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Designing More Effective Laws Against Human Trafficking

Siddharth Kara*

I. ABSTRACT

¶1 This paper seeks to provide an analytical framework for designing more effective laws against human trafficking. The United Kingdom will be used as a case study to identify specific changes to the sentencing provisions of anti-trafficking legislation that must be made in order to achieve a more effective response to human trafficking and other forms of slavery in the world today. First, economic penalties for human trafficking offences must be elevated to a level that effectively inverts the high profit, low risk business profile that fuels demand among offenders to acquire and exploit trafficked slaves. Second, trafficking laws should be enforced with more proactive and well-resourced law enforcement investigations and interventions. Third, elevated human rights protections for survivors must be achieved, particularly as relates to pursuing prosecution of offenders. The European Court of Human Rights' decision in *Rantsev v. Cyprus and Russia* on January 7, 2010 heightened the importance of these measures. The case established, *inter alia*, that human trafficking is a violation of Article 4 of the European Convention on Human Rights, and that Member States are required to meet certain positive and procedural obligations to provide effective mechanisms to protect individuals against human trafficking, investigate such crimes, and prosecute and punish the offenders.

¶2 This paper commences with a discussion of the *Rantsev* case, followed by a brief outline of the general nature and purpose of criminal punishment, with a focus on the importance of deterrent and retributive aspects of penalizing crimes such as human trafficking. The evolution of jurisprudence in the United Kingdom on human trafficking crimes is examined next, followed by an explanation of how economic analysis and the author's concept of 'Exploitation Value' in particular can guide this evolution towards the design of more effective anti-trafficking laws. Finally, specific recommendations on how to design such laws, as well as discussion of the roles of law enforcement and survivor protection in combating human trafficking, will be provided.

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II. RANTSEV V CYPRUS AND RUSSIA

¶3 In *Rantsev v. Cyprus and Russia*,¹ a historic first judgment concerning transnational human trafficking in Europe, the European Court of Human Rights (“Eur. Ct. H.R.”)² found violations of Articles 2, 4, and 5 of the European Convention on Human Rights (“ECHR”)³ in relation to Cyprus and Article 4 of the Convention in relation of Russia.⁴ The January 7, 2010 judgment established for the first time that human trafficking is a violation of Article 4 of the ECHR, and that Member States (such as the United Kingdom)⁵ are required to meet certain positive and procedural obligations to provide effective mechanisms to protect individuals against human trafficking, investigate such crimes, and prosecute and punish the offenders.⁶

¶4 This landmark case was brought by the father of a young Russian woman, Oxana Rantsev, who was trafficked from Russia to Cyprus under the false pretense of working as a dancer in a cabaret club, forced into prostitution, and found dead on the street a few weeks later, on March 28, 2001.⁷ In claiming violations of Articles 2, 3, 4, 5, and 8 of the ECHR,⁸ Mr. Rantsev argued that there was no adequate investigation into the

¹ *Rantsev v. Cyprus and Russia*, App. No. 25965/04, Eur. Ct. H.R. (2010) *available at* <http://cmiskp.echr.coe.int/tkp197/view.asp?item=1&portal=hbkm&action=html&source=tkp&highlight=25965/04&sessionid=66832565&skin=hudoc-en>.

² The European Court of Human Rights (Eur. Ct. H.R.) is an international judicial body established under the European Convention on Human Rights (ECHR) to monitor adherence to the principles of the ECHR by Member States. Convention for the Protection of Human Rights and Fundamental Freedoms, Nov. 4, 1950, 213 U.N.T.S. 221 [hereinafter *European Convention on Human Rights*]. Located in Strasbourg, France, it is a permanent court with its own judges and rules of procedure. *See id.*; EUROPEAN COURT OF HUMAN RIGHTS, THE ECHR IN 50 QUESTIONS, http://www.echr.coe.int/NR/rdonlyres/5C53ADA4-80F8-42CB-B8BD-CBBB781F42C8/0/FAQ_ENG_A4.pdf (last visited Feb. 20, 2011) (describing court composition, procedure, decisions, activity, future, and location).

³ *See* European Convention on Human Rights, *supra* note 2, arts. 2, 4-5. The ECHR was formerly called the Convention for the Protection of Human Rights and Fundamental Freedoms. It was adopted by the Council of Europe, in Strasbourg. At present, there are 47 Member States of the ECHR, encompassing a population exceeding 800 million people. EUROPEAN COURT OF HUMAN RIGHTS, EUROPEAN COURT OF HUMAN RIGHTS IN BRIEF (2009), http://www.echr.coe.int/NR/rdonlyres/DF074FE4-96C2-4384-BFF6-404AAF5BC585/0/Brochure_EN_Portes_ouvertes.pdf.

⁴ *See* European Convention on Human Rights, *supra* note 2, art. 4; *Rantsev*, App. No. 25965/04, Eur. Ct. H.R. (2010) (establishing human trafficking as a violation of the European Convention on Human Rights).

⁵ The United Kingdom is a Member State of the ECHR and was one of the earliest signatories to the Convention, having ratified it on November 4, 1950; however, it was not until the passage of the Human Rights Act 1998 (HRA) that the doctrines of the Convention were given effect in UK domestic law. *See* AILEEN KAVANAGH, CONSTITUTIONAL REVIEW UNDER THE UK HUMAN RIGHTS ACT 1-5, 281-93 (2009) (discussing historical context and providing detailed analysis of courts under HRA).

⁶ *See* *Rantsev*, App. No. 25965/04, Eur. Ct. H.R. ¶¶ 8, 11 (2010) (finding human trafficking a violation of art. 4 of ECHR and identifying positive and procedural obligations). While the respondent in many claims under the ECHR is the State or its agents, there can also be situations in which the actual violating activity is not carried out by the State or its agents. In such cases, the State may face similar liability if its domestic laws do not effectively prohibit, deter, or punish the violation in question. *Id.* ¶¶ 11, 180, 182, 187 (discussing procedural requirements and failure to protect resulting in violation). Such “positive obligations” are limited to very specific categories of rights under the ECHR, such as Article 4, and they are also subject to the principle of proportionality, as set down in the case of *Soering v. United Kingdom*, in which the Eur. Ct. H.R. stated: “inherent in the whole of the Convention is a search for a fair balance between the demands of the general interest of the community and the requirements of the protection of the individuals’ fundamental rights.” *Soering*, App. No. 14038/88, 161 Eur. Ct. H.R. (ser. A), ¶ 89 (1989).

⁷ *See* *Rantsev*, App. No. 25965/04, Eur. Ct. H.R. ¶ 187 (2010).

⁸ The rights provided by these Articles are: the right to life, a prohibition of torture, a prohibition of slavery

circumstances surrounding his daughter's death, that his daughter was inadequately protected by police in Cyprus while she was still alive, and that authorities completely failed to punish the individuals responsible for trafficking her, coercing her into commercial sex work, and exposing her to the ill treatment that ultimately led to her death.⁹

¶5 Of most interest to this paper is the jurisprudence relating to violations of Article 4:

- No one shall be held in slavery or servitude.
- No one shall be required to perform forced or compulsory labour.¹⁰

Two vital points were made by the Court in adjudicating the Article 4 claim. The first point establishes human trafficking as a form of modern-day slavery that violates Article 4 of the ECHR.¹¹ The second stipulates that under Article 4, certain positive and procedural obligations accrue to signatories of the Convention, such that they must provide *effective* mechanisms to protect individuals against human trafficking, investigate such crimes, and prosecute and punish the offenders.¹²

¶6 For many years, the Court paid relatively little attention to Article 4, with the most important decision prior to *Rantsev* being that of *Siliadin v. France* in 2005.¹³ That case was criticized for its narrow construal of the definition of slavery under Article 4. The Court in *Siliadin* highlighted the importance of a “genuine right of legal ownership” to establish enslavement under Article 4 by relying primarily upon the definition of “slavery” in the Slavery Convention 1926, that is, “the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised.”¹⁴ Criticism was considerable because there had already been movement in the EU towards the legal recognition of human trafficking as a form of slavery, particularly where control, intimidation, and severe power imbalances lead to slavery-like exploitation despite the fact that there may not be actual rights of ownership involved.¹⁵ In *Rantsev*, the Court for the first time clearly acknowledged new and evolving forms of slavery. On human trafficking, it stated: “The Court considers that trafficking in human beings, by its very nature and aim of exploitation, is based on the exercise of powers attaching to the right of ownership. It treats human beings as commodities to be bought and sold and put

and forced labour, the right to liberty and security, and the right to respect for private and family life. European Convention on Human Rights, *supra* note 2, arts. 2-5, 8. Note, only articles 3 and 4 confer absolute rights under the ECHR.

⁹ See *Rantsev*, App. No. 25965/04, Eur. Ct. H.R. ¶ 3 (2010) (detailing victim's father's allegations).

¹⁰ See *supra* note 6 and accompanying text (analyzing ECHR article 4 jurisprudence); *infra* notes 12-23 and accompanying text (discussing treatment of ECHR article 4).

¹¹ See *Rantsev*, App. No. 25965/04, Eur. Ct. H.R. ¶ 8 (2010).

¹² See *id.* ¶ 11.

¹³ See *id.* ¶ 8; *Siliadin v. France*, App. No. 73316/01, 43 Eur. Ct. H.R. 16 (2005).

¹⁴ *Siliadin*, 43 Eur. Ct. H.R. ¶ 122; United Nations Slavery Convention art. 1, Sept. 25, 1926, available at <http://www2.ohchr.org/english/law/slavery.htm> [hereinafter Slavery Convention].

¹⁵ See *Prosecutor v. Kunarac, Kovac and Vukovic*, Judgment, Case Nos. IT-96-23 & IT-96-23/1 (Int'l Trib. for the Prosecution of Pers. Responsible for Serious Violations of Int'l Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 [hereinafter ICTY], Feb. 22, 2001), available at <http://www.un.org/icty/ind-e.htm>; Rome Statute of the International Criminal Court art. 7(1)(c), July 17, 1998, 2187 U.N.T.S. 90 [hereinafter Rome Statute].

to forced labour....”¹⁶ While the Court was not prepared to define human trafficking as slavery, it did establish that human trafficking is a violation of Article 4 of the ECHR:

There can be no doubt that trafficking threatens the human dignity and fundamental freedoms of its victims and cannot be considered compatible with a democratic society and the values expounded in the Convention. In view of its obligation to interpret the Convention in light of present-day conditions, the Court considers it unnecessary to identify whether the treatment about which the applicant complains constitutes “slavery”, “servitude” or “forced and compulsory labour.” Instead, the Court concludes that trafficking itself...falls within the scope of Article 4 of the Convention.¹⁷

The Court can be criticized for coming short of stating that human trafficking meets the definition of slavery set forth in Article 4 of the ECHR. However, from a practical standpoint, it handed a victory to the European, and ultimately global, antislavery community in that human trafficking was clearly stated to be a violation of Article 4.¹⁸

¶7

Having so held, the Court elaborated on Convention signatories’ positive and procedural obligations under Article 4. The Court was short on specifics, but it did state that Article 4 creates positive obligations to States to provide individuals within their jurisdiction with “practical and effective protection against human trafficking,” and to:

...penalise and prosecute *effectively* any act aimed at maintaining a person in a situation of slavery, servitude or forced or compulsory labour. In order to comply with this obligation, member States are required to put in place a legislative and administrative framework to prohibit and punish human trafficking.¹⁹

¶8

Procedural obligations under Article 4 also require States to “investigate situations of potential trafficking.”²⁰ Such investigations do not require “a complaint from the victim or next-of-kin,” and they must be conducted promptly, or urgently in the case of removing an individual from an exploitive condition.²¹ The Court also emphasized that given the transnational nature of human trafficking, “...States are also subject to a duty in cross-border trafficking cases to cooperate effectively with the relevant authorities of other States concerned in the investigation of events which occurred outside their territories.”²²

¹⁶ See Rantsev, App. No. 25965/04, Eur. Ct. H.R. ¶ 281 (2010).

¹⁷ *Id.* ¶ 282.

¹⁸ See *id.* ¶¶ 200, 282 (noting scarcity of case law interpreting article 4 and finding trafficking a violation thereof).

¹⁹ *Id.* ¶ 285 (emphasis added) (citing *Siliadin* judgment and reasoning as support for concluding trafficking a violation of article 4).

²⁰ *Id.* ¶ 288.

²¹ *Id.* (detailing obligation to investigate and noting essential steps necessary to conduct effective investigation).

²² *Id.* ¶ 289.

¶9 The scope of actions for meeting these positive and procedural obligations remains unclear. What exactly is required to “provide individuals practical and effective protection against human trafficking?” Furthermore, what is necessary to conduct investigations that meet the procedural obligations under Article 4? While these and other questions will be touched on in this paper, the focus will be on the methods to “penalize and prosecute *effectively*” human trafficking crimes. Within this question, the focus will be on the penalty aspect of the design of criminal law against such crimes.²³ Of course, much more is required to eradicate human trafficking than just passing laws, but this is a vital step. In order to do so, criminal penalties must be designed with an accurate understanding of the motivation and benefit behind the commission of the crime. In the case of slavery, the motivation is fundamentally economic, and the economic benefits in the modern context, especially with sex trafficking, are immense.

¶10 There are many forms of slavery and many industries in which slaves are exploited. Each variant will demand a slightly different answer to the penalty question. The following analysis will investigate the most profitable form of modern-day slavery: sex trafficking. This analysis will be, to varying degrees, applicable to all other forms of human trafficking and modern-day slavery. A global business and economic analysis of the contemporary sex trafficking industry has already been advanced.²⁴ The key thesis of that analysis is that the global sex trafficking industry is enormous and pervasive because it generates immense profits at almost no real risk. Indeed, sex trafficking is by far the most profitable form of slavery in the world today, perhaps in history.²⁵ Even though only approximately 4% of the world’s 30.2 million slaves at the end of 2010 were trafficked sex slaves, those same slaves generated approximately 40% of the \$96.8 billion in profits generated by the exploitation of slaves by slave exploiters during 2010.²⁶ Consequently, a more effective approach to attack the sex trafficking industry, and to varying extents all other forms of slavery, is to erect a system that renders it a low profit, high risk business venture. The seven recommendations I provide in Sex Trafficking²⁷ are designed to elevate the costs and risks associated with sex trafficking crimes by

²³ On this point, the paltry damages of 40,000 Euros levied against Cyprus (for violations of positive and procedural obligations) and 2,000 Euros levied against Russia (for violations of procedural obligations) in *Rantsev* hardly provide sufficient motivation for States to take on the added burden and expense of meeting even minimally construed meanings of positive and procedural obligations under Article 4 of the ECHR. *See Rantsev*, App. No. 25965/04, Eur. Ct. H.R. ¶ 13(a)-(b) (2010) (awarding non-pecuniary damages). The logic in assessing this level of fines is driven by the fact that the States were not the actual offenders, but rather they only violated certain positive and procedural obligations. *See SIDDHARTH KARA, SEX TRAFFICKING: INSIDE THE BUSINESS OF MODERN SLAVERY* 37-41 (2009) (analyzing factors contributing to continued growth of sex trafficking). However, economic penalties for such failures must be far more significant in order to sufficiently deter States from failing their positive and procedural obligations under the ECHR, and also to justify the added expense of meeting those obligations. *See id.* at 200-16 (introducing framework for deterrence and, ultimately, abolition).

²⁴ *See KARA, supra* note 23, at 1-44 (analyzing supply, demand, profit, risk, and punishment as critical factors in global business of sex trafficking).

²⁵ *See id.* at 19 and Appendix B (providing profitability of various forms of contemporary slavery); *see also SIDDHARTH KARA, BONDED LABOUR: TACKLING THE BUSINESS OF SLAVERY IN SOUTH ASIA* (forthcoming 2012) (additional detail on historic profitability of slavery).

²⁶ *See KARA, supra* note 23 (illustrating data and detailing analysis). For end of year 2006 data, I calculated there were 28.4 million slaves in the world who generated \$91.2 billion in profits for their exploiters. *See KARA, supra* note 23. The details of the methodology used to generate these numbers appear in Appendices A and B of *SEX TRAFFICKING. Id.*

²⁷ *See KARA, supra* note 23, at 200-19 (discussing seven recommendations and how they are specifically designed to eradicate global sex trafficking industry).

exploiting vulnerabilities in the industry's business model and micro-economic functioning.²⁸ The following analysis focuses on the final, and perhaps most important of the seven interventionist recommendations: elevated economic penalties in the law.

¶11 Proposals for effective penalties against human trafficking require first an analysis of the general nature and purpose of criminal law. Next, the paper will explore exactly what the punishment recommendation means in the context of antislavery law in the UK and in other countries, particularly as relates to meeting positive obligations under Article 4 ECHR.

III. CRIMINAL LAW IN THE UK

¶12 The following is intended as a brief overview of the nature and purpose of criminal law in the UK common law system, which forms the basis of the legal systems in countries possessing at least one-third of the world's population.²⁹ The deterrent and retributive aspects of such law will be of particular importance.

¶13 Criminal law is generally defined as representing the rules of social control within a society.³⁰ In the UK, a more specific definition of criminal law was provided by a Wolfenden Committee report in 1957. According to the Committee, the purpose of criminal law was

...to preserve public order and decency, to protect the citizen from what is offensive or injurious, and to provide sufficient safeguards against exploitation or corruption of others, particularly those who are specially vulnerable because they are young, weak in body or mind or inexperienced or in a state of special physical, official or economic dependence.³¹

Per these terms, criminal law is a reflection of a society's values and morality. The crimes the law seeks to punish are those that contradict the fundamental values upon which a society is founded. Punishments for crimes function as instruments of social control by penalizing the offender and by reinforcing the values of a society. Inquiries into the design of criminal law thus relate to the setting forth of those crimes that should be punished, and more importantly, what those punishments should be. As all societies have agreed that slavery is a crime that should be punished, this latter element—the nature of the punishment—is the focus of this article.

¶14 There are four primary purposes under which the nature of punishment in criminal law is pursued in most common law systems, such as the UK and the U.S.: retribution, incapacitation, rehabilitation, and deterrence.³² First, retribution seeks to provide

²⁸ Vulnerabilities in micro-economic functioning of the sex trafficking industry primarily relate to the price elasticity of demand for commercial sex services. *See* KARA, *supra* note 23, at 23-37, 200-19 (reviewing costs, risks, and vulnerabilities in relation to global industry of sex trafficking).

²⁹ C.I.A., WORLD FACT BOOK, LEGAL SYSTEM, <https://www.cia.gov/library/publications/the-world-factbook/fields/2100.html?countryName=&countryCode=®ionCode=p> (last visited May 26, 2010) (identifying countries with common law system).

³⁰ *See* JAMES F. STEPHENS, A HISTORY OF THE CRIMINAL LAW OF ENGLAND 9-74 (MacMillan 1883).

³¹ THE WOLFENDEN COMMITTEE, REPORT OF THE COMMITTEE ON HOMOSEXUAL OFFENCES AND PROSTITUTION 23 (Stein and Dry, Inc 1963) (1957).

³² *See* Albin Eser, *The Nature and Rationale of Punishment*, *Symposium, George Fletcher's The Grammar*

punishments because this is what the offender deserves for committing the crime.³³ There is an implicit sense of vengeance constituent to this purpose of punishment:

[T]he infliction of punishment by law gives definite expression and a solemn ratification and justification to the hatred which is excited by the commission of the offence... The criminal law thus proceeds upon the principle that it is morally right to hate criminals, and it confirms and justifies that sentiment by inflicting upon criminals, punishments which express it.³⁴

Another aspect of retribution-based punishment is denunciation.³⁵ The infliction of punishment articulates society's disapproval of the offending behavior and asserts the values of the society that criminal law is meant to uphold.³⁶

¶15 Second, incapacitation seeks to protect society from additional offences committed by the offender by incarcerating the individual.³⁷ For crimes focused on economic benefit, being incarcerated may often not inhibit the ongoing benefit of the crime, as major offenders who head criminal syndicates can often still enjoy the monetary fruits of their subordinates' criminal labor.

¶16 Third, rehabilitation aims to provide encouragement and assistance to the criminal to lead a good, productive, and socially acceptable life upon release from prison or other sentence.³⁸ The results of rehabilitative efforts are hotly debated.³⁹ Some argue that there is no material difference in recidivism rates between rehabilitative and retributive

of Criminal Law: American, Comparative, International: The Act Requirement, 28 CARDOZO L. REV. 2427 (2007); STEPHENS, *supra* note 30 (identifying four principal aims of criminal law).

³³ See BLACK'S LAW DICTIONARY 621 (3d ed. 2006) (defining "retribution").

³⁴ STEPHENS, *supra* note 30, at 81.

³⁵ See John Bronsteen, *Retribution's Role*, 84 IND. L. J. 1129, 1151-52 (discussing utilitarian emphasis on denunciation); Ronald J. Rychlak, *Society's Moral Right to Punish: A Further Exploration of the Denunciation Theory of Punishment*, 65 TUL. L. REV. 299 (1990) (providing in-depth analysis of denunciation punishment theory).

³⁶ See Rychlak, *supra* note 36, at 332-38 (discussing renunciation theory and analyzing role of public in criminal law enforcement); Bronsteen, *supra* note 36 at 1151 (discussing retributive reason for punishment)

³⁷ See BLACK'S LAW DICTIONARY 346 (3d ed. 2006) (defining "incapacitation").

³⁸ *Id.* at 604 (defining "rehabilitation").

³⁹ See, e.g., D.A. Andrews & James Bonta, *Rehabilitating Criminal Justice Policy and Practice*, 16 PSYCHOL. PUB. POL'Y & L. 39, 40-2 (2010) (noting shift in American Justice policy, highlighting focus on "get tough" policies without regard to potential for rehabilitation); Michael Tonry, *Obsolescence and Immanence in Penal Theory and Policy, Symposium, Sentencing: What's at State for the States?*, 105 COLUM. L. REV. 1233, 1252-54 (2005) (issuing a call to action to develop more humane punishment policies including reintegration of rehabilitative aim in policy making); Paul Holland & Wallace J. Mlyniec, *Whatever Happened to the Right to Treatment?: The Modern Quest for Historical Promise*, 68 TEMP. L. REV. 1791, 1814-5 (1995) (recommending model system of punishment should penalties and sanctions with rehabilitative services). *But see* Russell L. Christopher, *Deterring Retributivism: The Injustice of "Just" Punishment*, 96 NW. U. L. REV. 843, 890-91 (2002) (noting Retributivists' criticism of policy making relying heavily upon potential for rehabilitation); NORVAL MORRIS, *THE FUTURE OF IMPRISONMENT* 24-43 (1974) (questioning soundness of rehabilitation theory); FRANCIS A. ALLEN, *THE DECLINE OF THE REHABILITATIVE IDEAL* (1981) (regarding rehabilitation as an obscure, unobtainable goal of punishment).

punishments, whereas others have argued the opposite.⁴⁰ In the UK, rehabilitative sentences have been increasingly subordinated across the last two decades.⁴¹

¶17 Deterrence-based punishments fall into two broad categories: special deterrence (dissuading a specific criminal from committing future crimes) and general deterrence (dissuading other individuals from offending by making an example of particular offenders).⁴² Sentences are designed to deter specific criminals from committing the same offence in the future, and/or to deter other would-be criminals from committing the same offense as the specific offender. Scholars and practitioners disagree as to the effectiveness of both forms of deterrence. However, one generally accepted point is that an offender's perception of the likelihood of punishment serves as a tangible deterrent.⁴³ If an offender perceives a sufficiently real possibility that he will be arrested and convicted of a crime (and the punishment is sufficiently severe), he is less likely to commit that crime. These generalized points on the nature of deterrence were summarized in a 1990 report by the UK Home Office: "...it is hard to show any effect that one type of sentence is more likely than any other to reduce the likelihood of reoffending" but "...the probability of arrest and conviction is likely to deter potential offenders."⁴⁴

¶18 Current approaches to criminal law in the UK and many other common law countries tend to prioritize retribution and deterrence over rehabilitation, within the limits of the principles of proportionality and reasonableness.⁴⁵ The UK Criminal Justice Act 2000 specifically states that sentences must be imposed that are "commensurate with the seriousness of the offence."⁴⁶ Interestingly, the Act provides for the departure from the principle of proportionality for violent offences and sexual offences.⁴⁷ A few years later, the UK Criminal Justice Act 2003 clearly downgraded proportionality in an effort to achieve a greater retributive and deterrent value in the nature of punishments, especially for violent and sexual offences, both of which characterize the acts taken against Oxana Rantsev and other trafficked sex slaves. Section 142 of the Act provides:

(1) Any court dealing with an offender in respect of his offence must have regard to the following purposes of sentencing –

(a) the punishment of offenders

⁴⁰ ALLEN, *supra* note 39 (arguing rehabilitative efforts fail to reduce recidivism).

⁴¹ *Id.* (arguing strongly in favor of rehabilitation as deterrent to future recidivism).

⁴² See BLACK'S LAW DICTIONARY 206 (3d ed. 2006) (defining "special deterrence" and "general deterrence").

⁴³ See, e.g., John Bronsteen, *Retribution's Role*, 84 IND. L.J. 1129, 1129, 1132-33 (discussing appropriate role of deterrence in punishment and noting debate among punishment theorists); WAYNE R. LAFAVE, CRIMINAL LAW § 7.1(c) (54th ed. 2003) (analyzing deterrence theory of punishment among others); Christopher, *supra* note 39, at 948-50 (debating various theoretical perspectives on the effectiveness of deterrence).

⁴⁴ HOME OFF., U.K., THE SENTENCE OF THE COURT 9 (1990).

⁴⁵ HOME AFF. COMMITTEE, HOUSE OF COMMONS, ALTERNATIVES TO PRISON SENTENCES, 1997-8, H.C. § B(ii) (analyzing approaches to sentencing in UK and prioritization of retribution and deterrence).

⁴⁶ Criminal Justice and Court Services Act, Powers of Criminal Court (Sentencing) Act, 2000, c. 6, 43 § 80(2)(a) (U.K.).

⁴⁷ *Id.* § 79(2)(b).

- (b) the reduction of crime (including its reduction by deterrence)
- (c) the reform and rehabilitation of offenders
- (d) the protection of the public, and
- (e) the making of reparation by offenders to persons affected by their offences[.]⁴⁸

¶19 Given these sentencing guidelines in the UK, and given the broader purpose of criminal law to exert social control, protect citizens, and assert the values on which a society is founded, what then is the most effective way to penalize those who commit human trafficking and other slave-related crimes? Answering these questions requires an overview of British antislavery law.

IV. LEGISLATIVE RESPONSE TO SLAVERY IN THE UK

¶20 As most students of antislavery history know, the first major antislavery movement began when the Society for Effecting the Abolition of the Slave Trade was formed when twelve men gathered on May 22, 1787 at 2 George Yard in London.⁴⁹ Thomas Clarkson, William Wilberforce, and ten others agreed on a preposterous mandate – to abolish slavery in the British Empire at a time when even the Church of England had slaves.⁵⁰ These men campaigned tirelessly against immeasurable odds, covering tens-of-thousands of miles by horseback, ship, carriage, and foot to gather the evidence, signatures, and other support required to convince the UK Parliament that slavery should be abolished.⁵¹ In 1807 Britain outlawed the trans-Atlantic slave trade with the Slave Trade Act 1807.⁵² It took another twenty-six years before Parliament passed the Slavery Abolition Act 1833, outlawing slavery throughout the majority of the British Empire, with the exception of the territories of the East India Company, Ceylon, and St. Helena.⁵³ Only one of the original twelve crusaders lived to see that day.⁵⁴

¶21 Today, the UK remains very much at the forefront of antislavery policy and legislation, most of which relates to the ascent of the post-Cold War phenomenon of human trafficking.⁵⁵ As with many countries, the majority of human trafficking research and legislative response in the UK has primarily focused on trafficking for sexual exploitation. Indeed, the UK Home Office estimates that in 2003 “there were up to 4,000 women in the UK that had been trafficked for sexual exploitation” and “the majority of our knowledge regarding the situation in the UK centres on trafficking for the purposes of

⁴⁸ Criminal Justice Act, 2003, c. 44, § 142(1) (U.K.).

⁴⁹ See ADAM HOCHSCHILD, *BURY THE CHAINS* 3-16 (Houghton Mifflin Harcourt)(2005).

⁵⁰ *Id.*

⁵¹ See generally *id.*

⁵² Act To Prevent the Importation of Slaves, 1807, 46 Geo. 3, c. 52 (Eng.).

⁵³ See Act for the Abolition of Slavery Throughout the British Colonies, 1833, 3 & 4 Will. 4, c. 73.

⁵⁴ See HOCHSCHILD, *supra* note 49, at 299-309.

⁵⁵ See KARA, *supra* note 23, at 1-44 (discussing evolution of human trafficking into a global phenomenon).

sexual exploitation . . . ”⁵⁶ This estimate is conservative, and colleagues in law enforcement in the UK have personally indicated to me that the number of sex trafficking victims in the UK could be ten times greater. Trafficked sex slaves suffer extreme levels of rape, torture, starvation, and in some cases, murder. They are coerced to engage in up to twenty or more sex acts per day with male clients. Escape is rarely an option as harm is threatened against the slave and against family members back home. In addition, individuals are held captive in a country whose language they may not speak with their documents confiscated. The threat of deportation or abuse by the police further paralyzes victims.

¶22 In the UK, human trafficking crimes are prosecuted by the Crown Prosecution Service (“CPS”).⁵⁷ Prior to 2002, the CPS could only proceed against traffickers by using laws criminalizing certain elements of trafficking crimes, such as assault, rape, kidnapping, or facilitating illegal entry into the country. Most provisions utilized in prosecutions were found in the Sexual Offences Act 1956, which made it an offence to procure a woman to work as a prostitute in the UK;⁵⁸ to detain a woman against her will with the intention that she shall have unlawful sexual intercourse;⁵⁹ and for a man to live off the earnings of prostitution.⁶⁰ Sections 22 and 24 of the Sexual Offences Act 1956 carry a maximum sentence of two years imprisonment and section 30 seven years imprisonment.⁶¹

¶23 In 2002, the UK Parliament passed the Nationality, Immigration and Asylum Act 2002, which made it an offence to traffic persons into, within, and out of the UK for the purpose of prostitution.⁶² These provisions were then replaced by sections 57-59 of the Sexual Offences Act 2003, which address trafficking into, trafficking within, and trafficking out of the UK for sexual exploitation, respectively. All offences carry a maximum prison sentence of fourteen years and/or a fine not exceeding the statutory maximum.⁶³

¶24 Trafficking for non-sexual forms of exploitation has received considerably less legislative and prosecutorial attention in the UK. Such offences are captured by the Asylum and Immigration Act 2004.⁶⁴ The maximum sentence is fourteen years imprisonment and/or a fine not exceeding the statutory maximum.⁶⁵ The proceeds of the crimes can be confiscated by the courts under the Proceeds of Crime Act 2002.⁶⁶

¶25 There are also several international treaties and protocols relating to forced labor and human trafficking to which the UK is signatory, including:

⁵⁶ HOME OFF. & SCOTTISH EXECUTIVE, U.K., U.K. ACTION PLAN ON TACKLING HUMAN TRAFFICKING 14 (2007).

⁵⁷ See Prosecution of Offences Act, 1985, c. 23 (U.K.) (establishing Crown Prosecution Service).

⁵⁸ Sexual Offences Act, 1956, 4 & 5 Eliz. 2, c. 69, § 22(1).

⁵⁹ *Id.* § 24.

⁶⁰ *Id.* § 30.

⁶¹ See *id.* at §§ 23, 24, 30; Prosecution of Offences Act, *supra* note 57 and accompanying text (detailing sections).

⁶² Nationality, Asylum and Immigration Act, 2002, c. 41, § 145 (U.K.).

⁶³ See Sexual Offences Act, 2003, c. 42 §§ 57(2)(b), 58(2)(b), 59(2)(b) (U.K.).

⁶⁴ See Asylum and Immigration (Treatment of Claimants) Act, 2004, c. 19, § 4 (U.K.).

⁶⁵ See *id.* § 4(5)(b).

⁶⁶ See Proceeds of Crime Act, 2002, c. 29, Part 2 (U.K.).

- Council of Europe Convention on Action against Trafficking in Human Beings, 2005⁶⁷
- United Nations Trafficking Protocol, 2000⁶⁸
- Convention on the Elimination of All Forms of Discrimination against Women, 1979⁶⁹
- United Nations Supplementary Convention on Slavery, the Slave Trade and Institutions and Practices Similar to Slavery, 1956⁷⁰
- Convention for the Protection of Human Rights and Fundamental Freedoms, 1950⁷¹
- United Nations Slavery Convention, 1926
- International Labour Organisation Conventions⁷²

As human trafficking laws in the UK are only a few years old, there have not been a vast number of successful prosecutions to date.⁷³ Most prosecutions have related to trafficking for sexual exploitation.⁷⁴ One of the mandates in the 2007 UK Action Plan on Tackling Human Trafficking is to keep “the legislation on trafficking under review to ensure it continues to provide an effective framework for the prosecution of trafficking offences and thereby provides a *deterrent*.”⁷⁵ This mandate echoes the UK Criminal Justice Act of 2003’s aim to deter crime. Thus, if the UK and many other common law jurisdictions place a premium on deterrence, and if positive obligations under ECHR’s Article 4 require criminal law penalties against human trafficking to be effective, then it seems reasonable that achieving greater levels of deterrence against human trafficking crimes through, at a minimum, the design of the penalties against the crime would seem a logical place to start in order to meet the burden of effectiveness. With this aim in mind, the following review of the UK case law on human trafficking is intended to highlight

⁶⁷ Eur. Consult. Ass., *Council of Eur. Convention on Action against Trafficking in Hum. Beings*, Doc. No. 197 (2005), available at http://www.coe.int/T/E/human_rights/trafficking/PDF_Conv_197_Trafficking_E.pdf.

⁶⁸ United Nations Trafficking Protocol, G.A. Res. 25/50, U.N. Doc. A/RES/55/25 (Nov. 10, 2000), available at

http://www.uncjin.org/Documents/Conventions/dcatoc/final_documents_2/convention_%20traff_eng.pdf.

⁶⁹ Convention on the Elimination of All Forms of Discrimination against Women, G.A. Res. 34/180, U.N. Doc. A/RES/34/180 (Dec. 18, 1979), available at

<http://untreaty.un.org/cod/avl/ha/cedaw/cedaw.html><http://www.un.org/womenwatch/daw/cedaw/text/econv ention.htm>.

⁷⁰ United Nations Supplementary Convention on Slavery, Slave Trade and Institutions and Practices Similar to Slavery, April 30, 1957, 226 U.N.T.S. 3, available at

<http://www2.ohchr.org/english/law/slavetrade.htm>.

⁷¹ Convention for the Protection of Human Rights and Fundamental Freedoms, Sept. 3, 1953, 213 U.N.T.S. 222, available at <http://conventions.coe.int/treaty/en/treaties/html/005.htm>.

⁷² See, e.g., Int’l Lab. Org. (ILO), *Forced Labour Convention*, at C29 (June 28, 1930), available at <http://www.unhcr.org/refworld/docid/3ddb621f2a.html>; see generally Database of Int’l Lab. Standards, ILOLEX, available at <http://www.ilo.org/ilolex/english/convdsp1.htm>.

⁷³ See compare *R. v. Maka*, [2005] EWCA (Crim) 3365 (U.K.) (upholding sentence despite severity, noting modern regulations meant to both punish and deter); *R. v. Roci, Ismailaj*, [2005] EWCA (Crim) 3404 (U.K.) (involving sentence for trafficking Lithuanian girls), with *R. v. Ramaj*, [2006] EWCA (Crim) 448 (U.K.) (holding sentence far too long, reasoning that *Roci* and *Maka* involved trafficking of much greater severity).

⁷⁴ See, e.g., *R. v. Maka*, [2005] EWCA (Crim) 3365 (U.K.); *R. v. Plakici*, [2004] EWCA (Crim) 1275 (U.K.); *A.T. v. Dulghieru*, [2009] EWHC 225 (U.K.).

⁷⁵ HOME OFF. & SCOTTISH EXECUTIVE, *supra* note 56, at 34 (emphasis added).

weaknesses of such prosecutions and penalties as a means to formulating more effective ways of deterring, if not virtually abolishing, these crimes.

V. REVIEW OF SELECT UK SEX TRAFFICKING CASE LAW

¶26 Having reviewed most of the cases that have been prosecuted relating to human trafficking since the passage of the Sexual Offences Act 2003, the following five cases are identified as representing the essential facets of the crimes and the nature of the prosecutions. As highlighted in the previous paragraph, the application of law as a deterrent to the crime of human trafficking has been a chief focus in the adjudication of these cases.

A. Attorney-General's Reference no. 6 of 2004 (*R v. Plakici*)

¶27 *R v. Plakici* was the first major case that involved the coercion of multiple trafficking victims into commercial sexual exploitation in the UK.⁷⁶ The defendant was a twenty-six year old Albanian-born British citizen who played a key role in a trafficking operation that trafficked young women from Romania and Moldova to work in British cities as prostitutes.⁷⁷ The victims were recruited through false employment opportunities, but upon arrival they were raped, starved, and physically tortured.⁷⁸ Some were exploited by those who trafficked them; others were sold to other pimps for sums ranging from £5,000 to £7,000⁷⁹ (\$8,200 to \$11,480).⁸⁰ There were seven female victims in total, ranging from ages sixteen to twenty-four.⁸¹ The defendant enjoyed profits of at least £204,396 (\$308,638)⁸² from this exploitation, from the years 1999 to 2002.⁸³

¶28 Because this case commenced before the implementation of the Nationality, Immigration and Asylum Act 2002 and Sexual Offences Act 2003, it exemplifies the way traffickers were previously charged under offences constituent to a trafficking operation, including kidnapping, procuring a minor to have unlawful sexual intercourse, and assisting unlawful immigration. The defendant pleaded guilty to the lesser charges and was convicted of the others.⁸⁴ He was sentenced to ten years in prison; this increased to twenty-three years on appeal.⁸⁵ In more than doubling Plakici's sentence, Latham LJ stated that the ten year sentence “in [no] way adequately reflects the criminality in this case or the need for a substantial and *deterrent* sentence[.]”⁸⁶ The Lord Justice Latham did not impose damages.⁸⁷

⁷⁶ See Plakici, [2004] EWCA (Crim) 1275 (U.K.) (appeal taken from Eng.).

⁷⁷ See *id.* ¶¶ 4, 9, 13, 172-75 (detailing defendant background and victims of crimes).

⁷⁸ See *id.* ¶¶ 6, 9, 23-4.

⁷⁹ See *id.* ¶¶ 12-15 (detailing exploitation of those living with defendant and those sold to pimps).

⁸⁰ Calculated based on the average 1999 dollar equivalent of 1.62.

⁸¹ See Plakici, [2004] EWCA (Crim) 1275, [4], [9], [13]-[15] (U.K.) (describing victims and identifying age).

⁸² Calculated based on the average 1999-2002 dollar equivalent of 1.51.

⁸³ Plakici, [2004] EWCA (Crim) 1275, [16] (U.K.) (noting investigation uncovered at least £204,396 traceable to illegal exploitation, describing defendant's lavish lifestyle).

⁸⁴ *Id.* ¶ 4-5.

⁸⁵ *Id.* ¶ 30 (calculating consecutive sentence).

⁸⁶ *Id.* ¶ 25 (emphasis added).

⁸⁷ See *id.* ¶ 32 (imposing only a sentence and no damages).

B. *R v. Maka*

¶29 *R v. Maka* was the first case to arise under the new anti-trafficking legislation in the Sexual Offences Act 2003.⁸⁸ The defendants were part of a professional network of traffickers, and were convicted under sections 57 and 58 of the Sexual Offences Act 2003.⁸⁹ There was only one victim in this case, a fifteen-year-old girl from Lithuania.⁹⁰ She was tricked into traveling to the UK under a false employment opportunity.⁹¹ When she arrived in the UK on July 12, 2004, her passport was confiscated and she was held captive at a hotel in London.⁹² She was sold to a trafficker for £4,000 (\$7,360),⁹³ raped by the men holding her captive on a number of occasions, and then forced into prostitution in a Birmingham brothel.⁹⁴ After several months, the young girl was then sold to another set of male exploiters for £3,000⁹⁵ (\$5,520).⁹⁶ She attempted to escape from these third exploiters, but she was recaptured and punished with physical torture and rape.⁹⁷ She was sold again and exploited in another brothel.⁹⁸ After conviction, the defendants were sentenced to a prison term of eighteen years (nine years for each count under sections 57 and 58).⁹⁹ The defendants appealed the sentence as being too severe given the relatively short duration of exploitation of the victim (a few months), but the Court dismissed the appeal, stating, “the total sentence...was appropriately severe, because *deterrence*...is a highly material consideration.”¹⁰⁰ Damages were not imposed.¹⁰¹

C. *R v. Roci and Ismailaj*

¶30 This case involved the trafficking of four Lithuanian women into the UK between November 2003 and September 2004 for the purpose of commercial sexual exploitation.¹⁰² *R v. Roci* is notable as the first case that resulted from proactive police investigation in the UK into possible sex trafficking victims in red light areas.¹⁰³ Such investigation involved following tips of potential prostitution, human and electronic surveillance, and ultimately a raid on the offending establishment.¹⁰⁴ One defendant was acquitted, one was convicted, and two pleaded guilty under sections 57 and 58 of the

⁸⁸ See *Maka*, [2005] EWCA (Crim) 3365 (U.K.) (appeal taken from Eng.) (identifying violations of the Sexual Offences Act, 2003).

⁸⁹ Sexual Offences Act, 2003, c. 42, §§ 57(1), 58(1) (U.K.); see *Maka*, [2005] EWCA (Crim) 3365, [1]-[5] (U.K.) (detailing sophistication of organisation and complexity of criminal network).

⁹⁰ *Maka*, [2005] EWCA (Crim) 3365, [3.3] (U.K.) (describing victim and beginning of exploitation).

⁹¹ See *id.* (noting victim promised well paying job).

⁹² See *id.* (recounting victim’s journey and explaining defendant’s systemic deprivation of her freedom).

⁹³ Calculated based on the average of last six months of 2004 dollar equivalent of 1.84.

⁹⁴ *Maka*, [2005] EWCA (Crim) 3365, [4] (U.K.).

⁹⁵ *Id.*

⁹⁶ Calculated based on the average of last six months of 2004 dollar equivalent of 1.84.

⁹⁷ See *Maka*, [2005] EWCA Crim 3365, [4] (U.K.).

⁹⁸ See *id.*

⁹⁹ See *id.* ¶ 1 (outlining procedural history).

¹⁰⁰ See *id.* ¶ 13 (emphasis added).

¹⁰¹ See *id.* ¶¶ 13-14 (upholding the sentence, but not awarding damages).

¹⁰² *R v. Roci, Ismailaj*, [2005] EWCA (Crim) 3404, [4]-[6] (U.K.) (appeal taken from Eng.) (detailing delivery of women into industry of sex exploitation).

¹⁰³ See *id.* ¶¶ 5-13 (chronicling police investigation and outcomes).

¹⁰⁴ See *id.* ¶¶ 78-10 (noting surveillance and trafficker conduct observed).

Sexual Offences Act 2003.¹⁰⁵ The prison sentences ranged from three years to nine years.¹⁰⁶ Damages were not assessed, even though the trial judge had evidence that the three defendants profited mightily from their exploitation of the four victims: £160,000 (\$288,000) for Ismailaj, £87,000 (\$156,600) for Roci, and £46,000 (\$82,800)¹⁰⁷ for a third gang member.¹⁰⁸ Even though the defendants appealed their sentences, Lord Justice Rose reasoned that the prison terms should be severe, in order to contain a *deterrent element*.¹⁰⁹

D. Attorney-General's Reference (nos. 129 and 132 of 2006)

¶31 The defendants trafficked women from East Europe, Spain, and Malaysia for work as prostitutes in the UK.¹¹⁰ Not all earnings were confiscated from all women, and not all were held captive.¹¹¹ Some had worked in prostitution in their home countries, and all were over the age of eighteen.¹¹² The defendants were convicted of operating a sophisticated trafficking ring involving conspiracy to traffic for sexual exploitation, to control prostitution for gain, and to facilitate a breach of immigration law.¹¹³ Similar to *R v. Roci*, the apprehension of the criminals was the direct result of proactive police investigation, including electronic surveillance conducted between May and October 2005.¹¹⁴ The trial judge sentenced the defendants to prison terms ranging from twelve months to 7.5 years.¹¹⁵ Even though there was evidence that the defendants generated profits of approximately £200,000 (\$364,000) to £300,000 (\$546,000)¹¹⁶ per claimant, no damages were assessed.¹¹⁷

¶32 The judgment issued by Lord Chief Justice, in both *Regina v. Delgado-Fernandez* and *Regina v. Zammit*, was also remarkable as it was one of the first trafficking cases that resulted in a more lenient sentencing on appeal. Appeals to lessen sentences were granted due to the supposed absence of coercion and deception by the defendants,¹¹⁸

¹⁰⁵ Sexual Offences Act, 2003, c. 42, §§ 57-58 (U.K.); see *Roci*, Ismailaj, [2005] EWCA (Crim) 3404, [1], [3] (U.K.) (recounting procedural history); Sexual Offences Act, 2003, c. 42 §§ 57-8 (U.K.).

¹⁰⁶ See *Roci*, Ismailaj, [2005] EWCA (Crim) 3404, [1] (U.K.) (describing sentencing as excessive and reducing sentence to range from three to nine years).

¹⁰⁷ Figures calculated based on the average of November, 2003 through September, 2004 dollar equivalent of 1.80.

¹⁰⁸ See *Roci*, Ismailaj, [2005] EWCA (Crim) 3404, [14] (U.K.) (calculating profit earned from exploitation).

¹⁰⁹ *Id.* ¶ 19.

¹¹⁰ See *R. v. Delgado-Fernandez*, *R. v. Thanh Hue Thi*, *R. v. Zammit*, [2007] EWCA (Crim) 762, [5-6] (U.K.) (appeal taken from Eng.).

¹¹¹ See *id.* ¶¶ 6, 20 (describing false pretense used to capture Malaysian victim). While the defendant captured, forcefully restrained, and exploited some women, others traveled with the intent of working as prostitutes. *Id.* ¶ 15.

¹¹² See *id.*

¹¹³ See *id.* ¶¶ 2, 13-19 (detailing counts and sentencing of defendants).

¹¹⁴ *Id.* ¶¶ 8, 21-29; *Maka*, [2005] EWCA (Crim) 3365, [3] (U.K.); see *supra* notes 92, 93 and accompanying text (chronicling police investigation and outcomes); *Delgado-Fernandez*, [2007] EWCA (Crim) 762, [8]-[29] (U.K.) (detailing police surveillance operation).

¹¹⁵ See *R. v. Delgado-Fernandez* and *R v. Thi*, [2007] EWCA Crim 762, [2], [17], [19] (U.K.) (outlining defendant's sentencing).

¹¹⁶ Figures calculated based on the average 2005 dollar equivalent of 1.82.

¹¹⁷ See *R v. Delgado-Fernandez* and *R v. Thi*, [2007] EWCA Crim 762 (U.K.) (discussing financial aspect of industry at length, noting financial gains made by defendants, but not assigning any damages).

¹¹⁸ *Id.* ¶ 46.

despite the Attorney General’s arguments that the sentences were in fact too lenient given the large scale of the operation, which netted the appellants revenues of approximately £2 million pounds!¹¹⁹ In addition, the prosecution argued that “there was strict and ruthless control, and in one case, coerced prostitution...” which “called for a *deterrent* sentence.”¹²⁰

¶33 The subjective issue of “coercion” permeated this case, as well as confusion over the term “trafficking” as a crime centered on immigration violations, as opposed to exploitation and slavery. These same issues have crippled prosecutions and/or attenuated sentencing in many other human trafficking cases, not just in the UK. The issue of coercion can be problematic, as some jurists argue for more direct physical coercion, while others recognize that coercion can take subtler forms, such as economic desperation, psychological coercion, or even socio-cultural factors.¹²¹ Overall, the judicial interpretation of coercion as relates to human trafficking in many countries have skewed towards being more restrictive than many real-world forms of coercion accommodate, despite the fact that the definition of “trafficking” set forth in Article 3 of the Palermo Protocol includes “other forms of coercion” besides physical force.¹²² Such definitional confusions provide space for criminals to continue to exploit trafficked slaves with impunity.

E. AT v. Dulghieru

¶34 Decided on February 19, 2009, this case is crucial in that it was the first in the UK to assess damages to the defendants for the crime of sex trafficking.¹²³ The claimants were four Moldovan women in their twenties, trafficked to the UK by the defendants on the false promise of work as dancers.¹²⁴ After arriving in the UK, they were held captive in a basement in the Earls Court area of London, raped, and told that their family members would be harmed if they did not engage in prostitution.¹²⁵ The women were forced to have sex with up to forty men per day, without compensation, in order to pay back a “debt” of £20,000 (\$37,000)¹²⁶ each.¹²⁷ Some of the forced prostitution occurred at the “Greek Street Brothel,” where other sex trafficking victims were exploited.¹²⁸ This venue was known as “the Slaughter House” because of the violent and degrading sexual acts the women were forced to perform.¹²⁹ The Court was able to determine that through

¹¹⁹ See *id.* ¶¶ 46, 50 (Attorney General submissions demonstrating the gravity of the operation).

¹²⁰ *Id.* ¶ 50 (emphasis added).

¹²¹ See Sarah Conly, *Seduction, Rape, and Coercion*, 115 ETHICS 96, 96-121 (Oct. 2004) (discussing issue of coercion with regard to sexual exploitation).

¹²² See Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children, supplementing United Nations Convention against Transnational Organized Crime, G.A. Res. 55/25, art. 3, U.N. Doc. A/RES/55/25 (Nov. 15, 2000) [hereinafter Palermo Protocol].

¹²³ See *Dulghieru*, [2009] EWHC 225, [76] (U.K.) (awarding damages to defendants jointly and severally).

¹²⁴ See *id.* ¶¶ 1, 4 (describing false pretenses traffickers used to lure women).

¹²⁵ See *id.* ¶¶ 6-7 (using isolation, forcible restraint, threats of harm to force compliance with trafficker commands).

¹²⁶ All figures in this section calculated based on the average 2008 dollar equivalent of 1.85.

¹²⁷ See *id.* ¶ 8 (explaining debt bondage used by traffickers to give women hope of paying debt and escaping sex industry).

¹²⁸ See *id.* ¶ 14 (portraying horrifying exploitation one particular victim had to endure on weekly basis- “Greek Street”).

¹²⁹ See *id.* ¶ 15 (citing “Slaughter House” name attributable to the extreme verbal and physical abuse girls

this exploitation, the defendants generated profits of approximately £786,000 (\$1,454,100).¹³⁰

¶35 In addition to the maximum prison term for each of the defendants, Treacy J held that damages be paid by the defendants to the claimants, stating "...the Defendants' conduct was so appalling, so malevolent, and so utterly contemptuous of the Claimant's rights as to amount to exceptional conduct warranting an award of aggravated damages..."¹³¹ Aggravated and exemplary damages totaling £175,000, £162,000, £142,000, and £132,000 (£611,000 total) (\$1,130,350 total) were awarded to each defendant respectively.¹³² Damages awarded through the Criminal Injuries Compensation Authority were to supplement these.¹³³ By finally imposing a financial penalty for sex slave exploitation, this case directly recognized the economic essence of sex trafficking crimes and responded to the immense profits enjoyed by sex slave exploiters with a penalty intended to be both retributive and deterrent, by directly negating the financial benefit of the offense.

¶36 Focusing on this important shift in UK human trafficking jurisprudence, occurring almost six years after the passage of the Sexual Offenses Act 2003, the following recommendations are intended to optimize the deterrent impact of sex trafficking penalties, guided by the principle that the most effective way to eradicate such crimes is to elevate the costs and risks associated with the crimes. These recommendations are simultaneously presented as a **minimal** threshold required by Member States to meet the positive obligation to penalize **effectively** human traffickers under Article 4 ECHR. While focused on sex trafficking, the same logic in these recommendations would apply to the design of laws against most other forms of slavery.

F. Recommendations for Anti-trafficking Policy and Legislation in the UK

¶37 Recommendations for improved policy and legislative responses to sex trafficking center on elevating the real risks and costs associated with the crime, commensurate with the deterrent and retributive aims of UK criminal law. The following recommendations focus on three main areas of policy and legislative improvement in order to do so: 1) sentencing guidelines, 2) law enforcement, and 3) survivor protections.

1. Sentencing Guidelines

¶38 Recalling the focus on deterrence and retribution in UK criminal law set forth in section 142 of the Criminal Justice Act 2003, as well as the oft-repeated motivation among judges in sex trafficking cases for sentences that achieve a deterrent purpose, it is essential that damages and other economic penalties be elevated for the crime of sex trafficking.¹³⁴ The primary question to consider is: what is a deterrent level of economic

endured).

¹³⁰ *Id.* ¶ 69.

¹³¹ *Id.* ¶ 62.

¹³² *See id.* ¶ 76 (assigning damages to individual defendants, but maintaining all jointly and severally liable).

¹³³ *See id.* ¶¶ 53-54 (reasoning such damages barely scratch surface of compensating for injuries suffered by girls).

¹³⁴ *See* Criminal Justice and Court Services Act, 2000, c. 43 (U.K).

penalty?¹³⁵ A 2009 UK House of Commons Report indicated that sex traffickers earn between £500 and £1,000 pounds (\$780 to \$1,560)¹³⁶ per victim per week.¹³⁷ My calculations show that sex slave exploiters can easily generate profits of £50,000 to £60,000, (\$78,000 to \$93,600) per slave per year. Sex slave exploiters who exploit multiple slaves for multiple years can generate profits in excess of one million pounds, as seen in some of the cases discussed above. Penalties for the exploitation of humans as trafficked sex slaves that solely provide prison terms or anemic financial penalties cannot serve as an adequate deterrent to the crime. How then, does one assess a deterrent level of economic penalty?

¶¹³⁹ In Sex Trafficking, I introduced a metric called the Exploitation Value (EV) of each type of slave, as a means to guide the design of economic penalties in the law for such crimes.¹³⁸ This unfortunate economic term is not intended to overlook the intense human cost of slave-related crimes, but rather to provide an analytical framework to establish penalties that meet the deterrent and retributive aims of criminal laws regulating economic crimes, such as human trafficking and slavery.¹³⁹ The EV thus captures the total economic value that a slave exploiter can expect to enjoy after having acquired a slave, before that slave either escapes, is freed, or perishes.¹⁴⁰ By my calculation, the EV of trafficked sex slaves in the UK range from £100,000 to £120,000 (\$156,000 to \$187,200) per slave. These numbers have been calculated very conservatively and could easily be much higher.¹⁴¹ Nevertheless, the real penalty associated with the crime of sex trafficking should be in the vicinity of these amounts, if not more, in order to be sufficiently deterrent, if not to render the commission of such crimes economically unfeasible.

¹³⁵ There are other punitive measures other than economic penalty that can provide deterrence against slave offenders, especially for sex trafficking crimes, such as public shaming of consumers of commercial sex services from trafficked sex slaves. *See* KARA, *supra* note 23, at 1-43 (reviewing dynamic of supply of and demand for sexual exploitation, particularly as it relates to consumer demand).

¹³⁶ All figures in this section calculated based on the average of 2009 dollar equivalent of 1.56.

¹³⁷ UK HOUSE OF COMMONS, THE TRADE IN HUMAN BEINGS: HUMAN TRAFFICKING IN THE UK CONVENTIONS, PROTOCOLS, AND TREATIES, 2009, H.C. 23-1, at 3 (detailing key facts regarding sex trafficking, noting average income of sex trafficker).

¹³⁸ *See* KARA, *supra* note 23, at 224-26 (providing Exploitation Value of a sex slaves in brothels).

¹³⁹ These crimes are of course gross human rights violations predicated on abuse, humiliation, racism, sexism, violence, and other aberrant qualities, but slavery is fundamentally a crime predicated on the manifestation of these qualities for the purpose of extracting economic benefit. Slavery is concerned with maximizing profit by minimizing or eliminating the cost of labor, and those involved in this practice typically do so through the expression of the aberrant qualities listed above. *See* KARA, *supra* note 23, at 16-41 (explaining business of sex slavery, economics of sex slavery, and the continued growth and success of human sexual exploitation).

¹⁴⁰ *See id.* at 200-19, 224-26 (detailing logic and calculation of Exploitation Values for slave exploitation). In brief, the metric is derived by calculating the monthly net profit generated by the exploitation of a trafficked sex slave in the UK, multiplied by the weighted average duration of enslavement of a trafficked sex slave in the UK (thirty months by my calculation), discounted back to a net present value by applying a discount factor that accounts for the time value of money and the risk of future cash flows (I apply a hefty 25% discount rate). *Id.*

¹⁴¹ Some of the assumptions that lead to very conservative calculations include, but are not limited to: heavy discounting of the rate of daily commercial sex transactions, increases in basic operating expenses, decreases in the calculated weighted average duration of enslavement, and increases in average acquisition costs of trafficked sex slaves—all as compared to actual data gathered by the author. Also, the discount rate used in the EV calculations has been assumed high.

¶40 The importance of the term “real” cannot be overstated. In Economics, the term “real” has various uses and typically indicates the value of something after it has been adjusted for inflation or probability. With probability, the value is typically an outcome and the real value indicates the value of the outcome multiplied by the probability the outcome will occur. The “real penalty” then, can be defined as: maximum financial penalty in the law * probability of being prosecuted * probability of being convicted.¹⁴² Maximizing this formula requires the design and deployment of tactics that elevate prosecution and conviction probabilities (rendering them more effective), as well as a sufficiently severe level of economic penalty upon conviction. Achieving these elevated economic penalties in the law is probably the easiest facet to accomplish, as elevated prosecution and conviction probabilities necessitate a host of systemic alterations and enhanced resource deployment to combat human trafficking crimes around the world. For example, in Sex Trafficking, I discussed how the use of fast-track courts with international observers and judicial review; fully-funded victim-witness protection programs including comprehensive medical, psychological, educational and vocational services; and livable income for the duration of a trial and up to one year after, elevated salaries for prosecutors and judges in developing nations, as well as elevated law enforcement investigation by an elite antislavery intervention force (more on this below) will serve as key tactical responses that can address the primary obstacles to more effective prosecutions and convictions of slave-related crimes.¹⁴³ Ultimately, these elevated probabilities must be multiplied against elevated penalties in order to effect a real cost that renders a sex trafficking operation minimally profitable or unprofitable. Accomplishing this aim, I believe, is what should be considered *effective penalization* of trafficking and slavery offenders. Understanding the EV of each type of human enslavement can therefore help with the assessment of the level of economic penalty required to achieve sufficient deterrence, and as a result, effective penalization under Article 4 of the ECHR.

¶41 A hypothetical example clarifies this proposition. Assume that the maximum statutory penalty for sex trafficking in the UK were £100,000 and the probability of being prosecuted in any given year for the offence were 2% (one in fifty acts of sex trafficking in a year are prosecuted) and the probability of being convicted were 33% (one in three prosecutions results in a conviction). In this scenario, the real penalty would be £660, or less than 1% of the calculated EV, which is the expected economic benefit of the commission of the crime. Would such a real penalty qualify as retributive or deterrent? In fact, such a low real penalty appears enticing to criminal offenders around the world who have taken up the business of sex trafficking as a way to generate hundreds of thousands of pounds in profit, at almost no real risk. The current prosecution and conviction probabilities relating to sex trafficking crimes in the UK (as with most countries) are well below the estimates in this example, rendering the real penalty for the commission of the crime of sex trafficking virtually nil.¹⁴⁴ This fact, above all, is what

¹⁴² This formula assumes the prosecution and conviction probabilities are independent, though it could be argued that any number of real world conditions might render them dependent. Though more complex to calculate, the result is not materially different in relation to the arguments being made.

¹⁴³ It is worth noting that the ECHR gave priority treatment to the *Rantsev* case, similar to the “fast-track court” process I have suggested.

¹⁴⁴ See KARA, *supra* note 23, at 208-209 (providing detail on probabilities of prosecution and conviction for sex trafficking offences in several countries).

drives, I argue, the rational criminal agent to be highly interested in this offence. Elevating the maximum financial penalty stipulated in the law (along with restitution payments, asset forfeiture, money tracing, and other measures) is a first step towards elevating the real penalty for sex trafficking to a deterrent and retributive level. In addition, more aggressive, fully-resourced, proactive, and strategic law enforcement and enhanced survivor care are also required, as will be discussed below.

¶42 This discussion warrants one final point relating to this theoretical discussion of real risk. Recall the statement from the 1990 Home Office Report that the *perception* of a high probability of arrest and conviction serves as a deterrent to would-be offenders.¹⁴⁵ The perception of a real cost and risk associated with an offense that renders the potential advantage of the commission of the offense “not worth the risk” would also serve as a sufficient deterrent to would-be offenders. If an offender perceived a combined 10% change of being prosecuted and convicted of a sex trafficking crime, and the maximum penalty for doing so was £1 million, the perceived real cost of £100,000 per infraction would not only negate the expected gain of the commission of the crime, but it would render any such commission that is momentarily successful economically untenable. Add to this, additional penalties associated with the need for reparation to victims as set forth in section 142(e) Criminal Justice Act 2003, and the real penalty would exceed any perceived gain associated with exploiting sex slaves.¹⁴⁶ Subsequently, incapacitating an individual for ten or twenty years in prison serves as the punitive icing on the cake, as opposed to the prime source of potential deterrence and retribution.

¶43 One might argue that most criminals are opportunists who do not think in such detailed economic terms. However, most criminals, like the rest of society, are rational economic agents, and the business acumen of the average sex trafficker in particular is highly sophisticated, and where a virtually risk and cost-free system of human exploitation persists, those same criminals have flocked across the last two decades to exploit the opportunities presented by a very compelling and profitable business opportunity. Sex slave operations only have three costs that can be attacked: 1) fixed costs (setting up a brothel, acquiring new slaves), 2) operating costs (everything from food, beverage, rent, and bribes), and 3) the cost of being caught. Little can be done to create an upward shock in the first two cost categories in order to render the crime of sex trafficking economically untenable. By my calculation, the 2010 weighted average global cost of a trafficked sex slave is approximately \$1,900 (closer to \$6,000 in the UK),¹⁴⁷ and operating costs such as food and bribes are nominal. To make the crime economically untenable requires the creation of an upward shock in the cost of risk,¹⁴⁸ and beyond higher penalties, real risk also requires elevated prosecution and conviction

¹⁴⁵ See ALLEN, *supra* note 39 and accompanying text (discussing perception of conviction affecting criminal risk aversion).

¹⁴⁶ Criminal Justice and Court Services Act, 2000, c. 43, §142(e) (U.K.).

¹⁴⁷ See KARA, *supra* note 23, at 20 (calculating sex trafficking specific slave-trading revenue and profits for 2007).

¹⁴⁸ Any slave exploiter can respond to upward price shocks by passing on some or all of the cost to the consumer by elevating retail price, however, since my research revealed that commercial sex from trafficked sex slaves is a highly elastic product, such a tactic would result in a greater-than-linear reduction in consumer demand, which will perforce result in a reduction in slave owner demand for more sex slaves. This price elasticity point is discussed in detail in chapters one and eight of *Sex Trafficking*. See *id.* at 1-44, 200-19 (discussing price elasticity with respect to global sex trafficking industry and overarching economic framework).

rates, which can only begin with a more aggressive, fully-funded, and strategic law enforcement response to sex trafficking crimes.

2. Law Enforcement

¶44 To make statutory penalties for a crime truly deterrent, criminals must be convicted. Convictions are dependent on prosecutions, and prosecutions are dependent on a high level of effective police enforcement. For this reason, the Court in *Rantsev* specified that States have procedural obligations to investigate situations of potential trafficking in a proactive and prompt fashion. To do so implies sufficient law enforcement focus on such crimes, proactively tasked with top-of-the line techniques, technology, and resources to investigate trafficking crimes that otherwise thrive in the shadows of cities around the world.

¶45 At present, law enforcement activity in the UK, as in all nations, to investigate and intervene in the crimes of sex trafficking is insufficient. Even though the Home Office estimated there were more than 4,000 victims of human trafficking in the UK in 2003, there have been little more than ten or twelve cases prosecuted per year since the passage of the Sexual Offences Act 2003, representing at most approximately 2% of the total number of victims.¹⁴⁹ If you ask the average criminal: you have at most a 2% chance each year of being prosecuted for a crime through which you could otherwise generate hundreds of thousands of pounds in profits, would you be likely to engage in it? The answer will likely be affirmative. Interestingly, the level of cases being prosecuted for human trafficking cases directly increased in the UK during 2006 and 2007 concurrent with an elevation in the level of proactive law enforcement investigation. The chief such investigations were called “Operation Pentameter 1” and “Operation Pentameter 2.” The first operation, launched in 2006, rescued 88 sex trafficking victims and led to 232 arrests.¹⁵⁰ Pentameter 2, launched on October 3, 2007, led to 167 victims rescued and 528 arrests.¹⁵¹ Proactive investigations such as these directly liberate victims, abort future cash flows generated by the exploitation of the victims, and help elevate the real penalties associated with the commission of slave-related crimes, and they should be construed as a minimal threshold to meet the procedural obligations under Article 4 ECHR.

¶46 While temporarily better under the Pentameter Operations the current level of intervention in the UK suffered a major blow when the Human Trafficking Unit of UK Metropolitan Police Service was shut down on April 1, 2010 due to budget cuts.¹⁵² Despite the best efforts of the head of the Team, Detective Inspector Stephen Wilkinson, to argue against the closure of his unit, the UK sent a strong signal that human trafficking is not a law enforcement (or human rights) priority. Even the UK House of Commons stated in its most recent human trafficking report that it was “concerned to learn that the Home Office had decided to cease funding for the Metropolitan’s Human Trafficking

¹⁴⁹ HOME OFF. & SCOTTISH EXECUTIVE, *supra* note 56.

¹⁵⁰ *Id.*

¹⁵¹ *Id.* (discussing Pentameter 1 statistics); PoliceOracle.com, *Police News, Pentameter Facts and Figures*, http://www.policeoracle.com/news/Pentameter-Facts-and-Figures_16691.html (last visited May 26, 2010) (detailing Pentameter 2 statistics).

¹⁵² See *supra* note 131 and accompanying text; Emily Dugan, *Police Team that Investigated Tide of Human Traffic is Closed*, THE INDEPENDENT (UK), Nov. 10, 2008.

unit,” and it strongly encouraged the Home Office to continue funding for 2010 and beyond.¹⁵³ Trafficking thrives in the shadows, and the UK’s top law enforcement team dedicated to shining a light on that crime was extinguished, sending a clear signal to traffickers and slave exploiters around the world that the UK is open for business. Hopefully, litigation under the precedents established in *Rantsev* intended to reverse this decision will be forthcoming.

3. Survivor Protections

¶47 A third element of an effective response to contemporary slavery crimes is elicited by the following question—if there were 760 arrests in the Pentameter operations alone, why have there only been a dozen or so human trafficking prosecutions per year in the UK since 2004? Part of the answer is that each case may have multiple defendants, but the deeper answer is that most human trafficking arrests in the UK, as with most nations, do not proceed to the prosecution stage because of, *inter alia*, insufficient protections for survivors who are required to testify against their exploiters. In order to protect individuals and adequately prosecute offenders, a much more comprehensive and fully resourced human rights response to survivor care and protection is required.¹⁵⁴ Even with adequate care, threats against survivors and their families by slave exploiters often terrorize individuals against testifying. Finally, most survivors cannot sit idly for one or two years as a court case runs its course, as they are typically desperate for income, which is often the condition that first led them to being trafficked. All countries must elevate human rights protections for human trafficking survivors—no matter how they arrived in the country—including additional funding for shelters, as well as livable incomes to the survivors and/or their families for the duration of a trial and up to twelve months after. These human rights protections begin with the presumption that the individual is a victim, as opposed to an offender who has violated migration or anti-prostitution laws, which often results in the individual’s deportation, which of course prevents any prosecution since there is no witness available to testify. Fast-track courts dedicated to trafficking crimes and other careful human rights measures can further help promote far more effective prosecution and conviction rates against human trafficking crimes.

VI. CONCLUSION

¶48 Slavery is illegal on every inch of planet Earth, yet the design of laws and interventions against modern-day slavery falls well short of being effective. In the case of *Rantsev v. Cyprus and Russia*, the European Court of Human Rights clarified that human trafficking is a violation of Article 4 of the ECHR and called for more substantive positive and procedural obligations to States vis-à-vis *effective* protection of individuals

¹⁵³ See UK HOUSE OF COMMONS, *supra* note 137, at 34.

¹⁵⁴ It should be noted that victims of human trafficking should also be encouraged to file civil claims against their offenders, where jurisdictions allow. Such claims can help provide a better result for the claimant, particularly due to the lower evidentiary burden and the greater focus on damages as a remedy, which are far more useful to a victim of human trafficking than solely sending the offender to prison and/or providing anemic economic penalties or restitution. NGO’s play a crucial role in this area from the standpoint of advising victims of their rights and options relating to both criminal and civil law claims.

against trafficking, investigation into trafficking crimes, and prosecution and penalization of offenders. This paper provides analytical guidelines for achieving these ends, with a focus on designing more effective penalties against human trafficking. Effectiveness itself was defined as the achievement of sufficient deterrence and retribution under the current criminal law mandates in the UK. An elevated penalty regime will help erode the robust economic benefits associated with most human trafficking offenses. Combined with measures designed to increase the efficacy of investigation, prosecution, and conviction rates of trafficking crimes, an adequately designed penalty regime should result in the elevation of the costs and risks associated with the crime of human trafficking to a sufficiently deterrent level. This should be the minimal requirement to meet positive and procedural obligations for penalization under Article 4 ECHR under *Rantsev*.

VII. APPENDIX - REFERENCE TABLES: TRAFFICKED SEX SLAVE ECONOMICS

All figures in 2009 Pounds Sterling

A. Club-Brothel Economics

General Assumptions

10 slaves per club-brothel
Avg. 8 sex acts per day
1 of 5 customers buys 1 alcoholic drink
1 of 5 customers buys 1 condom
1 of 10 customers buys 1 cigar or snack
50% "Tip" per 20 sex acts
1 slave re-trafficked every 6 months

Unit Assumptions

Revenues	Unit Prices
Sale of sex	30.00
Alcohol	3.00
Condoms	1.00
Cigars, snacks, other	10.00
Re-trafficking	4,000.00

Variable Costs

Food, beverage, drugs for slaves	18.00	per slave per day
Allocated rent	50.00	per day
Clothing, makeup, grooming	5.00	per slave per day
Bouncer / Guard (2)	125.00	per day
Cashier	100.00	per day
Cost of alcohol, condom, snack	8.00	per unit
Medical	3.00	per slave per day
"Tip"	15.00	per slave per 20 sex acts
Re-trafficking	2,000.00	per slave per re-trafficking
Utilities and misc	7.00	per slave per day

Fixed Costs

Avg. acquisition cost of slave	4,000.00
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Monthly Profit and Loss

Revenues	
	72,000
	1,440
	480
	2,400
	667
Total Monthly Revenues	76,987
Operating Expenses	
	5,400
	1,500
	1,500
	7,500
	3,000
	2,496
	900
	1,800
	333
	2,100
Total Operating Expenses	26,529
Gross Profit	50,457
<i>% Gross Margin</i>	<i>65.5%</i>
Depreciation	
Acquisition cost of slaves	1,248
Total Depreciation	1,248
Net Profit	49,209
<i>% Net Profit</i>	<i>63.9%</i>
Annual Revenues	923,840
Annual Net Profit	590,507
per slave	59,051

B. Apartment Brothel Economics

General Assumptions

4 slaves per apartment
Avg. 10 sex acts per day
1 of 10 customers buys 1 condom
50% "Tip" per 20 sex acts
1 slave re-trafficked every 12 months

Unit Assumptions

Revenues	Unit Prices
Sale of sex	25.00
Condoms	1.00
Re-trafficking	4,000.00

Variable Costs

Food, beverage, drugs for slaves	15.00	per slave per day
Rent	45.00	per day
Clothing, makeup, grooming	4.00	per slave per day
Bouncer / Guard (2)	100.00	per day
Cost of condom	0.25	per unit
Medical	3.00	per slave per day
"Tip"	12.50	per slave per 30 sex acts
Re-trafficking	2,000.00	per slave per re-trafficking
Utilities and misc	7.00	per slave per day

Fixed Costs

Avg. acquisition cost of slave	4,000.00
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Monthly Profit and Loss

Revenues	
	30,000
	120
	333
Total Monthly Revenues	30,453
Operating Expenses	
	1,800
	1,350
	480
	6,000
	30
	360
	500
	167
	840
Total Operating Expenses	11,527
Gross Profit	18,927
<i>% Gross Margin</i>	<i>62.1%</i>
Depreciation	
Acquisition cost of slaves	499
Total Depreciation	499
Net Profit	18,427
<i>% Net Profit</i>	<i>60.5%</i>
Annual Revenues	365,440
Annual Net Profit	221,127
per slave	55,282

C. Street Prostitution Economics

General Assumptions

6 slaves per pimp
Avg. 10 sex acts per day
50% "Tip" per 20 sex acts
1 slave re-trafficked every 12 months

Unit Assumptions

Revenues	Unit Prices
Sale of sex	20.00
Re-trafficking	4,000.00

Variable Costs

Food, beverage, drugs for slaves	12.00	per slave per day
Police Bribe	25.00	per slave per day
Rent	40.00	per day
Clothing, makeup, grooming	4.00	per slave per day
Medical	3.00	per slave per day
"Tip"	10.00	per slave per 20 sex acts
Re-trafficking	2,000.00	per slave per re-trafficking
Utilities and misc	7.00	per slave per day

Fixed Costs

Avg. acquisition cost of slave	4,000.00
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Monthly Profit and Loss

Revenues	
	36,000
	333
Total Monthly Revenues	36,333
Operating Expenses	
	2,160
	4,500
	1,200
	720
	540
	900
	167
	1,260
Total Operating Expenses	11,447
Gross Profit	24,887
<i>% Gross Margin</i>	<i>68.5%</i>
Depreciation	
Acquisition cost of slaves	749
Total Depreciation	749
Net Profit	24,138
<i>% Net Profit</i>	<i>66.4%</i>
Annual Revenues	436,000
Annual Net Profit	289,651
per slave	48,275