



OPERATIONAL ALERT

Reference: FINTRAC-2021-OA001

July 2021

Updated Indicators: Laundering of proceeds from human trafficking for sexual exploitation

Purpose

This Operational Alert updates FINTRAC's 2016 Operational Alert "[Indicators: The laundering of illicit proceeds from human trafficking for sexual exploitation](#)" with additional indicators in support of Project Protect to assist reporting entities in recognizing financial transactions suspected of being related to the laundering of proceeds associated to human trafficking for sexual exploitation. Through financial transaction reports, FINTRAC is able to facilitate the detection, prevention and deterrence of all stages of money laundering (placement, layering and integration) and the financing of terrorist activities by providing actionable financial intelligence disclosures to law enforcement and national security agencies.

Background

Human trafficking is often confused with human smuggling, although these crimes can overlap. Human smuggling involves individuals who voluntarily consent to be illegally moved across an international border by other individuals for an agreed-upon fee. Human smuggling always involves an international border, is consensual, and the relationship between the smuggler and smuggled person usually ends once the smuggled person arrives at their destination country. Conversely, human trafficking can occur both within a country's own borders and through international movement, is not consensual (the trafficked person does not consent to being exploited), does not end upon crossing a border, and involves forcing or coercing the trafficked person to provide their services (typically through sexual exploitation or forced labour). In some cases, a smuggled person can become a victim of human trafficking when they arrive at their destination.



Project Protect

is a public-private partnership initiative led by the Bank of Montreal, supported by Canadian law enforcement agencies and FINTRAC. First launched in 2016, Project Protect targets human trafficking for sexual exploitation by focusing on the money laundering aspect of the crime. The objective of the project is to improve the collective understanding of the crime, and to improve the detection of the laundering of proceeds from human trafficking for sexual exploitation.



Human trafficking for sexual exploitation is reported to be more prevalent than forced labour. Canada is a source, transit and destination country for men, women and children trafficked for the purposes of sexual exploitation. Traffickers exploit their victims primarily for financial gain. The money laundering indicators in this Operational Alert apply equally to victims trafficked in Canada regardless of their origin.

What is human trafficking?

“Human trafficking, also referred to as trafficking in persons, involves recruiting, transporting, transferring, receiving, holding, concealing, harbouring, or exercising control, direction or influence over that person, for the purpose of exploitation, generally for sexual exploitation or forced labour.”

Public Safety Canada: [“National strategy to combat human trafficking 2019-2024”](#)

Research suggests that human trafficking for sexual exploitation, like drugs and weapons trafficking, is just another commodity in a range of criminal activities perpetrated mostly by organized crime groups who often collaborate with each other to maximize illicit financial gain. Sexual exploitation is a high-value business for criminals because, unlike a drug that can only be sold once, a human being can be sold repeatedly over an extended period of time. This type of crime is also attractive to criminals because the risk of losing business due to detection and successful prosecution is kept low through coercion of their victims in combination with the use of well-known money laundering methods. As a result, the perpetration of this crime is reinforced because criminals are able to benefit from the illicit proceeds. The International Labour Organisation (ILO) estimates that global proceeds from human trafficking amount to USD 150 billion per year with USD 99 billion sourced specifically from forced sexual exploitation.

In Canada, the number of police-reported incidents of human trafficking has been on an upward trend since 2011 with the highest number to date reported in 2019.¹ Yet, most cases of human trafficking are not reported to police due to the reluctance or inability of victims and witnesses to come forward.² The Covid-19 pandemic has not curtailed human trafficking in Canada and has caused many individuals to be more vulnerable to this crime.

A recent study³ by the Canadian Centre to End Human Trafficking (CCEHT) found that exploitation through escort services distantly followed by illicit massage businesses were the most common forms of human trafficking for sexual exploitation in Canada. Further, the CCEHT identified several human trafficking corridors in Canada connecting commercial sex markets within and across Canadian provinces.

Overview of FINTRAC’s analysis of disclosures related to human trafficking for sexual exploitation*

FINTRAC analyzed a sample of approximately 100,000 transactions disclosed from 2018 to 2020 in FINTRAC disclosures related to human trafficking for sexual exploitation. The majority of human trafficking for sexual exploitation-related FINTRAC disclosures primarily concerned victims providing sexual services at short-stay locations (e.g., hotels). Nearly all victims in FINTRAC’s sample were in this category. However, FINTRAC identified two other business models of where sexual exploitation occurred: exploitation at illicit storefront businesses offering sexual services (e.g., spas, massage parlours, private clubs), and at private residences (e.g., apartments) with some crossover between these three categories. All used advertisements of escort services to obtain clients and some traffickers operated their own escort agencies.

Overall, victims were nearly all females and 60% were under 25 years old at the time of their transactions and some were minors. Traffickers were mostly males aged between 24 and 36 years old. Female traffickers were mostly aged between 27 and 32 years old, albeit most were also victims and connected to male traffickers.

* For the purposes of this Operational Alert, individuals identified as or assessed to be possible traffickers and possible victims are included in FINTRAC’s references to “traffickers” and “victims”, respectively.

Traffickers who exploited their victims out of private residences or in illicit storefront businesses offering sexual services, however, were mostly older females (usually over 40 years old) and many operated with their spouses. Some traffickers in these categories also trafficked victims in short-stay locations and/or were associated to traffickers in those networks.

Overall, email money transfers and cash deposits were the primary transactions in human trafficking for sexual exploitation-related disclosures. Additionally, FINTRAC observed several money laundering methods in the disclosures. These included the use of online casinos, casinos, virtual currencies, prepaid credit cards, gift cards, nominees, front companies owned by traffickers or their associates, funds layered between related accounts, and investment accounts.

In addition to human trafficking, many traffickers were also involved in or suspected to be involved in other criminal activities (e.g., drug trafficking, fraud) and were members or associates of criminal groups. Many traffickers used their victims to conduct other crimes. Therefore, the money laundering methods observed were likely also used to launder proceeds generated from other criminal activities and are not necessarily specific to human trafficking.

Traffickers frequently used nominees to funnel proceeds of crime, pay for human trafficking running costs, launder funds, or conceal beneficial ownership. These nominees were often victims and family members of traffickers. Victims were used as intermediaries to funnel funds to traffickers and other victims. Some victims had roles within human trafficking rings to collect funds from other victims. Some traffickers also had access to their victims' accounts or held joint accounts with victims. The family members in FINTRAC's sample were usually traffickers' parents and spouses but also included their siblings, and adult and minor children.

Traffickers and victims often purchased virtual currencies with funds sent directly to virtual currency exchange businesses sometimes doing so immediately after receiving several email money transfers from third parties. However, several traffickers and victims also sent email money transfers to individuals who purchased virtual currencies on behalf of others. One such individual advertised their intermediary virtual currency services on escort websites.

Prepaid credit cards was another method traffickers and victims used to launder funds and to pay for human trafficking-running costs (e.g., escort ads, hotel bookings). Indeed, EUROPOL detected an increased use of prepaid credit cards among human trafficking organized crime groups for money laundering purposes.⁴ FINTRAC also observed that some traffickers used prepaid credit cards as a means to provide funds to their victims. These traffickers transferred funds from their prepaid credit card to their victim's prepaid credit card.

Traffickers and victims conducted transactions at casinos. In-person casino transactions were not observed beyond early 2020, highly likely a result of government restrictions imposed on businesses in response to the Covid-19 pandemic. Additionally, FINTRAC observed a significant increase in transactions involving online casinos in 2019 and 2020 indicating that this is an upward trending money laundering method.

Front businesses were used to illicitly offer sexual services, to launder proceeds, and/or to manage the running costs associated with human trafficking. For example, illicit proceeds were used to pay the rent and utilities for residential properties where sexual services are rendered or used as safe houses. Front companies in FINTRAC's sample were diverse and included industries such as, music, spas, salons, restaurants, motels, farming, IT services, clothing, vehicle- and construction-related businesses, and transport businesses among others. Front companies co-mingled legitimate with illicit funds and/or had limited business-related transactions. They were owned by traffickers, their associates and other members of their human trafficking networks including some victims. Businesses owned by victims also transferred funds to traffickers and their businesses.

FINTRAC observed that some money laundering methods and particular types of transactions were more specific to certain business models of human trafficking for sexual exploitation over others. Some of these are highlighted below:

Trafficking out of short-stay locations

Disclosures where the sexual exploitation occurred at short-stay locations (e.g., hotels) included purchases for parking and at online casinos—which were either not observed or not significant in the other categories. Online casino purchases tended to occur in the late evening/early morning hours. Purchases of prepaid credit cards and gift cards were also more prevalent in this category in addition to purchases at short-stay locations (which would be expected). Several merchant refund transactions were observed from short-stay accommodations or vehicle rental entities with suspicions that these merchants were paid or partially paid in cash instead. Several victims also sent funds to entities offering collect calls from jail which were also unique to this category.

Further, traffickers in this category had transactions indicating a lavish lifestyle such as purchases at higher-end restaurants, higher-end clothing and accessories retailers, luxury car dealerships, jewellery retailers, entertainment venues, gyms or fitness facilities, limousine entities, cosmetic surgery entities, and spa retreats. FINTRAC did not observe these types of transactions among victims and were very few among the other categories of venues where sexual exploitation occurred.

Trafficking out of private residences

Disclosures involving traffickers who exploited their victims out of private residences (e.g., apartments) included expenses associated to multiple properties. For example, rent paid by the same party for multiple apartments in the same month or property taxes paid to multiple municipalities. Some of these traffickers operated escort agencies and had purchases associated to website hosting and online marketing in addition to purchases of advertisements for escort services. This category had the most overlap with the others. Several transactions in this category indicate that some traffickers also trafficked victims out of short-stay locations and may have also offered massage services in private residences similar to those offered in illicit storefront businesses offering sexual services.

Traffickers operating or suspected to operate illicit storefront businesses offering sexual services

Illicit storefront businesses offering sexual services included spas, massage/body rub centres and private clubs. In-person casino cash transactions were more common in these disclosures compared to the other categories. Casino transactions included cash purchases of casino chips, cash advances from player gaming accounts, and casino disbursements in cash and cheques. Also particular to these businesses was the high volume of funds they received from payment processors likely indicating this is a method in which they received payments from clients for sexual services.

Many traffickers in this category operated multiple illicit sexual services businesses, sometimes in multiple cities. They were also associated to several front companies (e.g., restaurants, vehicle-related entities) used to launder funds and often transferred funds between their business and personal accounts and those of their associates. Some of the traffickers had financial connectivity with other trafficking networks.

Some traffickers in this category and those trafficking out of private residences had transactions to and from their investment accounts or to and from online investment entities— yet some transactions did not involve investment purchases. FINTRAC suspects that traffickers used their investment/trading accounts to launder funds.

Trafficking foreign nationals

Foreign nationals who were victims of human trafficking for sexual exploitation were observed in all above business models of sexual exploitation venues but were mostly concentrated among traffickers operating illicit storefront businesses offering sexual services. Some traffickers of foreign nationals were also involved in human smuggling. Among foreign nationalities that could be identified in FINTRAC's sample, traffickers trafficked foreign nationals who originated mostly from China and South Korea but others originated from the Philippines, Thailand, Indonesia, Portugal and

unspecified countries in Eastern Europe. These traffickers and their associates often had international aspects to their transactions such as transferring funds to multiple countries including some that transferred funds to themselves or to criminal associates in another country, being associated to foreign businesses also involved in human trafficking for sexual exploitation, or had online advertisements for escort services or recruitment of escorts posted in another country.

International funds transfers among these disclosures were primarily outgoing from Canada to countries such as the Philippines, Brazil, Russia, Portugal, China, Australia, Colombia, Taiwan, United States, Kazakhstan, United Arab Emirates, Hong Kong, South Korea, and Uzbekistan with reasons for transfers usually not provided. However some outgoing transfers cited reasons mostly related to family, gift, loan repayments, or tuition. Some funds transferred (totalling CAN\$1.5 million) to the United States were cited as purchases of a hotel franchise – the sender of these transfers was a sex trade worker closely associated to traffickers. Indeed, a different trafficker owned motel franchises in Canada as well. Incoming funds transfers to Canada originated mostly from China but also from Hong Kong and South Korea and cited reasons such as living expenses, consulting, training, education and travel.

Reasonable grounds to suspect and how to use indicators

How reporting entities determine if they submit a suspicious transaction report to FINTRAC (for either a completed or attempted financial transaction) requires more than a “gut feel” or “hunch,” although proof of money laundering is not required. Reporting entities are to consider the facts, context and money laundering indicators of a transaction. When these elements are viewed together, they create a picture that is essential to differentiate between what may be suspicious and what may be reasonable in a given scenario. Reporting entities must reach reasonable grounds to suspect that a transaction is related to the laundering or attempted laundering of proceeds of crime before they can submit a suspicious transaction report to FINTRAC.

Indicators of money laundering can be thought of as red flags indicating that something may very well be wrong. Red flags typically stem from one or more characteristics, behaviours, patterns and other contextual factors related to financial transactions that make them appear inconsistent with what is expected or considered normal. On its own, an indicator may not initially appear suspicious. However, it could lead you to question the legitimacy of a transaction, which may prompt you to assess the transaction to determine whether there are further facts, contextual elements or additional ML/TF indicators that would increase your suspicion to the point where submitting an STR to FINTRAC would be required (see [FINTRAC Guidance on Suspicious Transaction Reports](#)).

Money laundering indicators

Below are additional money laundering indicators related to human trafficking for sexual exploitation derived from FINTRAC’s analysis and reflect the types and patterns of transactions, contextual factors and those that emphasize the importance of knowing your client. All indicators from FINTRAC’s [2016 Operational Alert](#) on the laundering of proceeds from human trafficking for sexual exploitation remain relevant (see **Appendix**). The additional indicators should be considered along with those in the 2016 Operational Alert.

These indicators should not be treated in isolation; on their own, these indicators may not be indicative of money laundering or other suspicious activity. They should be assessed by reporting entities in combination with what they know about their client and other factors surrounding the transactions to determine if there are reasonable grounds to suspect that a transaction or attempted transaction is related to the commission or attempted commission of a money laundering offence. Several indicators may reveal otherwise unknown links that, taken together, could lead to reasonable grounds to suspect that the transaction is related to the laundering of proceeds derived from human trafficking activities. It is a constellation of factors that strengthen the determination of suspicion. These indicators aim to help reporting entities in their analysis and assessment of suspicious financial transactions.

General contextual and money laundering indicators possibly related to human trafficking for sexual exploitation

FINTRAC found that females were the majority of victims and males were the majority of traffickers in human trafficking for sexual exploitation, based on its analysis of sample transactions related to this crime. This finding is consistent with numerous external sources. With this in mind, some indicators below reference specific genders to help provide context and to potentially characterize individuals' roles within human trafficking. However, anyone can be a trafficking victim - males and other gender identities are victims of this crime too. Additionally, some females may have dual roles as traffickers and victims, or have other functions in human trafficking operations.

- ⊗ Rounded sum purchases at grocery stores and/or other retailers that sell gift cards and/or prepaid credit cards.
- ⊗ Atypical high-value purchases at convenience stores, particularly those that sell gift cards, prepaid credit cards, or offer money transfer services.
- ⊗ Purchases at online merchants that specialize in selling gift cards.
- ⊗ Purchases and/or payments at luxury vehicle dealerships or for limousine services.
- ⊗ Purchases and/or payments at higher-end restaurants.
- ⊗ Purchases and/or payments at higher-end clothing, footwear, or accessories retailers.
- ⊗ Purchases and/or payments at entities offering cosmetic surgery or other medical procedures to enhance one's physical appearance.
- ⊗ Purchases at higher-end nightclubs.
- ⊗ Purchases at jewellery retailers.
- ⊗ Frequent low-value payments for parking.
- ⊗ Frequent purchases for food delivery services, often on the same day. (This may indicate the food is for multiple people or the account is used by multiple people to purchase food.)
- ⊗ Purchases and/or payments to entities associated with jail collect calls.
- ⊗ Frequent transfers to virtual currency exchangers, particularly if these funds were sourced from incoming email money transfers from multiple individuals.
- ⊗ Frequent transfers to individuals who conduct virtual currency exchanges on behalf of third parties, particularly if these funds were sourced from incoming email money transfers from multiple individuals.
- ⊗ Transfers to individuals or entities that advertise their virtual currency services on escort websites.
- ⊗ Frequent purchases and/or payments to online gambling/online casino platforms, particularly if these funds were sourced from incoming email money transfers from multiple individuals.
- ⊗ Frequent funds transferred to a reloadable prepaid credit card, particularly to multiple prepaid cards.
- ⊗ Use of reloadable prepaid cards to do card-to-card transfers. Where one card has no reloads and only receives transfers from another reloadable card user. (For example, a female's reloadable prepaid credit card has no reloads and only receives transfers from another reloadable prepaid card.)
- ⊗ Female's reloadable prepaid credit card is funded by reloads or transfers from a male, usually the same male.
- ⊗ Excessive payments to multiple telephone or internet service providers.
- ⊗ Multiple phone numbers attempting to access a female's bank account.

- ⊗ Location(s) of accommodation bookings correspond to location(s) of cash deposits, particularly when multiple cities are observed in transactions.
- ⊗ Use of automatic banking machine(s) located in or near location(s) of accommodation booking(s), particularly if the transaction(s) occurred following the payment for that accommodation booking(s).
- ⊗ Frequent cash withdrawals from automated banking machines not owned by a financial institution (i.e., white-label ATMs), often located in convenience stores, gas stations, casinos, hotels.
- ⊗ Payments to online third party accommodations- or travel-booking websites.
- ⊗ Transactions involving payment processors associated to escort websites or online gambling.
- ⊗ Personal account received multiple funds transfers from payment processors.
- ⊗ Female's account is primarily funded by transfers from another female and account activities of both females indicate they may be escorts.
- ⊗ Individual received numerous email money transfers with escort-related references from several parties, usually males, followed by outgoing email money transfers to female(s) or male(s) who also received similar email money transfers from other parties. The individual had very few or no other transactions related to escorts or human trafficking. (The individual may be a financial intermediary/nominee in a human trafficking network and may be a collector of human trafficking-related funds.)
- ⊗ Individual or entity received multiple email money transfers referencing the name or partial name of an escort agency/escort services business.
- ⊗ Individual or entity's phone number is associated to an escort agency/escort services business.
- ⊗ Funds deposited to or withdrawn from a casino player's gaming account with limited or no gambling involved.
- ⊗ Funds deposited to or withdrawn from an investment account with limited or no purchases of investments.
- ⊗ Frequent funds transfers to an online investment entity.
- ⊗ Frequent payments of premium fees for online escort advertisements.
- ⊗ An individual is the owner, operator or employee of an entity in an industry that could be used as a venue for human trafficking for sexual purposes (e.g., spa, body-rub centre, strip club, motel, real estate rentals, property management).
- ⊗ An entity is in an industry that could be used as a venue for human trafficking for sexual purposes (e.g., spa, body-rub centre, strip club, motel, real estate rentals, property management).
- ⊗ Use of separate accounts and/or separate credit cards to separate non-human trafficking related transactions from human trafficking-related transactions.
- ⊗ Incoming funds (cash deposits and incoming email money transfers) are immediately transferred to a business account and from the business account, funds are depleted by outgoing email money transfers and cash withdrawals.
- ⊗ Individual frequently transfers funds between business accounts of entities owned by the same individual.
- ⊗ Credit card receives payments from multiple financial institutions followed by cash advances on the credit card.
- ⊗ Excessive and/or large cash advances on a credit card.

Contextual and money laundering indicators possibly related to human trafficking for sexual exploitation out of private residences

- ⊗ Payments, usually monthly, to multiple individuals or entities involved in residential rentals (e.g., landlords, property management, real estate agencies) or that reference rent or specific addresses.
- ⊗ Payments of property taxes to different municipalities.
- ⊗ Payment of utility bill for a utility service provider not servicing the area where the individual or business has an address.
- ⊗ Purchases/payments/or transfers associated to multiple purchases of real estate.
- ⊗ Escort services business/escort agency is associated to a residential address.

Contextual and money laundering indicators possibly related to human trafficking for sexual exploitation out of illicit storefront businesses offering sexual services

- ⊗ Business appears to maintain unusually long and extended business hours into the late night or early morning.
- ⊗ Merchant point-of-sale transactions occur after the establishment's normal business hours.
- ⊗ Storefront business is associated to escort advertisements or escort services websites.
- ⊗ Storefront business or its owner(s) received multiple funds transfers from payment processors, particularly from payment processors associated to escort services or adult entertainment.

Contextual indicators possibly related to trafficking foreign nationals for sexual exploitation

- ⊗ Individual or entity is associated to advertisements recruiting escorts from foreign countries.
- ⊗ Individual or entity is associated to escort advertisements in another country and/or in a foreign language.
- ⊗ Individual or entity is associated to an illicit storefront business offering sexual services in another country.
- ⊗ Individual or entity is associated to an escort agency/escort services business in another country.
- ⊗ Individual or entity is associated to job recruitment advertisements posted in another country.
- ⊗ Escort advertisement, escort agency, or escort services business indicates the escort(s) has had training in a foreign country.
- ⊗ Large and/or multiple international travel-related purchases (e.g., airfare) for self or other individuals to or from jurisdictions that are sources of victims associated with trafficking foreigners in Canada for sexual exploitation (e.g., China, South Korea).

Reporting to FINTRAC

To facilitate FINTRAC's disclosure process, please include the term **#Project PROTECT** or **#PROTECT** in Part G-Description of suspicious activity on the Suspicious Transaction Report. See also, [Reporting suspicious transactions](#) to FINTRAC.

Contact FINTRAC

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Cat. No. FD4-13/2021E-PDF

ISBN 978-0-660-39271-4

Resources

Several external reports also described contextual and financial aspects of human trafficking. Many of FINTRAC's findings on human trafficking for sexual exploitation are also found in these other reports. For more information on human trafficking for sexual exploitation as well as associated financial intelligence, please consult the following resources:

Canada

- ⊗ [Canadian Centre to End Human Trafficking](#)
- ⊗ Public Safety Canada: "[National strategy to combat human trafficking 2019-2024](#)"
- ⊗ Statistics Canada: "[Trafficking in persons in Canada, 2019](#)"

International

- ⊗ Anti-Human Trafficking Intelligence Initiative: "[Red Flags and Indicators Applicable to Sex Trafficking and Forced Labor](#)"
- ⊗ Europol: "[The Trafficking in Human Beings Financial Business Model](#)"
- ⊗ Financial Action Task Force (FATF) (2018): "[Financial Flows from Human Trafficking](#)"
- ⊗ Financial Crimes Enforcement Network (FinCEN): "[Supplemental Advisory on Identifying and Reporting Human Trafficking and Related Activity](#)"
- ⊗ International Labour Organisation: "[Profits and Poverty: The Economics of Forced Labour](#)"
- ⊗ Organization for Security and Co-operation in Europe (OSCE): "[Following the Money: Compendium of Resources and Step-by-step Guide to Financial Investigations Into Trafficking in Human Beings](#)"
- ⊗ [Polaris Project](#)

¹ Statistics Canada: "[Police-reported crime statistics in Canada, 2019](#)"

² Public Safety Canada: "[National strategy to combat human trafficking 2019-2024](#)"

³ Canadian Centre to End Human Trafficking: "[Human Trafficking Corridors in Canada](#)"

⁴ Europol: "[The Trafficking in Human Beings Financial Business Model](#)"

Appendix

List of Indicators from FINTRAC's 2016 Operational Alert "[Indicators: The laundering of illicit proceeds from human trafficking for sexual exploitation](#)"

Types of financial transactions

- Online advertising and promotional services (e.g., escort services, massage services, relationship services, related peer-to-peer online booking services): frequent payments in multiples of small amounts (e.g., \$3, \$12, \$24) in relatively short timelines and inconsistent with expected activity;
- Accommodations (e.g., hotels, motels, peer-to-peer online booking services for private and commercial lodgings): payments for short stays and/or stays in multiple cities in a relatively short time period;
- Distance transportation: frequent purchases for airline, train, and/or bus tickets, possibly for multiple individuals, in relatively short timelines and inconsistent with expected activity;
- Local transportation: purchases for taxi, limousine, vehicle rentals, and ride sharing services in relatively short timelines and inconsistent with expected activity;
- Fast food restaurants: frequent low value purchases in relatively short timelines and inconsistent with expected activity;
- Drug stores, clothing stores, beauty stores (e.g., lingerie, make-up): frequent purchases in relatively short timelines and inconsistent with expected activity;
- Strip clubs, massage parlours, beauty salons and modelling agencies: credit card payments for purchases made after the establishments' normal hours of business;
- Bitcoins or other virtual currencies: frequent purchases in multiples of small amounts (e.g., \$3, \$12, \$24), directly by the client or through exchanges;
- Online payment services companies: personal account activity inconsistent with expectations involving frequent deposits and payments through an online payment service in small amounts typically under \$100. Account funds may then be used for virtual currency deposits/redemptions, or payment of bills, such as personal or third party credit cards;
- Rent payments: for addresses where prostitution is reported to occur by media, law enforcement, or classified ads; and,
- Credit card purchases: for online purchases which provide relative anonymity.

Patterns of financial transactions and account activity

- Cash deposits/withdrawals between the hours of 10 p.m. and 6 a.m.;
- Multiple cash deposits conducted at different bank branches/ATMs, possibly across different cities and provinces;
- Frequent transactions (e.g., purchases, payments, account debits/credits, electronic transfers) across different cities and provinces within short timelines;
- Multiple deposits and/or incoming email money transfers or other forms of electronic transfers, possibly using a temporary address (e.g., hotel), from unrelated third parties with little or no explanation;
- Account funded primarily via third party cash transactions;
- Deposits (e.g., via ABM, in-branch, email money transfers, other forms of electronic transfers) followed rapidly by cash withdrawals, bill payments, and/or electronic transfers;
- Personal account receives frequent deposits but is typically kept depleted, showing no purchases or transactions that would indicate normal activity;

- Account appears to function as a funnel account; deposits occur in locations where the client does not reside or conduct business;
- Deposits (e.g., via ABM, in-branch) conducted in one city followed by same day or next day withdrawal and/or purchase conducted in another city;
- Unrelated third parties sending email money transfers or other forms of electronic transfers to the same beneficiary with no apparent relation to the recipient or no stated purpose for the transfers;
- Email money transfers to third parties with alternate names provided in brackets [e.g., jane@example.com (Bambi)];
- Large and frequent electronic transfers between senders and receivers with no apparent relationship;
- Common address provided by different people undertaking domestic/international funds transfers;
- Rounded sum hotel transactions;
- Hotel transactions by the same individual for two separate rooms for the same dates;
- Hotel transactions followed by a refund for the same amount; and,
- Pre-authorized hotel by credit card, but accommodations are actually paid for using cash.

Contextual indicators

- Media or other reliable sources suggest that a client may be linked to criminal activity which could generate proceeds of crime;
- Media coverage of account holder's activities relating to human trafficking in the sex trade and/or prostitution rings;
- Use of addresses where prostitution is reported to occur by media, law enforcement, or classified ads;
- Phone number provided on online advertising and promotional services is used in different cities and provinces in a short period of time;
- Use of a third party to execute transactions (for example, under the pretext of requiring an interpreter); and,
- Client makes deposits accompanied or watched by a third party who may, on separate occasions, accompany or watch clients who are making deposits. The third party may be handing over to the client what is subsequently confirmed to be the client's identification.

Know your client

- Financial activity is inconsistent with that expected based on one or more of the following: the client's financial status, stated occupation, type of account or stated business activity;
- Clients give contact/identifying information that is traceable through open sources to advertising related to escort services;
- Use of someone else's identification, or opening an account in the name of an unqualified minor;
- Use of aliases for the purpose of opening multiple accounts in different banks, or in different branches of the same bank; and,
- Addition of an unusual number of individuals as joint account holders, or authorized users to products such as credit cards.