

# KEY JUDGEMENTS MARCH 2023

**Title:** Chinese Organised Crime & Commercial Sexual Exploitation

**Location:** UK & Ireland

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## INTRODUCTION

The exploitation of Chinese women in the UK and Ireland is likely to be organised by and to the benefit of gangs from Fujian in China; this pattern is repeated across many nations, making this a global phenomenon.

Massage parlours with Chinese women delivering sex services are likely distinct from these numbers, and additional work is underway to quantify this sector.

## WE ASSESS AS FOLLOWS

### RECRUITMENT

- a) Women arrive on visitor or student visas or occasionally via cross-Asia routes, sometimes via Malaysia, having been 'sold' against a loan to a community or family. These are often gambling debts (*ZWX vs Secretary of State, 2021*)
- b) A good proportion are in their 30s. Essentially they are entering into lifelong exploitation, often beginning with sex work in brothels or massage parlours and existing largely under the radar, remaining unregistered with medical or tax systems. There are cases of unidentified Chinese women dying from illnesses in A&E units.
- c) Some will graduate to management positions, and others will move from sex work to living in storerooms in restaurants and shops whilst servicing that business and be replaced with new arrivals from China.
- d) It is likely that there are between 1,500 and 3,000 Chinese women in commercial sexual exploitation in the UK and Ireland at any given moment based on the number of ads for Chinese or Asian women on adult services websites selling sex.

## RECRUITMENT CONT.

- e) The principal traffickers are Fujian gangs (often described as snakehead gangs) both in the U.K., the USA and Canada and more widely (<https://www.europol.europa.eu/media-press/newsroom/news/28-arrested-europes-biggest-chinese-prostitution-ring-dismantled>)
- f) Victims do not generally co-operate with statutory or NGO services when discovered often returning to traffickers because they know that ultimately detention, with a strong likelihood of deportation, will follow and, if they are returned to their families, they will be handed straight back to the gangs for re-trafficking.

## DEMAND

- a) Business is generated through ads in adult services businesses; repeat business is driven through SMS or WhatsApp messaging using multiple cell phones to previous customers (a CRM) on arrival in a given area.
- b) The operating methodology is often 'pop up' brothels which require the traffickers, often using their victims, to routinely rent properties on a circuit. Women (mainly) victims are moved regularly from brothel to brothel as an aspect of both marketing and security tradecraft. This is a nationwide issue.
- c) Massage businesses are often fronts for commercial sexual exploitation, advertising on Adult Services Websites and appearing legitimate through local authority licensing and terms such as TCM Qualified and 'Hot Stones' and nail bars.
- d) Partnerships between Chinese managers and local businesses are likely more commonplace than previously considered; this helps to facilitate premises and payment systems for a cut of the profits and community cover.  
(<https://www-bbc-co-uk.cdn.ampproject.org/c/s/www.bbc.co.uk/news/uk-scotland-63974760.amp>)  
(*R vs Chang; Sussex 2020*) (*R vs Zhou and Bramwell-Purchase; Lincs and Derby 2019*).

## MONEY (REVENUE)

- a) Each sex worker is expected to generate between £20,000 and £30,000 per month, equivalent to a total of £30M - £90M per year. This income is a combination of cash and card payments and presents the traffickers with a challenge.
- b) Traffickers need to maintain a traditional bank profile to make payments for rent, travel, advertising and living costs and there are discernible patterns
- c) Transaction patterns for card payments are likely to be large sums for the time of day and may be slightly disguised (i.e. £79.99 rather than £80.00). The card payment facility may be associated with a small unrelated business, which is often an aspect of the partnership referred to in part 'd' of the Demand section. Cash deposits are routine and large at ATMs and often outside business hours.

## MONEY (REVENUE) CONT.

**d)** A proportion of that money is returned to China as a combination of cash and financial system transactions. There is evidence of large transactions to Taiwan in casework and a profile of large amounts of cash (usually US\$) being banked by proxies in Hong Kong. It follows for this latter aspect that these funds require exchange services and 'mules' to carry the money physically from the source to Hong Kong.

**e)** Chinese Organised Crime Groups bombard banking and the range of institutions in the UK offering payment services with applications for accounts. Fintechs are popular amongst gangs, perhaps because of the ease of opening accounts online and the sense of anonymity. Most bank accounts have a profile of payments linked to gambling entities, and some money is laundered back to China or 'controlled' locations such as Cambodia.

**f)** Experts in this field have seen a shift towards more investment in business and crime in the UK and elsewhere rather than transferring all proceeds to China.

**g)** Accounts are likely to have a profile of spending in gambling or deposits from casinos; of late, the use of online casinos has significantly increased.

**h)** Students from China are often coerced into allowing their student bank accounts to be vehicles for money transfers (to China or intermediate accounts), with some students handing over control of their bank accounts to the 'Underground Money Shops' when they have finished their studies and returned to China. Bank accounts for such students that remain active beyond a 3-year point change the location of activity and indicate links to gambling or short-term money movements in and out of the account. These should be highlighted for monitoring.

## INFORMATION REQUIREMENTS

**1)** How intrusive is the investment in local crime and business partners v.s. the return of monies to China.

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