KRTHA BHAYANGKARA, Vol. 20, No. 2 (2026), pp. 476-499
ISSN 1978-8991 (print) | ISSN 2721-5784 (online)
http://ejurnal.ubharajaya.ac.id/index.php/KRTHA

Enhancing Indonesia's Law Enforcement: Integrating Financial Investigations to Combat Human Trafficking Networks

Herbin Marulak Siahaan[1*], Nimerodi Gulo[2]

Master of Law, Universitas Muria Kudus, Indonesia
herbin.siahaan@umk.ac.id

*Corresponding Author

Article info

Received: 23 Jun 2026	Revised: 10 Jul 2026	Accepted: 30 Jul 2026

DOI: https://doi.org/10.31599/krtha. v20i2.5611

Abstract : *This study examines Indonesia's efforts to combat human trafficking by integrating financial investigations into the enforcement approach. Although Indonesia has established a legal framework aligned with international standards, enforcement remains weak due to institutional fragmentation, limited investigative capacity, and a prosecutorial focus confined primarily to low-level offenders. Unlike prior studies that examine Indonesia's anti-trafficking law or its anti-money laundering regime separately, this study is among the first to empirically test their intersection through Indonesian judicial decisions, applying the Financial Approach Theory and the Conjunction of Criminal Opportunity Theory as an integrated analytical lens. This dual approach reveals not only that enforcement gaps exist but also precisely where in the prosecutorial chain the follow-the-money mandate breaks down. Using qualitative doctrinal and socio-legal analyses of statutes, case law, and institutional practice, the study finds that financial investigation and asset confiscation are routinely overlooked, allowing traffickers to retain profits and sustain their operations. It argues that closing this gap requires mandatory financial investigation, stronger inter-agency coordination, victim-sensitive approaches, and deeper international cooperation, each of which is essential for dismantling trafficking networks and meeting Indonesia's international obligations.*

Keywords : *Human Trafficking; Financial Investigation; Follow-the-money; Law Enforcement; Transnational Organized Crime*

Abstrak : Studi ini mengkaji upaya Indonesia dalam memerangi perdagangan orang dengan mengintegrasikan investigasi keuangan ke dalam pendekatan penegakan hukum. Meskipun Indonesia telah menetapkan kerangka hukum yang selaras dengan standar internasional, namun penegakan hukum tetap lemah karena fragmentasi kelembagaan, kapasitas investigasi yang terbatas, dan fokus penuntutan yang terbatas pada pelaku kejahatan tingkat rendah. Tidak seperti studi sebelumnya yang mengkaji undang-undang anti-TPPO atau rezim anti-TPPU-nya secara terpisah, studi ini termasuk yang pertama secara empiris menguji keterkaitannya melalui putusan pengadilan Indonesia, dengan menerapkan Teori Pendekatan Keuangan dan Teori Konjungsi Peluang Kriminal sebagai pisau analitis yang terintegrasi. Pendekatan ganda ini mengungkapkan tidak hanya adanya kesenjangan penegakan hukum tetapi juga secara tepat menunjukkan gagalnya melaksanakan kewajiban follow-the-money. Dengan menggunakan analisis doktrinal dan sosio-hukum kualitatif terhadap undang-undang, yurisprudensi, dan praktik kelembagaan, studi ini menemukan bahwa investigasi keuangan dan penyitaan aset secara rutin diabaikan, sehingga memungkinkan para pelaku TPPO untuk mempertahankan keuntungan dan melanjutkan operasi mereka. Dalam rangka menutup kesenjangan ini maka wajib untuk melakukan investigasi keuangan, koordinasi antarlembaga yang lebih kuat, penanganan yang peka terhadap korban, dan penguatan kerja sama internasional, dimana semuanya penting untuk pemberantasan TPPO.

Kata kunci : Perdagangan Manusia; Investigasi Keuangan; *Follow-the-money*; Penegakan Hukum; Kejahatan Terorganisasi Transnasional

Introduction

In the twenty-first century, rapid technological advancements, digitized financial systems, and increasingly porous borders within free-market economies have fundamentally reshaped the global crime landscape. These developments have greatly facilitated the operations of transnational organized crime, posing significant challenges to sovereign states and the international community.[1] Human trafficking is particularly complex and pervasive among these crimes. Human trafficking, defined as the recruitment, harboring, transportation, transfer, or receipt of persons through coercion or fraud for exploitation, has grown into a multi-billion-dollar illicit industry.[2] It uniquely merges the organized structure of criminal networks with the lucrative dynamics of modern labor markets, highlighting its multifaceted nature and extensive social, economic, and legal consequences.[3] This crime exploits vulnerable populations, often targeting women and children, and operates transnationally, complicating its detection and prosecution. The incorporation of sophisticated financial schemes further obscures trafficking networks, underscoring the need for comprehensive and coordinated international responses to combat this evolving threat effectively.

Recent statistics highlight the persistent and evolving nature of human trafficking globally—the Trafficking in Persons Report 2025 by the U.S. The Department of State estimates that approximately 27 million individuals were

---

1 S. X. Zhang and K.L. Chin, "Snakeheads, Mules, and Protective Umbrellas: A Review of Current Research on Chinese Organized Crime," *Crime, Law and Social Change* 50, no. 3 (2008): 177–195; Louise Shelley, *Human Trafficking: A Global Perspective*, ed. Cambridge University Press (New York, 2010); D. Cheng et al., "Anti-Money Laundering by Group-Aware Deep Graph Learning," *IEEE Transactions on Knowledge and Data Engineering* 35, no. 12 (2023): 12444–12457.

2 United Nations, "United Nations Convention against Transnational Organized Crime," 2000; M. M. Motseki and J. T. Mofokeng, "An Analysis of the Causes and Contributing Factors to Human Trafficking: A South African Perspective," *Cogent Social Sciences* 8, no. 1 (2022).

3 Jay S. Albanese, *Organized Crime In Our Times (Fourth Edition)* (Ohio: Anderson Publishing, 2004); Chris Mathers, *Crime School: Money Laundering True Crime Meets the World of Business and Finance* (New York: Firefly Book, 2004).

subjected to forced labor or sexual exploitation in 2024.[4] Indonesia reported the repatriation of 3,570 citizens identified as potential trafficking victims, a significant increase from 798 in the previous year. Among these, 216 individuals were exploited in sex or labor markets, while 3,354 were involved in regionally operating online fraud syndicates.[5] These figures demonstrate that human trafficking remains a dynamic and adaptive threat, combining traditional exploitation methods with increasingly sophisticated, cyber-enabled tactics. This complexity poses significant challenges for detection and intervention, underscoring the urgent need for comprehensive and coordinated enforcement strategies that address both physical and digital dimensions of trafficking.

The persistence of human trafficking is largely driven by its significant economic impact. The International Labor Organization estimates that forced labor and trafficking generate approximately $150 billion in illicit profits annually.[6] Forced labor is widespread across sectors such as fishing, agriculture, and domestic work, often overlapping with sexual exploitation.[7] Traffickers exploit victims' vulnerabilities and operate within complex transnational criminal networks that frequently evade accountability. The financial gains from trafficking enable perpetrators to refine their methods and expand their operations by laundering profits through legitimate channels, creating a self-perpetuating cycle of profit, reinvestment, and growth.[8] By integrating illicit funds into the formal economy, traffickers obscure the origins of their wealth, thereby sustaining their trafficking activities and related criminal enterprises. Consequently, human trafficking represents both violent crime and a sophisticated form of capital accumulation that is deeply embedded in the global economy. This dual character complicates enforcement efforts and necessitates comprehensive strategies that address both human exploitation and financial systems.[9]

The "follow-the-money" approach marks a strategic advancement in combating organized crime by targeting the financial infrastructure that supports the trafficking networks. This method involves tracing, freezing, and confiscating illicit proceeds to disrupt the economic incentives that sustain

[4] U.S. Department of State, "Trafficking in Persons Report 2025: Indonesia," 2025, https://www.state.gov/reports/2025-trafficking-in-persons-report/indonesia/.

[5] U.S. Department of State, "Trafficking in Persons Report 2025: Indonesia."

[6] International Labour Organization (ILO), "Profits and Poverty: The Economics of Forced Labour (2nd Ed.)," 2024; S. Walby and B. Francis, "Improving the Estimate of Trafficking in Human Beings and Modern Slavery by Integrating Data From ILO/Walk Free/IOM and UNODC," *Social Indicators Research* 176, no. 2 (2024): 669–693.

[7] Amy Farrel et al., "Human Trafficking for Labor Exploitation," in *Transnational Crime and Global Security*, ed. Philip Reichel and Ryan Randa (California: Prager Security International, 2018), 233.

[8] Mathers, *Crime School: Money Laundering True Crime Meets the World of Business and Finance*; E. A. Akartuna, S. D. Johnson, and A. Thornton, "A Holistic Network Analysis of the Money Laundering Threat Landscape: Assessing Criminal Typologies, Resilience and Implications for Disruption," *Journal of Quantitative Criminology* 41, no. 2 (2024): 173–214; B. A. Simmons, P. Lloyd, and B. M. Stewart, "The Global Diffusion of Law: Transnational Crime and the Case of Human Trafficking," *International Organization* 72, no. 2 (2018): 249–281.

[9] K Brandt, "Illicit Financial Flows and Developing Countries: A Review of Methods and Evidence," *Journal of Economic Surveys* 37, no. 3 (2022): 789–820.

criminal enterprises.[10] Beyond gathering crucial evidence for prosecution, this approach prevents the reinvestment of illegal profits into further criminal activities. Redirecting confiscated assets towards victim restitution and crime prevention efforts enhances social justice and serves as a deterrent. By focusing on financial flows, law enforcement can significantly weaken the operational capacity and longevity of trafficking organizations, making the disruption of their monetary resources a vital component of dismantling organized crime and improving overall enforcement effectiveness.[11]

Effective legal frameworks are crucial for enabling financial investigations and asset confiscation in the fight against organized crime. These frameworks commonly encompass anti-money laundering (AML) laws, asset forfeiture statutes, and financial intelligence regulations that empower law enforcement agencies to trace, freeze, and seize illicit proceeds.[12] AML legislation requires the reporting of suspicious transactions and fosters cooperation between financial institutions and the authorities. Asset forfeiture laws authorize courts to confiscate assets derived from criminal activities, ensuring that offenders are deprived of their illicit gains.[13] Financial intelligence units (FIUs), established under domestic law, collect, analyze, and disseminate financial data to support investigations.[14] Furthermore, international conventions, such as the United Nations Convention against Transnational Organized Crime (Palermo Convention), facilitate cross-border cooperation and the harmonization of legal measures, obliging states to criminalize money laundering and provide mutual legal assistance.[15] Collectively, these instruments close enforcement gaps by extending prosecutorial reach beyond low-level operatives to include financial sponsors, corporate entities, and facilitators, thereby enhancing the disruption of trafficking networks' financial infrastructures.

Indonesia has normatively addressed human trafficking by ratifying significant international instruments, including the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children (Palermo Protocol) through Law No. 14 of 2009, and the United Nations Convention against Transnational Organized Crime (UNTOC) through Law No. 5 of 2009.[16] Articles 6 and 7 of the UNTOC mandate the

---

10 R Barone and D Masciandaro, "Organized Crime, Money Laundering and Legal Economy: Theory and Simulations," *European Journal of Law and Economics* 32, no. 1 (2010): 115–142; Cheng et al., "Anti-Money Laundering by Group-Aware Deep Graph Learning."

11 T. Hataley, "Trade-Based Money Laundering: Organized Crime, Learning and International Trade," *Journal of Money Laundering Control* 23, no. 3 (2020): 651–661.

12 M. S. Korejo, R. Rajamanickam, and M. H. Md Said, "The Concept of Money Laundering: A Quest for Legal Definition," *Journal of Money Laundering Control* 24, no. 4 (2021): 725–736.

13 K Alexander, "The International Anti-Money-Laundering Regime: The Role of the Financial Action Task Force," *Journal of Money Laundering Control* 4, no. 3 (2001): 231–248.

14 V. Gelle, "Enhancing Financial Security: AI-Driven Anti-Money Laundering (AML) and Compliance Monitoring in the Banking Sector," *World Journal of Advanced Research and Reviews* 25, no. 1 (2025): 2462–2476.

15 N Allahrakha, "Addressing Barriers to Cross-Border Collection of E-Evidence in Criminal Investigations," *International Journal of Law and Policy* 2, no. 6 (2024): 1–9; A. Gallagher, "Human Rights and the New UN Protocols on Trafficking and Migrant Smuggling: A Preliminary Analysis," *Human Rights Quarterly* 23, no. 4 (2001): 975–1004; E. C. Viano, *Global Organized Crime and International Security* (London: Routledge, 2018).

16 State Secretariat of Indonesia, "Law No. 14 of 2009 Ratifying the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children

criminalization of laundering criminal proceeds, recognizing this activity as integral to organized crime. Laundering obscures the origins of illicit income and facilitates reinvestment into criminal enterprises.[17] This evolution in international law redefined trafficking from a human rights violation to an organized economic crime, necessitating financial countermeasures.

Enforcement in Indonesia remains insufficient to address the financial aspects of human trafficking, despite the existence of comprehensive legal frameworks. Case analyses reveal a predominant focus on prosecuting low-level operatives, while financial sponsors and international collaborators frequently evade investigation and prosecution. For example, in the Dwiki Wenilton case (Decision Tanjung Karang District Court Number 663/Pid.Sus/2023/PNTJK, 2023), the court convicted the defendant solely for recruitment activities without considering financial gains or ordering asset confiscation.[18] This pattern is evident in other cases where financial investigations and asset tracing are notably absent, allowing trafficking networks to persist and expand. Therefore, it is essential to integrate robust financial investigation mechanisms and fully leverage existing legal frameworks within law enforcement practices to effectively dismantle organized crime networks by targeting their economic bases.

The enforcement gap in Indonesia's human trafficking cases can be analyzed through the lens of the Financial Approach and Conjunction of Criminal Opportunity theories. The Financial Approach Theory underscores the critical role that illicit financial flows play in sustaining organized crime, advocating for law enforcement to prioritize financial investigations to dismantle criminal enterprises effectively.[19] Meanwhile, the Conjunction of Criminal Opportunity Theory posits that crime occurs when multiple conditions converge, notably including financial incentives and opportunities. In the context of human trafficking, this convergence comprises vulnerable victims, accessible exploitative markets, and a financial infrastructure that facilitates the laundering and reinvestment of illicit profits.[20] Together, these theories emphasize the necessity of disrupting the financial mechanisms underpinning trafficking networks to achieve comprehensive law enforcement outcomes and sustainable reductions in crime.

Effective law enforcement requires the systematic integration of financial investigation procedures into human trafficking prosecution. This necessitates fostering active collaboration and communication among the police,

---

(Palermo Protocol)" (2009); State Secretariat of Indonesia, "Law No. 5 of 2009 Ratifying the United Nations Convention against Transnational Organized Crime (UNTOC)" (2009).

[17] Neil Bolster, "The UN Convention Against Transnational Crime 2000," in *International Law and Transnational Organized Crime*, ed. Peterke, Pierre Hauck, and Sven (Oxford University Press, 2016), 126; A. Schloenhardt, "Human Trafficking and Organized Crime," *Criminology & Criminal Justice* 19, no. 2 (2019): 197–213.

[18] Tanjung Karang District Court Republic of Indonesia, Decision Tanjung Karang District Court Number 663/Pid.Sus/2023/PNTJK (2023).

[19] R Broad, N Lord, and C Duncan, "The Financial Aspects of Human Trafficking: A Financial Assessment Framework," *Criminology and Criminal Justice* 22, no. 4 (2020), https://doi.org/10.1177/1748895820981613; E. R. Kleemans, "Organized Crime and the Visible Hand: A Theoretical Critique on the Economic Analysis of Organized Crime," *Criminology & Criminal Justice* 13, no. 5 (2012): 615–629.

[20] M. Levi and M. Soudijn, "Understanding the Laundering of Organized Crime Money," *Crime and Justice* 49 (2020); J. S. Mcillwain, "Organized Crime: A Social Network Approach," *Crime, Law and Social Change* 32, no. 4 (1999): 301–323.

prosecutors, financial regulators, and judiciary to ensure a coordinated and unified response to cybercrime. Operational protocols should prioritize disrupting traffickers' financial networks by rigorously tracing, freezing, and confiscating illicit assets to dismantle these organizations comprehensively. Failure to address the underlying economic incentives and structural opportunities that sustain trafficking risks limiting enforcement to superficial or symptomatic interventions. Such an incomplete approach enables trafficking networks to regenerate and adapt, perpetuating exploitation and criminal activities. Therefore, embedding financial scrutiny at every stage of prosecution is essential to achieve sustainable crime reduction and effectively dismantle human trafficking operations.

This study had three principal objectives. First, it critically assesses Indonesia's legal and institutional frameworks to determine how effectively they operationalize the "follow-the-money" principle in human trafficking enforcement, with a particular focus on the integration of financial investigations within prosecutorial practices. Second, it identifies the structural, procedural, and cultural barriers that impede comprehensive financial investigations, including challenges related to inter-agency coordination, limited investigative capacity, and entrenched enforcement mindsets that often prioritize low-level offenders over financial sponsors and facilitators. Third, this study proposes targeted policy and theoretical recommendations designed to enhance law enforcement effectiveness by fostering improved cooperation among relevant agencies and aligning enforcement strategies with Indonesia's international obligations under the United Nations Convention against Transnational Organized Crime (UNTOC) and the Palermo Protocol. By addressing these objectives, this study contributes to the development of a more robust, coordinated enforcement strategy that targets both criminal acts and their financial foundations, ultimately strengthening efforts to dismantle human trafficking networks.

Methods

This study adopts a qualitative legal research design, combining doctrinal and socio-legal analyses to examine how Indonesia's legal and institutional frameworks operationalize the "follow-the-money" approach in human trafficking enforcement.[21] Doctrinal analysis identifies gaps and coherence within statutory provisions, while socio-legal analysis situates these provisions within their institutional and practical context, an approach chosen because a purely doctrinal review cannot capture how enforcement actually unfolds on the ground.[22]

Primary data comprise Indonesian statutes, namely, Law No. 21 of 2007 on the Eradication of Human Trafficking, Law No. 5 of 2009 ratifying the United Nations Convention against Transnational Organized Crime (UNTOC), and Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering,

[21] Lexy J. Moelong, *Metode Penelitian Kualitatif* (Bandung: Remaja Rosdakarya, 2007).

[22] A. Naudé Fourie, "Expounding the Place of Legal Doctrinal Methods in Legal-Interdisciplinary Research," *Erasmus Law Review* 8, no. 3 (2015): 95–110; Sulistyowati Irianto and Shidarta, *Metode Penelitian Hukum Konstelasi Dan Refleksi* (Jakarta: Yayasan Pustaka Obor Indonesia, 2011).

together with judicial decisions from Indonesian district courts adjudicating trafficking cases.[23] Secondary sources include academic literature, Government and non-governmental reports, and international guidelines, such as the Financial Action Task Force standards, used to benchmark Indonesian practices against global norms.

Two judicial decisions were selected as case studies through purposive sampling: Decision Number 663/Pid. Sus/2023/PN Tanjungkarang, and Decision Number 621/Pid. Sus/2022/PN Batam was chosen as the most documented trafficking conviction within the study period that exhibited organized, multi-actor network structures, yet resulted in convictions confined to low-level operatives, making them illustrative of the broader enforcement pattern investigated in this study.[24]

Data were analyzed using qualitative content analysis combined with deductive reasoning, whereby statutory and judicial texts were coded against the theoretical propositions of the Financial Approach Theory and the Conjunction of Criminal Opportunity Theory, allowing enforcement practice to be assessed against what the theories predict should occur.[25] A hermeneutic approach guided the interpretation of ambiguous or discretionary statutory language, particularly around the "sufficient preliminary evidence" threshold discussed in the Results and Discussion.[26]

Result And Discussion

The Legal Framework for Financial Investigations in Human Trafficking

Human trafficking is categorized under international law as a form of transnational organized crime (TOC). The United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children (the Trafficking Protocol) supplements the United Nations Convention against Transnational Organized Crime (UNTOC) and provides a comprehensive legal framework to combat these offenses.[27] The Protocol explicitly recognizes human trafficking as an organized crime conducted by networks or groups to obtain financial or material benefits. This recognition underscores the need for a holistic enforcement strategy that goes beyond prosecuting individual perpetrators and focuses on dismantling entire criminal networks. Central to this approach is targeting the financial underpinnings of trafficking

[23] State Secretariat of Indonesia, "Law No. 21 of 2007 on the Eradication of Human Trafficking" (2007); State Secretariat of Indonesia, Law No. 5 of 2009 ratifying the United Nations Convention against Transnational Organized Crime (UNTOC); State Secretariat of Indonesia, "Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering" (2010).

[24] Tanjung Karang District Court Republic of Indonesia, Decision Tanjung Karang District Court Number 663/Pid.Sus/2023/PNTJK; District Court Batam, Decision Batam District Court (2022).

[25] Moelong, *Metode Penelitian Kualitatif*; Kleemans, "Organized Crime and the Visible Hand: A Theoretical Critique on the Economic Analysis of Organized Crime."

[26] O. L Bohinich, "Interpretation of Law as a Problem of Legal Hermeneutics: Some Questions of Theory," *Al'manah Prava* 12 (2021): 119–124.

[27] United Nations, "Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, Supplementing the UN Convention against Transnational Organized Crime," 2000.

operations, which sustain and enable their continuation and expansion. Therefore, the effective disruption of these financial flows is essential to weaken trafficking networks and uphold international legal commitments.[28]

Article 2(a) of the UNTOC defines an organized crime group as a structured group of three or more persons existing for a period and acting in concert to commit serious crimes for financial or material gain.[29] This definition highlights three fundamental elements crucial to human trafficking: the collective nature of the offense, its classification as a serious crime, and the underlying financial motivation driving the criminal activity.[30] Therefore, effective law enforcement must prioritize the identification and dismantling of these trafficking networks, focusing not only on individual perpetrators but also on the entire organized structure. Central to this strategy is the "follow the money" approach, which targets the financial flows that sustain trafficking operations by tracing, freezing, and confiscating illicit proceeds. Disrupting these financial mechanisms is essential to weaken and ultimately dismantle the economic foundations that enable human trafficking networks to thrive and expand.[31]

Indonesia's normative framework demonstrates a strong alignment with international standards for combating human trafficking. The country ratified the United Nations Convention against Transnational Organized Crime (UNTOC) through Law No. 5 of 2009 and the Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children via Law No. 14 of 2009, reflecting its formal commitment to global anti-trafficking efforts. Domestically, this commitment is reinforced by Law No. 21 of 2007 on the Eradication of Human Trafficking, which criminalizes trafficking, and Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering (TPPU Law), which addresses illicit financial flows linked to these crimes. Together, these laws establish a dual legal foundation aimed at prosecuting trafficking offenses and systematically tracing, freezing, and confiscating the proceeds of trafficking, thereby supporting a comprehensive "follow the money" strategy.

The TPPU Law criminalizes various money laundering activities, including the placement, transfer, concealment, and conversion of assets suspected to be proceeds of crime, and explicitly recognizes human trafficking as a predicate offense.[32] Articles 3, 4, and 5 of the TPPU Law set forth stringent penalties, with imprisonment terms up to 20 years and substantial fines, underscoring the seriousness of these offenses. This legal framework not only strengthens the prosecution of trafficking crimes but also empowers law enforcement to

---

[28] Barone and Masciandaro, "Organized Crime, Money Laundering and Legal Economy: Theory and Simulations"; Cheng et al., "Anti-Money Laundering by Group-Aware Deep Graph Learning"; Jill E B Coster van Voorhout, "Combatting Human Trafficking Holistically through Proactive Financial Investigations," *Journal of International Criminal Justice* 18, no. 1 (2020): 87–106; M Dottridge, "Editorial: How Is the Money to Combat Human Trafficking Spent?," *Anti-Trafficking Review* 3, no. 3 (2014).

[29] N Boister, "The UNTOC and International Cooperation," *Transnational Criminal Law Review* 4, no. 1 (2025); United Nations, "United Nations Convention against Transnational Organized Crime."

[30] S. Massey and G. Rankin, "Human Trafficking in Context," in *Exploiting People for Profit: Trafficking in Human Beings* (London: Palgrave Macmillan UK, 2020), 1–33.

[31] Cheng et al., "Anti-Money Laundering by Group-Aware Deep Graph Learning."

[32] Rangganata Adhi Kusuma Wardhana and R.B. Sularto, "Studi Komparasi Formulasi Tindak Pidana Pencucian Uang Di Indonesia Dan Malaysia," *Jurnal Pembangunan Hukum Indonesia* 4, no. 2 (2022): 227–44.

pursue comprehensive financial investigations that target illicit financial flows. Central to these efforts is the Financial Transaction Reports and Analysis Center (PPATK), Indonesia's Financial Intelligence Unit (FIU), which plays a critical role in detecting and analyzing suspicious financial transactions. The PPATK facilitates inter-agency cooperation by providing actionable intelligence to law enforcement, thereby enhancing the effectiveness of asset tracing, freezing, and confiscation in human trafficking cases.[33]

From a theoretical standpoint, the Financial Approach Theory offers a vital framework for understanding why financial investigations are essential for combating human trafficking.[34] This theory asserts that illicit financial flows serve as the lifeblood of organized crime, enabling networks to sustain operations by facilitating the reinvestment of profits and the expansion of criminal activities.[35] Therefore, disrupting these financial flows through targeted investigations is critical to effectively dismantling such networks. Complementing this, the Conjunction of Criminal Opportunity Theory explains the conditions that foster criminal activity by highlighting the convergence of vulnerable victims, accessible exploitative markets, and financial systems that facilitate the laundering and reinvestment of illicit gains.[36] Together, these theories support a comprehensive law enforcement strategy that integrates financial scrutiny with traditional investigative methods and addresses both the supply and demand aspects of human trafficking.

Despite Indonesia's comprehensive legal framework and the strong theoretical basis supporting financial investigations in human trafficking cases, significant normative and operational challenges impede the full implementation of the "follow the money" approach to human trafficking. A key normative challenge is the discretionary nature of the statutory provisions governing financial investigations. Although human trafficking is explicitly recognized as a predicate offense for money laundering under the Prevention and Eradication of Money Laundering (TPPU) Law, the legislation requires "sufficient preliminary evidence" before financial investigations may proceed. This conditional trigger does not mandate simultaneous financial inquiries in all trafficking cases, allowing law enforcement to prioritize prosecuting the predicate offense alone without initiating parallel asset tracing or financial scrutiny.[37] Consequently, the inconsistent application of financial investigations undermines efforts to disrupt trafficking networks through

[33] Amanda Geraldine, Altuti, and Muhammad Rayhan Firmansyah, "Urgensi Pembentukan Laporan Khusus Sebagai Solusi Alat Bukti Surat Dalam Penanganan Kasus TPPU Di Indonesia: Pintu Optimalisasi Hubungan PPATK-Penyidik," *Jurnal Hukum & Pembangunan* 52, no. 4 (2022): 793.

[34] J Chuang, "Beyond a Snapshot: Preventing Human Trafficking in the Global Economy," *Indiana Journal of Global Legal Studies* 13, no. 1 (2006): 137–163; Broad, Lord, and Duncan, "The Financial Aspects of Human Trafficking: A Financial Assessment Framework."

[35] Broad, Lord, and Duncan, "The Financial Aspects of Human Trafficking: A Financial Assessment Framework"; E. R. Kleemans, "Follow the Money. Introduction to the Special Issue 'Financial Aspects of Organized Crime," *European Journal on Criminal Policy and Research* 21, no. 2 (2015): 213–216.

[36] Levi and Soudijn, "Understanding the Laundering of Organized Crime Money"; Mcillwain, "Organized Crime: A Social Network Approach."

[37] Kirana Ardhelia Putri and Bambang Waluyo, "Analysis Of The Urgency Of Proving Predicate Crime In Money Laundering Cases (Predicate Crime: Human Trafficking Crime)," *KRTHA BHAYANGKARA* 18, no. 3 (2024): 716–729.

their financial infrastructure, limiting law enforcement's effectiveness in targeting the economic foundations that sustain human trafficking operations.[38]

Institutional fragmentation significantly exacerbates the challenges of conducting financial investigations of human trafficking in Indonesia.[39] The authority to investigate money laundering is divided among several agencies, including the National Police, Attorney General's Office, Corruption Eradication Commission (KPK), National Narcotics Agency (BNN), tax and customs authorities, and the Financial Transaction Reports and Analysis Center (PPATK). Each operates under distinct mandates, priorities, and internal procedures, often resulting in overlapping responsibilities and coordination difficulties. The lack of a binding, unified Standard Operating Procedure (SOP) mandating joint financial investigations in trafficking cases further intensifies this fragmentation. Consequently, financial investigations tend to focus on predicate offenses with higher enforcement priority, such as corruption and narcotics, while trafficking-related money laundering is frequently neglected, undermining the comprehensive disruption of trafficking networks' financial foundations.[40]

Operationally, the absence of standardized Standard Operating Procedures (SOPs) and protocols significantly hampers the effectiveness of financial investigations in human trafficking cases. This gap results in inconsistent reporting of suspicious financial transactions and insufficient referrals to the Financial Intelligence Unit (FIU), leading to missed opportunities to trace, freeze, and confiscate illicit trafficking proceeds. Furthermore, concerns regarding victim protection and confidentiality play critical roles in enforcement decisions. Financial investigations risk revealing sensitive information about victims, which may deter their cooperation and compromise their safety.[41] Although the legal framework provides for witness protection and confidentiality measures, the uneven and inconsistent application of these safeguards across agencies discourages proactive financial investigations, thereby undermining efforts to dismantle trafficking networks through financial channels.

These normative and operational challenges critically hinder effective asset recovery and prosecution in Indonesia's human trafficking cases. While law enforcement agencies frequently identify and seize assets connected to trafficking, actual asset recovery by the state remains limited.[42] Prosecutorial strategies often focus narrowly on predicate offenses, neglecting to include money laundering charges, which diminishes deterrence and restricts victims' access to their restitution. This prosecutorial gap enables trafficking networks

---

[38] Mathers, *Crime School: Money Laundering True Crime Meets the World of Business and Finance*.

[39] Geraldine, Altuti, and Firmansyah, "Urgensi Pembentukan Laporan Khusus Sebagai Solusi Alat Bukti Surat Dalam Penanganan Kasus TPPU Di Indonesia: Pintu Optimalisasi Hubungan PPATK-Penyidik."

[40] Hataley, "Trade-Based Money Laundering: Organized Crime, Learning and International Trade"; R. N. Sidabutar et al., "The Legal Approach to Drug Trafficking with a Follow-the-Money Approach," *Law and Humanities Quarterly Reviews* 2, no. 2 (2023).

[41] M. Malsch, "Victims' Fundamental Need for Safety and Privacy and the Role of Legislation and Empirical Evidence," *Erasmus Law Review* 14, no. 3 (2021): 161–169.

[42] A. Farrell, C. Owens, and J. Mcdevitt, "New Laws but Few Cases: Understanding the Challenges to the Investigation and Prosecution of Human Trafficking Cases," *Crime, Law and Social Change* 61, no. 2 (2013): 139–168.

to preserve their financial resources and continue their illicit activities. The limited recovery of assets is further exacerbated by insufficient inter-agency coordination, a lack of specialized training among prosecutors and investigators, and gaps in legal frameworks that fail to comprehensively address the financial dimensions of trafficking.[43] Moreover, the reluctance or inability to pursue money laundering charges not only weakens deterrence but also perpetuates a cycle in which traffickers can reinvest illicit gains to expand their operations.[44] This financial resilience undermines victim restitution efforts, leaving survivors without adequate compensation and support.[45] Consequently, enforcement efforts fall short of the comprehensive disruption objectives outlined in the Trafficking Protocol and UNTOC, which prioritize dismantling organized crime by targeting financial infrastructure. Addressing these challenges requires integrated strategies that enhance legal capacities, promote international cooperation, and prioritize financial investigations as central to dismantling trafficking networks. Only through such comprehensive approaches can enforcement align with the Trafficking Protocol and UNTOC's objectives to disrupt organized crime by targeting its economic foundations.

By applying the Financial Approach Theory to these issues, it becomes evident that ignoring illicit financial flows allows criminal enterprises to persist and potentially expand because their profits remain undisclosed and unseized. This failure undermines efforts to dismantle the economic foundations sustaining trafficking activities. The Conjunction of Criminal Opportunity Theory further highlights that without targeting the financial infrastructure, the enabling conditions for trafficking, such as vulnerable victims, exploitable markets, and accessible laundering systems, continue unchecked. Consequently, law enforcement's fragmented focus on the "follow the person" method overlooks the indispensable "follow the money" strategy, which is crucial for fully disrupting trafficking networks.[46] Therefore, integrating financial investigations is essential to weaken the economic incentives and structural opportunities that perpetuate human trafficking.

Addressing these challenges necessitates comprehensive legal and policy reforms to establish mandatory, binding Standard Operating Procedures (SOPs) that integrate financial investigations into every human trafficking case.[47] These SOPs should standardize referral processes to the Financial Transaction Reports and Analysis Center (PPATK), ensuring the timely and consistent sharing of financial intelligence.[48] They must also embed robust

[43] Voorhout, "Combatting Human Trafficking Holistically through Proactive Financial Investigations."
[44] Dottridge, "Editorial: How Is the Money to Combat Human Trafficking Spent?"
[45] A. T. Gallagher, "Editorial: The Problems and Prospects of Trafficking Prosecutions: Ending Impunity and Securing Justice," *Anti-Trafficking Review*, no. 6 (2016): 1–11.
[46] Voorhout, "Combatting Human Trafficking Holistically through Proactive Financial Investigations."
[47] K. Roots, "Trafficking or Pimping? An Analysis of Canada's Human Trafficking Legislation and Its Implications. Canadian Journal of Law and Society," *Canadian Journal of Law and Society* 28, no. 01 (2013); Akartuna, Johnson, and Thornton, "A Holistic Network Analysis of the Money Laundering Threat Landscape: Assessing Criminal Typologies, Resilience and Implications for Disruption"; Brandt, "Illicit Financial Flows and Developing Countries: A Review of Methods and Evidence."
[48] Alexander, "The International Anti-Money-Laundering Regime: The Role of the Financial Action Task Force."

victim-protection protocols to safeguard confidentiality and encourage cooperation throughout the investigation.[49] Additionally, fostering inter-agency cooperation through clearly defined roles and responsibilities is essential for overcoming institutional fragmentation.[50] Strengthened coordination will enable unified, strategic enforcement actions that simultaneously target trafficking offences and their financial underpinnings, thereby enhancing the effectiveness of the "follow the money" approach and contributing to the comprehensive dismantling of human trafficking networks.

Indonesia's legal framework establishes a strong normative foundation for implementing the "follow the money" approach to combat human trafficking, grounded in both international treaties and domestic laws. Nonetheless, the effectiveness of financial investigations is compromised by discretionary statutory provisions that require "sufficient preliminary evidence" before initiating such inquiries, which leads to inconsistent enforcement. Institutional fragmentation further impedes coordinated action, as multiple agencies with overlapping mandates operate without unified Standard Operating Procedures (SOPs). Additionally, operational challenges, including the uneven application of victim protection measures, deter proactive financial scrutiny. Applying the Financial Approach Theory and the Conjunction of Criminal Opportunity Theory reveals that these barriers allow trafficking networks to preserve their economic incentives, thereby perpetuating criminal cycles. To fully operationalize the "follow the money" principle, legal reforms must mandate concurrent financial investigations, enforce binding inter-agency collaboration protocols, and embed victim-sensitive safeguards, thereby enhancing Indonesia's capacity to comprehensively dismantle trafficking networks.

Judicial Practices in Human Trafficking Cases in Indonesia

Human trafficking remains a critical and ongoing issue in Indonesia, as evidenced by the consistently high number of reported cases in recent years. Table 1 provides data on human trafficking incidents across Southeast Asia from 2022 to 2024, with Indonesia emerging as the country with the highest recorded figures among the ASEAN nations. Despite a minor reduction in 2024, Indonesia's case numbers continue to surpass those of its neighboring countries, including Thailand, Cambodia, the Philippines, and Malaysia. This persistent prevalence highlights the intricate challenges of combating trafficking within Indonesia's borders, revealing persistent weaknesses in prevention, enforcement, and prosecution efforts. These data further emphasize the urgent need for enhanced judicial and law enforcement measures to dismantle the underlying networks and financial systems that enable human trafficking in the region.

[49] Gallagher, "Human Rights and the New UN Protocols on Trafficking and Migrant Smuggling: A Preliminary Analysis."
[50] Boister, "The UNTOC and International Cooperation."

Table 1. Number of Human Trafficking Cases in Southeast Asia, 2022 – 2024

Country	2022 Cases	2023 Cases	2024 Cases
Indonesia	1,016	1,061	843
Thailand	257	314	381
Cambodia	359	533	647
Philippines	445	503	531
Malaysia	165	243	261

Source: The U.S. State Department (2022-2025)[51]

However, this prevalence is not proportionately reflected in judicial proceedings, as demonstrated by the significantly lower number of cases prosecuted and adjudicated by Indonesian courts (Table 2). This disparity indicates systemic challenges in law enforcement and judicial capacity, including case backlogs, under-prosecution, and possible gaps in investigation and evidence gathering. Consequently, many trafficking cases remain unresolved, allowing criminal networks to persist and operate with limited accountability to thrive. This lack of serious law enforcement against the networks involved in human trafficking cases can be seen by comparing the statistical data on the large number of human trafficking cases, as shown in Table 1 above, with the number of cases examined and tried by Indonesian courts, as sourced from the Indonesian Supreme Court's Annual Reports, U.S. The Department of State Trafficking in Persons Report and the ASEAN Progress Reports on Criminal Justice Responses to Trafficking, as seen in Table 2 below:

Table 2. Number of Human Trafficking Cases Handled by Courts in Indonesia

Province	2022		2023		2024	
	Cases Tried	Convictions	Cases Tried	Convictions	Cases Tried	Convictions
North Sumatera	26	24	38	33	-	-
Riau Islands	18	13	-	-	-	-
West Java	22	19	-	-	-	-
East Java	30	27	74	58	58	33
Jakarta	-	-	65	52	42	31

[51] The U.S. State Department, "2022-2025 Trafficking In Persons (TIP) Reports," 2025.

East Nusa Tenggara (NTT)	17	12	32	24	29	Unreported
West Kalimantan	-	-	41	30	33	20
South Sulawesi	-	-	27	20	-	-
TOTAL	113	95	277	217	162	84

In 2022, Indonesia reported 1,016 human trafficking cases, yet only 113 were prosecuted in court, resulting in 95 convictions.[52] This significant discrepancy indicates systemic challenges, such as case backlogs, limited investigative resources, and under-prosecution. Although judicial activity increased in 2023, with 277 cases tried and 217 convictions, the number remains disproportionately low compared to the number of reported incidents. These gaps highlight persistent enforcement inefficiencies, including inadequate evidence gathering and coordination among law enforcement agencies, which impede the effective judicial response required to address the scale and complexity of human trafficking in Indonesia.

Indonesia's legal framework for combating human trafficking is firmly grounded in both international and domestic law. It incorporates the United Nations Convention against Transnational Organized Crime (UNTOC) and its Palermo Protocol, ratified through Laws No. 5 and 14 of 2009. Domestically, Law No. 21 of 2007 criminalizes human trafficking, and Law No. 8 of 2010 addresses money laundering linked to trafficking activities. Together, these laws provide a comprehensive foundation for prosecuting trafficking offences and enable financial investigations aimed at tracing, freezing and confiscating illicit proceeds. This integrated legal framework supports a strategic "follow-the-money" approach, which is essential for disrupting the financial networks that sustain trafficking operations and enhancing Indonesia's compliance with international anti-trafficking obligations.[53]

The Financial Approach Theory asserts that illicit financial flows are the essential lifeblood sustaining organized crime, enabling criminal networks to grow and persist through reinvestment of illegal profits.[54] Complementing this, the Conjunction of Criminal Opportunity Theory explains that crime arises when three key factors converge: vulnerable victims, accessible exploitative markets, and financial systems that facilitate the laundering and reinvestment of illicit gains.[55] Together, these theories highlight the critical

52 The U.S. State Department, "2022-2025 Trafficking In Persons (TIP) Reports."

53 Mathers, *Crime School: Money Laundering True Crime Meets the World of Business and Finance*; Kleemans, "Follow the Money. Introduction to the Special Issue 'Financial Aspects of Organized Crime."

54 Broad, Lord, and Duncan, "The Financial Aspects of Human Trafficking: A Financial Assessment Framework"; Kleemans, "Organized Crime and the Visible Hand: A Theoretical Critique on the Economic Analysis of Organized Crime."

55 Levi and Soudijn, "Understanding the Laundering of Organized Crime Money"; Mcillwain, "Organized Crime: A Social Network Approach."

importance of integrating comprehensive financial investigations into human trafficking prosecutions. This integration is necessary to dismantle the economic infrastructure underpinning trafficking networks, thereby disrupting both the operational and financial mechanisms that enable their continued existence and expansion.

Despite this robust legal framework and theoretical support, judicial practices expose significant enforcement shortcomings, particularly regarding the financial aspects of trafficking cases. These gaps are illustrated by two case studies that reveal a narrow prosecutorial focus on immediate actors rather than on broader trafficking networks. These cases demonstrate failures to conduct comprehensive financial investigations, neglecting to trace illicit profits or target key beneficiaries, thereby allowing trafficking networks to sustain their operations and evade full accountability.

Case Study 1: Decision Number 663/Pid.Sus/2023/PN Tanjungkarang (Decision Tanjung Karang District Court Number 663/Pid.Sus/2023/PNTJK, 2023)[56]

In this case, the defendant, Dwiki Wenilton Bin Syaf Daniel, was convicted of recruiting and illegally sending 24 prospective migrant workers to Middle Eastern countries, violating Law No. 21 of 2007 on the Eradication of Human Trafficking and Law No. 18 of 2017 on the Protection of Indonesian Migrant Workers. The court sentenced him to three years and five months of imprisonment and imposed a fine. However, the prosecution narrowly focused on the recruitment and transportation aspects, neglecting the crucial element of financial gain or exploitation that underpins the trafficking networks. This limited approach failed to investigate the broader criminal network and the illicit profits derived, thereby overlooking the financial motivations central to trafficking offences, as established in Indonesia's legal framework and international protocols.

The defendant collaborated with several other parties, including Ramli, a fugitive associated with a business entity, and Meilinda Sari, who provided temporary accommodation for migrant workers before their departure. Despite this networked involvement, law enforcement has failed to investigate or prosecute these facilitators or trace the illicit financial gains derived from the exploitation of victims. This limited prosecutorial focus reveals a constrained understanding of the full scope of human trafficking offences, particularly neglecting the critical "purpose" element, obtaining financial or material benefit, which is fundamental to international protocols. Such omission undermines efforts to comprehensively dismantle trafficking networks, as it overlooks the economic motivations and financial flows that sustain and expand these criminal enterprises.

The absence of financial investigations in this case clearly demonstrates a failure to apply the essential "follow-the-money" principle, which is critical for dismantling human trafficking networks, as emphasized by the Financial Approach Theory. By concentrating exclusively on the "follow-the-person"

---

[56] Tanjung Karang District Court Republic of Indonesia, Decision Tanjung Karang District Court Number 663/Pid.Sus/2023/PNTJK.

method, law enforcement agencies miss vital opportunities to disrupt the financial infrastructure that sustains and enables trafficking activities. This narrow investigative focus allowed the trafficking network to preserve its illicit profits and continue its operations unimpeded. Furthermore, this case exemplifies a broader systemic issue characterized by prosecutorial and investigative fragmentation, where financial investigations are not routinely or systematically integrated into trafficking-related prosecutions. Such fragmentation undermines the comprehensive enforcement strategy required to target both the human and economic dimensions of trafficking, ultimately weakening efforts to dismantle organized trafficking networks and prevent their expansion into new areas. This highlights the urgent need for coordinated, multidisciplinary approaches that prioritize the tracing and confiscation of illicit financial flows in all trafficking cases

Case Study 2: Decision Number 621/Pid.Sus/2022/PN Batam (Decision Batam District Court, 2022)[57]

This case involved three defendants charged with the transnational movement of Indonesian citizens for exploitation by an organized group, violating articles 4, 16, and 48 of the Human Trafficking Law. The defendants were sentenced to prison terms ranging from three to four years and fined Rp200 million each. Judicial documents confirm the crime's organized and transnational nature, highlighting the involvement of a structured network operating across borders. Despite this, law enforcement focused primarily on apprehending domestic operatives, while key actors abroad, such as the Honglie Group in Cambodia, responsible for substantial profits through exploitative forced labor practices, remained unprosecuted. This limited scope underscores significant enforcement gaps in targeting the full criminal network and its financial mechanisms, which are essential for effectively dismantling trafficking operations.

However, law enforcement's investigative efforts remained confined primarily to apprehending domestic field operatives, neglecting the broader criminal networks. Notably, key actors based in Cambodia, such as the Honglie Group, which profited extensively from forced labor, were not prosecuted. This entity operated as a beneficial owner and financial backer, exploiting workers through harsh conditions and minimal wages to maximize profits. By leveraging these exploitative practices, the Honglie Group reinforced and expanded the trafficking network's infrastructure. The failure to pursue these principal beneficiaries and financiers represents a critical enforcement gap, allowing networks to retain their financial strength and operational capacity. This limited scope undermines efforts to dismantle the entire transnational trafficking organization and highlights the need for more comprehensive cross-border investigative strategies.

This case highlights the critical failure to pursue comprehensive financial investigations targeting the economic beneficiaries of the trafficking network, despite clear evidence of an organized crime structure generating substantial illicit profits. Law enforcement's investigative efforts remained narrowly focused on apprehending domestic field operatives, neglecting the broader

[57] District Court Batam, Decision Batam District Court.

financial dimensions essential to dismantling the network's economic foundation. Key actors, such as the Honglie Group in Cambodia, profited extensively from forced labor and exploited workers under inhumane conditions but were left unprosecuted. This reliance on the "follow-the-suspect" approach overlooks the necessity of tracing and seizing illicit financial flows, thereby allowing the trafficking network to maintain its financial strength and operational capacity. Consequently, this limited investigative scope undermines efforts to disrupt the entire transnational trafficking organization and highlights the urgent need for more integrated cross-border financial scrutiny and enforcement strategies.

The Financial Approach Theory mandates that investigations prioritize tracing, freezing, and seizing illicit proceeds to effectively weaken and dismantle criminal enterprises. By targeting the financial lifeblood of trafficking networks, law enforcement can disrupt the reinvestment of illegal profits that sustain and expand these organizations.[58] Complementing this, the Conjunction of Criminal Opportunity Theory emphasizes the critical need to interrupt financial systems that enable money laundering and the recycling of illicit gains, which perpetuate the cycle of exploitation.[59] The failure to integrate rigorous financial scrutiny in this case exemplifies a significant enforcement gap, allowing trafficking networks to maintain their financial resources and operational capacities.[60] This oversight not only undermines efforts to dismantle the broader criminal infrastructure but also facilitates the persistence and growth of human trafficking across jurisdictions.

This failure also reflects broader shortcomings in international cooperation, which is essential given the transnational nature of human trafficking. Effective enforcement requires robust mutual legal assistance, timely information sharing, and coordinated joint investigations to trace illicit assets and prosecute offenders across borders.[61] Without such collaboration, law enforcement efforts remain fragmented and limited to domestic jurisdictions, allowing traffickers to exploit safe havens and evade accountability for their actions. The absence of formal mechanisms for cross-border cooperation undermines the potential to dismantle entire trafficking networks and recover overseas assets. Strengthening international partnerships and legal frameworks is therefore critical to overcoming jurisdictional barriers, enhancing asset tracing, and ensuring the comprehensive prosecution of all actors involved in transnational human trafficking operations.

Indonesia's law enforcement and judicial systems face significant systemic challenges that hinder effective financial investigations in human trafficking cases. Institutional fragmentation is a major obstacle, with multiple agencies, including the National Police, Attorney General's Office, Corruption Eradication Commission, National Narcotics Agency, tax and customs authorities, and the Financial Transaction Reports and Analysis Center

---

58 Kleemans, "Organized Crime and the Visible Hand: A Theoretical Critique on the Economic Analysis of Organized Crime"; Broad, Lord, and Duncan, "The Financial Aspects of Human Trafficking: A Financial Assessment Framework."

59 Levi and Soudijn, "Understanding the Laundering of Organized Crime Money"; Mcillwain, "Organized Crime: A Social Network Approach."

60 Dottridge, "Editorial: How Is the Money to Combat Human Trafficking Spent?"; Gelle, "Enhancing Financial Security: AI-Driven Anti-Money Laundering (AML) and Compliance Monitoring in the Banking Sector."

61 Boister, "The UNTOC and International Cooperation."

(PPATK), operating under overlapping mandates.[62] The absence of binding Standard Operating Procedures (SOPs) for coordinated, joint investigations leads to inconsistent application of financial scrutiny. Consequently, trafficking-related money laundering investigations are frequently deprioritized, overshadowed by higher-profile crimes such as corruption and narcotics offences. This fragmented institutional landscape undermines comprehensive enforcement efforts, resulting in missed opportunities to trace, freeze, and confiscate illicit proceeds that sustain trafficking networks, thereby weakening Indonesia's overall judicial response to human trafficking. The absence of standardized protocols in Indonesia's judicial and law enforcement systems leads to inconsistent reporting of suspicious financial transactions related to human trafficking.[63] This inconsistency hampers effective engagement with the Financial Intelligence Unit (FIU) and limits the timely identification and analysis of illicit financial flows. Additionally, concerns regarding victim protection and confidentiality further complicate financial investigations. Disclosing sensitive information risks compromising victims' safety and willingness to cooperate, which is crucial for successful prosecution.[64] Although legal provisions for witness protection and confidentiality exist, their uneven and sporadic application across agencies discourages proactive financial scrutiny of the police. This lack of uniform safeguards results in missed opportunities to trace, freeze, and confiscate illicit assets, thereby weakening efforts to disrupt the financial networks that sustain human trafficking operations.

These challenges significantly limit asset recovery and the prosecution of financial crimes associated with human trafficking. Prosecutorial efforts tend to concentrate on primary trafficking offences, often overlooking money laundering charges that could strengthen deterrence and facilitate victim compensation.[65] This narrow focus allows trafficking networks to maintain their financial stability, enabling them to reinvest their illicit profits and expand their operations. Without addressing the financial components, enforcement remains incomplete, perpetuating exploitation and criminality. Strengthening prosecutorial strategies to include comprehensive financial investigations is essential for disrupting trafficking networks and enhancing victim justice.

Indonesia's normative framework, encompassing Law No. 21 of 2007 on the Eradication of Human Trafficking, Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering (TPPU Law), and ratified international instruments such as the UNTOC and the Palermo Protocol, establishes a comprehensive legal foundation for implementing the "follow-the-money" approach. However, the application of these laws is impeded by discretionary statutory provisions that require law enforcement to obtain "sufficient

[62] Wardhana and Sularto, "Studi Komparasi Formulasi Tindak Pidana Pencucian Uang Di Indonesia Dan Malaysia."

[63] Gelle, "Enhancing Financial Security: AI-Driven Anti-Money Laundering (AML) and Compliance Monitoring in the Banking Sector"; Mcillwain, "Organized Crime: A Social Network Approach."

[64] Malsch, "Victims' Fundamental Need for Safety and Privacy and the Role of Legislation and Empirical Evidence."

[65] Malsch, "Victims' Fundamental Need for Safety and Privacy and the Role of Legislation and Empirical Evidence."

preliminary evidence" before initiating financial investigations.[66] This conditional threshold results in inconsistent and selective enforcement, often allowing trafficking prosecutions to proceed without concurrent financial scrutiny. Consequently, this separation undermines the holistic disruption of trafficking networks by enabling illicit financial flows to remain untraced and unseized. Addressing this gap is essential to ensure that financial investigations are systematically integrated into all human trafficking cases, thereby strengthening enforcement and compliance with international obligations.

The Financial Approach Theory and the Conjunction of Criminal Opportunity Theory collectively underscore that effectively dismantling human trafficking networks necessitates addressing both the exploitation of victims and the financial mechanisms that sustain these enterprises. Financial investigations must be embedded in every trafficking case to ensure that illicit proceeds are thoroughly traced, frozen, and confiscated. This comprehensive targeting of economic foundations disrupts the reinvestment of criminal profits, thereby weakening the operational capacity and longevity of trafficking organizations. Integrating these investigations with traditional law enforcement methods is essential to dismantle the intertwined human and financial elements of trafficking, ensuring a holistic approach that aligns with international legal standards and enhances the effectiveness of enforcement.

Conclusion

This study aims to assess how effectively Indonesia's legal framework operationalizes the "follow-the-money" principle, identify the barriers preventing its full implementation, and propose reforms aligned with Indonesia's international obligations. Taken together, the findings answer these three questions in a single, interlocking way: the law permits financial investigation but does not require it, and it is this permissive design, not the absence of legal tools, that produces the enforcement gap documented in both case studies.

The Tanjungkarang and Batam decisions show this gap in practice: both cases involved clearly organized, multi-actor networks, yet both prosecutions stopped at the recruiter or domestic operative, leaving financial beneficiaries such as the Honglie Group entirely untouched. This is not incidental. This follows directly from the discretionary "sufficient preliminary evidence" threshold in the TPPU Law, compounded by the absence of a binding standard operating procedure forcing financial investigation to run in parallel with the trafficking charge, and further entrenched by institutional fragmentation across several agencies with overlapping anti-money-laundering authority. Each of these three factors reinforces the others: discretion gives agencies an easy exit from the more demanding financial inquiry; fragmentation removes any single agency's ownership of that inquiry; and the resulting absence of

[66] Putri and Waluyo, "Analysis Of The Urgency Of Proving Predicate Crime In Money Laundering Cases (Predicate Crime: Human Trafficking Crime)"; Geraldine, Altuti, and Firmansyah, "Urgensi Pembentukan Laporan Khusus Sebagai Solusi Alat Bukti Surat Dalam Penanganan Kasus TPPU Di Indonesia: Pintu Optimalisasi Hubungan PPATK-Penyidik."

financial scrutiny is precisely the condition that the Financial Approach Theory predicts will allow criminal enterprises to persist and reinvest.

According to the Conjunction of Criminal Opportunity Theory, the same evidence explains why the gap persists rather than closing over time: trafficking networks continue to find vulnerable victims, accessible markets, and, critically, a financial system that is never disrupted because no one is required to disrupt it. Therefore, the two theories converge on the same policy implication: closing the enforcement gap is not a matter of drafting new criminal offences but of removing the discretion that currently allows financial investigations to be skipped.

This is the study's central claim: Indonesia does not lack the legal architecture to pursue traffickers' financial infrastructure; it lacks the mandate to use it consistently. Addressing this single point of failure through mandatory joint standard operating procedures, clearer inter-agency ownership of financial referrals, and victim-sensitive protocols that make financial investigation compatible with victim protection rather than a threat to it, would do more to operationalize the "follow-the-money" principle than any expansion of the existing statutes.

Recommendation

Addressing these challenges requires thorough reforms of both legal frameworks and policies. Mandating integrated financial investigations through binding Standard Operating Procedures will ensure the consistent and systematic application of the "follow-the-money" approach in all trafficking cases. Enhancing inter-agency coordination with clearly delineated roles and responsibilities will address institutional fragmentation and facilitate unified enforcement. Embedding victim-sensitive safeguards within investigative protocols is essential to protect confidentiality and encourage cooperation, thereby strengthening the prosecution's outcomes.

Targeted capacity-building initiatives, including specialized training for investigators, prosecutors, and judiciary members, should be prioritized to enhance expertise in financial investigations related to human trafficking. Additionally, formalizing international cooperation mechanisms will enable effective cross-border investigations, asset tracing, and mutual legal assistance, which are crucial given the transnational nature of trafficking networks.

Future research could explore the development and evaluation of integrated operational models that combine financial and human rights-based approaches to trafficking enforcement. Investigating the impact of digital financial technologies on trafficking networks and the potential of emerging analytical tools to enhance financial intelligence in Indonesia would also provide valuable insights into strengthening enforcement strategies.

References

Akartuna, E. A., S. D. Johnson, and A. Thornton. "A Holistic Network Analysis of the Money Laundering Threat Landscape: Assessing Criminal Typologies, Resilience and Implications for Disruption." Journal of Quantitative Criminology 41, no. 2 (2024): 173–214.

Albanese, Jay S. Organized Crime In Our Times (Fourth Edition). Ohio: Anderson Publishing, 2004.

Alexander, K. "The International Anti-Money-Laundering Regime: The Role of the Financial Action Task Force." Journal of Money Laundering Control 4, no. 3 (2001): 231–248.

Allahrakha, N. "Addressing Barriers to Cross-Border Collection of E-Evidence in Criminal Investigations." International Journal of Law and Policy 2, no. 6 (2024): 1–9.

Barone, R, and D Masciandaro. "Organized Crime, Money Laundering and Legal Economy: Theory and Simulations." European Journal of Law and Economics 32, no. 1 (2010): 115–142.

Bohinich, O. L. "Interpretation of Law as a Problem of Legal Hermeneutics: Some Questions of Theory." Al'manah Prava 12 (2021): 119–124.

Boister, N. "The UNTOC and International Cooperation." Transnational Criminal Law Review 4, no. 1 (2025).

Bolster, Neil. "The UN Convention Against Transnational Crime 2000." In International Law and Transnational Organized Crime, edited by Peterke, Pierre Hauck, and Sven, 126. Oxford University Press, 2016.

Brandt, K. "Illicit Financial Flows and Developing Countries: A Review of Methods and Evidence." Journal of Economic Surveys 37, no. 3 (2022): 789–820.

Broad, R, N Lord, and C Duncan. "The Financial Aspects of Human Trafficking: A Financial Assessment Framework." Criminology and Criminal Justice 22, no. 4 (2020). https://doi.org/10.1177/1748895820981613.

Cheng, D., Y. Ye, S. Xiang, Z. Ma, Y. Zhang, and C Jiang. "Anti-Money Laundering by Group-Aware Deep Graph Learning." IEEE Transactions on Knowledge and Data Engineering 35, no. 12 (2023): 12444–12457.

Chuang, J. "Beyond a Snapshot: Preventing Human Trafficking in the Global Economy." Indiana Journal of Global Legal Studies 13, no. 1 (2006): 137–163.

District Court Batam. Decision Batam District Court (2022).

Dottridge, M. "Editorial: How Is the Money to Combat Human Trafficking Spent?" Anti-Trafficking Review 3, no. 3 (2014).

Farrel, Amy, Rebecca Pfeffer, Meredith Dank, and Colleen Owens. "Human Trafficking for Labor Exploitation." In Transnational Crime and Global Security, edited by Philip Reichel and Ryan Randa, 233. California: Prager Security International, 2018.

Farrell, A., C. Owens, and J. Mcdevitt. "New Laws but Few Cases: Understanding the Challenges to the Investigation and Prosecution of Human Trafficking Cases." Crime, Law and Social Change 61, no. 2 (2013): 139–168.

Gallagher, A. "Human Rights and the New UN Protocols on Trafficking and Migrant Smuggling: A Preliminary Analysis." Human Rights Quarterly 23, no. 4 (2001): 975–1004.

Gallagher, A. T. "Editorial: The Problems and Prospects of Trafficking Prosecutions: Ending Impunity and Securing Justice." Anti-Trafficking Review, no. 6 (2016): 1–11.

Gelle, V. "Enhancing Financial Security: AI-Driven Anti-Money Laundering (AML) and Compliance Monitoring in the Banking Sector." World Journal of Advanced Research and Reviews 25, no. 1 (2025): 2462–2476.

Geraldine, Amanda, Altuti, and Muhammad Rayhan Firmansyah. "Urgensi Pembentukan Laporan Khusus Sebagai Solusi Alat Bukti Surat Dalam Penanganan Kasus TPPU Di Indonesia: Pintu Optimalisasi Hubungan PPATK-Penyidik." Jurnal Hukum & Pembangunan 52, no. 4 (2022): 793.

Hataley, T. "Trade-Based Money Laundering: Organized Crime, Learning and International Trade." Journal of Money Laundering Control 23, no. 3 (2020): 651–661.

International Labour Organization (ILO). "Profits and Poverty: The Economics of Forced Labour (2nd Ed.)," 2024.

Irianto, Sulistyowati, and Shidarta. Metode Penelitian Hukum Konstelasi Dan Refleksi. Jakarta: Yayasan Pustaka Obor Indonesia, 2011.

Kleemans, E. R. "Follow the Money. Introduction to the Special Issue 'Financial Aspects of Organized Crime." European Journal on Criminal Policy and Research 21, no. 2 (2015): 213–216.

———. "Organized Crime and the Visible Hand: A Theoretical Critique on the Economic Analysis of Organized Crime." Criminology & Criminal Justice 13, no. 5 (2012): 615–629.

Korejo, M. S., R. Rajamanickam, and M. H. Md Said. "The Concept of Money Laundering: A Quest for Legal Definition." Journal of Money Laundering Control 24, no. 4 (2021): 725–736.

Levi, M., and M. Soudijn. "Understanding the Laundering of Organized Crime Money." Crime and Justice 49 (2020).

Malsch, M. "Victims' Fundamental Need for Safety and Privacy and the Role of Legislation and Empirical Evidence." Erasmus Law Review 14, no. 3 (2021): 161–169.

Massey, S., and G. Rankin. "Human Trafficking in Context." In Exploiting People for Profit: Trafficking in Human Beings, 1–33. London: Palgrave Macmillan UK, 2020.

Mathers, Chris. Crime School: Money Laundering True Crime Meets the World of Business and Finance. New York: Firefly Book, 2004.

Mcillwain, J. S. "Organized Crime: A Social Network Approach." Crime, Law and Social Change 32, no. 4 (1999): 301–323.

Moelong, Lexy J. Metode Penelitian Kualitatif. Bandung: Remaja Rosdakarya, 2007.

Motseki, M. M., and J. T. Mofokeng. "An Analysis of the Causes and Contributing Factors to Human Trafficking: A South African Perspective." Cogent Social Sciences 8, no. 1 (2022).

Naudé Fourie, A. "Expounding the Place of Legal Doctrinal Methods in Legal-Interdisciplinary Research." Erasmus Law Review 8, no. 3 (2015): 95–110.

Putri, Kirana Ardhelia, and Bambang Waluyo. "Analysis Of The Urgency Of Proving Predicate Crime In Money Laundering Cases (Predicate Crime: Human Trafficking Crime)." KRTHA BHAYANGKARA 18, no. 3 (2024): 716–729.

Roots, K. "Trafficking or Pimping? An Analysis of Canada's Human Trafficking Legislation and Its Implications. Canadian Journal of Law and Society." Canadian Journal of Law and Society 28, no. 01 (2013).

Schloenhardt, A. "Human Trafficking and Organized Crime." Criminology & Criminal Justice 19, no. 2 (2019): 197–213.

Shelley, Louise. Human Trafficking: A Global Perspective. Edited by Cambridge University Press. New York, 2010.

Sidabutar, R. N., E. Danil, E. Yunara, and M. Mulyadi. "The Legal Approach to Drug Trafficking with a Follow-the-Money Approach." Law and Humanities Quarterly Reviews 2, no. 2 (2023).

Simmons, B. A., P. Lloyd, and B. M. Stewart. "The Global Diffusion of Law: Transnational Crime and the Case of Human Trafficking." International Organization 72, no. 2 (2018): 249–281.

State Secretariat of Indonesia. Law No. 14 of 2009 ratifying the United Nations Protocol to Prevent, Suppress, and Punish Trafficking in Persons, Especially Women and Children (Palermo Protocol) (2009).

———. Law No. 21 of 2007 on the Eradication of Human Trafficking (2007).

———. Law No. 5 of 2009 ratifying the United Nations Convention against Transnational Organized Crime (UNTOC) (2009).

———. Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering (2010).

Tanjung Karang District Court Republic of Indonesia. Decision Tanjung Karang District Court Number 663/Pid.Sus/2023/PNTJK (2023).

The U.S. State Department. "2022-2025 Trafficking In Persons (TIP) Reports," 2025.

U.S. Department of State. "Trafficking in Persons Report 2025: Indonesia," 2025. https://www.state.gov/reports/2025-trafficking-in-persons-report/indonesia/.

United Nations. "Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, Supplementing the UN Convention against Transnational Organized Crime," 2000.

———. "United Nations Convention against Transnational Organized Crime," 2000.

Viano, E. C. Global Organized Crime and International Security. London: Routledge, 2018.

Voorhout, Jill E B Coster van. “Combatting Human Trafficking Holistically through Proactive Financial Investigations.” Journal of International Criminal Justice 18, no. 1 (2020): 87–106.

Walby, S., and B. Francis. “Improving the Estimate of Trafficking in Human Beings and Modern Slavery by Integrating Data From ILO/Walk Free/IOM and UNODC.” Social Indicators Research 176, no. 2 (2024): 669–693.

Wardhana, Rangganata Adhi Kusuma, and R.B. Sularto. “Studi Komparasi Formulasi Tindak Pidana Pencucian Uang Di Indonesia Dan Malaysia.” Jurnal Pembangunan Hukum Indonesia 4, no. 2 (2022): 227–44.

Zhang, S. X., and K.L. Chin. “Snakeheads, Mules, and Protective Umbrellas: A Review of Current Research on Chinese Organized Crime.” Crime, Law and Social Change 50, no. 3 (2008): 177–195.