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Criminal Uses of Cryptocurrencies in Human Trafficking Crimes

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Algeria**Issue web link**<https://imcra-az.org/archive/389-science-education-and-innovations-in-the-context-of-modern-problems-issue-1-vol-9-2026.html>**Keywords**

Cryptocurrencies, human trafficking, criminal organizations, forced labor, sexual exploitation.

Abstract

The contemporary world has witnessed a technological revolution in the field of financial technology, which gave rise to cryptocurrencies as a decentralized electronic monetary system. However, this technological development has also entailed serious criminal uses, as criminal organizations have exploited the characteristics of these currencies to facilitate human trafficking crimes. This study addresses the conceptual framework of cryptocurrencies and human trafficking crimes by analyzing their definitions and distinctive features. It then provides a detailed review of the methods of using cryptocurrencies in various stages of human trafficking crimes, starting from financing recruitment and transportation operations, through collecting proceeds from the sexual exploitation and forced labor of victims, to money laundering and concealing criminal proceeds using advanced technologies. The study aims to uncover the technical and financial mechanisms exploited by criminal organizations in using cryptocurrencies to finance human trafficking crimes, analyze the legal and security challenges facing international counter-efforts, and offer practical recommendations to develop legal frameworks, enhance international cooperation, and introduce advanced regulatory technologies to confront this growing phenomenon.

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Introduction

The contemporary world is experiencing an unprecedented technological transformation in the field of financial technology (FinTech), which has fundamentally reshaped the structure and mechanisms of global financial transactions. One of the most significant outcomes of this transformation is the emergence of cryptocurrencies as a decentralized digital monetary system based on blockchain technology. This technology has introduced innovative mechanisms for value transfer by enabling fast, secure, and relatively low-cost financial transactions that operate independently of traditional financial institutions and central banks.

Cryptocurrencies have been promoted as a revolutionary financial tool capable of enhancing financial inclusion, reducing transaction costs, and increasing efficiency in cross-border payments. However, as with most technological innovations, this development carries a dual nature. While cryptocurrencies offer substantial economic and technical advantages, they simultaneously create fertile ground for illicit and criminal activities. The defining characteristics of cryptocurrencies—such as decentralization, pseudonymity, borderless transactions, and the difficulty of real-time monitoring—have rendered them particularly attractive to transnational criminal organizations seeking to evade legal accountability and financial oversight (FATF, 2021; Europol, 2023).

Within this context, human trafficking emerges as one of the gravest forms of organized crime in the modern era. It constitutes a flagrant violation of human dignity and fundamental human rights and represents one of the most profitable criminal activities worldwide. According to international estimates, human trafficking ranks as the third-largest source of illicit income for organized crime, following drug trafficking and arms smuggling (UNODC, 2014). In recent years, a deeply concerning trend has emerged: human trafficking networks increasingly rely on cryptocurrencies to finance recruitment, transportation, exploitation, and profit-laundering activities, exploiting the technical and legal gaps that continue to challenge national and international law enforcement agencies (Chainalysis, 2024; FATF, 2021).

The significance of this study stems from both scientific and practical considerations. Scientifically, it seeks to address a notable gap in Arabic legal and criminological literature, which lacks comprehensive analyses of the intersection between cryptocurrencies and human trafficking crimes. Practically, the study responds to the urgent need to understand the evolving methods employed by criminal organizations as they integrate advanced financial technologies into their illicit operations. Criminal groups no longer rely solely on conventional financial channels; instead, they actively exploit digital technologies to create complex, opaque, and difficult-to-trace financial networks (Europol, 2023; Chainalysis, 2025).

In light of the foregoing, the central research problem of this study may be formulated as follows: **How do criminal organizations exploit the technical and financial characteristics of cryptocurrencies to facilitate and finance human trafficking crimes at their various stages?**

To address this question in a systematic and comprehensive manner, the study is structured around two main axes. The first axis examines the conceptual framework of cryptocurrencies and human trafficking crimes, while the second axis analyzes the specific methods through which cryptocurrencies are used in the commission and financing of human trafficking crimes.

First Axis: The Conceptual Framework of Cryptocurrencies and Human Trafficking Crime

Establishing a clear conceptual framework for cryptocurrencies and human trafficking crimes constitutes an essential methodological prerequisite for understanding the complex relationship between these two phenomena. Analyzing the criminal use of cryptocurrencies requires a thorough understanding of their technical and financial characteristics, alongside an examination of the legal, social, and criminal dimensions of human trafficking.

Cryptocurrencies—characterized by decentralization, anonymity, and global accessibility—provide an enabling environment for illicit financial flows, while human trafficking represents one of the most sophisticated forms of organized crime, increasingly adapted to technological advancements. Accordingly, reviewing the definitions, characteristics, and conceptual distinctions related to cryptocurrencies and human trafficking forms the theoretical foundation upon which this study analyzes the practical mechanisms of criminal exploitation across the various stages of trafficking activities.

First: The Reality of Cryptocurrencies

Definition of Virtual and Cryptocurrencies

The concept of cryptocurrencies has been addressed using diverse terminologies in legal, economic, and technical literature, including *electronic currency*, *digital currency*, *virtual currency*, *decentralized currency*, and *alternative currency*. This multiplicity of terms reflects the novelty of the phenomenon and the diversity of disciplinary perspectives through which it has been examined.

The Financial Action Task Force (FATF) defines virtual currencies as “a digital representation of value that can be digitally traded or transferred and used for payment or investment purposes,” while emphasizing that such currencies are not issued or guaranteed by any central bank or public authority (FATF, 2021).

Similarly, the International Monetary Fund (IMF) defines digital currency as a monetary value represented by electronic credit units stored electronically on behalf of users, serving as an alternative to physical cash (IMF, cited in ECB, 2012). From this perspective, digital currencies represent an electronic substitute for traditional paper money and coins.

The European Banking Authority (EBA) defines virtual currencies as “a digital representation of value that is not issued by a central bank or public authority and is not necessarily attached to a fiat currency, but is accepted by natural or legal persons as a means of exchange and can be transferred, stored, or traded electronically” (EBA, cited in ECB, 2012).

In the same vein, the European Central Bank (ECB) describes virtual currencies as “a type of unregulated digital money, usually issued and controlled by its developers, and used and accepted among the members of a specific virtual community” (ECB, 2012).

The Bank for International Settlements (BIS) defines digital currency as “a monetary value in the form of electronically stored credit units held on a device or electronic medium under the control of the user” (BIS, cited in FATF, 2021).

Based on these definitions, cryptocurrencies may be characterized as virtual digital currencies that lack a tangible physical form and are generated through cryptographic algorithms. They operate on decentralized peer-to-peer networks, are not subject to the control of central banks or official monetary authorities, and are primarily used via the internet for purchasing goods, services, or transferring value. Their acceptance is voluntary and depends on users' trust in the underlying technology.

From an academic perspective, Al-Nuaimi defines cryptocurrencies as "units of commercial exchange that exist exclusively in electronic form, encrypted and decentralized, operating through peer-to-peer systems, fully managed by users without any central authority or intermediary, and used via electronic devices such as computers and smart phones to obtain goods and services" (Al-Nuaimi, cited in Benabi, 2024).

This definition encapsulates the core attributes of cryptocurrencies—encryption, decentralization, and autonomy—while highlighting their operational reliance on digital infrastructure, which makes them particularly susceptible to exploitation by organized criminal networks.

Common Characteristics of Virtual Currencies

The definitions presented above converge on a set of core characteristics that distinguish virtual currencies from traditional legal tender:

Digital representation of value: Virtual currencies exist as digitally recorded units of account and do not possess a tangible physical form such as banknotes or coins (European Central Bank [ECB], 2012).

Absence of sovereign legal backing: Virtual currencies are generally **not issued by a central bank or public authority**, are not guaranteed by the state, and often operate outside conventional regulatory frameworks. Their governance may rely on developers, private operators, or distributed communities rather than formal monetary authorities (ECB, 2012; Financial Action Task Force [FATF], 2021).

Acceptance within specific user communities: Virtual currencies are typically accepted by natural or legal persons based on voluntary agreement and may be used within particular platforms, networks, or digital environments for exchange, payment, or value transfer (ECB, 2012; FATF, 2021).

2. The Distinction Between Digital Currencies, Virtual Currencies, and Cryptocurrencies

A recurring conceptual challenge in legal and economic literature is the overlap among the terms **digital currencies**, **virtual currencies**, and **cryptocurrencies**. While these terms are sometimes used interchangeably in public discourse, they denote different levels of classification and distinct technical properties.

2.1 Digital Currencies as an Umbrella Category

Digital currency is a broad term referring to monetary value represented and transferred through electronic means. Under this umbrella fall multiple forms of electronically mediated value—whether regulated or unregulated—depending on the issuing authority and legal status (Laour & Kouta, 2021).

2.2 Virtual Currencies

Virtual currencies represent a **subcategory of digital currencies**, typically characterized by the fact that they are **not issued by a central bank** and may function as units of exchange within digital environments. The ECB's early formulation emphasizes their frequent lack of regulation and their use within particular virtual communities (ECB, 2012). FATF's guidance also treats them as digital representations of value that can be transferred or traded electronically and used for payment or investment, while stressing their difference from sovereign currency (FATF, 2021).

Virtual currencies can include:

Closed-system currencies limited to a platform (e.g., in-game or platform credits).

Open-system virtual currencies that can be exchanged and traded beyond a single platform (ECB, 2012).

2.3 Cryptocurrencies

Cryptocurrency is a more specific term referring to a type of virtual (digital) currency that relies on **cryptographic techniques** and is typically operated through **decentralized networks**. Most cryptocurrencies use blockchain or similar distributed-ledger technology, where transactions are validated through network consensus rather than a central intermediary (ECB, 2012; FATF, 2021).

The term "cryptocurrency" itself reflects this structure: *crypto* derives from *cryptography* (encryption), while *currency* refers to money-like value used as a medium of exchange. In practical terms, cryptocurrencies employ cryptography to:

secure transactions,

validate ownership and transfers, and

control issuance mechanisms (FATF, 2021).

2.4 Practical Consequences of the Distinction

From a legal-policy perspective, the distinction matters because **not all virtual currencies are cryptocurrencies**, but **most cryptocurrencies are virtual currencies**. Virtual currencies may exist within controlled environments and may

not necessarily depend on advanced encryption or decentralized consensus. In contrast, cryptocurrencies are typically:

more technically complex,

more resistant to centralized interference, and

more easily transferable across borders due to global trading venues (ECB, 2012; Europol, 2023).

A further practical distinction concerns *scope of use*. Many virtual currencies have value primarily **within a closed ecosystem**, such as platform or game currencies (e.g., *Robux* in *Roblox*, or “gold” in certain online games). Cryptocurrencies, however, are generally designed for broader exchange and are traded in open markets against fiat currencies and other crypto-assets (FATF, 2021; Europol, 2023).

3. Key Characteristics of Cryptocurrencies

Cryptocurrencies possess a set of technical and economic attributes that differentiate them from traditional payment instruments and conventional banking systems.

(a) Cryptographic Security

Cryptocurrencies rely on **cryptography** to protect transaction integrity and authenticate transfers. In general terms, encryption refers to transforming data into coded form to prevent unauthorized access. In cryptocurrency systems, cryptography supports secure ownership verification, transaction authorization, and resistance to falsification or duplication (FATF, 2021; ECB, 2012).

(b) Decentralization and Absence of Central Issuance Authority

A defining feature of cryptocurrencies is their operation without central bank issuance or direct control by a governmental authority. Unlike state currency—where issuance volume, timing, and monetary policy are determined by a legally empowered central authority—cryptocurrency issuance and validation typically occur through distributed protocols and network consensus mechanisms (ECB, 2012; FATF, 2021).

Users may acquire cryptocurrencies through:

exchange platforms (trading),

receiving payment for goods/services, or

technical mechanisms such as mining or validation in certain networks (FATF, 2021).

Cryptocurrencies are stored and managed through **digital wallets**, and owners can transfer, exchange, or convert them into fiat currencies or other virtual assets depending on market access and regulatory constraints (FATF, 2021; Europol, 2023). In Algeria, by contrast, monetary issuance authority belongs to the legally competent national institutions (as a general principle of monetary sovereignty), which illustrates the structural difference between state currency and decentralized crypto systems (Laour & Kouta, 2021).

(c) Global and Borderless Functionality

Cryptocurrencies are inherently transnational. Their networks operate on the internet and are not confined to a specific geographic territory. This feature enables rapid cross-border value transfers that may bypass traditional banking channels and reduce reliance on intermediaries (FATF, 2021; Europol, 2023).

This borderless nature creates significant regulatory and enforcement challenges. While states may criminalize specific uses of cryptocurrencies domestically, the underlying networks remain globally accessible, and transactions can be routed through exchanges, wallets, or services in multiple jurisdictions. As a result, regulatory effectiveness often depends on international cooperation, harmonized compliance standards, and the capacity to monitor or regulate virtual asset service providers (VASPs) (FATF, 2021; Europol, 2023).

(d) Peer-to-Peer (Two-Party) Nature of Transactions

One of the defining technical features of cryptocurrencies is their peer-to-peer (P2P) or two-party transactional structure. Unlike traditional financial systems—where transactions typically require intermediaries such as banks, payment processors, or credit card companies—cryptocurrency transactions occur directly between the sender and the recipient. In this model, the transaction involves only two parties: the payer and the payee.

In conventional financial systems, monetary transfers are generally three-party transactions, as they pass through a central intermediary responsible for verification, authorization, and settlement. By contrast, cryptocurrency transactions are executed directly from the client's digital wallet to the merchant's wallet through a decentralized network, without reliance on a centralized financial institution (European Central Bank [ECB], 2012; Financial Action Task Force [FATF], 2021).

Technically, this feature is enabled by blockchain technology, which operates as a distributed, encrypted ledger. Each transaction is recorded, verified, and validated by multiple nodes within the network through consensus mechanisms, ensuring integrity and transparency without the need for a central authority. This decentralized architecture eliminates traditional intermediaries while maintaining transactional security through cryptographic validation and distributed verification (FATF, 2021; Europol, 2023).

(h) Low Transaction Fees

Another notable characteristic of cryptocurrencies is the low cost of transactions. In many cases, cryptocurrency transfers are either fee-free or subject to minimal fees when compared to traditional banking and electronic payment systems. This is primarily due to the absence of centralized intermediaries such as banks, clearinghouses, or credit card companies that typically impose service charges for processing transactions.

Cryptocurrency transactions involve the transfer of digital tokens directly from the buyer's wallet to the seller's wallet through peer-to-peer networks. Since no third-party intermediary is required to authorize or process the transaction, operational costs are significantly reduced. Any fees incurred are generally limited to network validation incentives (e.g., miner or validator fees), which are often substantially lower than conventional banking fees (ECB, 2012; FATF, 2021).

(w) Possession of Monetary Value

Cryptocurrencies possess real monetary value due to their convertibility into traditional fiat currencies. Holders of cryptocurrencies can exchange them for legal tender—such as the US dollar, euro, or British pound—through specialized trading platforms, licensed cryptocurrency exchanges, or cryptocurrency ATMs. This convertibility confers upon cryptocurrencies an economic value recognized within the traditional financial system.

The monetary value of cryptocurrencies is determined by market forces of supply and demand and is reflected in constantly fluctuating exchange rates. This volatility does not negate their monetary character; rather, it confirms their treatment as assets with measurable economic value. As a result, cryptocurrencies function not merely as abstract digital units but as financial instruments capable of storing value, facilitating exchange, and enabling capital accumulation (FATF, 2021; Chainalysis, 2024).

Second: The Concept of the Crime of Human Trafficking

Human trafficking constitutes one of the most serious forms of transnational organized crime in the contemporary world. It represents a profound violation of human dignity and fundamental human rights by reducing individuals to commodities subject to sale, purchase, and exploitation. Due to its gravity, scope, and devastating humanitarian consequences, human trafficking has attracted significant international legal and institutional attention.

Accurate understanding of this crime requires a precise legal definition, identification of its essential characteristics, and clear distinction from related offenses. Accordingly, this section addresses the definition of human trafficking under international law, outlines its defining characteristics, and distinguishes it from similar crimes such as migrant smuggling, kidnapping, and prostitution.

1. Definition of the Crime of Human Trafficking

In legal doctrine, human trafficking has been defined as:

“All lawful and unlawful acts that transform a human being into a commodity handled by professional intermediaries across national borders for the purpose of exploitation in forced labor, sexual services, or similar practices, regardless of the victim’s consent”. (Maino, 2020).

At the international level, the most authoritative definition is provided by the United Nations Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime (the Palermo Protocol). Article 3(a) defines human trafficking as:

“The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation...”

(United Nations Office on Drugs and Crime [UNODC], 2000).

The Office of the United Nations High Commissioner for Human Rights further describes human trafficking as:

“The process by which individuals are placed in exploitative situations for the purpose of economic gain” (OHCHR, 2014).

These definitions reveal that the international legal framework deliberately adopts a broad and inclusive approach, extending protection to *all persons* without distinction of gender, age, or status. The protocol identifies three cumulative elements of the crime:

1. The act (recruitment, transportation, transfer, harboring, or receipt),
2. The means (force, coercion, deception, abuse of power, or vulnerability), and
3. The purpose (exploitation in its various forms).

Where any of the prohibited means are used, the victim’s consent is legally irrelevant (UNODC, 2000).

2. Characteristics of the Crime of Human Trafficking

Human trafficking is distinguished by several defining characteristics:

(a) The Human Being as the Subject of the Crime

The object of human trafficking is the human being, treated as a movable commodity subject to various forms of exploitation. This exploitation may involve forced labor, sexual exploitation, servitude, or even the removal of organs for commercial purposes. Vulnerable groups—particularly women, children, migrants, and economically marginalized individuals—are disproportionately targeted (UNODC, 2014).

(b) A Composite Crime

Human trafficking is classified as a composite crime, as it consists of multiple criminal acts, each of which may independently constitute a criminal offense (e.g., kidnapping, fraud, assault). This classification has significant legal consequences regarding statutes of limitation, territorial jurisdiction, and judicial competence. The limitation period typically begins from the commission of the final act, and jurisdiction may extend to any state in which one of the constituent acts occurred (Ben Daaas, 2018).

(c) A Continuing and Momentary Crime

Human trafficking may manifest as either a continuing crime or a momentary crime, depending on the nature of the conduct. Acts such as harboring, sheltering, and prolonged exploitation often constitute continuing crimes, while acts such as initial recruitment or transportation may be momentary. The determination of continuity is subject to judicial assessment based on statutory interpretation and factual circumstances (Al-Afer, 2022).

(d) A Profit-Driven Criminal Activity

Human trafficking operates as a highly lucrative criminal enterprise governed by economic logic. Victims are treated as renewable assets capable of generating repeated profits over extended periods. Criminal networks adopt structured business models, incorporating recruitment, logistics, exploitation, and financial laundering stages, often supported by advanced technologies to maximize profits and minimize detection (UNODC, 2014; Chainalysis, 2024).

3. Distinguishing Human Trafficking from Other Crimes

(A) Human Trafficking vs. Migrant Smuggling

Human trafficking and migrant smuggling share certain surface similarities, including the involvement of organized networks and cross-border movement. However, they differ fundamentally in legal nature and purpose. Human trafficking is a crime against the individual's dignity and freedom, while migrant smuggling is a crime against state sovereignty and immigration control. Trafficking involves coercion, deception, and exploitation, whereas smuggling is generally based on the migrant's consent and ends upon arrival at the destination. Moreover, trafficking may occur domestically or internationally, while smuggling necessarily involves crossing international borders (UNODC, 2000; Irfan, 2024).

B. Human Trafficking vs. Kidnapping

Kidnapping may occur as an **independent offense**, and it may also function as a **means** used to facilitate human trafficking. However, the two crimes differ in their *legal structure, protected interest, and criminal purpose*.

From the perspective of **criminal intent**, human trafficking requires both **general intent** (knowledge and will regarding the criminal conduct) and **specific intent** directed toward **exploitation** (e.g., sexual exploitation, forced labor, servitude, or other exploitative ends). Kidnapping, by contrast, is often satisfied by general intent—namely, the intent to unlawfully move or detain a person with awareness of the act—without necessarily requiring proof of an exploitative purpose as an essential element (UNODC, 2000; Ben Daaas, 2017/2018).

In terms of the **protected legal interest**, trafficking primarily targets **human dignity and personal freedom** through a structured process that commodifies the victim and turns the person into an object of exploitation and profit. Kidnapping, although grave, is typically centered on unlawful deprivation of liberty and movement; it does not necessarily include the subsequent commercial exploitation characteristic of trafficking (UNODC, 2014; Al-Afer, 2021-2022).

Accordingly, **kidnapping may end once the victim is unlawfully moved or detained**, while trafficking is not fulfilled by deprivation of liberty alone; it extends to the **initiation or intended purpose of exploitation**, which is the defining element distinguishing trafficking from many other offenses that may overlap in conduct (UNODC, 2000; Al-Shenawy, 2014).

C. Human Trafficking vs. Prostitution

The concept of prostitution is approached differently in legal and sociological writings. Some definitions focus broadly on the exchange of sexual services for payment without distinguishing between coercion and voluntariness, while others emphasize the exploitation dimension and the broader moral and public-order concerns (Bashir, 2019; UNODC, 2014).

Human trafficking and prostitution may intersect, particularly where trafficking involves the **exploitation of the prostitution of others** or other forms of sexual exploitation. Yet the two remain distinct in key respects.

- 1. Agency and control:** In prostitution-related offenses (as treated in many domestic legal systems), liability may attach to the individual's conduct or to facilitating/organizing conduct depending on the statute. In trafficking for sexual exploitation, the decisive feature is the presence of **control, coercion, deception**, or abuse of vulnerability exercised by traffickers or intermediaries over the victim, with exploitation as the end goal (UNODC, 2000; Irfan, 2024).
- 2. Protected interest:** Prostitution offenses are frequently framed as crimes against **public morals** or public order in many legal traditions. Human trafficking is framed as a crime against **human dignity, freedom, and fundamental rights**, and is treated internationally as a serious form of organized crime requiring victim-centered protection mechanisms (UNODC, 2014; Bashir, 2019).
- 3. Core element—exploitation:** Human trafficking is legally anchored in the tripartite structure of **act-means-purpose**, where exploitation is central and where victim consent is legally irrelevant when prohibited “means” are present (UNODC, 2000).

Second Axis: Methods of Using Cryptocurrencies in Human Trafficking Crimes

The evolution of financial compliance systems and the tightening of anti-money laundering and counter-terrorist financing controls have increased pressure on criminal organizations' access to traditional banking channels. In response, many criminal networks have sought alternative financial pathways that reduce traceability and bypass institutional oversight. The expansion of digital infrastructures—online communications, platform-based markets, and cross-border services—has enabled criminal groups to coordinate transnationally and operationalize illicit supply chains at scale (Europol, 2023; UNODC, 2025).

Within this environment, cryptocurrencies have become an enabling tool in trafficking-related criminal economies. Their appeal stems from operational features such as pseudonymity, rapid settlement, borderless transfer, and the ability to layer transactions across multiple services and jurisdictions—especially when combined with platforms and services that lack robust compliance controls (FATF, 2021; Europol, 2023).

First: Financing Recruitment and Transportation Operations

Digital communication channels provide traffickers with broad access to potential victims through websites, messaging applications, and social media platforms. Cryptocurrencies are used in this stage primarily to fund recruitment-related expenditures and to pay for logistics while reducing reliance on traceable banking systems (UNODC, 2025; Europol, 2023).

In practice, crypto-assets may be used to:

- pay for online advertisements and deceptive recruitment content,
- compensate recruiters and intermediaries,
- purchase digital marketing services, and
- cover transportation-related costs (including payments to facilitators and temporary accommodation), particularly when traffickers seek to avoid conventional financial scrutiny (UNODC, 2025; FATF, 2021).

Europol has repeatedly highlighted the growing role of crypto-assets in digital criminal service markets and their use as a payment mechanism within certain illicit ecosystems (Europol, 2023). This functional role aligns with the broader shift toward technology-enabled organization and financing of transnational crime (UNODC, 2025).

Second: Financing Exploitation Operations and Collecting Criminal Proceeds

The exploitation stage is typically the most profitable phase of the trafficking chain. Here, cryptocurrencies facilitate the movement and collection of proceeds associated with exploitative activities by offering fast settlement and reduced dependence on regulated intermediaries (Chainalysis, 2024; Europol, 2023).

At this stage, crypto-assets may be used to:

- receive payments for exploitative services coordinated through online channels,
- move revenues across wallets and services to obscure origin, and
- aggregate proceeds in ways that complicate attribution across borders (FATF, 2021; Chainalysis, 2024).

International materials also emphasize that technology can facilitate trafficking through digital advertising, communication, coordination, and monetization, increasing the evidentiary and investigative burden on enforcement agencies (UNODC, 2025). Where trafficking intersects with online exploitation, payment rails that reduce identity exposure intensify enforcement difficulties and complicate victim protection efforts (UNODC, 2014; UNODC, 2025).

Third: Money Laundering and Concealment of Criminal Proceeds

After generating profits, trafficking networks face the operational challenge of **integrating illicit proceeds** into the legitimate economy. Crypto-asset ecosystems offer multiple laundering typologies that can be used to hinder tracing and attribution.

Commonly discussed typologies include:

- **mixing/tumbling services** that blend funds from multiple sources to obscure transactional provenance,

- **transaction layering (“peeling”)** by splitting large sums into many small transfers across multiple wallets,
- converting between assets using services that have weak compliance controls, including certain decentralized mechanisms, and
- exploiting jurisdictional gaps through service providers operating in environments with limited AML enforcement (FATF, 2021; Europol, 2023; Chainalysis, 2025).

Recent risk analyses also note that **NFT markets** can be abused for illicit finance through inflated valuations and self-dealing behavior that mimics legitimate market activity (U.S. Department of the Treasury, 2024). Additionally, specialized industry analysis has discussed risks connected to mining and laundering typologies in certain contexts, especially where due diligence is weak (Chainalysis, 2025).

FATF guidance emphasizes that effective mitigation depends on robust AML/CFT implementation by **Virtual Asset Service Providers (VASPs)**, risk-based supervision, and mechanisms that reduce anonymity at the points where crypto-assets interface with regulated systems (FATF, 2021).

Conclusion

This study demonstrates that human trafficking crimes have undergone a significant operational evolution in the era of digital financial technologies. Cryptocurrencies have become an enabling financial tool for certain criminal organizations, supporting trafficking activities across multiple stages—from recruitment and transportation to monetization of exploitation and the laundering of proceeds.

The analysis shows that the same characteristics designed to optimize financial efficiency—rapid transfers, global reach, and reduced reliance on intermediaries—can also be exploited to decrease transparency and increase the complexity of investigations. Consequently, the convergence of advanced financial technology and organized crime has contributed to emerging, multi-jurisdictional criminal patterns that challenge traditional enforcement and regulatory models (Europol, 2023; FATF, 2021; UNODC, 2025).

Key Findings

- Human trafficking is a complex, profit-driven crime structured around multiple acts (recruitment, transportation, harboring, receipt, and exploitation), making it among the most dangerous forms of organized transnational crime (UNODC, 2000; UNODC, 2014).
- Crypto-assets have become attractive to criminal networks due to pseudonymity, speed of settlement, cross-border functionality, and the possibility of layering transactions to complicate traceability (FATF, 2021; Europol, 2023).
- Digital spaces and online infrastructures can facilitate trafficking through recruitment, coordination, and monetization, increasing investigative complexity and requiring new evidentiary approaches (UNODC, 2025).
- Crypto-enabled laundering typologies (mixing, layering, cross-asset conversions, and exploitation of compliance gaps) represent a persistent regulatory and enforcement challenge (FATF, 2021; Chainalysis, 2025).
- Emerging markets such as NFTs can be exploited for illicit finance under certain conditions, requiring targeted risk controls (U.S. Department of the Treasury, 2024).

Recommendations

- Develop **advanced regulatory and investigative capacity** for blockchain analytics and suspicious-pattern detection consistent with a risk-based approach (FATF, 2021; Europol, 2023).
- Strengthen cooperation between law enforcement, regulators, and digital platforms to identify trafficking-facilitation behaviors and improve evidence preservation (UNODC, 2025).
- Require VASPs to implement robust **KYC/AML controls**, record-keeping, and reporting duties with effective sanctions for non-compliance (FATF, 2021).
- Enhance international cooperation mechanisms for cross-border tracing, asset freezing, and mutual legal assistance in crypto-related trafficking investigations (Europol, 2023; UNODC, 2014).
- Adopt targeted safeguards for high-risk sectors, including NFT marketplaces and high-risk crypto services, based on formal risk assessments (U.S. Department of the Treasury, 2024).

Ethical Considerations

This study was conducted in full compliance with established principles of academic and research ethics. The research adopts a doctrinal and analytical methodology based on the review and analysis of legal texts, international conventions, judicial reports, and secondary literature. It does not involve empirical research on human subjects, personal data collection, interviews, or experimentation. Consequently, no ethical approval from an institutional review board was required. All sources used in this study were properly cited, and due care was taken to ensure accuracy, objectivity, and respect for intellectual property rights. The author also ensured that the discussion of human trafficking crimes was handled with sensitivity and respect for victims, avoiding any content that could lead to stigmatization or harm.

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Conflict of Interest

The author declares that there is no conflict of interest regarding the publication of this article. The research was conducted independently, and the views expressed herein are solely those of the author.

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