

**DATE:** June 27, 2022  
**BULLETIN:** 2022-KDCU-CUB-13  
**TO:** Kansas Chartered Credit Unions  
**SUBJECT:** Human Trafficking

### HUMAN TRAFFICKING

On June 23, 2022, the Consumer Financial Protection Bureau (CFPB) issued a [final rule](#) to help human trafficking survivors avoid some of the financial consequences. Among other items, the CFPB established a method for survivors to submit documentation to credit reporting companies identifying any adverse item of information which resulted from human trafficking. The rule prohibits credit reporting companies from providing a report containing the adverse items. This rule is the result of the Debt Bondage Repair Act (part of the National Defense Authorization Act) signed by President Biden in December 2021.

Survivors often find their credit reports reflecting financial obligations and negative information which were the result of the financial abuse they endured while being trafficked. Traffickers employ financial abuse as both a source of income and method of control. This rule announcement serves as a reminder of the role credit unions can play in combatting this criminal activity.

The Financial Crimes Enforcement Network (FinCEN) defines “human trafficking” as “(t)he act of recruiting, harboring, transporting, providing or obtaining a person for forced labor or commercial sex acts through the use of force, fraud or coercion.” [FIN-2020-A008](#), Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity.

A few of the common signs:

- Sudden or dramatic change in behavior?
- Is the person disoriented or confused; showing signs of mental or physical abuse?
- Is the person timid? Showing signs of being coached? Is there always someone with them?
- Can the person freely leave where they live?

How do credit unions fit? FinCEN estimates this type of activity generates \$150 billion worldwide per year. This is money which will flow through financial institutions. Trafficking can be used for money laundering so the red flags are similar:

- A third party claims to be related to the member but does not know critical details.
- A third party insists on being present and speaks for the member.
- A third party maintains possession or control of all documents and money.

Credit unions are encouraged to review the FinCEN information and provide training for those employees who engage with members. To report suspected trafficking, call the [National Human Trafficking Hotline](#) at (888) 373-7888 or local law enforcement.

**NOTE:** Effective July 1, 2022, the KDCU Bulletins will be issued once per month. Look for them in your email box on the second Monday of the month.