



Financial Transactions and  
Reports Analysis Centre  
of Canada

Centre d'analyse des opérations  
et déclarations financières  
du Canada



# FINTRAC Tactical Intelligence:

## Project PROTECT

# OVERVIEW

**Project Name: PROTECT**



## PARTNERS

Project PROTECT is a BMO led initiative. Working group partners include major banks, FINTRAC, and law enforcement

## INVESTIGATION

Human Trafficking in the Sex Trade

## OFFENCES

Trafficking in Persons  
Material benefit from a trafficked person  
Procuring and advertising sexual services

## DISCLOSURE VALUE

Corroboration and/ or Leads  
Search warrants, Production Orders, Intercepts  
Inform interviews, interrogations, debriefs



# STRs Received



- **Between Jan 1, 2015 and Jan 1, 2016**  
(launch of Project PROTECT): **400+ STRs**
- **Between Jan 1, 2016 and Dec 31, 2016: 2000 STRs**
- **Between Jan 1, 2017 and Feb 7, 2017: 500+ STRs**
- **STRs received from across Canada**

## **PART G — Description of suspicious activity**

1. Please describe clearly and completely the factors or unusual circumstances that led to the suspicion of money laundering or terrorist activity financing.\*  
Provide as many details as possible to explain what you found suspicious.

If this report is about one or more transactions that were attempted, also describe why each one was not completed.

"We are filing this STR as part of **PROJECT PROTECT**"

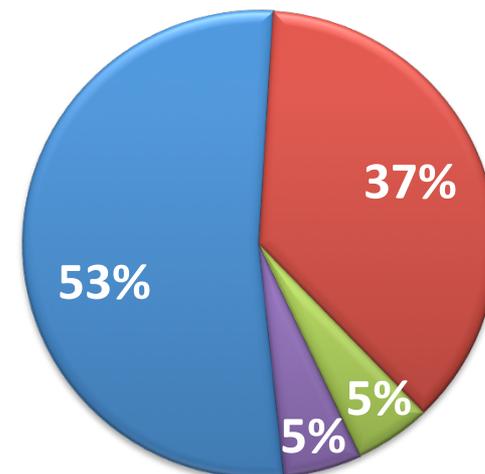
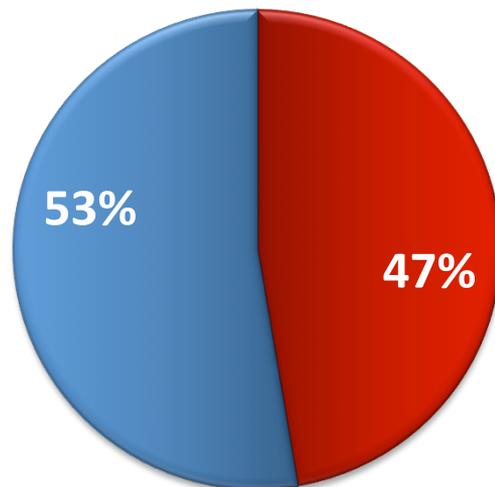
"Several red flags related to a suspicion of **HUMAN TRAFFICKING** observed"

## Prior to Project PROTECT (Jan 2015 - Dec 2015)

- 19 disclosures re: Human Trafficking

■ Reactive ■ Proactive

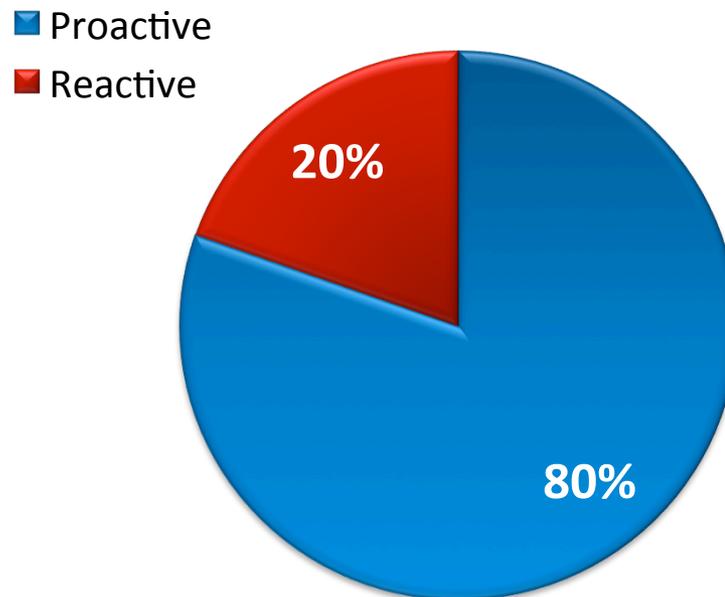
■ Ontario ■ Quebec ■ Alberta ■ Nova Scotia



# FINTRAC Disclosures

Since the inception of Project PROTECT (Jan 2016 – Feb 8 2017):

- 102 disclosures relating to 230 subjects



# Observed Trends noted in Suspicious Transaction Reports



## ADVERSE MEDIA ATTENTION

- Media article published in January 2016 citing a man arrested on numerous charges including trafficking an underage girl, aggravated assault, sexual assault, and drug trafficking

## IDENTIFYERS LINKED TO ONLINE ADVERTISING

- An internet search for the phone number the customer provided in her bank profile returns ads on [www.escortslivecams.com](http://www.escortslivecams.com) and <http://www.escortsnumbers.com/>

## ADVERTISING PURCHASES

- numerous credit card payments to a website advertising escort services



# Observed Trends noted in Suspicious Transaction Reports

## TRAVEL RELATED PURCHASES

*- Multiple point-of-sale transactions at car rental agencies, local hotels / motels , airline ticket purchases, train ticket purchases*

## TRANSACTIONS ACROSS CANADA

*- Multiple point-of-sale transactions at fast food restaurants, convenience stores in cities across Canada*

## EXCESSIVE HOTEL TRANSACTIONS

*- Hotel / Motel transactions often totalling thousands of dollars monthly across Canada*  
*- Hotel / Motel charges in different cities in short time span*



# Observed Trends noted in Suspicious Transaction Reports



## DEPOSITS ACROSS CANADA

*- Cash deposits conducted at 10 different branches located throughout multiple provinces*

## THIRD PARTY DEPOSITS

*- Activity review shows that the majority of cash deposits were conducted by third parties. Different ABMs used to withdraw funds*

## FLOW THROUGH ACTIVITY

*- Accounts are primarily funded by cash and E-mail money transfer which are in turn withdrawn in cash and sent back out via E-mail money transfer*



# Observed Trends noted in Suspicious Transaction Reports

## FINANCIAL ACTIVITY INCONSISTENT WITH STATED OCCUPATION

- Unemployed individuals conducting large cash deposits
- Monthly credit card transactions greater than stated annual income

## SUSPICIOUS FINANCIAL ACTIVITY

- High volume of cash deposits totaling over \$200,000.00
- The majority of deposits made at the ATM occur between 12:00am-6:30am
- Excessive hotel and ride sharing service charges on a daily basis
- eTransfers sent to various female names, with alternate names in brackets
- Airline, Bus, and other travel company purchases of which at least one is for a female individual and the relationship is unknown

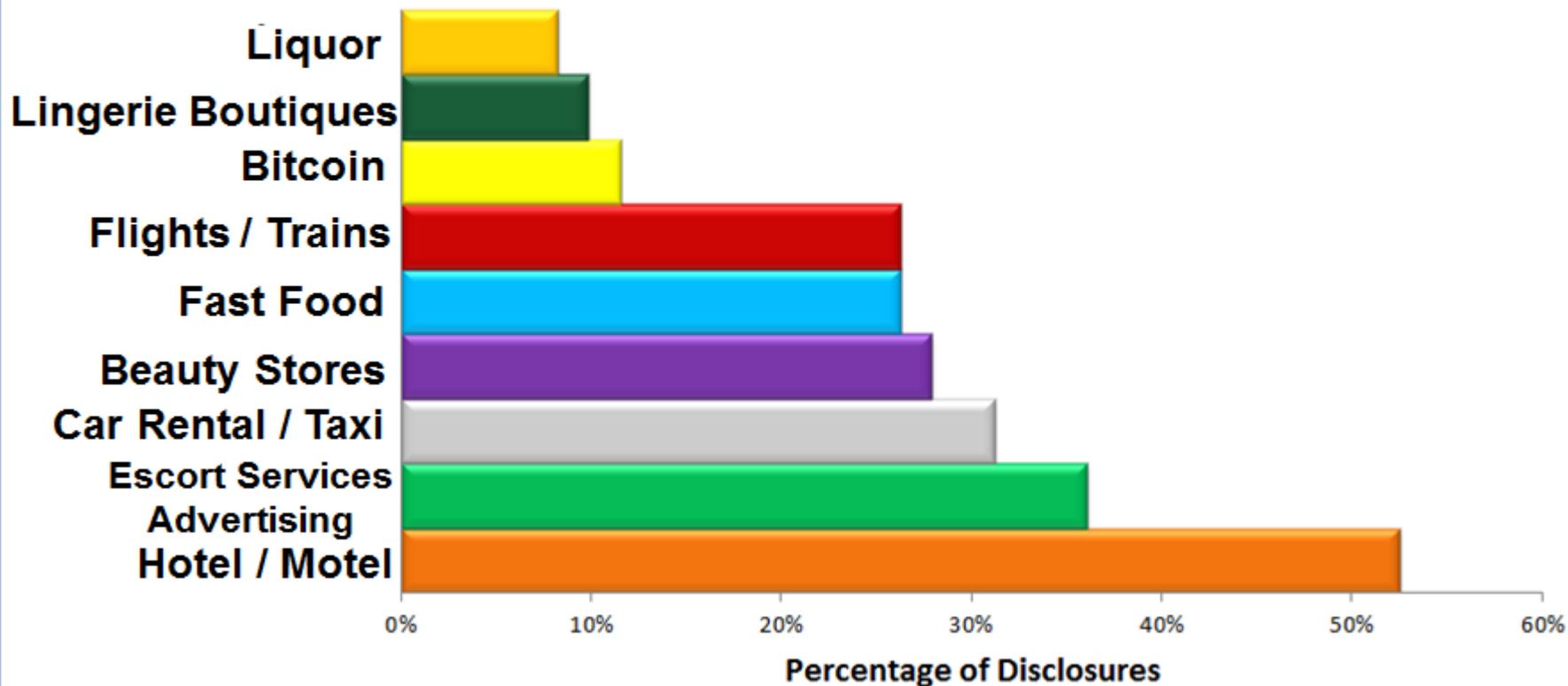
## FREQUENT AND EXCESSIVE POS PURCHASES

- Airline, train, and/or bus ticket purchases
- Local transportation (e.g., taxi, limousine, vehicle rental, ride sharing services; Fast food restaurants;
- Drug stores / Clothing stores / Beauty stores (e.g., stores that sell lingerie and/or make-up)



## *Observed Trends continued...*

### Transactional Activity Noted in Project PROTECT and Human Trafficking STRs



# ***STR Information Example***

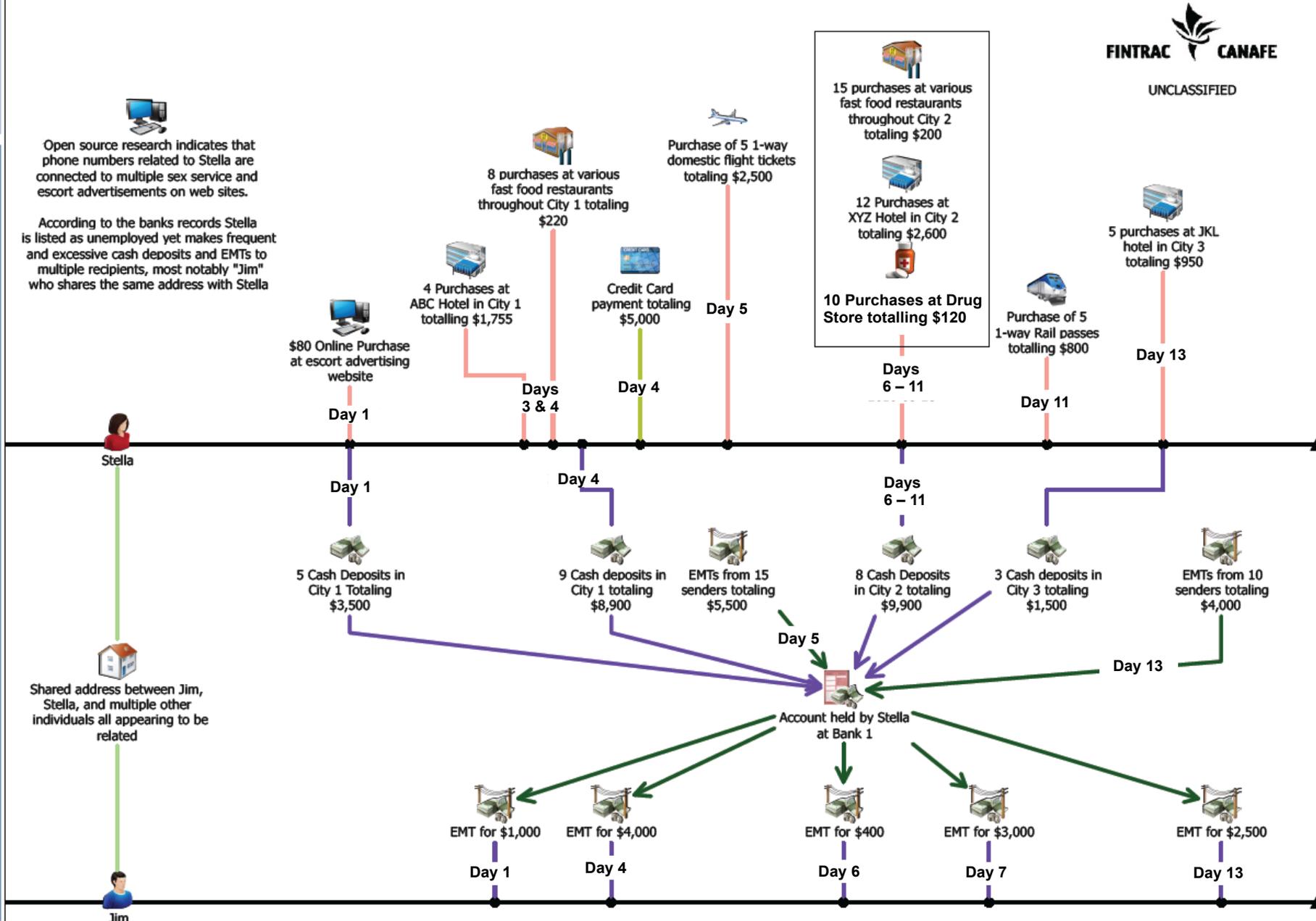
An example of hotel expenditures from a single account:

<b>Month</b>	<b># Hotel Transactions</b>	<b>Approx. Amount</b>
<b>August</b>	1	\$210
<b>September</b>	4	\$750
<b>October</b>	5	\$1,500
<b>November</b>	11	\$3,000
<b>December</b>	4	\$715
<b>January</b>	12	\$2,500
<b>February</b>	7	\$1,800



Open source research indicates that phone numbers related to Stella are connected to multiple sex service and escort advertisements on web sites.

According to the banks records Stella is listed as unemployed yet makes frequent and excessive cash deposits and EMTs to multiple recipients, most notably "Jim" who shares the same address with Stella



# FINTRAC Operational Alert

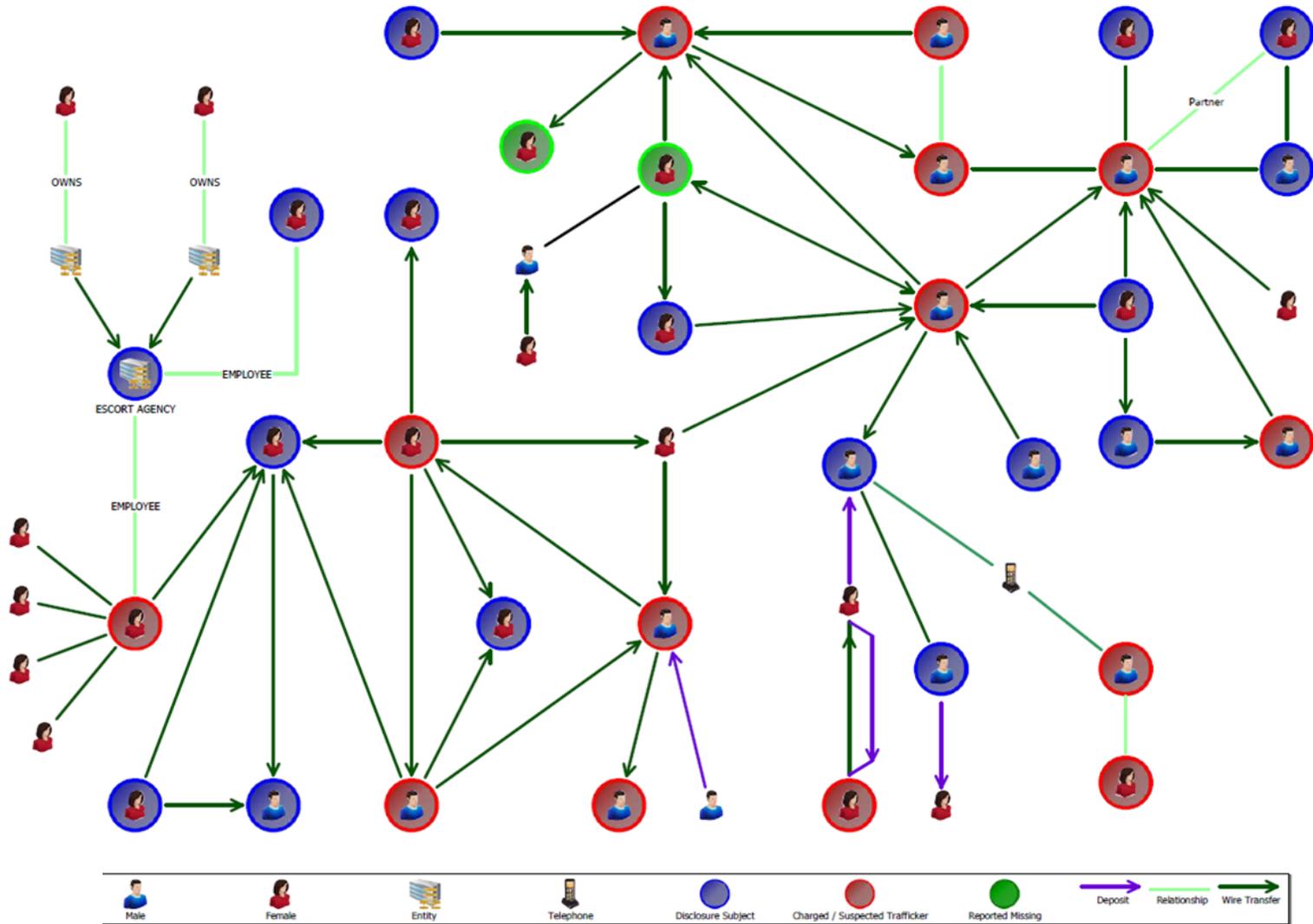
- <http://www.fintrac-canafe.gc.ca/publications/operation/oai-hts-eng.asp>



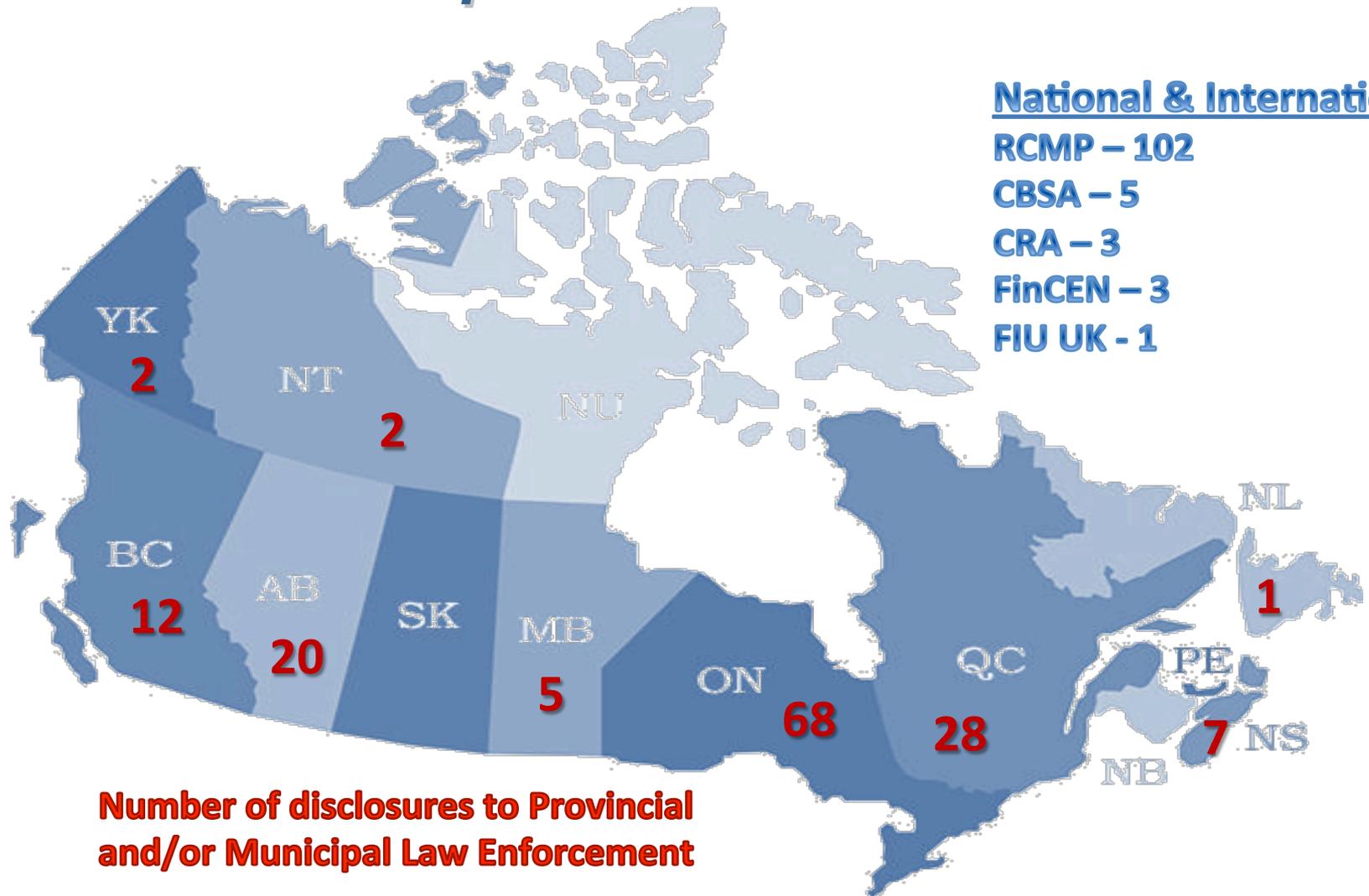
## Indicators: The laundering of illicit proceeds from human trafficking for sexual exploitation

*The purpose of this Operational Alert is to support financial institutions in recognizing and reporting completed or attempted financial transactions that are suspected of being related to the laundering of funds from the trafficking of victims specifically for sexual exploitation, and not forced labour. The indicators in this document were synthesized from the Financial Transactions and Reports Analysis Centre of Canada's (FINTRAC) intelligence holdings and reflect the Centre's engagement with Canada's financial institutions and police services in their efforts to detect, deter and prevent money laundering and terrorist financing activity.*

# Transactional Network



# Project PROTECT Disclosure Recipients



## National & International

RCMP – 102

CBSA – 5

CRA – 3

FinCEN – 3

FIU UK - 1

**Number of disclosures to Provincial  
and/or Municipal Law Enforcement**

