

United Nations Global Programme
against Trafficking in Human Beings

*Coalitions against Trafficking in Human Beings
in the Philippines - Phase 1*

**Trafficking of Filipino Women to Malaysia:
Examining the Experiences and Perspectives of
Victims, Governmental and NGO Experts**

Executive Summary

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This research, contracted by the United Nations Interregional Crime and Justice Research Institute in Turin, Italy was part of a larger project on trafficking in human beings from the Philippines, *Coalitions Against Trafficking in the Philippines - Phase 1*. The focus of the research was to determine certain aspects of trafficking in Filipinos to include modes of recruitment, transportation, use of fraudulent documents, deception and exploitation, routes, corruption and collusion and the involvement of organised criminal groups.

Introduction

Sabah, a state in the south of Malaysia, was chosen as a main focus for the study on trafficking of Filipinos to Malaysia. It serves as the main entrance point to the country, particularly for Filipino women who are often trafficked into the sex industry. Statistics providing an indication of the seriousness of the problem show that of the 3.123 Filipinas arrested by the Malaysian Police Department in the year 2000 for their involvement in vice activities, 3.117 were arrested in Sabah.¹ The Federal Territory of Labuan (FT Labuan) serves as the centre of the sex industry in Sabah and was selected for the study of trafficked victims as it hosts a number of entertainment centres in which the women are employed.

Recognition of the trafficking problem

There is a dearth of literature on the trafficking of Filipino women into Malaysia. Unlike the question of illegal foreign workers, primarily from Indonesia to Malaysia, that of trafficked Filipino women has not entered the realm of contentious public debate, with the local academic community and individual enforcement officials completely ignoring the issue.

Methodology and research instruments

This research project is part of a larger research project examining the trafficking of Filipinos and their exploitation in various markets. All data were gathered using survey instruments provided by the United Nations Interregional Crime and Justice Research Institute (UNICRI). Individual survey instruments were designed to collect data from government case files, victims and criminal justice experts.

¹ Unfortunately these statistics indicate that women involved in the sex industry, rather than being viewed as possible trafficking victims, are arrested for violating vice laws. Based upon the Malaysia Police Department statistics, it is clear that Filipino women involved in such activities are concentrated in the Federal Territory of Labuan.

Period of data collection and interviews

The actual duration of data gathering for this report lasted from March 2001 to February 2002. The length of time necessary to complete an interview varied. For those women working in the entertainment centre, on average, the interview lasted approximately four hours (including conversation on the handset to fill in missing data not obtained during the face-to-face interview). Interviews with the three other women lasted approximately 1 hour 45 minutes. Interviews with criminal justice experts were more informal and took between 30 minutes to 2 hours.

Interview situation: victims

Key informants working in one of the entertainment centres were used to assist the researchers in establishing contact with women willing to grant an interview. Interviews with victims were held in the club where they worked. The three women working outside of the club were interviewed at a food stall in which one of them was working.

Problems encountered in data collection

Victims: The researchers conducted all victim interviews. The women were in a highly vulnerable position not just by virtue of the nature of their work and the control exercised by the criminal syndicate which employed them, they were also vulnerable by virtue of being illegal immigrants. Gaining their trust and their willingness to talk about themselves thus entailed a highly time-intensive expression of genuine interest in them and their problems, treating them as subjects of friendship, rather than as mere objects of interviews. Given that fact, and the fact that the women often granted interviews in their place of employment, it was impossible to administer the questionnaire in a formal manner. The researcher spoke with the women and after their interview recorded their responses on the survey instrument. Missing data were obtained at a later point in time.

Criminal justice experts and case files: Problems were also encountered in gaining access to government officials and case files. In Malaysia, the immigration, police and court case files remain confidential and closed to the public. The official policy of these three government departments is that the public, including researchers, are prohibited access to the files. Similar problems were encountered with the criminal justice interviews. The Police required consent from the Inspector-General of Police, and the Immigration Department insisted on consent from the Director-General. Consent was not forthcoming, despite the official letters from the university and UNICRI. Sabah proved to be the exception. It was therefore, not possible to administer the formal interview to more criminal justice experts from the government.

Findings

Samples

The sample for the study comprises:

Victims: All 29 Filipino women in the sample were living at the time of the interviews in FT Labuan. Twenty-six women worked in one entertainment company and the remaining 3 were not connected to the entertainment centres.

Criminal justice and non-governmental organisation (NGO) experts: Altogether, 19 interviews were held with experts from NGOs and law enforcement agencies. In West Malaysia a total of six interviews were held, including three with NGO experts; in Sabah, interviews were held with law enforcement officials in the following jurisdictions: Kota Kinabalu (6), Sandakan (3) and FT Labuan (4).

Cost and debts for trip abroad

For the 26 women recruited in Manila, the imputed cost of transportation and job placement amounted to RM 4,500² (\$1185) and was deducted from the monthly salary of the women after they began work. This includes the cost of the airfare from Manila to Zamboanga, the hotel accommodation while in transit, the ferry ticket to Sandakan, and the airfare from Sandakan to FT Labuan. The remaining three women in the victim's survey who were smuggled into Sabah from the Southern Philippines (no work arrangements were made) paid between PhP 7,000 (\$140) and PhP 9,900 (\$200).³ A senior law enforcement officer in Sabah estimated, based on investigations involving 2,710 women, that, in general, Filipino women were indebted by between RM 3,300 (\$870) to RM 4,500 (\$1185) for their travel and job placement. Another estimate places the total as high as RM 6,000 (\$1580).

Status at departure

The victims from Manila all entered Sabah with valid passports and one-month social visit entry passes (a visa allowing them to remain legally in the country). However, as the entry passes expired after one month, the women then became 'overstayers'. In order to be able to leave the Sandakan exit point for the Philippines upon their departure, they reported having to pay RM 1,000 (\$265). Law enforcement experts revealed the women were sometimes forced to pay as much as RM 3000 (\$790) to the criminal syndicate to have the social visit pass renewed.

Contractual agreement

Prior to their departure date, all the women recruited in Manila by the entertainment company in FT Labuan were told that they had entered into a contract with their employer.

² The Malaysian Ringit (RM) is valued at approximately US \$3.8. Figures have been rounded off.

³ The Philippine Peso (PhP) is valued at approximately 50 to US \$1. Figures have been rounded off.

They were deceived about the nature of the work which they would be required to perform. According to the contract, the following was promised:

- a) all travel expenses to Malaysia, comprising the cost of the passport, social visit pass, airfare, ferry fare and hotels, were to be advanced;
- b) this advance was to be considered a debt to be deducted monthly from their salary;
- c) the women were required to work for the company for not less than six (6) months;
- d) after that time, depending on whether the debt had been repaid to the company in its entirety, the girl would be allowed to return to the Philippines;
- e) the women were to be provided free of charge: cost of transportation from quarters to place of work, housing, and medical care;
- f) the women were to be placed in jobs in a supermarket or factory in Kuala Lumpur.

All of the 26 women promised jobs in a supermarket or factory were provided with a passport and a one-month social visit entry pass at the time of departure. In the case of the remaining three women who had to pay for the cost of transportation themselves, no contract, verbal or otherwise, existed.

Debt incurred and length of time to pay off debt

There were two categories of debt incurred by the women. Firstly, immediately after they confirmed acceptance of the job offer of the company/syndicate, they incurred a debt of RM 4,500 (\$1185). Secondly, unexpected debts further accumulated while at work in Malaysia. In this regard, there was a monthly deduction of RM 200 (\$53) for their quarters (originally promised free) and RM 380 (\$100) for the renewal of their social visit pass. All 26 women concerned settled their initial debt to the company after only 3 months. At the time of the research however, all 26 girls were still indebted to the company due to unexpected expenses.

Recruitment practices

None of the women in this study were victims of abduction, nor were cases of abduction encountered in the interviews with law enforcement officers. An NGO expert reported that cases of abduction have occurred, however, no indication of the number was available. All the women in the survey were recruited. Three (3) women from the southern Philippines responded to advertisements. The 26 women recruited in Manila were approached directly by recruiters. According to information from the former Guest Relations Officer of the entertainment company, as well as four of the victims, the 26 women were recruited by two employment agencies who recruited on behalf of the entertainment company in FT Labuan. Street-level recruiters working on behalf of the employment agencies were used to apprise them of the availability of “good” jobs in Malaysia. These were strangers, however, their contact with the women was facilitated through relatives, friends, and neighbours. According to information supplied by four of the victims, the women were taken by their “recruiter” to a prominent hotel in Manila for an interview organised by the employment agency. The interviewer was the Malaysian head of the entertainment company in FT Labuan.

Routes and experiences during the travel

Individuals departed from various ports and utilised various means of transport to complete their trips. Those recruited in Manila (n=26) first flew to Zamboanga City by air, accompanied by the head of the employment agency which recruited them. They stayed in Zamboanga City for several days before they were brought to Sandakan in Sabah by ferry. They were met at the ferry terminal in Sandakan by an employee of the entertainment company in FT Labuan. He then brought them by plane to Kota Kinabalu. From Kota Kinabalu, they were flown to FT Labuan. Two others departed Jolo to Zamboanga by ferry, then travelled by ferry to Sandakan, by land transport to Kota Kinabalu and by ferry to FT Labuan. One individual travelled by barter trading ship from Bongau to FT Labuan. The women recruited in Manila travelled in groups comprising 8, 11 and 13 persons. They were accompanied by the head of the employment agency. For the women recruited in and smuggled from the Southern Philippines, one came in a group of 15, comprising mainly neighbours and friends, together with the agent who recruited them. Another came in a group of 30 women, who were then divided into smaller groups after arrival in Sandakan, for further travel to Kota Kinabalu. The length of time that women travelled, using different means and in supervised groups points to a relatively high degree of organisation of the criminal enterprise smuggling and trafficking the women.

Use of safe houses and restricted freedom during travel

The 26 women in the victim survey who were recruited in Manila used valid passports. While in transit in Zamboanga City in Southern Philippines and Kota Kinabalu in Sabah, they stayed in hotels, including a five-star hotel in Kota Kinabalu, Sabah. They were accompanied, under strict supervision, by the company employees to public places such as restaurants and shopping complexes. It was only at the place of destination that there was the need for a “safe house” and restricted freedom. Part of the reason was that the one-month social visit pass of the girls had expired, and they were thus immigration offenders.

Markets in which Filipino victims are trafficked

An NGO expert reported Filipino women being trafficked into West Malaysia and forced to work in brothels. Law enforcement experts confirmed that women were being forced to work in places such as entertainment centres (used as a generic term here to refer to bars, discotheques and karaoke lounges), hair salons and massage parlours. In FT Labuan, the sex industry appears to centre around bars and clubs, the markets into which the Filipino women are trafficked. In these entertainment centres, the women are on duty to serve drinks to clients who enter the premises and to provide sexual services (under the term “booking”).

In addition to the entertainment centres which are serviced by the trafficked women there are also vice businesses that are run outside of fixed premises (such as the entertainment centres) and in which the women are moved from one place to another. Victims are moved individually or in groups.

Deception: conflict between promise and reality

The 26 victims working in the entertainment centre were promised jobs in a supermarket or factory in Kuala Lumpur but were forced to work in the sex industry in FT Labuan. Deception also occurred with regard to the conditions of work, such as the promise of free housing. In addition, no mention was made of the extra expenses which the women had to incur for the renewal of their social visit pass, or for bribery of the law enforcement officer upon voluntary return to the Philippines.

Coercion

Victim respondents did not indicate threats against their families or physical or sexual violence against the women themselves. While violence against women has been known to occur,⁴ in the victim survey, physical violence by the club owner as means to control or punish the women does not appear to occur. One woman who declined to work even after two weeks in the quarters, reported that she was given an ultimatum, to either go to work immediately or be sold to another syndicate. She also reported that when the women went against the instructions of the syndicate/company, the threat of violence, or real violence, was used, however, this was not confirmed by the other women interviewed in the entertainment centre. While none of the respondents in the study reported being victims of rape, cases of rape against trafficked victims have been recorded by the NGO Tenaganita in a research study and subsequent publication on trafficking in women in Malaysia.⁵

Despite the lack of physical or sexual violence as a means to coerce or control victims, the 26 women working for the entertainment company were all “forced” to work as sex workers. The vulnerability of the women was due to their debt to the company, as well as the fact that their passport was held by the company. The seizure of the travel documents – reported by the 26 respondents trafficked to work in the entertainment centre - was the main means of control over the women. As long as they were still indebted to the company, they were kept under strict surveillance at the entertainment centre by the manager and at their quarters by the security guard. Even after their debt had been paid off, their freedom of mobility was restricted by the fact that they were immigration offenders and hence it was safer to remain indoors in order to evade detection. If the women were arrested by immigration officials, it was almost certain that the entertainment centres would not give their passport back.

Seizure of documents and what was done to “buy” them back

In the case of the 26 women working in the entertainment centre, the passport was seized by the employer, to be redeemed only when the loan was repaid, or if someone else was prepared to “buy” the woman. After one month the social visit pass would have expired, as

⁴ In a report published by the Malaysian NGO Tenaganita, a woman who declined to follow the instruction of the syndicate was hit with an iron rod.

⁵ Women were forced into sexual contact with customers of the club however it must be assumed that either they were not forced into having sexual intercourse or that they did not consider this sexual intercourse a form of rape.

the syndicate/company failed to renew the social visit pass. This posed two kinds of problems: upon returning to the Philippines, the women would have to pay RM 1,000 (\$265) to the same syndicate/company which would arrange for their passage through the immigration gate at Sandakan Port. Alternatively, if they were caught by immigration officials, they would be charged with remaining in Malaysia without a valid pass and get six (6) months prison.

Rotation between groups and cities

According to one expert from an NGO there is evidence of trafficked victims being rotated between cities in West Malaysia. From West Malaysia, there is also further trafficking to Japan, Singapore and Thailand, Hong Kong, Taiwan, and Europe. In Sabah, according to a law enforcement officer, there is also evidence that trafficked victims are sold from club to club.⁶ In the victim survey, however, no instance of such rotation was reported, although there was a report by one victim that when she had still refused to take a “booking” after two weeks, she was threatened with being sold to another club.

Despite the fact that women interviewed were not rotated among clubs or cities, according to key informants as well as victims interviewed, this practice occurs frequently. There is a high level of rotation of women within the clubs due to the fact that the women sometimes run away, return voluntarily to the Philippines after working off their debt, are “bought” by someone else, or have been detained and deported. Thus the market demand for women remains constantly high and new women are constantly entering the clubs.

Organised crime group: organisation and scope

According to an expert interviewed at an NGO in West Malaysia, there are eleven (11) criminal groups in West Malaysia involved in the smuggling/trafficking of human beings from the Philippines. Groups vary in size but are relatively small. The most prevalent groups vary in size from between 6 and 10 members, followed by fewer groups of less than 5 members. Less common are larger groups comprising between 11 and 20 members. The structure of these organised criminal groups comprise four levels:

- Level 1 includes persons of which very little is known (not even their true identities), except that they are ‘well known powerful’ persons;
- Level 2 includes those individuals who receive orders, pass on information and give directives to the third level;
- Level 3 carries out the actual work of organising activities on the ground. They work closely with the fourth level. These persons may be pimps, madams, or small brothel owners. They have ‘close ties’ with government officials in the police and immigration departments;

⁶ During the course of the field work there were four cases reported of women being “bought” by a “boy friend” to be “wives” or mistresses. This frees them of their debt to the club. These women were not respondents in the victim survey.

- Level 4 consists of ‘errand boys’ who arrange transportation, buy food for the women and pass on information. They also look for potential new clients and areas for expansion. This group identifies potential trafficking victims, generally young women who they befriend, or to whom they promise work (or in some cases kidnap). They inform level three of these women for overseas markets. The level four group is also known to the sex workers (locally). They may also deal with illicit pharmaceutical and hard drugs.

During an interview, a senior law enforcement officer in Sabah, attested to the existence of such syndicates in Sabah, although no number was mentioned. According to this expert, the approximate size of the groups in terms of membership varies between six to ten members, while other groups have less than five. According to this expert, the structure of these organised criminal groups comprise three levels:

- Level 1, the “penganjur”, are the entertainment companies in Sabah, Malaysia. These “penganjur” or organisers receive the trafficked women and force them into prostitution;
- Level 2, the “agents”, are the groups of persons, almost always employment agencies, who recruit and sell or hand over the women to the “penganjur” in Malaysia or to the agents in the Philippines. In the Philippines, the agents are almost always Filipinos;
- Level 3, the “recruiters”, are persons hired by the agents to recruit the girls in the Philippines. Their target groups are broad and include young girls from poor families, as well as university or college students and graduates, school leavers and girls who are already in employment but are looking for better opportunities abroad.

The information supplied by the senior law enforcement officer concerning the nature of the criminal groups in Sabah tallies with the picture that emerges through the victim survey, the key informants and other experts interviewed.

Background of traffickers

According to respondents, employees from the entertainment company came from a number of countries. The owner of the entertainment company was a Malaysian-Chinese, who worked closely with Filipino partners. The Guest Relations Officer was a Filipino, the security guard was Indonesian, the managers were Malaysian-Chinese and Indian.

Document forgery

These vice and smuggling/trafficking syndicates do not themselves engage in document forgery but require the collaboration of a third type of syndicate in order to be able to maintain their operations. These are syndicates specialised in the fabrication or provision of false or tampered identity documents (expert interview). In local parlance, they are known as “sindekot IC palsu”. The forged documents concerned are identity cards (IC), birth certificates, temporary IC slips, as well as temporary refugee passes.

Criminal activities

No evidence during the course of the victims interviews was found of victims being forced to participate in criminal activities however, criminal justice experts contradicted this. There was also no further indication that the criminal syndicate running the entertainment centre was involved in other criminal activities. Interviews with NGOs and with a senior law enforcement officer indicated that some form of territorial control could at times be found. With respect to the use of professionals / intermediaries by criminal networks, NGO and law enforcement experts argue that the syndicates employ good legal advisors in order to exploit the law's weaknesses. Examples were found in the course of the study. According to one expert, proof of identity of the women is required for the prosecution of employers of trafficked women. The entertainment company recorded all payments of the women's salary and debts not according to the names in their passports, but according to code numbers, thus making it impossible to link specific women to the club owner.

Criminal earnings and distribution / criminal investment

Information regarding criminal earnings and investments to be derived from the trafficking of women, based on limited information, could only be estimated. Based on field observation done over a period of several months in the years 1995, 1998 and 2001 an attempt was made to reconstruct the earnings of the vice operations of the entertainment centres in FT Labuan. Total turnover generated monthly by 318 girls working in 9 entertainment companies amounted to RM 1,062,120 (\$ 280,000). This income was generated by the entertainment centre through the purchase of drinks and vice activities.

Table: Estimated monthly income of entertainment companies in FT Labuan

| Com-pany | No. of girls empl | Avrg no of Drinks | Price per glass (RM) | Turnover ladies drink (RM) | Avg no of . bookings | Price per booking | Turnover booking (RM) | Total turnover (RM) |
|--------------|-------------------|-------------------|----------------------|----------------------------|----------------------|-------------------|-----------------------|---------------------|
| Jptr | 40 | 2,400 | 14.00 | 33,600 | 400 | 250.00 | 100,000 | 133,600 |
| KE | 30 | 1,800 | 14.00 | 25,200 | 300 | 250.00 | 75,000 | 100,200 |
| BB | 30 | 1,800 | 14.00 | 25,200 | 300 | 250.00 | 75,000 | 100,200 |
| PKP | 38 | 2,280 | 14.00 | 31,920 | 380 | 250.00 | 95,000 | 126,920 |
| PLC | 30 | 1,800 | 14.00 | 25,200 | 300 | 250.00 | 75,000 | 100,200 |
| BC | 30 | 1,800 | 14.00 | 25,200 | 300 | 250.00 | 75,000 | 100,200 |
| CI | 30 | 1,800 | 14.00 | 25,200 | 300 | 250.00 | 75,000 | 100,200 |
| STRV | 20 | 1,200 | 14.00 | 16,800 | 200 | 250.00 | 50,000 | 66,800 |
| HLD | 70 | 4,200 | 14.00 | 58,800 | 700 | 250.00 | 175,000 | 233,800 |
| Total | 318 | | | 267,120 | | | 795,000 | 1,062,120 |

Source: empirical observation 1995, 1998, 2001 in FT Labuan.

Notes to table:

column 1 refers to an entertainment centre

column 2 refers to the number of women employed by an entertainment centre

column 3 refers to the total number of drinks consumed by a woman and her customers a month

column 4 refers to the price charged by an entertainment centre for a drink

column 5 refers to the turnover generated by a company through drinks on a monthly basis
column 6 refers to the number of “bookings” (term used for a prostitution service) based on an estimate of the number of times (10) each girl is booked by a customer
column 7 refers to the price charged to a customer for a single booking
column 8 refers to the turnover owing to a company as a result of the prostitution activities of the girls
column 9 refers to the monthly total turnover generated by a company through the activities of the girls

Police and Government responses

The victim survey identified specific incidents in which individual cases of connivance and corruption occurred between the syndicates and law enforcement officers at the local level. Criminal justice and law enforcement experts did not deny that this occurs in individual cases.

All the respondents in the victim survey were of the opinion that there was no or insufficient monitoring by their (Philippines) Government of the activities of labour recruiters. The study has shown a dismal absence of monitoring of the problem in the Malaysia. In fact, when a high ranking official within a law enforcement department in Sabah was asked for an interview, he responded by maintaining that the problem of trafficking did not exist in the state.

The Philippines does not have a labour attaché in Sabah. In fact, the vulnerability of trafficked Filipino women in Sabah stems in part from the absence of a consular office, as well as of NGOs, to which the women can turn to for assistance. This situation is quite different in Kuala Lumpur, where all cases referred to the NGO Tenaganita were done so by the Philippines Embassy to which the women had escaped.

Conclusions and Recommendations

The study has found clear evidence of trafficking of Filipino women by organised syndicates into the vice industry in Sabah/Malaysia based on deception and debt bondage. There were reports by victims of specific incidences of collusion and corruption on the part of individual law enforcement officers with the syndicates. The geographical scope of these syndicates in Sabah/Malaysia remains limited. Close collaboration is found between the Malaysian syndicates and Filipino partners, usually employment agencies. Women are also found to be further trafficked to West Malaysia from Sabah, but the radius of circulation appears to be restricted to the region. The study found that the vulnerability of the trafficked women was heightened by the fact that in Sabah, there is an absence of a Philippine consular office, or local NGOs, to which the women can turn to for help and assistance.

As this study has proven the existence of trafficking of Filipinas into the entertainment clubs in Sabah, law enforcement agencies in Malaysia must exercise tighter inspections and control over the conditions under which the women are employed in these clubs. Malaysian law enforcement agencies should be more closely monitored for corruption. A bilateral task force should be established to co-ordinate enforcement of existing laws against trafficking-related offences in both countries. The Philippine Government should consider establishing a

consular office in Sabah with an officer responsible for the protection of its workers there. As deception appears to be facilitated by the employment agencies in the Philippines, employment agencies should be more closely monitored.