

## **TRAFFICKING IN PERSONS REPORT 2021: PANAMA**

The Government of Panama does not fully meet the minimum standards for the elimination of trafficking but is making significant efforts to do so. These efforts included investigating more traffickers, granting residency and work permits for foreign trafficking victims, and providing additional food and hygiene support to trafficking victims during the pandemic. The government demonstrated overall increasing efforts compared to the previous reporting period, considering the impact of the COVID-19 pandemic on its anti-trafficking capacity; therefore Panama remained on Tier 2. Authorities prosecuted and convicted fewer traffickers and identified fewer potential trafficking victims. The government did not amend the anti-trafficking law to remove the requirement of movement to constitute a trafficking crime. The government did not establish a planned trafficking-specific shelter. Authorities reported instances of abuse in National Secretariat for Children, Adolescents, and the Family (SENNIAF) shelters, which may have heightened children's vulnerability to trafficking.

### **PRIORITIZED RECOMMENDATIONS:**

Vigorously prosecute and convict alleged traffickers, including those involved in child sex tourism. • Proactively identify trafficking victims, including among migrants, domestic workers, and other vulnerable groups. • Remove the requirement of movement from the statutory definition of trafficking in persons under the criminal code. • Amend the anti-trafficking law to include force, fraud, or coercion as essential elements of the crime rather than aggravating factors. • Allocate dedicated funding for specialized victim services, including through the special fund for trafficking victims and monetary support for civil society organizations. • Train law enforcement and prosecutors to investigate and prosecute traffickers using the trafficking offense rather than a lesser offense. • Establish and fund the specialized trafficking shelter. • Increase training for government officials in victim identification and referral, including

proactive screening of vulnerable populations such as migrants and individuals in commercial sex. • Sentence convicted traffickers to adequate penalties, which should involve significant prison terms. • Inform foreign victims of their rights as trafficking victims, including access to temporary residency permits and services. • Develop and disseminate a procedural manual to guide prosecutors and judges in trafficking cases. • Support victims' applications for restitution from the courts and train judges to understand the importance of financial restitution in trafficking cases. • Use existing laws and regulations to revoke the licenses of fraudulent recruiters.

## **PROSECUTION**

The government decreased prosecution efforts. Article 456 of the penal code did not criminalize all forms of sex trafficking and labor trafficking because it required movement to constitute a trafficking offense. It prescribed penalties of 15 to 20 years' imprisonment for trafficking offenses involving an adult victim and 20 to 30 years' imprisonment for those involving a child victim or other aggravating circumstances; these penalties were sufficiently stringent and, with respect to sex trafficking, commensurate with penalties prescribed for other serious crimes, such as rape. Inconsistent with international law, the law established the use of force, fraud, or coercion as aggravating factors, rather than essential elements of the crime. The law defined trafficking broadly to include illegal adoption without the purpose of exploitation, inconsistent with international law. The government charged some child sex traffickers with non-trafficking offenses, which carried lighter sentences. Article 180 criminalized commercial sexual exploitation with penalties of seven to nine years' imprisonment and a fine of 5,200 balboas (\$5,200). Article 186 criminalized purchasing commercial sex acts from a child and prescribed penalties of five to eight years' imprisonment.

Authorities initiated investigation of 29 trafficking cases (21 for sex trafficking and eight for labor trafficking) involving 16 suspects, compared with five trafficking investigations (four for sex trafficking and one for labor trafficking) involving 12 suspects in 2019 and 32 investigations (25 for sex trafficking and seven for forced labor) involving 19 suspects in 2018. Officials reported ongoing investigations of seven cases from previous reporting periods. The government prosecuted three alleged traffickers (two for sex trafficking and one for labor trafficking), compared with prosecuting 10 alleged traffickers in 2019 and 12 in 2018. One accused trafficker awaited trial in a prosecution initiated prior to 2020. The government convicted three traffickers—one labor trafficker and two sex traffickers—compared with convicting 13 sex traffickers in 2019 and eight traffickers—seven sex traffickers and one labor trafficker—in 2018. Authorities described the labor trafficking conviction as the first under the anti-trafficking law since Panama converted to an adversarial system in 2016. The courts sentenced the convicted labor trafficker to 80 months' imprisonment and required restitution to the victim, an indigenous child forced into domestic servitude largely without pay and barred from attending school. Of the three convicted traffickers, courts convicted two of commercial sexual exploitation under Article 180, which carried lower penalties than the anti-trafficking statute; however, it did not acknowledge that the exploitation in this case likely amounted to trafficking under international law. Authorities reported a trafficker from mainland China convicted in 2019 appealed his case; the courts upheld the conviction and reaffirmed the 25-year sentence imposed.

Officials reported courts closed for approximately three months due to pandemic-related restrictions. When courts reopened, trafficking cases proceeded slowly; officials attributed the delay to resource limitations and shifting priorities during the pandemic. Most investigations and hearings proceeded virtually and under altered conditions. The government reported pandemic-related illness affecting key personnel may have hindered anti-trafficking efforts. To mitigate the spread of COVID-19, the government closed most commercial establishments and enacted stringent movement restrictions based on gender, limiting men and women to two-hour

outings on alternate days of the week. These movement restrictions were in place for seven months. Restrictions did not apply to law enforcement activity, but the government diverted officers and other staff from regular duties, including investigating trafficking crimes, to enforce the restrictions. Observers reported a lack of procedural guidelines for judges and prosecutors occasionally hindered successful convictions.

The government reported reviewing a border official's conduct for signs of official complicity or negligence in connection with the official's decision to allow an alleged trafficker to enter the country with a child he claimed to have adopted without verifying the adoption's validity. The government requested the National Migration Service (SNM) update its standard operating procedures (SOPs) to prevent recurrence but did not pursue further action against the official; the SNM had not updated its SOPs at the conclusion of the reporting period. Media reports cited allegations of sex trafficking in SENNIAF shelters; the government reported it could not substantiate the allegations. Otherwise, the government did not report any investigations, prosecutions, or convictions of government employees complicit in human trafficking offenses.

The government reported cooperating with Costa Rica in the repatriation of a trafficking victim. Panama also hosted the first bilateral meeting, conducted virtually, under the 2018 anti-trafficking memorandum of understanding (MOU) with Colombia; under the MOU, the government collected statements from four Colombian victims in Panama, which allowed Colombian law enforcement to initiate a parallel investigation after the alleged trafficker returned to Colombia. The government offered several trainings for law enforcement and other officials, including specialized training on combating trafficking during the pandemic, for officers at the Ministry of Public Security. The government offered anti-trafficking training to the National Migration Service, covering trafficking awareness, identifying victims, and victim assistance over multiple sessions; the Ministry of Justice requested and received training in best practices in human trafficking cases for more than 70 officials. Other trainings targeted

specialized law enforcement units, such as the National Police's intelligence division. The government led most trainings but accepted support from international organizations in the form of guest speakers and facilitators; due to the pandemic, the government conducted most trainings virtually in 2020.

## **PROTECTION**

The government decreased protection efforts. The government identified six trafficking victims in 2020, after screening 11 potential victims for trafficking indicators; this compared with 61 potential trafficking victims (22 confirmed trafficking victims) in 2019 and 46 potential trafficking victims in 2018. The government indicated that it screened potential victims to confirm their status as trafficking victims in a process that could take several months; victims could access shelter and other services while their status was pending. The government had not yet processed all 61 potential victims identified in 2019. Of the six identified victims in 2020, three were sex trafficking victims and one was a labor trafficking victim; authorities identified the other two individuals as victims of "slavery," a form of exploitation which could amount to trafficking. Officials ultimately identified the five other potential victims as victims of other crimes, such as migrant smuggling or labor exploitation. Anti-trafficking officials referred these victims to the appropriate authorities for further assistance.

Officials referred all victims to the Technical Unit for Attention and Protection of Victims and Witnesses (UPAVIT), which provided legal and other assistance to victims of all crimes and physical protection to victims, witnesses, and experts. The government had guidelines for victim identification and protection, which outlined the formal procedures, internal processes, and training materials used by referring officials and UPAVIT. The National Anti-Trafficking Commission supplied an identification form to assist officials who encountered potential trafficking victims; however, observers noted the form's distribution was incomplete, leaving

some potential victims vulnerable to misidentification. In 2020, UPAVIT provided services to 25 victims, including several victims identified in previous reporting periods. The government trained representatives from the women's institute and the Ministry of Security on victim protection and services. Anti-trafficking officials reported significant challenges in identifying victims under the government's pandemic-related movement restrictions, due in part to the additional limitations on victims' freedom of movement and shifts in traffickers' tactics to evade mandatory closures of bars and brothels. The government suggested unidentified trafficking victims may have departed Panama on pandemic-related humanitarian evacuation flights but did not report efforts to screen this population for trafficking indicators.

The government maintained the Special Fund for Victims of Trafficking in Persons mandated by the anti-trafficking law and established an office to manage trafficking funds, but the government did not allocate funding specific to the anti-trafficking commission or victim services. As a result, agencies drew from their general budgets to fund the anti-trafficking commission and the provision of food, shelter in hotels, transportation, and psychological and legal services for potential victims. Eight victims participated in hospitality sector vocational training during 2020. During the pandemic, the government coordinated biweekly or monthly deliveries of food and hygiene items to victims and their families. In 2020, UPAVIT reported \$3,800 in expenditures for services to trafficking victims, a significant decrease from the \$54,540 reported in 2019. The government diverted \$57,000 in funds allocated to victim protection to purchase personal protective equipment for law enforcement officials during the pandemic; the government had previously coordinated with UNODC to designate these funds to establish a shelter for trafficking victims. There were no dedicated shelters for trafficking victims. As a result, authorities commonly placed victims in hotels and covered the cost of the hotel rooms. The government could also refer victims to migrant or women's shelters run by NGOs. In 2020, the government arranged for one victim to stay in a hotel while awaiting repatriation; another victim elected to remain in the migrant shelter where officials identified her as a trafficking victim.

Victims sometimes chose to return to their home countries or reside with family or friends rather than stay in hotels, potentially inhibiting victim-witness support in pending trafficking cases. The government could refer child trafficking victims to SENNIAF and its network of shelters administered by NGOs and religious organizations. However, in 2020, observers and former shelter officials alleged widespread abuse in SENNIAF facilities, including mistreatment of children with disabilities and sexual abuse. An independent investigation verified the pattern of abuse perpetrated by staff and other residents, but other allegations remained unsubstantiated, including accusations and rumors of sex trafficking associated with the agency's shelters. Officials reported the shelter most commonly serving child trafficking victims was not implicated in the investigation. Observers reported SENNIAF's budget was insufficient to support restructuring or other largescale efforts to reduce residents' risk of suffering abuse, which heightened their vulnerability to trafficking.

Foreign national victims were eligible for short-term humanitarian visas, temporary residency permits extendable up to six years, and work permits. The anti-trafficking commission provided legal assistance to victims seeking no-cost residency or work permits. Many administrative offices associated with the issuance of visas and permits closed during the pandemic; however, the anti-trafficking commission ensured victims could apply for and receive these documents throughout the year. During the reporting period, the government issued 17 provisional humanitarian visas and 11 work permits to trafficking victims, compared with 20 visas and nine work permits in 2019. Officials also renewed work permits for two additional victims but did not report issuing any permanent residency permits to trafficking victims in 2020, compared with 13 in 2019. The government provided 90-day temporary visas to three victims awaiting identity documents. The government helped to repatriate one Costa Rican victim exploited in Panama; an international organization funded the repatriation of one Panamanian victim exploited in trafficking abroad. The government made available specialized interview rooms to allow victims to provide testimony privately to minimize the risk of re-traumatization and allowed prosecutors

to request hearings be closed to the public, but it did not report using either provision in 2020. The government seized assets derived from human trafficking activities and allocated the proceeds to services for trafficking victims. The law allowed victims to request restitution through a complaint or civil suit; lawyers from the anti-trafficking commission were available to assist victims seeking restitution. Eight trafficking victims filed for restitution in criminal cases. In one instance, the courts ordered a convicted trafficker to pay \$2,000 in restitution to the child victim. The remaining seven victims' requests awaited final rulings at the end of the reporting period. Sixteen labor trafficking victims claimed compensation from their traffickers through a separate administrative process.

## **PREVENTION**

The government slightly decreased prevention efforts. The anti-trafficking commission was the lead agency for anti-trafficking efforts and was responsible for implementing the 2017-2022 national anti-trafficking action plan through a yearly operation plan. The anti-trafficking commission coordinated the government's anti-trafficking efforts during the reporting period and the Ministry of Security's anti-trafficking office led the commission's day-to-day activity; the commission did not hold any meetings during 2020. The government carried out awareness campaigns outlined in the action plan with the assistance of international organizations. In 2020, these campaigns included an anti-trafficking drawing contest for school-aged children, awareness presentations for 30 staff members of a hotel chain, and numerous anti-trafficking spots on television and radio channels. The government reported the identification of one victim through these activities, an LGBTQI+ individual who attended an anti-trafficking workshop and later called a hotline to self-identify as a victim of trafficking. The government operated several hotlines, including a national police hotline to receive tips and a 311 number for the public to report possible cases or request inspections of businesses, but it did not report the number of

calls received related to trafficking. The Ministry of Security partnered with an NGO to launch an online anonymous reporting portal for criminal activity, including trafficking.

The Ministry of Labor collected regular reports from all registered recruitment agencies; national laws and regulations provided the authority to revoke the licenses of fraudulent recruiters and recruitment fees, but the government did not report enforcing them. During the pandemic, the government allowed employers to terminate employee contracts without penalty in sectors where telework was not feasible; because migrants were overrepresented in these sectors and limited by border closures and movement restrictions, this policy may have contributed to increased trafficking vulnerability for migrants. The government did not make efforts to reduce the demand for commercial sex acts. The government did not report any activities associated with the Panamanian Commission against Sexual Exploitation Crimes campaign against the sexual exploitation of children or the Ministry of Education's anti-trafficking "liaison" program in 2020, whereas it conducted 49 anti-sexual exploitation workshops and several anti-trafficking seminars for teachers through these programs in 2019.

## **TRAFFICKING PROFILE**

As reported over the past five years, human traffickers exploit domestic and foreign victims in Panama, and to a lesser extent, traffickers exploit victims from Panama abroad. Most identified trafficking victims are foreign adults exploited in sex trafficking, especially women from South and Central America. However, traffickers also exploit Panamanians in sex trafficking in Panama, the Caribbean, and Central and South America. Cuban nationals working in Panama may have been forced to work by the Cuban government. Traffickers exploit children in forced labor, particularly domestic servitude, and sex trafficking in Panama. Children living in shelters were vulnerable to recruitment by traffickers. Traffickers exploit transgender individuals in sex trafficking due in part to increased vulnerability because of discrimination and high demand for

commercial sex acts from this population. Venezuelan and Nicaraguan migrants were increasingly at risk for both sex and labor trafficking. Traffickers exploit some adults from Central America who transit Panama en route to the Caribbean or Europe in sex trafficking or forced labor in their destination countries. Migrants experienced increased vulnerability to trafficking during the pandemic. Traffickers exploit indigenous females from rural, impoverished border areas of the country in forced labor. Traffickers exploit Central and South American, Chinese, and Vietnamese men in forced labor in construction, agriculture, mining, restaurants, door-to-door peddling, and other sectors using debt bondage, false promises, exploitation of migratory status, restrictions on movement, and other means. Traffickers have forced victims to consume illegal drugs as a coercive measure. Traffickers typically exploit sex trafficking victims in bars and brothels; however, officials reported an increase in sex trafficking in beauty parlors, spas, houses rented by traffickers, and private homes. Traffickers utilize social media and messenger apps to recruit victims. Men from the United States have been investigated as child sex tourists in Panama. Government officials have been investigated and arrested for alleged involvement in trafficking.