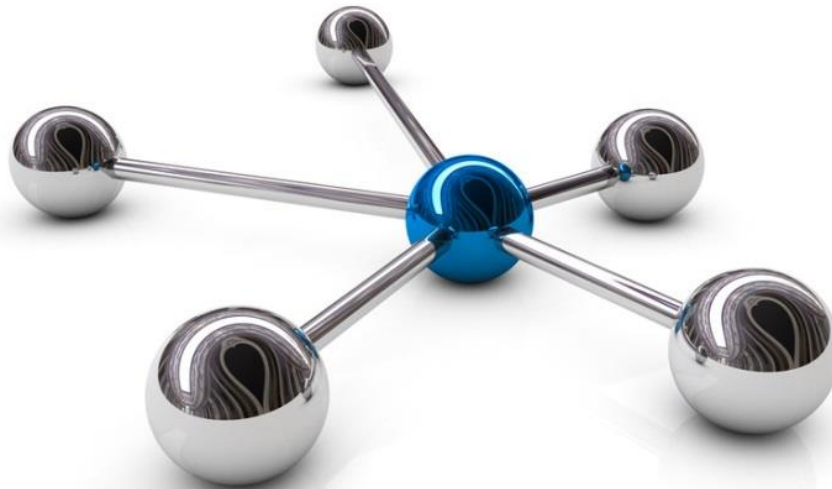




FINTRAC

FIGHTING ML AND HUMAN TRAFFICKING WITH FINANCIAL
INTELLIGENCE IN PARTNERSHIP WITH THE PRIVATE SECTOR



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Deputy Director
FINTRAC

April 2018

OSCE 18th Alliance Against Trafficking In Persons Conference

FINTRAC Engagement Strategy

Compliance -> Intelligence -> Enforcement



Project Protect 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

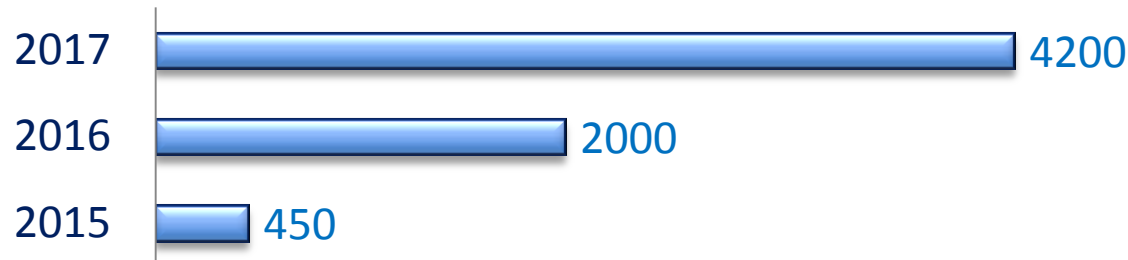
The purpose of this Operational Alert is to support financial institutions in recognizing and reporting completed or attempted financial transactions that are suspected of being related to the laundering of funds from the trafficking of victims specifically for sexual exploitation, and not forced labour. 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.

Developing actionable indicators that reveal potential traffickers

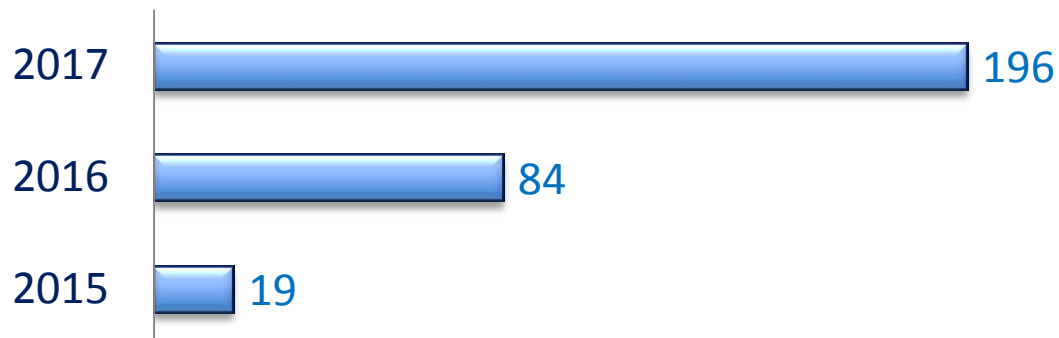
- Core indicators developed through iterative public-private working sessions
 - Financial institutions, FINTRAC, law enforcement, NGOs, others as relevant
- Tactical analysis of STRs
- Previous strategic intelligence product
- Domestic and International scan
 - TPS, RCMP, 5-Eyes, FATF, etc
- Iteration of draft with feedback from reporting entities, TPS, RCMP

Suspicious Transaction Reports Received

■ STRs Received

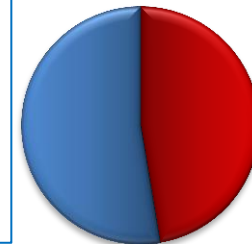


■ Disclosures...

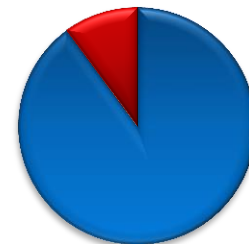


■ Reactive ■ Proactive

2015



2016 - 2018



Common indicators of ML related to human trafficking

Travel Related Purchases

- Multiple point-of-sale transactions at
 - car rental agencies
 - local hotels / motels
 - Distance transportation (e.g., airline, train, and/or bus ticket purchases)
- Local transportation (e.g., taxi, limousine, vehicle rental, ride sharing services)

Frequent and Excessive POS Purchases

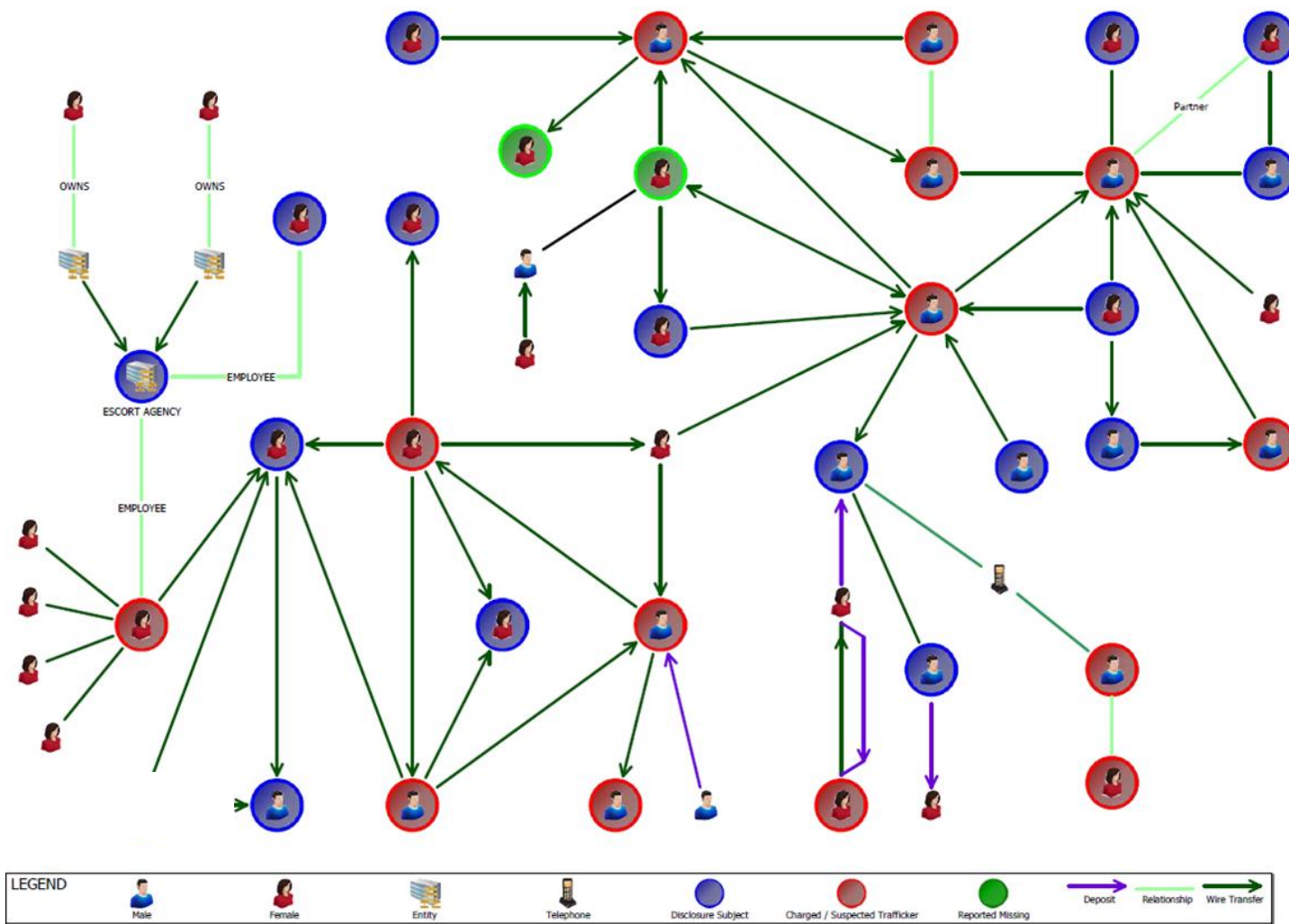
- Multiple point-of-sale transactions at
 - Drug stores
 - Clothing stores
 - Beauty stores (e.g., stores that sell lingerie and/or make-up)
 - Fast food restaurants

Excessive Accommodation Transactions

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



Financial Networks: Discovering the Story and Saving Lives



Project Protect: Examples of FINTRAC Outreach



DOMESTIC

- Human Trafficking Investigator's Courses
- Human Trafficking Taskforce chaired by Public Safety
- Law Enforcement Outreach
- Reporting entities: Financial Institutions / Credit Union Outreach
- Human trafficking Crown training
- ACAMS, AML & Financial Crime Conference (Canada & USA)

INTERNATIONAL

- OSCE Combatting Human Trafficking Live Simulation (Italy)
- United Nations Recommendations to End Human Trafficking and Slavery (New York)
- Interpol Project to Combat Human Trafficking in the Caribbean (Barbados)
- Working with other FIUs through Egmont & FATF



Project Chameleon

- Mass marketing fraud
- Canadian Anti-Fraud Centre information sharing
- Financial institutions and Money Service Businesses

Project Guardian

- Fentanyl and related analogues
- MSB unique contribution: Purchase from overseas
- Financial institutions: ML of proceeds
- Operational Alert

<http://www.fintrac-canafe.gc.ca/guidance-directives/overview-aperçu/operation/oai-fentanyl-eng.asp>

