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

"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

FINTRAC Disclosures

- Reactive: 53%
- Proactive: 47%

- Ontario: 53%
- Quebec: 37%
- Alberta: 5%
- Nova Scotia: 5%
Since the inception of Project PROTECT (Jan 2016 – Feb 8 2017):
• 102 disclosures relating to 230 subjects
Observed Trends noted in Suspicious Transaction Reports

- **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.

- **Identifiers Linked to Online Advertising**
  - An internet search for the phone number the customer provided in her bank profile returns ads on 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

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

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

- 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

- Liquor
- Lingerie Boutiques
- Bitcoin
- Flights / Trains
- Fast Food
- Beauty Stores
- Car Rental / Taxi
- Escort Services
- Advertising
- Hotel / Motel
### STR Information Example

An example of hotel expenditures from a single account:

<table>
<thead>
<tr>
<th>Month</th>
<th># Hotel Transactions</th>
<th>Approx. Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>1</td>
<td>$210</td>
</tr>
<tr>
<td>September</td>
<td>4</td>
<td>$750</td>
</tr>
<tr>
<td>October</td>
<td>5</td>
<td>$1,500</td>
</tr>
<tr>
<td>November</td>
<td>11</td>
<td>$3,000</td>
</tr>
<tr>
<td>December</td>
<td>4</td>
<td>$715</td>
</tr>
<tr>
<td>January</td>
<td>12</td>
<td>$2,500</td>
</tr>
<tr>
<td>February</td>
<td>7</td>
<td>$1,800</td>
</tr>
</tbody>
</table>
Open source research indicates that phone numbers related to Stella are connected to multiple sex service and escort advertisements on websites.

According to the bank's 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.

- **Day 1**: $80 Online Purchase at escort advertising website
  - 5 Cash Deposits in City 1 Totaling $3,500

- **Days 3 & 4**: 4 Purchases at ABC Hotel in City 1 totaling $1,755
  - 9 Cash deposits in City 1 totaling $8,900
  - EMTs from 15 senders totaling $5,500

- **Day 5**: Purchase of 5 1-way rail passes totaling $500

- **Days 6 – 11**: 15 purchases at various fast food restaurants throughout City 2 totaling $200

- **Day 11**: 12 Purchases at XYZ Hotel in City 2 totaling $2,600

- **Day 13**: 5 purchases at JKL hotel in City 3 totaling $950

- **Day 13**: 10 Purchases at Drug Store totaling $120

- **Day 13**: Purchase of 5 1-way rail passes totaling $800

- **Day 13**: 3 Cash deposits in City 3 totaling $1,150

- **Day 13**: EMTs from 10 senders totaling $4,000

- **Day 13**: EMT for $1,250

- **Day 6**: EMT for $400

- **Day 15**: EMT for $3,000

- **Day 15**: EMT for $2,500

- **Day 15**: Account held by Stella at Bank 1

- **Day 15**: EMT for $1,000

- **Day 15**: EMT for $1,000

- **Day 15**: EMT for $400

- **Day 15**: EMT for $3,000

- **Day 15**: EMT for $2,500

Shared address between Jim, Stella, and multiple other individuals all appearing to be related.

Financial Transactions and Reports Analysis Centre of Canada
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.
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

Canada