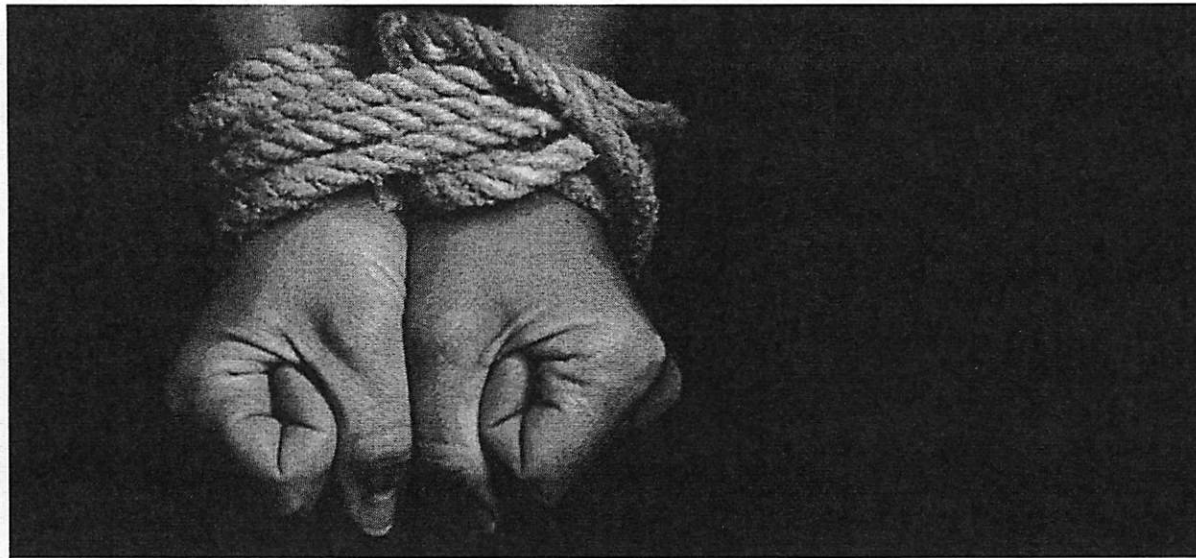


# **Project Protect:**

## **The Public/Private Partnership to Combat Human Trafficking in Canada**

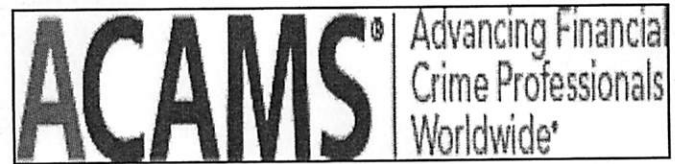


# Human Trafficking In Canada

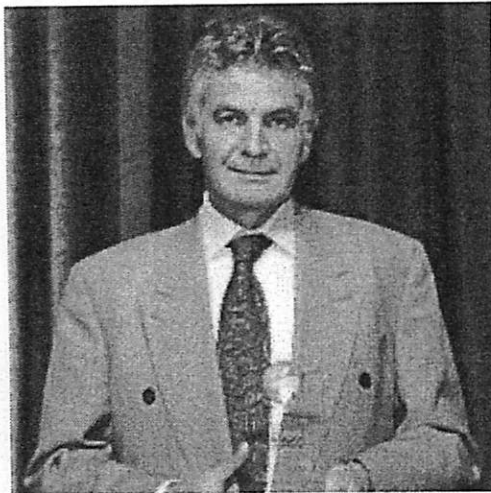
- Ending human trafficking is often regarded as an issue of 'others', as opposed to a domestic priority.
- Legal definition; *recruiting, harbouring, transporting or controlling the movement of a person for the purpose of exploitation* (Canada, Government of, 2016).
- One of the Canada's leading newspapers, the Globe and Mail, reported in 2016 that most of the country's human trafficking took place within Canadian borders, **with 311 of 330 cases** (94 percent) investigated by the Royal Canadian Mounted Police (RCMP) having been **identified as domestic** (Grant, The Trafficked: How sex trafficking works in Canada, 2016).

# Project Protect

ACAMS Conference Toronto- December 2015



Peter Warrack



Timea Nagy

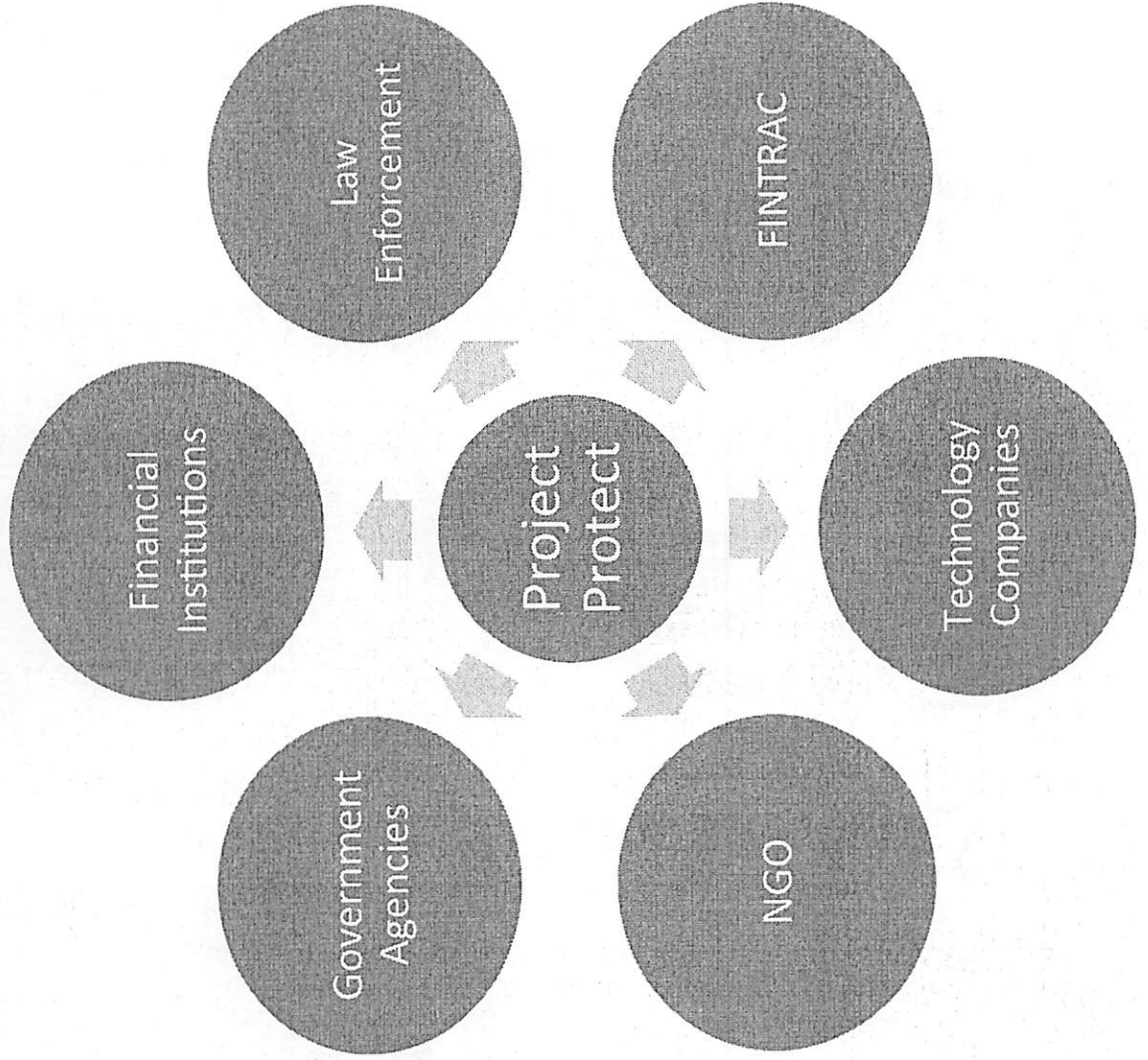


RCMP



# Official Launch

January 19, 2016

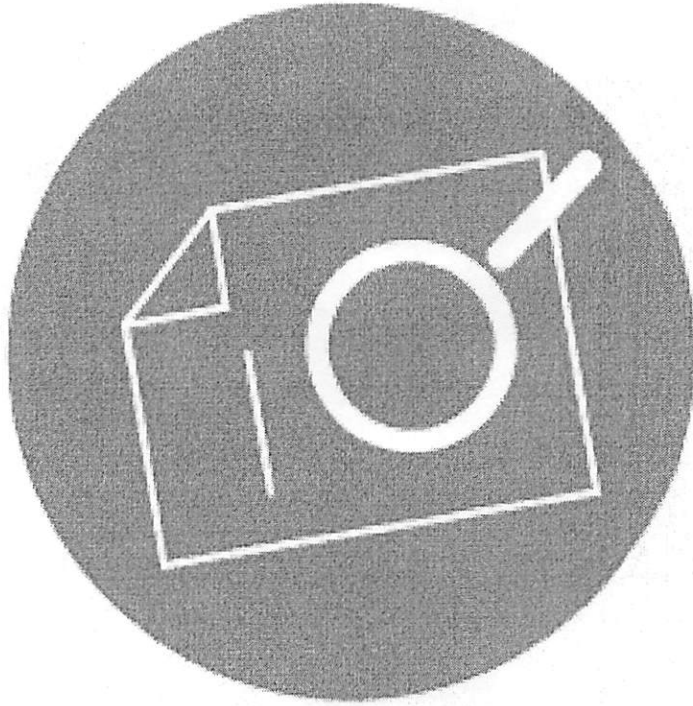


# Two Goals

Raising Awareness

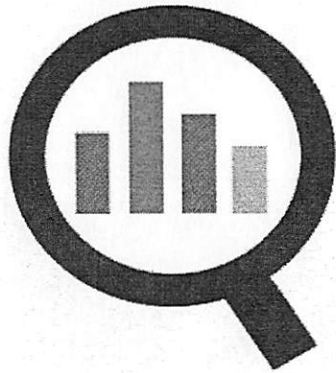


Identify Transactions



BS1202507/1/2016/22

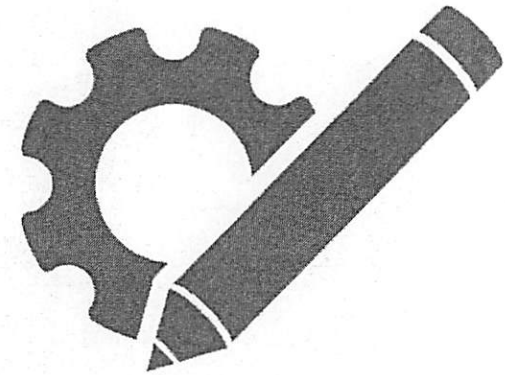
# Raising Awareness



Data Mining/  
Post STR  
Analysis



Indicators

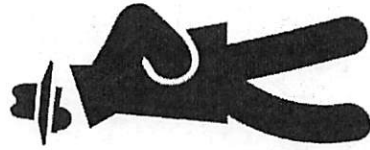


Training  
Material

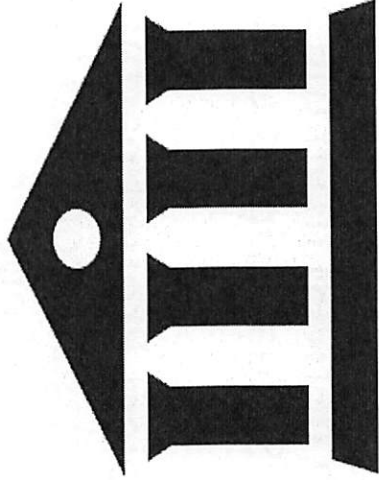
# Identify Transactions



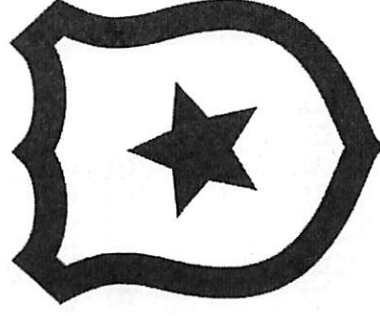
Investigators



Suspicious Activity



FINTRAC



Law Enforcement

# Four Point Strategy

1. Each financial institution will act independently to identify suspected human traffickers and report suspicious transactions to FINTRAC by submitting Suspicious Transaction Reports (STR).
2. FINTRAC will direct intelligence derived from the STRs to relevant law enforcement partners (i.e. Sexual Crimes Units.)
3. FINTRAC will work with the Project Protect partners to develop and publish typologies and red flags associated to these crimes, and all partners will be dynamically kept on the same page with respect to ongoing information updates.
4. Law enforcement will be able to utilize increased intelligence towards prosecution of new human trafficking cases.



# Example – FINTRAC Suspicious Transaction Report (STR) - Part G

FINTRAC report number:

Reporting entity:

## Suspicion

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 attempted transactions, describe why each one was not completed.

## Internal Reference #

This case pertains to Project Protect and the laundering of proceeds of human trafficking. Please note that activity for this client has been previously reported to FINTRAC via Internal Reference #s

# Historical STR Reporting

## Types of Predicate Offences Related to Case Disclosures<sup>1</sup>

Predicate Offence Category	2010-11	2011-12	2012-13
Fraud	33%	35%	34%
Drugs	26%	27%	27%
Unknown	14%	11%	8%
Tax Evasion	5%	9%	13%
Customs/Excise	5%	5%	4%
Corruption	5%	5%	5%
Human Smuggling/ Trafficking	4%	3%	3%
Theft	3%	6%	5%
Illegal Gambling	1%	1%	2%

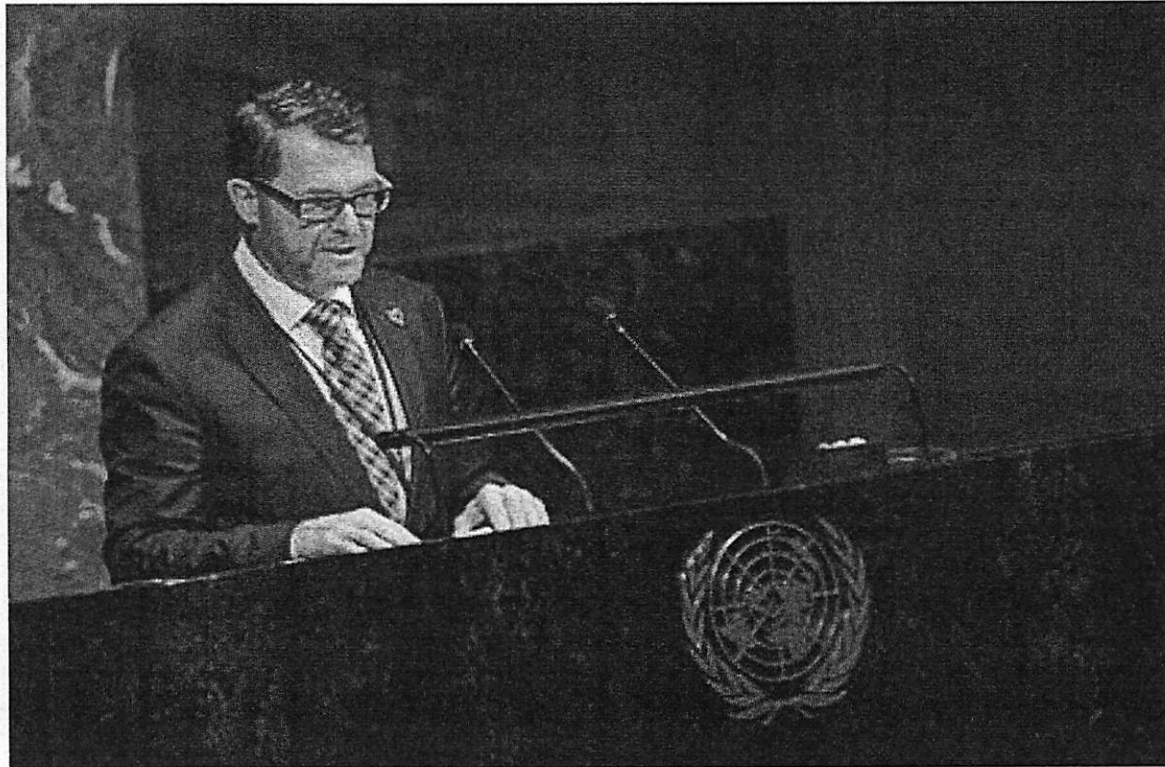
\*FINTRAC Annual Report 2013

# Impact on STR Reporting

## **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 Sept 4, 2017: 2500+ STRs
- Operational Alert (Dec 2016): 500+ STRs in first month
- STRs received from across Canada

# International Acknowledgement



Director of Serious and Organized Crime Policy Division for Public Safety Canada, Michael Holmes, to the United Nations General Assembly in September 2017

# International Acknowledgement

- **Organization for Security and Co-Operation in Europe (OSCE) – Visit to Ottawa, Canada in June 2017**

## NEWSROOM

📄 PRESS RELEASE

← SHARE      English

📍 OSCE Secretariat | 🏷️ Combating human trafficking

## Canada's "Project Protect", an innovative model to hit traffickers' finances, says OSCE Special Representative on official visit

OTTAWA 27 June 2017

Ottawa, 24 June 2017 – OSCE Special Representative and Co-ordinator for Combating Trafficking in Human Beings, Madina Jarbussynova, concluded on Friday a five-day follow-up visit to Canada to discuss the country's progress in implementing OSCE anti-trafficking commitments subsequent to the previous 2011 Special Representative's report.

**Newsroom**

**Stories**

# Statement from the OSCE

***“The progress made by Canada since the visit in 2011 is exemplary... the ‘Project Protect’ initiative implemented by the Financial Transaction Analysis Centre (FINTRAC) is an innovative model designed to identify traffickers and follow the money gained through exploitation of victims, thus contributing to the criminal investigation into human trafficking.” (Organization for Security and Co-Operation in Europe, 2017).***

Special Representative and Co-ordinator for Combating Trafficking in Human Beings for the Organization for Security and Co-Operation in Europe (OSCE)  
Madina Jarbussynoval, during her visit to Ottawa in June 2017.

# Forward Looking

 coindesk

Blockchain 101

Technology

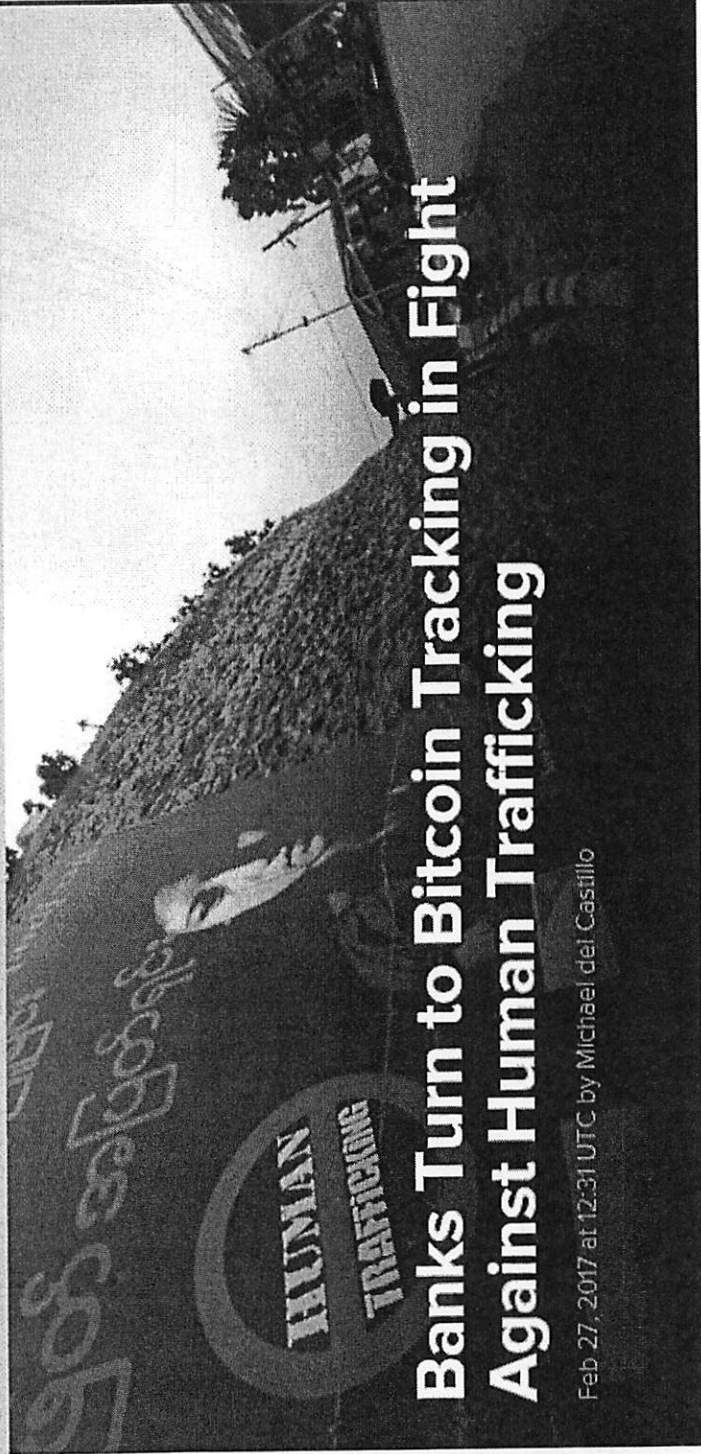
Markets

Business

Data & Research

Consensus

Vote for CoinDesk's Most Influential People in Blockchain 2017

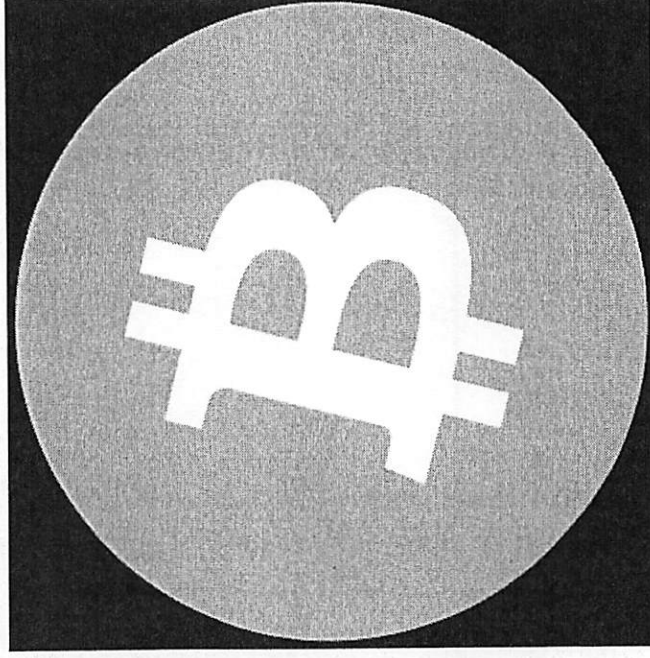


## Banks Turn to Bitcoin Tracking in Fight Against Human Trafficking

Feb 27, 2017 at 12:31 UTC by Michael del Castillo

# What is Bitcoin?

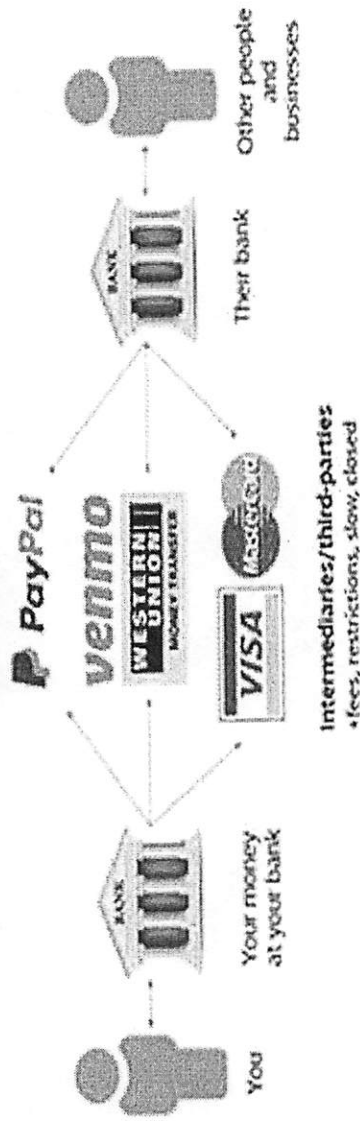
- **Cryptocurrency** is a digital asset.
- Medium of exchange for value transfer.
- Uses cryptography to secure the transactions.



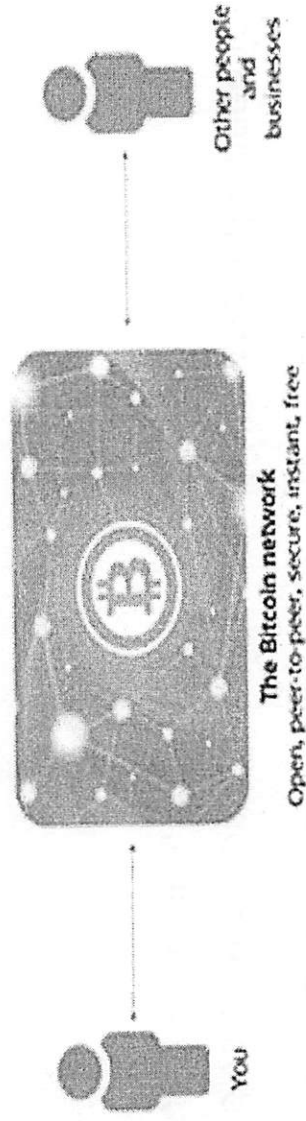


# How Bitcoin Works?

## Before

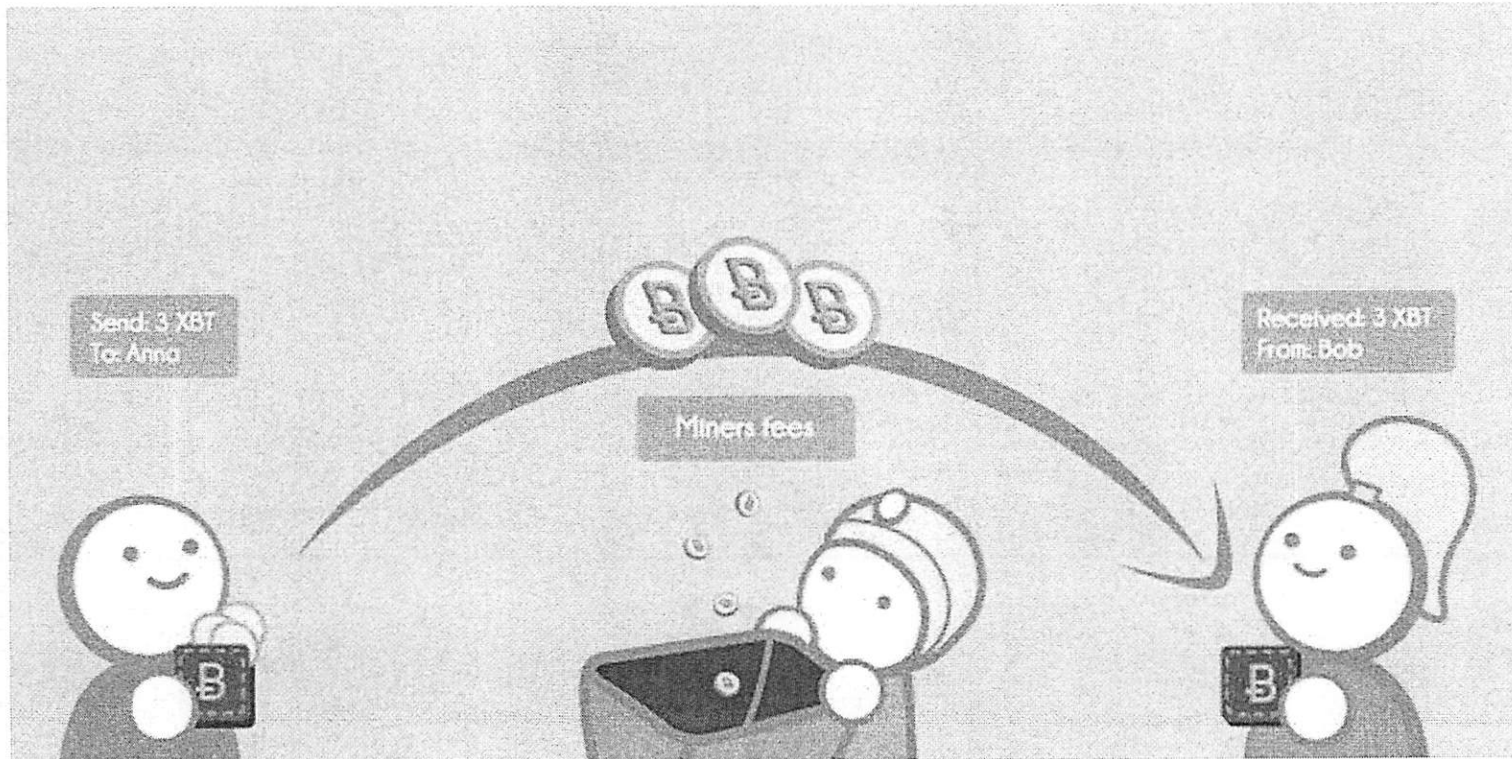


## After, with Bitcoin



# How Bitcoin Works?

- You can send value from one person to another without the need for a third party. (Bank, Credit Union, Payment Processor, etc.)



# Positive Uses for Bitcoin

- Low cost remittance fees.
- Administering charitable proceeds to those in need in unbanked or underbanked jurisdictions.
- Provide those who are marginalized access to financial services and the chance to participate in the global economy.
- The ability to leverage the Bitcoin blockchain for data maintenance and audit trail.
  - Recording information of those displaced by war or political upheaval.

# Negative Uses

- Lack of knowledge across law enforcement and financial institutions creates environments where bitcoin and other cryptocurrency can be utilized for criminal purposes.
- Terrorist financing is also a concern.
- Human traffickers have been identified to be utilized bitcoin to pay for online advertisement of those who are being trafficked.
- Traffickers may already be accepting bitcoin for payment as well.

RESEARCH, TECHNOLOGY & ENGINEERING

## In a step toward fighting human trafficking, sex ads are linked to Bitcoin data

By Brett Israel, Media relations | AUGUST 15, 2017



**A** UC Berkeley Ph.D. candidate has developed the first automated techniques to identify adult ads tied to human trafficking rings by linking the ads to public information from Bitcoin — the primary payment method for online sex ads.

# Conclusion

## Conclusion

- Project Protect is an example of a successful public/private partnership that operates within existing legal mandates and for zero-cost.
- Advantages gained in utilizing a public/private partnership far outweigh those obtained if institutions were to operate in an independent or siloed manner.
- Other public safety issues that can be addressed using the model include; mass marketing fraud, uncovering international money launders and the burgeoning fentanyl crisis that is plaguing North America.
- Competition does not apply equally across all functions of an institution, particularly within the private sector. Those tasked with ensuring public safety are only in competition with those determined to undermine it.