
Money Remittance Business Activities	4,67	6,17	4,67	10,83	6,16	28,74	4,91	LOW
e-money and/or e-wallet Providers	4,00	4,83	4,00	8,83	3,63	14,53	3,34	LOW

Card-Based Payment Instrument Providers	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Commodity Futures Trading Companies	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Physical Crypto Asset Traders	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Postal Companies as Giro Service Providers	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Vehicle Companies	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Property Companies/Property Agents	4,00	4,83	4,00	8,83	3,63	14,53	3,34	LOW
Gem and Jewelry/Precious Metal Traders	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Auction Houses	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Advocate	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Notary Public	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Land Deed Certifier	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Financial Planner	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW
Accountant, Public Accountant	3,83	4,50	3,83	8,33	3,00	11,50	3,00	LOW

Source: processed data, INTRAC

4.3.3. Main Risks of Money Laundering Crimes Arising from Labor Smuggling

Based on the identification, analysis, and evaluation of the risks of money laundering crimes originating from labor smuggling crimes according to individual perpetrator profiles, it is discovered that traders, entrepreneurs/self-employed individuals, and private employees pose a high risk. This is due to the high threat and consequence factors influenced by the number of suspicious financial transactions and court decisions on the predicate crimes arising from these individual profiles. Specifically, these profiles are primarily related to the mechanisms and roles in labor smuggling.

Table 23: Money Laundering Crimes Arising from Labor Smuggling Crimes By Perpetrator Profiles

Based on the Perpetrator Profile (Individual)	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Legislative and Government Officials	3,75	4,33	3,75	8,08	3,78	14,17	3,39	LOW
Civil Servants (including	6,75	4,33	6,14	11,08	7,79	47,83	7,00	MEDIUM

retirees)								
Indonesian National Armed Forces (TNI)/Indonesian National Police (including retirees)	4,27	4,33	6,30	8,60	4,47	28,18	4,89	LOW
State-Owned Enterprises (BUMN)/Regional-Owned Enterprises (including retirees)	3,67	4,33	3,67	8,00	3,67	13,45	3,32	LOW
Political Party Officials	3,83	4,50	3,83	8,33	4,11	15,77	3,56	LOW
Private Sector Employees	6,08	4,67	6,92	10,75	7,34	50,75	7,31	HIGH
Professionals and Consultants	3,83	4,50	3,83	8,33	4,11	15,77	3,56	LOW
Teachers and Lecturers	3,75	4,33	3,75	8,08	3,78	14,17	3,39	LOW
Businesspeople/Self-Employed	6,49	5,50	7,28	11,99	9,00	65,51	8,89	HIGH
Traders	4,92	6,83	7,67	11,75	8,68	66,53	9,00	HIGH
Farmers and Fishermen	4,92	6,83	4,92	11,75	8,68	42,66	6,44	MEDIUM
Craftsmen	3,50	4,00	3,50	7,50	3,00	10,50	3,00	LOW
Labors, Domestic Helpers, and Security Personnel	4,75	6,50	4,75	11,25	8,01	38,04	5,95	MEDIUM
Housewives	4,87	4,67	6,56	9,54	5,72	37,53	5,89	MEDIUM
Students	5,47	4,50	6,27	9,97	6,30	39,55	6,11	MEDIUM
Management board and employees of foundation/other legal entity institutions	3,92	4,83	3,92	8,75	4,67	18,29	3,83	LOW
Management board/employees of NGOs/Other Non-Legal Entities	4,08	5,17	4,08	9,25	5,34	21,79	4,21	LOW
Clerics/Pastors/Leaders of Organizations and Religious Groups	3,92	4,83	3,92	8,75	4,67	18,29	3,83	LOW
Others	3,33	4,33	3,33	7,67	3,22	10,74	3,03	LOW

Source: processed data, PPATK

Based on the risk assessment of money laundering arising from labor smuggling crimes, DKI Jakarta is identified as having a high risk by region. Furthermore, several regions have a medium risk, including East Nusa Tenggara, Bali, West Nusa Tenggara, Central Java, East Java, West Java, and Aceh. This is due to the high level of Suspicious Transaction Reports, financial intelligence findings, and case handling and court decisions related to these predicate crimes. In addition, several vulnerabilities exist, with the majority of these high- and medium-risk regions serving as sources, facilitators, and transit points for labor smuggling crimes.

Moreover, structurally, there have been no court decisions related to money laundering arising from labor smuggling crimes in all jurisdictions.

Table 24: Money Laundering Crimes Arising from Labor Smuggling Crimes by Region

Based on Regional Distribution	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Aceh	10,00	7,17	9,83	17,17	15,91	156,46	5,02	MEDIUM
Bali	10,33	7,33	10,17	17,67	16,58	168,55	5,23	MEDIUM
Banten	9,33	6,33	9,17	15,67	13,91	127,49	4,53	LOW
Bengkulu	8,00	5,33	8,00	13,33	10,79	86,33	3,82	LOW
DI Yogyakarta	9,33	5,83	9,17	15,17	13,24	121,36	4,42	LOW
DKI Jakarta	16,33	7,33	15,83	23,67	24,59	389,38	9,00	HIGH
Gorontalo	7,00	4,17	6,83	11,17	7,90	53,96	3,27	LOW
Jambi	7,00	4,17	6,83	11,17	7,90	53,96	3,27	LOW
Jawa Barat	10,00	7,00	10,00	17,00	15,69	156,88	5,03	MEDIUM
Jawa Tengah	8,80	7,30	11,00	16,10	14,49	159,35	5,07	MEDIUM
Jawa Timur	9,00	7,00	11,00	16,00	14,35	157,88	5,05	MEDIUM
Kalimantan Barat	7,67	4,67	7,50	12,33	9,46	70,92	3,56	LOW
Kalimantan Selatan	7,67	4,67	7,50	12,33	9,46	70,92	3,56	LOW
Kalimantan Tengah	8,50	4,50	7,33	13,00	10,35	75,87	3,65	LOW
Kalimantan Timur	8,50	4,50	7,33	13,00	10,35	75,87	3,65	LOW
Kalimantan Utara	8,67	4,50	7,33	13,17	10,57	77,50	3,67	LOW
Kep. Bangka Belitung	8,00	4,33	7,00	12,33	9,46	66,19	3,48	LOW
Kep. Riau	10,00	4,50	7,33	14,50	12,35	90,56	3,90	LOW
Lampung	8,00	4,33	7,00	12,33	9,46	66,19	3,48	LOW

				3				
Maluku	8,17	4,17	6,83	12,3 3	9,46	64,61	3,45	LOW
Maluku Utara	7,00	3,00	6,00	10,0 0	6,34	38,03	3,00	LOW
Nusa Tenggara Barat	8,17	8,00	11,3 0	16,1 7	14,58	164,70	5,16	MEDIUM
Nusa Tenggara Timur	8,83	8,00	11,7 0	16,8 3	15,47	180,95	5,44	MEDIUM
Papua	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW
Papua Barat	10,33	4,17	6,83	14,5 0	12,35	84,39	3,79	LOW
Riau	8,50	4,50	7,33	13,0 0	10,35	75,87	3,65	LOW
Sulawesi Barat	8,33	4,50	7,17	12,8 3	10,12	72,55	3,59	LOW
Sulawesi Selatan	8,50	4,50	7,33	13,0 0	10,35	75,87	3,65	LOW
Sulawesi Tengah	8,33	4,50	7,17	12,8 3	10,12	72,55	3,59	LOW
Sulawesi Tenggara	8,33	4,50	7,17	12,8 3	10,12	72,55	3,59	LOW
Sulawesi Utara	8,33	4,50	7,17	12,8 3	10,12	72,55	3,59	LOW
Sumatera Barat	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW
Sumatera Selatan	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW
Sumatera Utara	8,17	4,17	7,00	12,3 3	9,46	66,19	3,48	LOW
Papua Tengah	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW
Papua Pegunungan	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW
Papua Selatan	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW
Papua Barat Daya	8,00	4,17	6,83	12,1 7	9,23	63,09	3,43	LOW

Source: processed data, INTRAC

Money laundering crimes originating from the proceeds of labor smuggling crimes can certainly involve the financial sector, goods and services providers, and professionals. Based on the results of risk identification, analysis, and evaluation, it is discovered that Foreign Exchange Traders and Money Remittance Business Activities pose a high risk, followed by

Commercial Banks with a medium risk. This is due to the perpetrators' preference for available financial access and networks, particularly the need for placing, transferring, and exchanging currency, both domestically and from/to abroad. Furthermore, there is a growing trend toward digital platforms or providers of international remittances through mobile applications with account-to-account techniques, which increasingly facilitate remittance transactions from/to abroad.

Table 25 Money Laundering Crimes Arising from Labor Smuggling Crimes by Industrial Sector

Based on Industrial Sector	Threat	Vulnerability	Consequences	Likelihood	Likelihood Scale	Risk	Risk Scale	Risk Category
Commercial Banks	11,19	3,67	12,83	14,86	12,83	164,59	6,91	MEDIUM
Rural Credit Banks (BPR)	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Insurance Companies	7,67	3,50	9,02	11,17	7,90	71,26	3,65	LOW
Trust Agents	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Custodians	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Pension Funds of Financial Institutions	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Investment Managers	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Securities Companies	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Pawnshop	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Financing Companies	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Venture Capital Companies	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Export Financing Institutions	8,00	3,83	7,00	11,83	8,79	61,51	3,31	LOW
Microfinance Institutions	8,00	3,83	7,00	11,83	8,79	61,51	3,31	LOW
Infrastructure Financing Companies	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Information Technology-Based Lending Service Providers	8,00	3,83	7,00	11,83	8,79	61,51	3,31	LOW
Crowdfunding Service Providers Through Information Technology-Based Stock Offerings	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Savings and Loans Cooperatives	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW

Foreign Exchange Traders	14,17	4,00	13,02	18,17	17,25	224,58	9,00	HIGH
Money Remittance Business Activities	14,02	3,83	12,51	17,86	16,83	210,50	8,51	HIGH
e-money and/or e-wallet Providers	8,00	3,83	7,00	11,83	8,79	61,51	3,31	LOW
Card-Based Payment Instrument Providers	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Commodity Futures Trading Companies	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Physical Crypto Asset Traders	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Postal Companies as Giro Service Providers	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Vehicle Companies	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Property Companies/Property Agents	8,00	3,83	7,00	11,83	8,79	61,51	3,31	LOW
Gem and Jewelry/Precious Metal Traders	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Auction Houses	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Advocate	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Notary Public	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Land Deed Certifier	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Financial Planner	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW
Accountant, Public Accountant	7,67	3,50	6,67	11,17	7,90	52,65	3,00	LOW

Source: processed data, INTRAC

4.3.4. Interconnection between Terrorist Financing and The Crime of Human Trafficking, Migrant Smuggling, and Labor Smuggling

According to FATF and United Nations standards, terrorist financing and migrant smuggling are connected in several ways⁴. To raise funds for terrorist organizations, these organizations can facilitate migrant smuggling, particularly for terrorist organizations owning control or influence over territories that coincide with smuggling routes, such as in Africa, Libya and Mali, as well as Syria, Iraq, and Afghanistan. With regard to such facts, this potential risk of terrorism exists, as migrant smuggling networks help conceal the travel of foreign

⁴<https://www.un.org/securitycouncil/ctc/sites/www.un.org.securitycouncil.ctc/files/files/documents/2021/Jan/ht-terrorism-nexus-cted-report.pdf>

terrorist fighters. Learning from experience in other countries, the direct connection between migrant smuggling and terrorist financing generally occurs in conflict zones. For example, in 2022, five Indonesian citizens were sanctioned by the United States authorities, among others⁵:

a. Dwi Dahlia Susanti

US authorities allege that Dwi Dahlia Susanti has been a financial facilitator for ISIS since at least 2017 and has assisted other ISIS members with money transfers involving individuals in Indonesia, Turkey, and Syria. In late 2017, the US alleged that Susanti helped her husband send nearly \$4,000 and weapons to an ISIS leader.

At that time, Susanti allegedly diverted approximately \$500 of these funds to ISIS supporters within her own network. In early 2021, Susanti allegedly facilitated money transfers from Indonesia to Syria to provide funds to individuals in refugee camps, allegedly used to smuggle adolescent children out of the camps into the desert, where they were received by ISIS foreign fighters, possibly as child recruits for ISIS.

b. Rudi Heryadi

In mid-2019, Rudi Heryadi allegedly informed an extremist associate regarding potential trips to ISIS-dominated areas, including Afghanistan, Egypt, other parts of Africa, and Yemen. Heryadi allegedly requested donations for the departure of individuals and their families. The US stated that Indonesian authorities convicted Heryadi on terrorism charges on June 24, 2020.

c. Ari Kardian

The US sanctions also targeted an ISIS facilitator named Ari Kardian, who was previously charged by Indonesian authorities with facilitating the travel of Indonesian citizens to Syria to join ISIS. Dwi Dahlia Susanti, Rudi Heryadi, and Ari Kardian were

⁵ <https://www.dw.com/id/as-beri-sanksi-5-fasilitator-keuangan-isis-dari-indonesia/a-61742429>

sanctioned under Executive Order 13224 for assisting, sponsoring, or providing financial, material, or technological support, or goods or services to or in support of ISIS.

d. Muhammad Dandi Adhiguna

Muhammad Dandi Adhiguna was also sanctioned for allegedly providing assistance to Susanti, including financial and operational matters. Adhiguna allegedly advised Susanti on the use of her personal bank account. In late 2021, Adhiguna allegedly completed an ISIS registration form and sent it to Susanti.

e. Dini Ramadhani

US authorities allege that Dini Ramadhani provided financial assistance to Susanti on several occasions. Muhammad Dandi Adhiguna and Dini Ramadhani were sanctioned under Executive Order 13224 for assisting, sponsoring, or providing financial, material, or technological support, or goods or services to or in support of Susanti.

Moreover, there is a general potential interconnection between human trafficking and terrorist financing, focusing to support the recruitment and other forms of exploitation. This situation was successfully addressed by the Interpol in 2022 through the Maharlika III Operation, involving law enforcement agencies from Brunei Darussalam, Malaysia, Indonesia, and the Philippines⁶. Based on the results of this operation, more than 130 victims of human trafficking were identified and rescued, as well as the capture of one suspected member of the Abu Sayyar Group (ASG) terrorist group. The operation involved 82 victims of human trafficking, mostly young women aged between 20 and 30, who were rescued by Philippine authorities. In addition, Indonesian authorities identified and rescued 35 adults and 17 children (12 boys and 5 girls), aged between 10 and 15, arriving from Malaysia. Authorities also seized firearms, illegally manufactured explosives made from ammonium nitrate, and other prohibited

⁶ https://www-interpol-int.translate.goog/News-and-Events/News/2020/Hundreds-arrested-in-crackdown-on-terrorist-routes-in-Southeast-Asia?_x_tr_sl=en&_x_tr_tl=id&_x_tr_hl=id&_x_tr_pto=tc

items and materials worth over one million euros. With participating units on the frontline given direct access to INTERPOL's global database, authorities were able to conduct over 13,000 checks on travel documents, firearms, and nominal data.

The COVID-19 pandemic did not stop terrorist groups and other organized crime from carrying out their activities, which means that law enforcement operations must, and indeed do, continue. The results of Maharlika III Operation emphasized the strategic importance of securing travel routes used by terrorist groups and criminals in Brunei, Indonesia, Malaysia, and the Philippines (BIMP). The World Customs Organization also partnered in this operation, by coordinating the role of customs agents and reporting seizures to INTERPOL's National Central Bureaus in all four countries.

The militants routes from Southeast Asia to the Middle East to join terrorist groups has now reversed. Since the collapse of ISIS/Daesh in the Middle East, the BIMP region—the East ASEAN Growth Area (EAGA)—has witnessed the entry of foreign terrorist fighters (FTFs), many of whom come from conflict zones. This is partly due to the presence of local ISIS/Daesh-inspired terrorist groups in the region, such as the ASG. FTFs are embedded within local terror groups and provide them with propaganda, personnel, finance, and operational expertise, such as bomb-making. In 2017, the battle in Marawi City (Philippines) between ISIS-affiliated militants and Philippine government forces resulted in over a thousand deaths. Among the dead in Marawi were terrorist fighters from Chechnya, Indonesia, Malaysia, Saudi Arabia, and Yemen.

In 2023, the Immigration Department together with Densus 88 supported the joint arrest and deportation of an Afghan citizen suspected of spreading terrorism through social media.

4.4. CASE STUDY AND RED FLAG INDICATORS OF SUSPICIOUS FINANCIAL TRANSACTIONS THAT INDICATE MONEY LAUNDERING CRIME ARISING FROM INDICATIONS OF HUMAN TRAFFICKING CRIME, MIGRANT SMUGGLING, AND LABOR SMUGGLING

Based on the result of document analysis of case handling databases in Indonesia from 2019 to the first semester of 2023, no cases of money laundering crimes arising from human trafficking, migrant smuggling, or migrant smuggling have been identified. This presents a unique challenge for relevant law enforcement agencies, including the Indonesian National Police, the National Personnel Agency for the Protection of Indonesian Migrant Workers (BP2MI), the National Personnel Agency for Immigration (PPNS), the National Personnel Agency for Maritime Affairs and Fisheries (PPNS), and the National Personnel Agency for Communication and Informatics (PPNS). The following are several literature studies based on the INTRAC analyses, investigations, and final court decisions, as well as studies by the Asia Pacific Group on Money Laundering (APG on ML) on the handling of predicate crimes and indications of money laundering.

1. Case Study: Human trafficking crime involving Gernapero alias Pero (GO) and Jismul Hasien alias Acing (JH). Based on Batam District Court Decision Number 509/Pid.Sus/2022/PN Btm

A. Case Description

In 2022, MS (Wanted List), an Indonesian Migrant Worker administrator in the Indramayu area of West Java Province, contacted GO using his mobile phone and told him to arrange the departure of four migrant workers candidates (CH, KH, RA, and WI) to Batam in May 2022. They were to arrive at Hang Nadim Airport in Batam at 7:00 a.m. Western Indonesian Time and he gave CH's mobile phone number. CH was promised a job as a domestic helper and babysitter with a salary of RM1,500 and a bonus or allowance of IDR6,000,000 from MS

(Wanted List). GO then instructed JH to arrange the departure and pick up of the Indonesian migrant workers at Hang Nadim Airport in Batam, and take them to the Batam Center International Ferry Port in Batam and gave CH's mobile phone number.

JH then contacted WU (Wanted List) and informed her of an airport pickup and gave CH's contact number. WU then contacted TY and asked her to pick her up at the airport at 7:00 a.m. WIB and take her to the Batam Center International Ferry Port. TY then received a text message from GO providing CH's mobile phone number.

In May 2022, TY then headed to the airport and contacted CH to meet and pick up four Indonesian migrant workers candidates, who were taken to the Batam Center International Ferry Port. At the gate of the Batam Center International Ferry Port, TY handed the four Indonesian migrant workers candidates to GO. The Indonesian migrant workers candidates were to depart for Malaysia and GO had previously received two Indonesian Migrant Workers Candidates, DI and ZA, from YS (Wanted List). GO then handed departure tickets to the six Indonesian Migrant Workers and provided instructions and guidance on boarding the ship to Malaysia. Upon arrival at the departure waiting area, all Indonesian Migrant Workers were secured by FA and FH from the Riau Islands Regional Police. Afterward, FA and FH also secured GO and JH. On May 6, 2022, GO and JH have sent eight Indonesian Migrant Workers Candidates from the Batam Center International Ferry Port in Batam City, followed by three Indonesian Migrant Workers Candidates on May 8, 2022, and one Indonesian Migrant Worker Candidate on May 10, 2022.

GO and JH received funding for the departure of Indonesian Migrant Workers Candidates from their regional administrators, MS (Wanted List) and YS (Wanted List). The perpetrators did not have the authority to place Indonesian migrant workers in Malaysia. The workers also did not have Work Competency Certificates to qualify for employment in Malaysia. GO earned a profit of IDR 100,000 per person from the departure of these Indonesian migrant workers.

The costs incurred by Indonesian Migrant Workers Candidates in Batam were IDR 2,000,000 per person and IDR 3,000,000 for those outside Batam. JH received IDR 2,000,000 from each migrant worker, and by May 2022, JH had received a total of IDR 24,000,000 in profits from migrant workers.

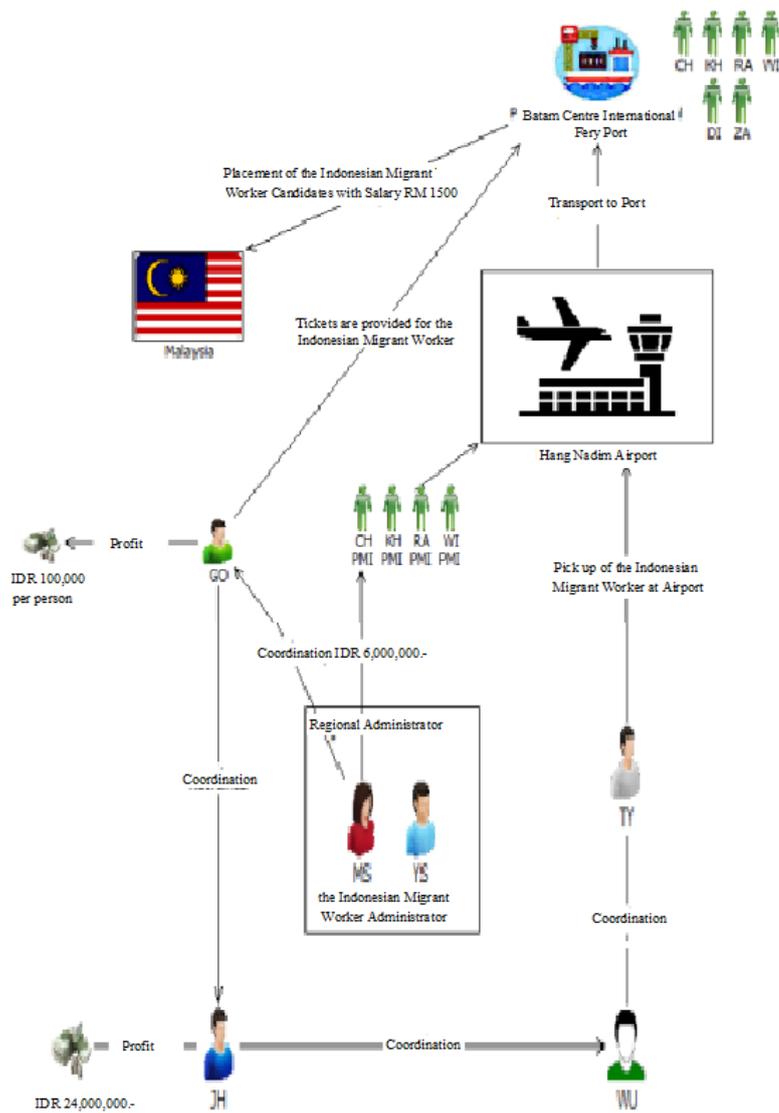
B. Court Decision/Verdict

Criminal Act : Without the Right to Jointly Implement the Placement of Indonesian Migrant Workers

Criminal Article : 1) Article 83 of the Law of the Republic of Indonesia Number 18 of 2017 concerning the Protection of Indonesian Migrant Workers in conjunction with Article 55 paragraph (1) to 1 of the Criminal Code

Conviction : 1) Imprisonment: 3 years
2) Fine: Rp. 100,000,000

C. Scheme



2. Case Study of Human Trafficking Crimes Against Julie Evelyn Alias Juli (JE), Feny Alias Fery (FY), and Heri Alias Heli (HI), Based on the Progress Report of the Riau Islands Regional Police

A. Case Description

JE works as an entrepreneur running a laundry business in Batam City. JE conducted a video conference call with the manager of Honglie Group using her husband's cell phone. The manager informed her that the company in Cambodia needed 15 to 20 employees to recruit

clients to play Crypto (Digital Currency), and that the working hours were 13 (thirteen) hours per day, from 9:00 a.m. to 11:00 p.m. Cambodian time. The company is to conduct interviews via video call, and the requirements for employment were a passport, Mandarin, basic English, computer literacy, age between 18 and 35, and willingness to comply with company regulations. JE then contacted DI to find workers willing to work in Cambodia. DI then recruited AT and FO to work for such company in Cambodia.

JE obtained Rp 95,000,000 from the Cambodian company by transferring USD to Rupiah and depositing it into BXX's bank account. JE took AT and FO to Hang Nadim Airport, where they already had plane tickets for Soekarno-Hatta Airport in Jakarta. From there, they boarded a JET START flight to Phnom Penh Airport in Cambodia. JE earned Rp 7,500,000 for each person's departure to work in Cambodia. In 2022, 19 people left for Cambodia to work. JE collaborated with SA to provide passport and visa services, ferry tickets, and plane tickets to Cambodia. Workers from outside Batam who planned to work in Cambodia would find their own accommodation before departing. JE explained to prospective employees that the job they would be doing in Cambodia was as a telemarketer for BITCOIN (electronic transactions/digital currency). The work would be conducted in an apartment in Cambodia. The company in Cambodia would handle the work permits. JE verbally informed them that they would be employed for one year, with a monthly salary of USD 1,000 (equivalent to IDR 14,000,000) for those who could speak Mandarin, while for those who could not speak Mandarin, it would be USD 700 (equivalent to IDR 10,000,000). Food and beverages would be covered by the company in Cambodia. All travel expenses would be covered by the company in Cambodia. Refunds would not be provided unless the employee requested to return home before the end of the one-year contract, or if the employee was terminated due to inability to

work and the company requested a return, the company in Cambodia would request compensation for the costs incurred for their trip to Cambodia.

JE received a transfer of Rp 90,000,000 (Ninety Million Rupiah) on May 10, 2022, to cover the departure of 6 (six) workers to Cambodia, a transfer of Rp 90,000,000 (Ninety Million Rupiah) on May 18, 2022, to cover the departure of 7 (seven) workers, and a transfer of Rp 63,780,000 (Sixty Three Million Seven Hundred Eighty Rupiah) on May 20, 2022, to cover the remaining departure costs for 19 (nineteen) workers to Cambodia.

FY has known JE since 2012, having worked for the same company and also have known JE's husband, who is currently working in Cambodia. Around April, FY contacted JE to entrust three people to work in Cambodia. FY advertised the job opening by posting information on her Facebook and Instagram pages. Once a person stated his/her interest and sent FY a message, FY requested his/her phone number for contact. FY received IDR 6,000,000.- for each worker's departure to Cambodia.

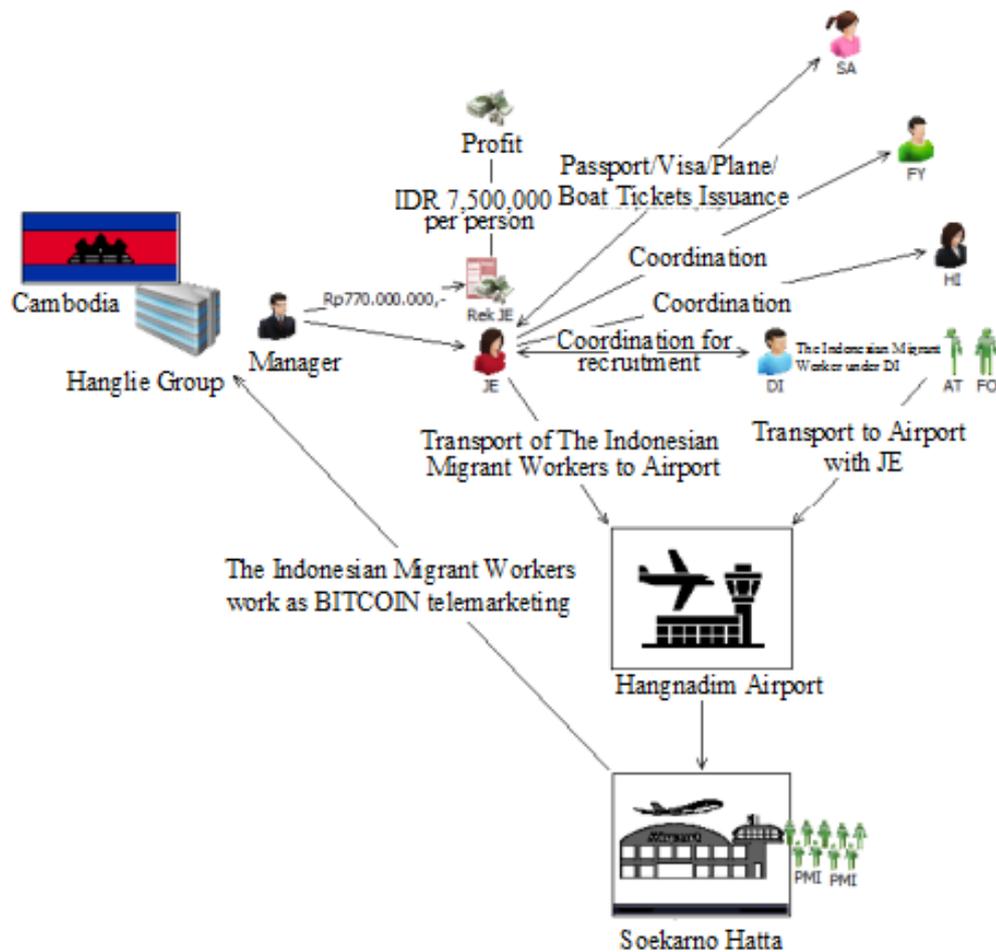
HI, a housewife, received information from JE that Cambodia needed Indonesian workers to work in Cambodia. HI then entrusted the three people to JE for departure to Cambodia while HI earned IDR 6,000,000 in profit.

The fee received from the Cambodian company was USD 53,200 for the departure of 19 (nineteen) people, which, when converted into Rupiah, amounts to IDR 770,000,000, or IDR 40,000,000 per person. FY received only IDR 15,000,000 for the departure of two (2) people, while the other workers had not yet been paid because they had not worked for a month

at the Cambodian company. JE did not have a permit from the Indonesian Ministry of Manpower to send Indonesian workers to Cambodia.

JE, FY, and HI are suspected of committing the alleged crime of "Eradicating Human Trafficking Crimes" as referred to in Article 4 in conjunction with Article 10 in conjunction with Article 48 of the Law of the Republic of Indonesia Number 21 of 2007 concerning the Eradication of Human Trafficking Crimes.

B. Scheme



3. Case Study of Human Trafficking Crimes Against Galasi Muhtar Alias Heri (GM) and Amriullah Alias Amir Alias Lanun (AH), Based on the Riau Islands Regional Police Report

A. Case Description

In 2010, GM met with JN while working as a daily labor on a coconut plantation near Penawar Airport, Kota Tinggi, Johor, Malaysia. In January 2022, JN contacted GM via WhatsApp and informed him that there is a person who was being sent to work in Malaysia. GM explained that for the departure costs for the prospective illegal migrant workers to Malaysia, GM requested Rp 2,500,000 per person, including Rp 2,000,000 for the wooden boat and Rp 500,000 for GM as a middle man to the wooden boat owner. The payment was made by bank transfer to the account of GM's wife, ML.

The departure arrangements from the prospective illegal migrant worker's origin area to the shelter and their departure to Punggur Port for Tanjungpinang City Port were arranged by JN. Upon arrival at Tanjungpinang City Port, GM contacted AH to arrange the subsequent departure process until arrival in Malaysia.

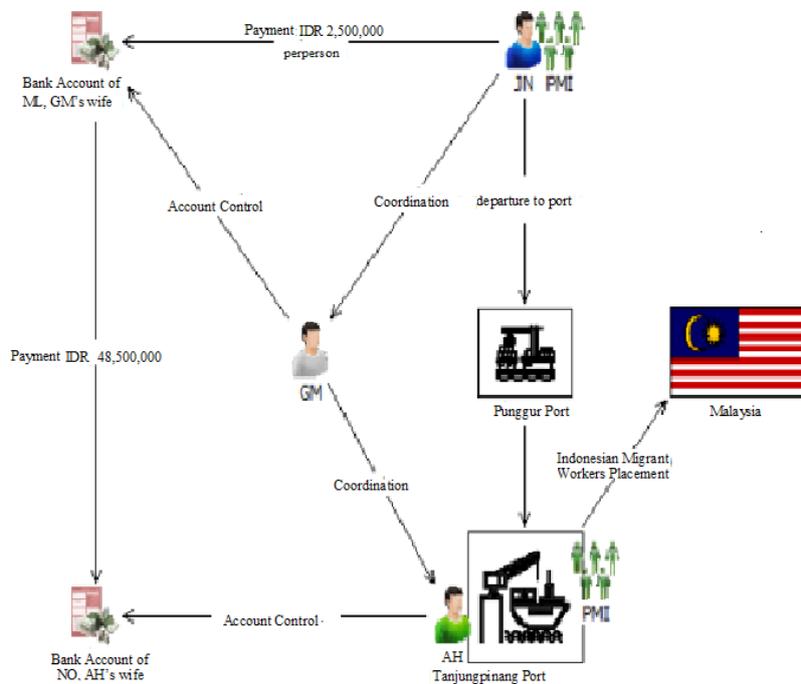
On January 13, 2022, JN provided 14 candidates of Indonesian illegal migrant workers, which GM then forwarded to AH with departure fee amounting Rp 2,000,000 per person, resulting in Rp 28,000,000 transferred to the account under the name of NO from ML's account.

Ten candidates of Indonesian illegal migrant workers from JN and one candidate Indonesian migrant worker from GM then boarded a ferry to Tanjungpinang City Port, where they were accommodated and arranged to depart by AH. This resulted in a total of 11 candidates of Indonesian illegal migrant workers departing. GM received Rp 5,900,000 in profit for the departure of 11 people, received through GM's wife's account, ML. JN transferred Rp 25,000,000 to GM through his wife's account to arrange the departure of 10 (ten) candidates

of Indonesian illegal migrant workers to Malaysia. GM then remitted Rp 20,500,000 to Mr. AH through NO's account by making two transfers, first on January 19, 2022, with a first payment of Rp 10,000,000 and a second payment of Rp 10,500,000. On January 20, 2022, a wooden boat carrying the candidates of the Indonesian migrant workers sank after being hit by a TDLM (Royal Malaysian Navy) patrol boat. Nineteen people were rescued, with six fatalities.

JN did not have a shelter or home to serve as a shelter, as usually he places candidates of Indonesian migrant workers in lodgings or hotels. Therefore, he did not have a government permit to accommodate candidates of Indonesian migrant workers departing overseas. GM did not have the necessary documents to be a prospective Indonesian migrant worker seeking employment abroad and did not have a permit from the Ministry of Manpower to send Indonesian migrant workers abroad.

B. Case Scheme



4. Case Study of Human Trafficking Crime in the Form of Organ Exploitation under the name of SEPTIAN TAHIR Based on Cikarang District Court Decision Number 499/Pid.Sus/2023/PN Ckr

A. Case Description

1. Whereas, SEPTIAN TAHIR, alias INDRA BIN TOHIR JONIS SUPLATU, Defendant II, HUSNI AWALI, alias HUSNI ALIAS DITO, Defendant III, DARMA SUGESTA, alias RIO ALIAS BOBI, Defendant IV, RAMDANI, alias RAMDANI BIN HERUS CASA PUTRA, and Defendant V, EVAN PRASETYA PRIADI PUTRA ALIS EVAN BIN SUPRIYADI, between October 2022 and June 2023, at Perum Villa Mutiara Gading, RT.03/RW.18, Setia Asih Village, Tarumajaya, Bekasi Regency, or at least somewhere within the jurisdiction of the Cikarang District Court, which has the authority to examine and to try this case, planning or carrying out a criminal conspiracy to carry out, sending Indonesian citizens outside the territory of the Republic of Indonesia with the intention of exploiting them outside the territory of the Republic of Indonesia.

2. Whereas, initially around October 2022 and September 2022, SEPTIAN TAHIR ALIAS INDRA, HERU SUPRAYOGA, GURUH SONATA, DARMA SUGESTA ALIAS RIO ALIAS BOBI BIN HIDAYAT, RAMDANI ALIAS RAMDANI BIN HERUS CASA PUTRA, HERU SUPRAYOGA, GURUH SONATA, EVAN PRASETYA PRIADI PUTRA met with HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN in Phom Penh, Cambodia, at that time SEPTIAN TAHIR ALIAS INDRA, HERU SUPRAYOGA, GURUH SONATA, DARMA SUGESTA ALIAS RIO ALIAS BOBI BIN HIDAYAT, RAMDANI ALIAS RAMDANI BIN HERUS CASA PUTRA, HERU SUPRAYOGA, GURUH SONATA, EVAN PRASETYA PRIADI PUTRA (defendants in a separate case file) came to Cambodia as kidney donors, and HANIM, alias TEGUH, alias AGUS bin SUNEWIN, was tasked to pick them up and take the witnesses to Preah Ket Mealea Hospital, Cambodia, for a medical check-up while waiting for 20 working days, because the kidney transplant surgery cannot be performed immediately, it must first be checked for compatibility with the prospective recipient. Once a match is found, the prospective recipient will be required to meet and asked to sign a document at Preah Ket Mealea Hospital and thereafter, the kidney transplant surgery shall be carried out by Mr. Chen's team of doctors, and their needs during their time in hospital was to be handled by HANIM, alias TEGUH, alias AGUS bin SUNEWIN.

3. Whereas, after SEPTIAN TAHIR ALIAS INDRA, HERU SUPRAYOGA, GURUH SONATA, DARMA SUGESTA ALIAS RIO ALIAS BOBI BIN HIDAYAT, RAMDANI ALIAS RAMDANI BIN HERUS CASA PUTRA, HERU SUPRAYOGA, GURUH SONATA, EVAN PRASETYA PRIADI PUTRA met with HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN in Phnom Penh, Cambodia, at that time SEPTIAN TAHIR ALIAS INDRA, HERU SUPRAYOGA, GURUH SONATA, DARMA SUGESTA ALIAS RIO ALIAS BOBI BIN HIDAYAT, RAMDANI ALIAS RAMDANI BIN HERUS CASA PUTRA, HERU SUPRAYOGA, GURUH SONATA, EVAN PRASETYA PRIADI PUTRA have undergone the kidney transplant operation while waiting for a recovery period of 10 (ten) days. days) and within a period of (two) days of healing, compensation money of between Rp. 120,000,000,- (one hundred and twenty million) to Rp. 135,000,000,- (one hundred and thirty five million rupiah) will be transferred to the personal account numbers of the kidney donor victim witnesses, and the return of the kidney donor witnesses to Indonesia with their return tickets is entirely the task and responsibility of HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN

4. Whereas, around September 2022, HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN contacted witness SEPTIAN TAHIR ALIAS INDRA to join in looking for prospective kidney donors who would be sent abroad and was promised to receive money amounting to Rp. 5,000,000,- (five million rupiah), after that SEPTIAN TAHIR ALIAS INDRA with the assistance of DARMA SUGESTA ALIAS RIO and MUHAMMAD AKMAL ALIAS LIMO began looking for prospective kidney donors through the social media Facebook "INDONESIAN KIDNEY DONOR" and succeeded in getting 5 (five) prospective donors in the name of victim witness EVAN, victim witness NYALENDRA, victim witness RAMDANI, victim witness RAMA and victim witness HERI, all of which were handed over to HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN, where against victim witness RAMDANI and victim witness RAMA, HANIM asked HUSNI AWALI ALIAS DITO BIN ABDUL SYARIM to process their passports at the East Jakarta Immigration Office with the costs borne by HANIM ALIAS

TEGUH ALIAS AGUS BIN SUNEWIN amounting to Rp. 2,500,000,- (two million five hundred thousand rupiah).

5. Whereas, HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN has transferred to SEPTIAN TAHIR ALIAS INDRA for Rp. 25,000,000,- (twenty five million rupiah) to Bank Mandiri account number 173.001.082.8060 in the name of SEPTIAN TAHIR ALIAS INDRA around November 2022 as a remuneration after successfully sending 5 (five) prospective kidney donors to Cambodia in the name of victim witness EVAN, victim witness NYALENDRA, victim witness RAMDANI, victim witness RAMA and victim witness HERI.
6. Whereas, around October 2022, HANIM alias TEGUH alias AGUS BIN SUNEWIN, introduced HUSNI AWALI alias DITO BIN ABDUL SYARIM to SEPTIAN TAHIR alias INDRA, to work together to find a kidney donor. HUSNI AWALI alias DITO BIN ABDUL SYARIM, was in charge for processing the passport application for the prospective kidney donor.
7. Whereas, around November 2022, HANIM alias TEGUH alias AGUS BIN SUNEWIN contacted HERU SUPRAYOGA to assist HANIN alias TEGUH alias AGUS BIN SUNEWIN to handle the passport issuance and such request was informed by HERU SUPRAYOGA to the defendant, GURUH SONATA, who then stated he was able to do it. Thereafter, HANIM alias TEGUH alias AGUS BIN SUNEWIN then directed HERU SUPRAYOGA and GURUH SONATA to visit the shelter address in Perum Villa Mutiara Gading, Bekasi Regency, to see SEPTIAN TAHIR alias INDRA, and HUSNI AWALI alias DITO. Upon their arrival at the shelter, HERU SUPRAYOGA and GURUH SONATA met with witnesses SEPTIAN TAHIR alias INDRA, and HUSNI AWALI alias DITO, along with approximately five other kidney donor victims. which turned out that the passport requirements were incomplete, so then HERU SUPRAYOGA and GURUH SONATA took 5 (five) victims of kidney donors/sellers to the Bogor Immigration Office, where at a cost of Rp. 2,000,000,- the passports for the 5 victims, namely in the names of witness ADE, witness ERI AKBAR

HERMAWAN, witness LAZARUS, witness SONY, witness WAHYU AMALUDIN and witness ILHAM were finally successfully issued.

8. Whereas, thereafter, HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN asked HERU SUPRAYOGA to send the 5 victims of kidney donors/sellers to Bogor to be transported to Soekarno Hatta Airport, so HERU SUPRAYOGA and GURUH SONATA searched for a rental accommodation as a place to shelter the 5 victims of kidney donors/sellers, where during their stay at the rental accommodation, HERU SUPRAYOGA and GURUH SONATA provided information about the activities that would be carried out when the kidney sellers/donors arrived in Cambodia, and finally on the appointed day, HERU SUPRAYOGA and GURUH SONATA escorted the 5 victims of kidney donors/sellers to Soekarno Hatta Airport to depart for Cambodia, where then HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN gave remuneration to HERU SUPRAYOGA and GURUH SONATA in the amount of Rp. 2,000,000,- (two million rupiah).

9. Whereas, several days later HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN contacted HERU SUPRAYOGA and GURUH SONATA, who then HERU SUPRAYOGA and GURUH SONATA were contacted by witness CATUR, witness HAFIDZ, witness DEDEN, witness ADE, witness ERI, witness LAZAR, witness SONY and witness ILHAM, and a week later HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN asked HERU SUPRAYOGA and witness HAFIDZ to make passports for new donors, where then HERU SUPRAYOGA and witness HAFIDZ accompanied the kidney donor victims who was going to make a passport to the Bogor immigration office in the name of witness ADE, witness ERI, witness LAZAR, witness SONY and witness ILHAM, and with a total cost of Rp. 9,000,000,- (nine million rupiah), all passports were completed, and on that same day at approximately 11:00 PM Western Indonesia Time, HANIM alias TEGUH alias AGUS BIN SUNEWIN, requested the witnesses ADE, LAZZAR, and ERI to leave for Cambodia. Heru Suprayoga, Guruh Sonata, and Catur escorted them to Soekarno-Hatta Airport. Two days later, the kidney donors SONY and ILHAM were escorted to Soekarno-Hatta Airport by Heru Suprayoga, Guruh Sonata, and Catur.

10. Around two weeks later, witnesses ADE, ERI AKBAR HERMAWAN, LAZARUS, SONY, WAHYU AMALUDIN, and ILHAM returned to Indonesia after undergoing kidney surgery in Cambodia and around December 2022, HERU SUPRAYOGA, through BCA account number 0954657015 in the name of HERU SUPRAYOGA, received a money transfer from witness Riska Sartika at the request of HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN, both to cover operational costs for passport processing and as remuneration for HERU SUPRAYOGA and GURUH SONATA, to BCA account number 00551706531 in the name of Riska Sartika, as follows:
 - a. November 16, 2022, Rp. 1,000,000.-
 - b. November 18, 2022, Rp. 9,000,000
 - c. November 21, 2022, Rp. 16,200,000
 - d. December 8, 2022, Rp. 25,000,000

11. Based on BCA account number 5490423003 in the name of Rice Riyanti, as follows:
 - a. November 17, 2022, Rp. 7,600,000
 - b. November 22, 2022, Rp. 19,100,000
 - c. December 2, 2022, Rp. 3,000,000

12. The Rp. 25,000,000 transfer was sent by HANIM alias TEGUH alias AGUS BIN SUNEWIN, to the account of witness Riska Sartika ST on December 8, 2022. Thereafter, HERU SUPRAYOGA withdrew Rp. 2,500,000; GURUH SONATA Rp. 6,200,000; HAFIDZ Rp. 3,000,000; CATUR Rp. 9,700,000; and DEDEN Rp. 2,500,000.

13. Whereas, DHARMA SUGESTA ALIAS RIO around January 2023 started looking for prospective kidney donors and in March 2023 succeeded in getting 24 (twenty four) prospective kidney donors, likewise HUSNI AWALI ALIAS DITO BIN ABDUL SYARIM succeeded in getting 11 (eleven) prospective kidney donors, so that a total of around 35 (thirty five) prospective kidney donors were sent to

Cambodia, however, 35 (thirty five) prospective kidney donors were sent back to Indonesia due to the ELECTIONS in Cambodia.

14. Whereas, around June 2023 DHARMA SUGESTA ALIAS RIO succeeded in recruiting 23 (twenty three) prospective kidney donors, EVAN PRASETYA succeeded in recruiting 2 (two) people, namely YUDHISTRIA DWI SAPUTRA and SUROSO, RAMDANI ALIAS RAMDANI succeeded in recruiting 1 (one) person, namely ADITYA ARI PRAYOGA and HUSNI AWALI ALIAS DITO succeeded in recruiting 5 (five) prospective kidney donors, namely M. ALKAROMI, EFFENDI, FANDI ADE, KHOIRUL ANAM and FARIS FURQON.
15. Whereas, HANIM alias TEGUH alias AGUS BIN SUNEWIN stated their request once again for additional prospective donor to SEPTIAN TAHIR alias INDRA, and finally, DHARMA SUGESTA alias RIO, successfully secured three prospective donor: ALKAROMI, KHOIRUL ANAM, and FANDI ADE. Meanwhile, HUSNI AWALI alias DITO, secured two prospective donor: EFFENDI and FARIS. They were accommodated at Pe rumahan Villa Mutiara Gading basecamp, Blok F.5/5, RT.003, RW.018, Setia Asih Village, Taruma Jaya District, Bekasi Regency.
16. Whereas, HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN ordered RAMDANI ALIAS RAMDANI to handle passport issuance for prospective kidney donors in the names of ALKAROMI, KHOIRUL ANAM, FANDI ADE and FARIS by first completing documents including recommendation letter from the Din Tai Fung restaurant, photocopy of the Family Card, photocopy of the ID card, diploma or birth certificate.
17. Following the Cambodian general election, in June 2023, approximately 19 (nineteen) prospective kidney donors, including witnesses and victims MOHAMMAD RIZKY PUTRA KUSUMA, JAMALUDIN ABDUL HAMID, MUHAMMAD ILHAM, IRFAN MUSLIHUDIN, DIAN RAMADHAN, IDRIS, RIZKI NUGRAHA SEPDIANSYAH, RYAN KHARIANTO, AHMAD RONI YUSUF, RIFAN NOVIANDI, TEDI ISDIANTO, ANDRI KURNIAWAN,

NENDI SUHENDI, AHMAD FATKHI, NOKI SUHARTATRO, HERI SAPUTRRA, ACEP GUNAWAN, FIRDAUS OKTA PIANDI and YUSUF ISMAIL ZAENI, successfully departed to Cambodia from the basecamp/shelter at Perumahan Villa Mutiara Gading, Blok F. 5/5 RT.003 RW.018, Setia Asih Village, Taruma Jaya District, Bekasi Regency.

18. Whereas, upon arrival at Phnom Penh Airport in Cambodia, the victim-witnesses were picked up by Lutfi Fauzia Rahman alias Lukman bin Asep Rahman (defendant in a separate case file) using a Tuk Tuk to be taken to Preah Ket Mealea Hospital for a medical check up. Afterward, they rested on the third floor of the hospital for 20 working days, because the kidney transplant surgery cannot be performed immediately, it must first be checked for compatibility with the prospective recipient. Once a match is found, the prospective recipient will be required to meet and asked to sign a document at Preah Ket Mealea Hospital and thereafter, the kidney transplant surgery shall be carried out by Mr. Chen's team of doctors, and their needs during their time in hospital was to be handled by HANIM, alias TEGUH alias AGUS bin SUNEWIN and LUTFI FAUZIA RACHMAN AKA LUKMAN BIN ASEP RAHMAN. Whereas, after the victims-witnesses MOHAMMAD RIZKY PUTRA KUSUMA, JAMALUDIN ABDUL HAMID, MUHAMMAD ILHAM, IRFAN MUSLIHUDIN, DIAN RAMADHAN, IDRIS, RIZKI NUGRAHA SEPDIANSYAH, RYAN KHARIANTO, AHMAD RONI YUSUF, RIFAN NOVIANDI, TEDI ISDIANTO, ANDRI KURNIAWAN, NENDI SUHENDI, AHMAD FATKHI, NOKI SUHARTATRO, HERI SAPUTRA, ACEP GUNAWAN, FIRDAUS OKTA PIANDI and YUSUF ISMAIL ZAENI have undergone their kidney transplant operations and recovery for 10 (ten) working days and the victim witnesses received compensation funds received in the victims' respective accounts, LUTFI FAUZIA RACHMAN ALIAS LUKMAN BIN ASEP RAHMAN gradually arranged transport for the victim witnesses to the Cambodian airport to return home to Indonesia based on the direction/orders of HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN.

19. Whereas, thereafter, around July 3, 2023 all compensation funds were paid by the defendant HANIM ALIAS TEGUH ALIAS AGUS BIN SUNEWIN to 18 (eighteen) victim witnesses.

20. Whereas, SEPTIAN TAHIR, HUSNI AWALI alias HUSNI ALIAS DITO, DARMA SUGESTA alias RIO ALIAS BOBI, RAMDANI, and EVAN PRASETYA respectively received compensation and operational costs from witness HANIM through bank transfers made by witness Riska Sartika, among others as follow:
 - a. SEPTIAN TAHIR through BCA with Bank Account Number: 7411224973 from the account in the name of witness Riska Sartika from November 4, 2022 to June 13, 2023 with a total of approximately Rp. 34,200,000,- (thirty-four million two hundred thousand rupiah) and from the account in the name of Rice Riyanti from October 28, 2022 to June 20, 2023 with a total of approximately Rp. 225,250,000,- (two hundred twenty-five million two hundred and fifty thousand rupiah), from the account in the name of Nurhaeni from February 17, 2023 to June 18, 2023 with a total of approximately Rp. 171,800,000,- (one hundred seventy-one million eight hundred thousand rupiah).

 - b. HUSNI AWALI ALIAS HUSNI ALIAS DITO through BCA with Bank Account Number: 1671798100 from the account in the name of witness Riska Sartika from November 4, 2022 to March 21, 2023 with a total of approximately Rp. 29,900,000,- (twenty-nine million nine hundred thousand rupiah) and from the account in the name of Rice Riyanti from October 27, 2022 to June 12, 2023 with a total of approximately Rp. 64,900,000,- (sixty-four million nine hundred thousand rupiah), from the account in the name of Nurhaeni from December 8, 2022 to June 16, 2023 with a total of approximately Rp. 81,200,000,- (eighty-one million two hundred thousand rupiah).

 - c. DARMA SUGESTA ALIAS RIO ALIAS BOBI through BCA with Bank Account Number: 0212060893 from the account in the name of witness Riska Sartika from November 7, 2022, to March 21, 2023, totaling approximately Rp.

67,700,000 (sixty-seven million seven hundred thousand rupiah); from Rice Riyanti's account from December 26, 2022, to June 15, 2023, approximately Rp. 3,700,000 (three million seven hundred thousand rupiah); from the account in the name of Nurhaeni from February 17, 2023, to March 26, 2023, approximately Rp. 10,600,000 (ten million six hundred thousand rupiah).

- d. RAMDANI via BCA with Bank Account Number: 8720321361 from Rice Riyanti's account from November 2, 2022, to November 14, 2022, with a total of approximately Rp. 61,300,000 (sixty-one million three hundred thousand rupiah).
- e. EVAN PRASETYA through BCA with Bank Account Number: 4451807930, from Rice Riyanti's account on October 31, 2022, for Rp. 70,000,000 (seventy million rupiah).

5. Case Study of Human Trafficking Crime and/or Labor Smuggling Involving Individuals

a. Case of Sheltering Illegal or Non-Procedural Indonesian Migrant Workers

A Navy soldier, Private First Class M, was declared a suspect for alleged involvement in the smuggling of illegal Indonesian migrant workers, which was being investigated by the Bintan Police. This suspect designation followed a previous investigation by the Indonesian Migrant Workers Protection Agency (BP2MI) which indicated the alleged involvement of Navy and Air Force personnel in the smuggling of illegal Indonesian migrant workers. Private First Class M allegedly allowed his house to be used for temporary shelter for illegal Indonesian migrant workers who were to be sent to Malaysia.

In addition, there was the case of an illegal migrant worker drowning in the Malaysian waters, resulting in the deaths of several workers. Investigations revealed the involvement of Indonesian Navy personnel who provided shelter, renting a house to be used as shelter for the illegal migrant workers before their departure to Malaysia. The perpetrator was sentenced to six months imprisonment, pursuant to

Military Court Decision I/03/Padang Number 44-K/PM/I-03/AL/VI/2022 dated September 14, 2022.

b. Case of Human Trafficking in Organ Trafficking Exploitation.

Police Officer Aipda M received money from a human trafficking syndicate selling kidneys to Cambodia. Aipda M promised to take care of the suspect's case so that it would not be pursued. The concerned received Rp 612 million, deceiving the perpetrators by claiming he could take care of the matter so that the case would not be pursued.

In addition to Aipda M, an Immigration officer (AH) was arrested in connection with this case. AH was named a suspect for abuse of authority and was found to have received Rp3.2 million to Rp3.5 million from donors who were departed abroad. The immigration officer was charged under Articles 2 and 4 in conjunction with Article 8 of the Law Number 21 of 2007, which states that any state official who abuses power resulting in human trafficking crime is subject to a penalty of one-third the amount of the main article.

6. Case Study of Human Trafficking Crime

- o Based on a search of the Bank's database, the profile of individual customer SS, 28 years old, is the owner of Toko Sekar and has a monthly income of IDR 4 million. The customer opened a Mandiri savings account online on November 2, 2021.
- o Thereafter, a search on social media and the internet revealed no information related to SS. According to an open letter addressed by the spokesperson for the deceased JACH's family to the President of the Republic of Indonesia, the Coordinating Minister for Political, Legal, and Security Affairs, the Chief of the Indonesian Police, the Minister of Foreign Affairs, the President Director of Bank M, and members of the media, dated July 5, 2023, there are allegations that JACH was forced to work illegally in Cambodia as an online gambling employee for Crown company, who passed away in a Cambodian hospital on May 29, 2023. There are also allegations of extortion by Crown to the deceased's family to pay compensation for JACH's medical treatment into SS's account.
- o Based on the aforesaid information regarding the alleged extortion of the Crown company to the heir's family for payment of compensation for JACH's medical treatment, who is suspected of being an illegal worker in Cambodia, no information was found in the SS account.

- o Transactions in SS' savings account require attention, as explained below:
 - a. The transaction pattern in SS' account indicates that it is a holding account for Bank M and other banks, and is also used for transfers to individual accounts at Bank M and other banks in amounts inconsistent with the customer's profile.
 - b. These transactions are suspicious due to as of the account opening on November 2, 2021, through July 17, 2023, there are 5,761 unusual transactions found, all of which occurred via mobile banking and ATM transactions, either through Bank M or other banks.
 - b) All funds received by SS, whether through Bank M or transfers from other banks, were transferred to the destination account at Bank M on the same day or the following day, with the same transaction pattern and characteristics. This strongly suggests a syndicate (online gambling gang) was involved, and transfers to other banks were even found to be the same sender and recipient.
 - c) The transactions are suspected of using banking facilities to launder money related to online gambling and alleged human trafficking by the CROWN company, which used SS's account to seek compensation from the heirs of victims of illegal labor who died overseas.

7. Case Study of Human Trafficking in Organ Trafficking Exploitation.

Based on media reports, there is negative information regarding a customer: authorities raided the State University of Manaus, Brazil, and arrested an anatomy professor suspected of preserving human organs for shipment to Singapore. According to a Brazilian police press conference, the organ packages were to be sent to renowned Indonesian designer AP, who specializes in selling accessories and garments made from human body parts. The 24-year-old perpetrator, identified as "AP," is a fashion entrepreneur with a monthly income of Rp 50 million. In 2021, AP made several outgoing transfer payments to JC's account on the same day, totaling Rp 224 million, with reports of Bagbone and Fed-Ex transactions. Media reports indicate JC is an expert at a research laboratory. The transactions with JC are suspected to be payments for bone preservation services.

8. Case Study of Human Trafficking

SUHENDRA (SUH), known as the "Father of a Million Children" for his activities in fostering babies born of sexual violence or illegitimate relationships, has been arrested

by the police on suspicion of human trafficking. Based on information, SUH forged the baby's birth documents and the mother's ID card, and the baby's father's name was changed to SUH. SUH resides in Ciseeng, Bogor, and is reported to be collaborating with the Amanah As-Sodiqiyah Orphanage in Tangerang Regency, Banten. The orphanage's administrator, Guntur Wahyu Setyawan, is also reported to have assisted in the illegal adoption practices and received funds from SUH.

Financial transactions indicating money laundering, suspected to originate from human trafficking, are as follows:

- A. Financial transactions indicating human trafficking, related to the following facts:
 - i. SUH's arrest by the police on alleged human trafficking, where SUH adopted children without following proper procedures or illegally.
 - ii. A transaction involving the receipt of funds from SUH's account, suspected to be child adoption fees, ranged from IDR 15 million to IDR 19 million. This is clarified by transaction remarks including "DEDE'S HOSPITAL COSTS."
 - iii. A disbursement of IDR 5 million from SUH's account to one of the victims who gave her child to SUH.
- B. Financial transactions indicating money laundering, related to the following facts:
 - i. Suhendra's mixing of funds suspected to be proceeds of crime with legitimate income (mingling); and
 - ii. Suhendra's cash transactions in his account at Bank R, allegedly intended to bypass the audit trail.

9. Case Study of Migrant Smuggling

The account history of a corporate customer under the name of PT MAK, shows significant transactions with a pass-by pattern. According to the tracking of the bank's database, PT MAK is a company operating in wood processing business in Mimika, Papua, with monthly revenues of IDR 1,000,000,000. Furthermore, based on internet searches, negative information and other information related to PT MAK's profile was found. This included negative information related to immigration, specifically "Immigration Coordination Meeting on Follow-up to the Arrest of Foreign Nationals in Potowayburu."

There was also negative information and other information related to the profile of PT MAK and related parties, namely PT TJT, PT MMP, PGH, PT BJA, and PT SRP, regarding information on environmental damage caused by the company's operations in

Kalimantan and Jayapura. PT MAK's transactions lack economic value because they begin with a significant inward RTGS (Receipt of Transactions) deposit, followed by cash withdrawals, outward RTGS transactions, and overbooking transactions at relatively the same time (pass-by). These cash transactions tend to interrupt the transaction flow and obscure the intended use of funds. This raises suspicions of tax evasion, and overbooking transactions to and from accounts within the PT MAK group of companies exhibit a reverse (u-turn) transaction pattern.

10. Case Study of the Crime of People or Migrant Smuggling Based on the Jakarta High Court Decision Number 306/Pid.Sus/2023/PT DKI in the name of Onendita Dian Gracella

Beginning in 2018, the Defendant established PT. MUDILAND CAHAYA PERSADA, a tourism, management, and electrical consulting business, offering services/management of tourist visas to the United States. The Defendant served as the President Director. The Defendant subsequently offered tourist visa processing services through various social media platforms, such as Facebook and Instagram, under the name ONENDITA DIAN GRACELLA (ODG). However, the Defendant, Onendita Dian Gracella, neither personally nor as Director of PT Mudiland CAHAYA PERSADA (MCP), possessed a permit to process visas for international travel.

The perpetrator, ODG, operated by offering US visa processing services through WhatsApp, Facebook, and Job Seeker Groups. The victims were asked to transfer between Rp 11.5 million and Rp 22 million to an account in the name of ODG or PT MCP. The victims were also asked to send their passports to ODG. The passports would then be stamped with immigration stamps from various countries, including Indonesia, Singapore, Thailand, and Malaysia. The purpose of affixing these stamps was to improve the qualifications of Indonesian citizens holding passports to easier access in obtaining United States visa. Once obtained, the visas were used to enter and work in the United States non-procedurally.

To obtain US visa, ODG first prepared various documents, among others:

1. Stamps for entry and exit permits from Indonesia and several stamps for entry and exit from Singapore, Thailand, and Malaysia on Indonesian passports, even though the victims had never actually traveled to Singapore, Thailand, or Malaysia.
2. Personal bank statements for each victim applying for a US visa, ordered through e-commerce (Tokopedia).

3. Round-trip tickets obtained from a travel agency to issue a hold booking using the original booking code obtained from a travel agent, with a booking code validity of 7-14 days.

ODG was found guilty of committing a crime under Article 120 paragraph 2 of the Law Number 6 of 2011 concerning Immigration and the Law Number 8 of 1981 concerning Criminal Procedure, and is sentenced to 5 (five) years imprisonment and a fine of IDR 500 million, with the provision that if the fine is not paid, it will be replaced with 2 months imprisonment.

11. Case Study of a Human Trafficking Syndicate in the Republic of China

Recently, police agencies in the Republic of China received numerous reports alleging that domestic criminals had collaborated with a human trafficking syndicate in Jurisdiction A to recruit individuals to work in Jurisdiction A through Facebook and other online social media channels. Under the pretense of offering excellent employment conditions, such as gaming customer service, loan services, and male porn actors, the victims were lured into signing employment contracts and sent to Jurisdiction A, where their freedom was restricted and they were forced to engage in online fraud and phone scams. An investigation by law enforcement in the Republic of China revealed that the criminal group operated and arranged for the victims to stay in hotels to complete relevant paperwork before being transported to the airport for travel to Jurisdiction A. Police rescued three victims from the airport on May 5, 2022. Three suspects were arrested, and the defendants' detention requests were granted.

Police conducted an in-depth investigation for over a month, then conducted simultaneous arrests and searches at ten locations on July 5, 2022, and uncovered a criminal syndicate led by Person A. Six suspects were arrested at the scene. Evidence seized were eight computers, one laptop, one imitation weapon, 100 forms, one cash counting machine, an employment contract (Jurisdiction A), bank books, promissory notes, and debt instruments. After investigation, the suspects were referred to the prosecutor's office on charges of violating Article 297 of the Indonesian Criminal Code (A person who, for the purpose of obtaining profit by fraudulent means, causes another person to leave their territory) and violating the Organized Crime Prevention Act (Source: APG).

12. Case Study of a Human Trafficking Syndicate in MENA-FATF

The FIU was notified by a financial institution of suspected financial transactions inconsistent with the nature (activity) of the account. The individual allegedly sent transfers under fictitious names to several individuals repeatedly and periodically, without any apparent

purpose or relationship between the suspect and the intended recipients, and without any clear purpose for the transactions.

The FIU received the report and conducted a search and investigation into the aforementioned case and found suspected human smuggling and human trafficking (slavery) as predicate crimes of money laundering, committed by integrating the generated income into the financial system, where funds were collected from the public (victims) and then transferred overseas or to other individuals within the country, close to border areas, some of which may be high-risk areas, as this is how human smuggling and trafficking procedures are structured. After considering the case presented by the FIU team, the following were discovered:

1. Based on the FIU database, there were significant fund transfers between the suspect and other individuals suspected of collaborating. In addition, the funds were transferred to the neighboring countries, which may indicate cross-border human smuggling.
2. A search of open sources revealed numerous suspect names, including (smuggler, smuggler to a second country).
3. Indicators of suspicion related to the case include the sending and receiving of multiple transfers inconsistent with the nature of the activity.
4. The FIU's financial analysis findings concluded that there were numerous money transfers made to high-risk border areas, and that there was a breakdown in the sending and receiving of money transfer transactions.

Based on a database sourced from Suspicious Transaction Reports, Analysis/Inspection Results/Information from the INTRAC, Court Decisions, and Questionnaire and In-depth Interview Results, several parameters or red flags for financial transactions have been identified that can be used as indications of suspicious financial transactions in human trafficking, migrant smuggling, and labor smuggling crime, as described below:

A. Entity Approach (Perpetrator or Party)

1. The perpetrator of transaction is from an unlicensed recruitment and job placement entity.
2. The perpetrator of transaction is a suspect in a human trafficking case.
3. The perpetrator uses social engineering to recruit through fake or unreliable social media, websites, or job search platforms.

B. Transaction Approach

1. The use of transaction news with phrases like "Indonesian Workers Fees, Labor, Pompom, Passports, Immoral or Pornographic Sentences, Handling of Female Workers, Tickets, Gurda, Nier, Sinjang, Workforce, Workers."
2. Receipt of funds from labor placement agencies in countries that do not have international cooperation agreements or regulations regarding labor protection.
3. Receipt of funds to several high-risk regions as sources or transit areas for sending and the placement of labor, as well as countries that have not ratified international provisions, or not implementing regulations regarding the protection of migrant workers or social security regulations for migrant workers, countries that still practice dualism (Libya, Iran, Damascus), countries in conflict or war (Russia, Ukraine, Lebanon), countries that do not open to foreign labor (Lebanon).
4. The use of the banking sector, money remittances, and money changers as services for remittances and foreign currency exchange.
5. Pass-by transaction patterns, transactions that do not match the profile and field of business.
6. The use of Co-mingling transaction methods that involves the mixing of proceeds of crime with legitimate business proceeds and investment products.
7. The use of ATM cash deposits and withdrawals using a structured pattern (a number of transactions made on the same date).
8. The placement of funds in a Safe Deposit Box (SDB).

C. Activity Approach

1. Purchasing travel tickets in significant amounts and repeatedly.
2. Negative media coverage.
3. The transaction perpetrators, from the Employment Training Institute (LPK), posed as labor suppliers.
4. Financial transaction activities did not conform to the characteristics or customary transaction patterns, involving law enforcement officers with authority on land, sea, and air.
5. The use of employee accounts of Indonesian Migrant Worker Placement Companies (P3MI).
6. Significant cash withdrawals at international borders.
7. High-frequency financial transactions via the internet to avoid financial service officers.

8. High-frequency cash deposits via ATMs.
9. The use of third parties to conduct transactions at branches.

4.5. BEST PRACTICES FOR PREVENTION AND ERADICATION OF ML AND TF CRIME ORIGINATED FROM INDICATIONS OF HUMAN TRAFFICKING CRIME, MIGRANT SMUGGLING, AND LABOR SMUGGLING

The following describes various good practices implemented by Indonesian government authorities with duties, functions, and authority in handling human trafficking, migrant smuggling, and labor smuggling, including money laundering and terrorist financing.

A. Regulations and Policies on the Governance of Indonesian Migrant Workers.

Based on the identification and mapping results according to their stages, the following are several Regulations, Provisions, and Policies on the Governance of Indonesian Migrant Workers (Human Trafficking) as mandated by the Presidential Regulation Number 49 of 2023 concerning the Second Amendment to the Presidential Regulation Number 69 of 2008 concerning the Task Force for the Prevention and Handling of Human Trafficking Crimes, which consists of 24 Ministries/Institutions, among others:

1. Scope of Placement

- a. The Regulation of The Indonesian Migrant Workers Protection Agency Number 3 of 2020 concerning Procedures for Issuing and Revoking Indonesian Migrant Worker Recruitment Permits;
- b. The Regulation of The Indonesian Migrant Workers Protection Agency Number 2 of 2021 concerning Placement Agreements between the Indonesian Migrant Worker Protection Agency and Indonesian Migrant Worker Candidates;
- c. Regulations related to the exemption from placement fees as stipulated in Indonesian Migrant Worker Protection Agency Regulation Number 01 of 2021 concerning Amendments to the Regulation of the Indonesian Migrant Worker Protection Agency Number 09 of 2020 concerning the Exemption from Placement Fees, to implement the provisions of Article 30 paragraph (2) of the Law 18 of 2017, which stipulates that Indonesian migrant workers cannot be charged with placement fees;
- d. Regulations related to employment agreements are stipulated in The Regulation of The Indonesian Migrant Workers Protection Agency Number 01 of 2020 concerning Standards, Signing, and Verification of Employment Agreements for

Indonesian Migrant Workers, which was amended by The Regulation of The Indonesian Migrant Workers Protection Agency Number 5 of 2022, to implement the provisions of Article 15 paragraph (3) of the Law 18 of 2017;

- e. The Regulation of The Indonesian Migrant Workers Protection Agency Number 7 of 2022 concerning the Pre-Employment Process for Indonesian Migrant Worker Candidates;
- f. The Regulation of The Indonesian Migrant Workers Protection Agency Number 4 of 2023 concerning the Implementation of Pre-Departure Orientation for Indonesian Migrant Worker Candidates;
- g. The Regulation of The Indonesian Migrant Workers Protection Agency Number 2 of 2023 concerning Guidelines for Pre-Employment Stages for Indonesian Migrant Worker Candidates Placed by the Indonesian Migrant Worker Protection Agency;
- h. Decree of the Minister of Manpower Number 260 of 2015 concerning the Termination and Prohibition of the Placement of Indonesian Migrant Workers with Individual Employers in Middle Eastern Countries.

In addition, there are various regulations or policies implementing international conventions, among others:

- 1. International Labour Organization (ILO) Convention No. 29 concerning the Abolition of Forced Labor.
- 2. ILO Convention No. 87 concerning Freedom of Association and Protection of the Right to Participate in Organizations.
- 3. ILO Convention No. 98 concerning the Right to Participate in Organizations and to Bargain Collectively.
- 4. ILO Convention No. 100 concerning Equal Remuneration for Men and Women Workers.
- 5. ILO Convention No. 105 concerning the Elimination of All Forms of Forced Labor.
- 6. ILO Convention No. 111 concerning Discrimination in Respect of Employment and Occupation.
- 7. ILO Convention No. 138 concerning Minimum Age for Admission to Employment.

8. ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor.

Specifically to implement the principle of transparency regarding placement costs and as a form of pre-employment protection for Indonesian Migrant Workers, the Indonesian Migrant Workers Protection Agency has issued specific regulations regarding Placement Costs in destination countries. Information regarding these regulations can be accessed at <http://jdih.bp2mi.go.id>.

2. Scope of Protection

- a. The Government Regulation Number 9 of 2008 concerning Procedures and Mechanisms for Integrated Services for Witnesses and/or Victims of Human Trafficking Crimes.
- b. The Regulation of the Supreme Court Number 1 of 2022 concerning Procedures for Settling Applications and Granting Restitution and Compensation to Victims of Crimes.
- c. The Regulation of the Minister of Women's Empowerment and Child Protection of the Republic of Indonesia Number 8 of 2021 concerning Standard Operating Procedures for Integrated Services for Witnesses and/or Victims of Human Trafficking Crimes.
- d. The Regulation of The Indonesian Migrant Workers Protection Agency Number 3 of 2019 concerning Technical Guidelines for Services for the Return of Problematic Indonesian Migrant Workers to Their Regions of Origin;
- e. The Regulation of The Indonesian Migrant Workers Protection Agency Number 3 of 2021 concerning Suspension of Services for Indonesian Migrant Worker Placement Companies;
- f. The Regulation of The Indonesian Migrant Workers Protection Agency Number 7 of 2021 concerning Provision of Assistance for Indonesian Migrant Worker Candidates and Problematic Indonesian Migrant Workers;
- g. The Regulation Number 1 of 2022 concerning the Indonesian Migrant Worker Volunteer Community;
- h. The Regulation of The Indonesian Migrant Workers Protection Agency Number 6 of 2023 concerning Rehabilitation and Social Reintegration of Former Indonesian Migrant Workers;

- i. The Regulation of The Indonesian Migrant Workers Protection Agency Number 6 of 2023 concerning Rehabilitation and Social Reintegration of Former Indonesian Migrant Workers;
- j. The Regulation of The Indonesian Migrant Workers Protection Agency Number 7 of 2023 concerning the Computerized System for the Protection of Indonesian Migrant Workers.

3. Scope of Supervision and Monitoring

- a. The Regulation of the Coordinating Minister for Human Development and Culture Number 3 of 2016 concerning the Roadmap for the Repatriation and Empowerment of Problematic Indonesian Migrant Workers.
- b. Circular Letter of the Director General of Immigration No. IMI-GR.01.01-0178 dated June 28, 2023, concerning the Issuance of Indonesian Passports to Destination Countries for Indonesian Migrant Workers, which requires a recommendation letter and ID Number of the Indonesian Migrant Workers issued by the Manpower Office/ The Indonesian Migrant Workers Protection Agency.
- c. Circular Letter of the Director General of Immigration No. IMI-0277.GR.02.06 of 2017 concerning the Prevention of Non-Procedural Indonesian Migrant Workers.
- d. Letter of the Director General of Immigration No. IMI-GR.01.01-1029 dated March 20, 2017, concerning Confirmation of Implementation Procedures for the Prevention of Non-Procedural Indonesian Migrant Workers.
- e. Letter of the Director General of Immigration No. IMI.2-GR.01.01-0031 dated February 24, 2017, concerning the Prevention of Non-Procedural Indonesian Migrant Workers in the Passport Issuance Process and the Granting of Exit Permits at Immigration Checkpoints (TPI).
- f. The Regulation of the Minister of Law and Human Rights Number 8 of 2014 concerning Ordinary Passports and Travel Documents in Lieu of Passports, it has been governed that specifically for migrant worker passport applicants there are additional requirements that must be attached, namely a recommendation letter from the Regency/City Manpower Office.
- g. The Regulation of the Head of the INTRAC Number 18 of 2017 concerning the Implementation of Temporary Termination and Suspension of Transactions by Financial Service Providers.

B. Detection and Analysis of Financial Transactions Indicating Money Laundering and Terrorist Financing Crime Originating from Human Trafficking, Migrant Smuggling, and Labor Smuggling

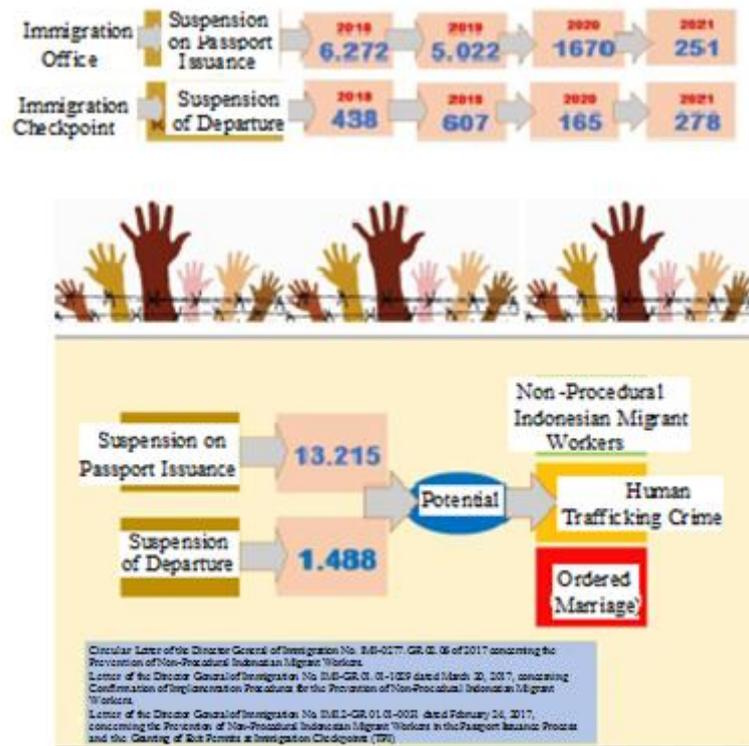
1. In 2017, the Indonesian Financial Transaction Reports and Analysis Center has compiled a sectoral risk assessment of money laundering crimes related to human trafficking and migrant smuggling, as well as a typology module for human trafficking crimes to uncover money laundering cases in collaboration with Bank Indonesia, the Financial Services Authority (OJK), The Indonesian Migrant Workers Protection Agency, the Ministry of Manpower, Migrant Care, and the Indonesian National Police. In a sustainable manner, and in line with the implementation of the National Action Plan, the INTRAC, through the Anti-Money Laundering (AML/TF) Education and Training Center, has been conducting training programs on handling human trafficking since 2019, involving regulators, Civil Servant Investigator, The Indonesian Migrant Workers Protection Agency, Civil Servant Investigator for Immigration, the Attorney General's Office, and the National Police investigators.
2. Bank Indonesia (BI) has regulations on Anti-Money Laundering and Prevention on Terrorism Financing, which outline principles for preventing and handling money laundering and terrorist financing transactions. These principles are to mitigate the risks of various types of predicate crimes, including human trafficking crimes, migrant smuggling, and labor smuggling. BI prepares an updated typology study in 2023, following up on the National Strategy Action Plan for Anti-Money Laundering and Terrorism Financing, including those related to narcotics, corruption, cybercrime, forestry, and the environment. Furthermore, Bank Indonesia maintains remittance data published through the Indonesian Statistics and Economic Data (SEKI). This data is sourced from a survey of Indonesian migrant workers, covering both bank and non-bank channels. BI is the Regulatory Authority for Payment Service Providers for Non-Bank Remittance Services. Phenomena or trends in remittance data can be used to determine whether there is a disparity between the financial activities of registered or legal migrant workers and those of illegal or non-procedural migrant workers.
3. The Financial Services Authority (OJK) has regulations regarding Money Laundering and Terrorist Financing, which include principles for preventing and handling money laundering and terrorist financing transactions. These principles are

to mitigate the risks of various Predicate Crimes, including human trafficking, migrant smuggling, and labor smuggling.

C. The Handling of Money Laundering Crimes Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling

1. the handling of human trafficking cases by changing the structure of the Daily Chair of the Task Force for the Prevention and Handling of Human Trafficking Crimes to the National Police of the Republic of Indonesia, as stipulated in the Presidential Regulation Number 49 of 2023.
2. Preparation of the 2021 Human Trafficking Crime Handling Guidebook at the Attorney General's Office of the Republic of Indonesia in collaboration with the International Organization for Migration.
3. Implementation of a Joint Operation between the Directorate General of Immigration and the National Police regarding human trafficking cases involving online scams in Cambodia, as well as various preventative measures such as suspension on passport issuance and suspension in departures.

Figure 17. Statistical Data on the Suspension of Passport Issuance and Departure from 2018 to 2021



Source: Directorate of Investigation, Immigration

D. Utilization of Information Systems

1. Establishment of the International Migration Single Data Collaboration (SDMI) as a basis for policymaking to protect Indonesian citizens who move overseas, such as for employment, education, or those residing abroad, managed by the Central Statistics Agency (BPS).
2. The Online Information System for the Protection of Women and Children (SIMFONI-PPA), can be accessed by all service units handling victims of violence against women and children at the national, provincial, and district/city levels in an up-to-date, real-time, and accurate manner.
3. Computerized System for Services, Placement, and Protection of Indonesian Migrant Workers is a comprehensive platform for the placement, protection, and

empowerment of Indonesian Migrant Workers, from before, during, and after work, for all relevant parties. The Management and Development of the Protection of Indonesian Migrant Workers System for the Governance and Management of the Indonesian Migrant Workers Protection (Sisko P2MI) is carried out by the Indonesian Migrant Workers Protection Agency and can collaborate with relevant Ministries/Institutions and/or Stakeholders as required, within the scope of Infrastructure, Human Resources, Services, and Data Interoperability.

4. The M-Passport Application System at the Directorate General of Immigration, which is an official online application for submitting new and replacement passports (<https://www.mpaspor.com/>).
5. The Immigration Management Information System (SIMKIM) at the Directorate General of Immigration, which integrates all immigration functions, both domestically and internationally, including the Prevention and Deterrence System and Biometric Matching System to detect impersonation or falsification of personal data.
6. The development of the Indonesia Maritime Information Center (IMIC) managed by Indonesian Maritime Security Agency, which provides data on all maritime information, such as suspicious or anomalous vessel movements. This is expected to improve law enforcement capacity and capability through the support of valid and credible maritime information, with the aim of increasing maritime vigilance and building maritime deterrence in Indonesian waters.
7. Utilization of the Automatic Identification System (AIS) data by Indonesian Maritime Security Agency, with the aim of automatically identifying overall vessel information, such as: vessel type, course, speed, vessel tracking, vessel position,

navigation status, presence of hazardous cargo on board, and other information necessary to enhance safety and security of shipping.

8. Strengthening surveillance in maritime zones through Ground Stations, namely Observation Posts sourced from land.
9. The Case Management System (CMS) at the Indonesian Attorney General's Office has been integrated into the SPPT-TI (Integrated Criminal Justice System Based on Information Technology), managed by the Coordinating Ministry for Political, Legal, and Security Affairs.
10. To follow up the modernization of judicial administration, in 2022 the Supreme Court accelerated the electronic administration of criminal cases by creating an innovative electronic criminal case service, namely the e-Berpadu Application or Integrated Electronic Criminal Files. Integrated Electronic Criminal Files (e-Berpadu) is the integration of criminal files between law enforcement agencies. The law enforcement agencies in question are the Police, the Prosecutor's Office, the Corruption Eradication Commission, and the Directorate General of Corrections. The features available in the e-Berpadu application are as follows:
 - a) Electronic Transfer of Criminal Files
 - b) Application for a Stipulation of Permit or Approval for Search
 - c) Application for a Stipulation of Permit or Confiscation
 - d) Application for Extension of Detention
 - e) Suspension of Detention
 - f) Application for Suspension of Detention
 - g) Application for Stipulation of Diversion
 - h) Application for Borrowing of Evidence

- i) Application for Online Permit to Visit Detainees by the Public without having to appear in Court
 - j) Electronic Pretrial Registration
 - k) Application for Permit to Leave Detention
 - l) Application for Transfer of Detention
 - m) Application for Suspension of Detention
11. Cekrekening.id, aduannomor.id, institutsi.aduankonten.id services, managed by the Ministry of Communication and Informatics. CekRekening.id is the official Crime Prevention Service Channel of the Ministry of Communication and Informatics of the Republic of Indonesia. It functions as a portal for reporting and searching bank accounts and e-wallets suspected of being involved in criminal activity. In addition to these two features, cekrekening.id also has a feature for providing a whitelist of trusted accounts submitted by the public. AduanNomor.id is the official website of the Ministry of Communication and Informatics of the Republic of Indonesia, which functions as a portal for receiving public complaints regarding the misuse of mobile phone numbers for fraud. Complaints regarding Content is a service provided by the Directorate General of Applications and Informatics (Ditjen Aptika) of the Ministry of Communication and Informatics of the Republic of Indonesia. This service aims to provide a channel for the public to report or complain regarding content that violates Indonesian ethics and norms, including content containing elements of ethnicity, religion, race, and intergroup relations, pornography, and violence. This is implemented to maintain the safety and comfort of internet users in Indonesia and to prevent the spread of content that violates applicable ethics and norms, including job placement fraud for the purpose of human trafficking.

E. Domestic and International Cooperation in Handling Money Laundering Crimes Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling

1. The conduct of a Public Campaign on Human Trafficking Prevention through Communication, Information, and Education (IEC) with Commuterline Indonesia and other printed and online media.
2. Development of Women-Friendly and Child-Caring Villages in 33 Provinces, 71 Regencies, and 142 Villages by the Ministry of Women's Empowerment and Child Protection in collaboration with Friends of Women and Children (SAPA) Volunteers, religious leaders, community leaders, and academic leaders.
3. The Directorate General of Immigration has conducted an outreach to its Foster Villages to provide information and education regarding human trafficking, in accordance with Circular Letter of the Director of Immigration Intelligence Number IMI.4-GR.04.01-691 dated July 26, 2023, concerning the Establishment of Immigration Foster Villages. Monitoring and evaluation are conducted monthly, involving youth organizations (Karang Taruna), women's groups of Family Welfare and Empowerment Organization, and community protection and mentoring programs, in collaboration with the Indonesian Migrant Workers Protection Agency.
4. Information exchange and cooperation with authorities in other countries. Currently, BI has MoUs with Bangko Sentral ng Pilipinas (BSP), Bank of Thailand (BoT), Bank Negara Malaysia (BNM), Brunei Darussalam Central Bank (BDCB), the Central Bank of the UAE (CBUAE), the Monetary Authority of Singapore (MAS), Bank of the Lao PDR (BOL), and the People's Bank of China (PBOC), which include cooperation in Anti-Money Laundering and the Counter of Terrorist Financing (AML/CFT).

5. Joint operation of KN Pulau Marore-322, which successfully thwarted the smuggling of 30 illegal Indonesian migrant worker candidates in the coastal waters of Dongas on November 16, 2023, involving the Indonesian National Armed Forces (TNI), the Indonesian National Police (Polri), and the Indonesian Navy (TNI AL).
6. A joint operation between the State Intelligence Agency (BIN) and the Ministry of Manpower in Juanda, Batam, related to the departure of 87 illegal Indonesian Migrant Workers and Batam, related to the Acin case involving the smuggling of 64 Indonesian migrant workers by ship to Malaysia. A joint operation between BIN and the Deli Serdang Police at Kuala Namu Airport Medan to Cambodia via Batam resulted in the prevention of three victims and the arrest of one suspect.
7. In 2022, the Indonesian Government, through the Indonesian Embassy in Phnom Penh, was about to repatriate 227 people by plane. The Directorate for Protection of Indonesian Citizens of the Ministry of Foreign Affairs, chartered a plane for the repatriation, but simultaneously chartered two flights from Medan to Phnom Penh, carrying approximately 500 people. The Ministry of Foreign Affairs coordinated with the Ministry of Transportation to suspend flights from Medan to Phnom Penh. Based on interviews and investigations, the majority of these passengers were working in the online marketing sector, which is linked to online scams.

In relation to these best practices, the 2023 Human Trafficking Report released by the U.S. Department of State indicates that the Indonesian government has not yet fully met the minimum standards for combating human trafficking. However, it has made significant efforts to achieve this. The government demonstrated an overall improvement in its efforts compared to the previous reporting period, taking into account the impact of the COVID-19 pandemic on its capacity to combat human trafficking. Consequently, Indonesia has been upgraded to Level

2⁷. These efforts consist of increased investigations, prosecutions, and convictions for alleged human trafficking crimes, including forced labor on palm oil plantations and overseas cyber fraud operations; and ensuring increased restitution for victims of human trafficking. The government also identified and repatriated several hundreds of Indonesian citizens who were victims of forced labor from Cambodia as part of a coordinated multinational effort to address forced labor in cyber fraud operations, and passed implementing regulations for the 2017 Indonesian Migrant Worker Protection Law to improve working conditions in the fishing sector. The government also completed the 2020-2024 National Action Plan for the Prevention and Handling of Human Trafficking Crime (RAN PPTPPO). However, the government failed to meet minimum standards in several key areas, among others:

1. For two consecutive years, the government reported no identification or investigation of forced labor cases in the fishing sector, and the government has not fully prioritized staffing or funding for effective oversight of this sector, despite long-standing concerns on human trafficking.
2. The involvement of individuals in human trafficking remains a concern that the government has not adequately addressed.
3. The government lacks a National Standard Operating Procedure (SOP) for identifying human trafficking victims across all sectors, which continues to hinder proactive victim identification, particularly for men.
4. Government shelters confiscated victims' passports, and the implementation of strict restrictions results in most victims leaving the shelters and not participating in the fight against human trafficking.

⁷ <https://www.state.gov/reports/2023-trafficking-in-persons-report/indonesia/> accessed on December 22, 2023.

5. The Government continues to conduct administrative mediation in most human trafficking cases that may involve Indonesian migrant workers, but this does not provide criminal liability or provide a sufficient deterrent effect against traffickers.
6. The Law Number 21 of 2007 concerning the Eradication of Human Trafficking Crime does not prohibit all forms of human trafficking, particularly those involving violence, fraud, or coercion in the form of child sex trafficking exploitation.

CHAPTER 5

CONCLUSIONS AND MITIGATION STRATEGIES

5.1. CONCLUSIONS

Based on the identification, analysis, and evaluation of the risks of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling, the following conclusions can be drawn:

A. Overview of Business Processes and Governance of Migrant Workers and Immigration

Technically, the placement mechanism for Indonesian migrant workers can be implemented through four methods, including:

- a. placement through the Government to Government;
- b. placement through (Private to Private) or between a Legal Entity Employer and a Legal Entity Institution in the Destination Country;
- c. placement for the benefit of the company itself (UKPS); and
- d. placement of individuals without going through a placement agency, but still under the identification with the Indonesian Migrant Worker Protection Agency.

In the context of non-procedural workers, these are workers who participate in placements without following the proper Indonesian Migrant Worker placement procedures. These include: falsifying documents and manipulating Indonesian Migrant Worker Candidates' data, incomplete documents, ignoring the Indonesian Migrant Workers Placement Procedures and Mechanisms stipulated by the applicable laws and regulations, omission of work visas, and using the assistance of incompetent individuals, either groups or individuals.

One form of non-procedural Indonesian Migrant Worker placement mechanism is through Indonesian Migrant Worker placement that does not involve and report to the government in the country of origin or the country of placement, known as Direct Hiring. This situation can be influenced by various driving factors or vulnerabilities that contribute to the potential for non-procedural Indonesian Migrant Worker, including:

- a. Indonesian Migrant Workers/Candidates prefer to be handled for their departure individually for practical reasons;
- b. Indonesian Migrant Workers/Candidates are vulnerable, making them easily deceived, persuaded, and exploited;
- c. Easy document falsification;
- d. The departure process is difficult to control because Indonesian Migrant Workers/Candidates often do not identify themselves as migrant workers (using visit visas/pilgrimage visas);
- e. Different regulations in the countries of placement, creating opportunities for non-procedural departure of Indonesian Migrant Workers/Candidates;
- f. The involvement of international syndicates/networks to address the high demand or need for labor abroad.

Furthermore, the issue of human trafficking in relation to immigration is very strong, as immigration is the foremost aspect in the inspection of people entering or leaving Indonesian territory, as well as monitoring the departure of Indonesian migrant workers, as stipulated in the Circular Letter of the Director General of Immigration Number: IMI-0277.GR.02.06 of 2017 concerning the Prevention of Undocumented Indonesian Migrant Workers. Based on their segmentation, there are several classifications of Indonesian migrant workers who are undocumented or illegal and do not pass through the Immigration Checkpoint, namely:

- a. Illegal stay, where workers hold valid immigration permits but such permits have expired, resulting in overstay.
- b. Illegal entry, where workers enter a country illegally, i.e., they do not pass through immigration control by using fake travel documents or visas.
- c. Illegal entry and illegal stay, where workers enter or remain in an unauthorized stay.

Immigration officers may reject applications if they are strongly suspected of being Undocumented Indonesian Migrant Worker Candidates. In accordance with the Regulation of the Minister of Law and Human Rights Number 8 of 2014 concerning Ordinary Passports and Travel Documents in Lieu of Passports, it is stipulated that applicants for migrant worker passports must submit an additional requirement, namely a recommendation letter from the Regency/City Manpower Office.

B. Overview of Trends, Methods, Organizational and Network Structures, and Fund Flows Indicating Money Laundering Crime Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling.

The development of human trafficking, migrant smuggling, and labor smuggling has become a serious concern for countries at the regional and global levels. This is due to the extraordinary nature of these crimes, involving transnational organized crime supported by modern technology in the field of communications and informatics, as well as serious crimes against humanity using syndicates. According to data from the Overseas Manpower Computerization System (SISKOP2MI), in 2023, there were 12,096 job vacancies or job orders recorded abroad, while the number of job placements between 2021 and 2023 was only approximately 539,658 individuals. This situation certainly presents a significant opportunity for the recruitment and placement of Indonesian migrant workers, both legally and illegally (non-procedurally).

Currently, the trend of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling crime in Indonesia is increasing. According to the INTRAC financial intelligence database, there have been 159 Analysis Results Reports /Investigation Results/Analysis Results Information from 2017 to 2023. The INTRAC financial intelligence data shows that there are various categories of exploitation in human trafficking, among others: child and sexual exploitation, ship crews, migrant workers/domestic workers, illegal child adoption, organ trafficking, and forced labor in the form of online scams.

Based on the flow of funds, the INTRAC has identified Rp 85,479,271,463 in Suspicious Transaction Reports from 2019 to the first semester of 2023, reported by 79 Reporting Parties. According to the INTRAC database, 59 Suspicious Financial Transactions (P3MI) involving 8 Active and 5 Inactive Indonesian Migrant Worker Placement Companies were identified, with a total transaction value of Rp41,380,302,662. The identified predicate crimes include human trafficking, fraud/embezzlement, and narcotics with reason of Suspicious Transaction Reports, among others based on requests from the INTRAC and/or law enforcement agencies, negative media coverage of human trafficking, and financial transactions that deviate from the profile.

Based on the INTRAC database and data analysis by the Respondent Reporting Party, massive and significant financial transaction activity was identified in unlicensed Indonesian Migrant Worker Placement Companies, both domestically and abroad, conducted by 37 inactive Indonesian Migrant Worker Placement Companies. Several Indonesian Migrant Worker Placement Companies have been reported for suspicious financial transactions, with a total of Rp1.96 trillion in inflows. Based on the analysis and in-depth study, various maps of human trafficking networks are available according to regional distribution, with the majority occurring in the Asia Pacific and Middle East. These networks are operated through conventional approaches, social media propaganda, or job posting websites disguised as

propaganda, Vocational training institutions, and non-procedural placement by licensed and unlicensed Indonesian Migrant Worker Placement Companies.

C. Risks of Money Laundering Crime Arising from Human Trafficking

- i. Based on Individual Profile, entrepreneurs/self-employed individuals, private employees, and traders are at high risk.
- ii. Based on Corporate Profile, non-corporation of Indonesian Migrant Workers Companies, such as employment agencies, travel agencies, transportation services, medical clinics, and financing companies, are at high risk.
- iii. Based on Stage, the forms of exploitation, shelter, transportation, and departure are at high risk.
- iv. Based on Type of Exploitation, sexual exploitation, physical exploitation, sexual, reproductive organ exploitation, and Indonesian migrant workers are at high risk. There is an increasing trend in human trafficking cases and reporting of various forms of exploitation, particularly the phenomenon of online scamming, which is an emerging trend utilizing information technology, such as websites and social media.
- v. Based on Region, DKI Jakarta, Riau Islands, East Java, East Nusa Tenggara, and West Java are at high risk.
- vi. Based on Industry Sector, Commercial Banks are at high risk.

D. Risk of Money Laundering Crime Arising from Migrant Smuggling Crimes

- i. Based on Individual Profile, entrepreneurs/self-employed and traders are at high risk, and private sector employees are at medium risk.
- ii. Based on Region, West Java, DKI Jakarta, and Riau are at high risk. Meanwhile, the Riau Islands, West Kalimantan, Banten, Aceh, North Kalimantan, North Sumatra, Central Java, East Java, Bali, and East Nusa Tenggara are at medium risk.

- iii. Based on Industry Sector, Foreign Exchange Traders are at high risk, and Commercial Banks and Insurance Companies are at medium risk.

E. Money Laundering Crime Risks Arising from Labor Smuggling

- i. Based on Individual Profile, traders, entrepreneurs/self-employed, and private sector employees are at high risk.
- ii. Based on Region, DKI Jakarta is at high risk. In addition, several regions are at medium risk, including East Nusa Tenggara, Bali, West Nusa Tenggara, Central Java, East Java, West Java, and Aceh.
- iii. Based on Industry Sector, Foreign Exchange Traders and Money Remittance Business Activities are at high risk, followed by Commercial Banks at medium risk.

F. Case Studies and Red Flag Indicators of Suspicious Financial Transactions Indicating Money Laundering Crimes Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling

Overall, there have been no legally binding cases of money laundering crimes arising from human trafficking, migrant smuggling, and labor smuggling. However, this report outlines 12 (twelve) case studies obtained on the predicate crimes, based on court decisions, investigations, financial intelligence findings, and the detection of suspicious financial transactions, as well as literature studies on money laundering typologies according to the FATF and the Asia Pacific Group on Money Laundering.

In addition, indicators of suspicious financial transactions indicating human trafficking, migrant smuggling, and labor smuggling have been identified through the entity approach (3 indicators), financial transactions (8 indicators), and activities (9 indicators).

G. Good Practices in Handling Human Trafficking, Migrant Smuggling, and Labor Smuggling

Various good practices have been implemented by Indonesian government authorities with duties, functions, and authority in handling human trafficking, migrant smuggling, and labor smuggling, including money laundering and terrorist financing, among others:

1. Regulations and Policies on the Governance of Indonesian Migrant Workers;
2. Detection and Analysis of Financial Transactions Indicating Money Laundering and Terrorist Financing Crimes Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling;
3. Handling of Money Laundering Cases Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling;
4. Utilization of Information Systems; and
5. Domestic and International Cooperation in Handling Money Laundering Crimes Arising from Human Trafficking, Migrant Smuggling, and Labor Smuggling.

5.2. MITIGATION STRATEGY

Based on the evaluation of money laundering crime risks arising from human trafficking, migrant smuggling, and labor smuggling, several mitigation strategies can be formulated in the areas of prevention, eradication, and cooperation in handling money laundering and the predicate crimes, among others:

No	Category	Mitigation Strategy
1	Area of Prevention	A campaign needs to be run for migrant worker candidates at the pre-departure stage and for partners in the maritime and fisheries sector in order for them to be aware of the dangers of money

		laundrying and human trafficking arising from human trafficking crime, migrant smuggling and labor smuggling, by taking into account the risk assessment.
		Financial literacy program strengthening needs to be carrier out for Indonesian Migrant Workers during pre-departure regarding the dangers of misuse of remittances for sending illegal funds and/or Money Laundering, by taking into account the risk assessment.
		Campaigns/public awareness needs to be carried out more intensely to the community by involving various parties, such as influencers, religious/community leaders, village officials and non-governmental organizations regarding the risks of Money Laundering and Terrorist Financing arising from human trafficking crime, migrant smuggling and labor smuggling by taking into account the risk assessment.
		It is required to create an educational syllabus regarding the risks and methods of human trafficking crime for junior and senior high schools (SMP/SMA).
		It is necessary to accelerate the development of an integrated database/shared access system regarding human trafficking and/or Indonesian migrant workers.
		It is required to create guidelines and outreach in detecting suspicious financial transactions that indicate human trafficking crime, migrant smuggling and labor smuggling.
		It is required to create a watchlist in the form of a list of Illegal or Unlicensed Indonesian Migrant Workers Placement Companies or entities that are under monitoring process by law enforcement and regulators.
II	Area of Eradication	It is required to create guidelines for handling human trafficking, migrant smuggling and labor smuggling which have the potential to result in money laundering.

		<p>It is required to conduct joint training between regulators and law enforcement agencies in handling Money Laundering arising from Human Trafficking, migrant smuggling and labor smuggling, by taking into account the risk assessment.</p>
		<p>It is required to conduct massive outreach to Law Enforcement Agencies in the Region regarding the Use of GoAML and the Exchange of Financial Intelligence Information to the INTRAC.</p>
		<p>It is required to increase exchange of financial intelligence information that supports Money Laundering arising from Human Trafficking, Migrant Smuggling and Labor Smuggling.</p>
		<p>It is required to conduct case building or joint investigation into the handling of Money Laundering arising from Human Trafficking in systemic or network-based handling, by taking into account the risk assessment.</p>
		<p>Strengthening aspects of bilateral cooperation with countries that have signed the Palermo Convention and Protocol informally through cooperation mechanisms between the Police Departments.</p>
III	Area of Cooperation	<p>It is required to have a coordination forum or regular cross-sectoral coordination meetings that accommodate the handling of Money Laundering arising from Human Trafficking, Migrant Smuggling and Labor Smuggling through the Human Trafficking Prevention and Handling Task Force.</p>
		<p>It is required to establish a Transnational Organized Crime (TOC) Task Force involving the INTRAC, the Indonesian National Police, the Corruption Eradication Commission, the Attorney General's Office of the Republic of Indonesia, and the Ministry of Law and Human Rights.</p>
		<p>It is required to conduct supervision and expansion of domestic and international cooperation in mitigating the misuse of tourist visas as employment visas.</p>

	<p>It is required to expand domestic cooperation in accessing data and information to support case building and asset tracing in human trafficking, migrant smuggling, and labor smuggling crimes through access to Indonesian Migrant Worker Placement Company data registers, ship ownership registers, Indonesian Migrant Worker remittance registers, registers of entities listed in overstays, and supervision of foreigners.</p>
	<p>It is required to conduct thematic supervision by the Supervisory and Regulatory Agency to identify and monitor financial transactions of Unlicensed Indonesian Migrant Worker Placement Company entities, by taking into account the risk assessment.</p> <p>It is required to strengthen joint operations in sea patrols by increasing the number of joint patrol days between The Republic of Indonesia Maritime Security Agency, the Indonesian Water Police, the Indonesian National Armed Forces Military Police Center, and the Directorate General of Customs and Excise, by taking into account the risk assessment.</p> <p>It is required to create data collaboration with relevant Ministries/Institutions to build a database of agency complaints, in the form of requests to block internet content related to Human Trafficking, Migrant Smuggling and Labor Smuggling and/or money laundering and terrorist financing.</p>

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