

## **REQUEST FOR PROPOSAL**

Original date issued: 26 July 2021

Closing date: 11 Feb 2022

Reference: G08–Nowhere to Hide: Turning Illicit Financial Flows Against Human Trafficking in the Philippines

Subject: **Request for Proposal – Legal Strategies for Using Digital Financial Transactions to Prosecute European Perpetrators of Online Sexual Exploitation of Children (OSEC) in the Philippines**

## **INTRODUCTION**

The Global Fund to End Modern Slavery (GFEMS) has developed an intervention— *Nowhere to Hide*— to reduce online sexual exploitation of children (OSEC) by using traffickers’ illicit financial flows as a tool against them. An experienced developer of cutting-edge technological solutions for fighting trafficking, GFEMS will lead the intervention and will bring together a strong network of diverse partners – from financial sector leaders in Europe to justice actors in the Philippines – to make the project a success.

Human traffickers and perpetrators of OSEC can easily send money around the world to facilitate their crimes. They use the traditional financial system as well as new channels, such as cryptocurrency and e-money wallets. Authorities and other stakeholders have not yet brought adequate focus to these new channels as enablers of trafficking, and to make matters worse, these channels are often designed to enhance anonymity for users. Payments *should* be a paper trail to identify perpetrators and traffickers; instead, they are a hiding place.

*Nowhere to Hide* will lift the veil on payment systems as facilitators of human trafficking and give authorities and other stakeholders the knowhow, tools, and motivation needed to turn illicit financial flows against traffickers.

The starting point of this project is online sexual exploitation of children (OSEC) in the Philippines by perpetrators in Europe. This starting point enables a focused scope on an issue that has heightened in significance during Covid-19, and that appears especially relevant to cybersecurity approaches due to its online and cross-continental nature.

GFEMS has already engaged a specialist service provider who will focus on understanding financial flows to OSEC which are facilitated by cryptocurrency. The first portion of this specialist’s work will involve estimating the volume and nature of cryptocurrency transactions that pay for online child sexual abuse material in the most recent 12-month period; the second will comprise creation of a proof of concept to demonstrate the technological steps necessary to de-anonymize these cryptocurrency transactions.

**We are now seeking a second specialist service provider to lead workstreams relating to the European legislation, investigation, and prosecution environment around digital payments for OSEC abroad.** The goal of this project is to create a practical handbook demonstrating the steps necessary to successfully prosecute cases of OSEC facilitated by digital payment platforms; and to identify methods of expanding on these guidelines to successfully prosecute transactions that pass through new payment technologies.

The service provider will be expected to first collect a corpus of OSEC buyer cases which have been prosecuted in Europe (or a subset of European countries to be specified), and identify themes and commonalities among the key digital transaction evidence from those cases. These cases should include examples of prosecutions of illicit financial flows facilitated using traditional payment methods, as well as those using cryptocurrency. The service provider will then be expected to expand on the existing investigative and prosecutorial track record and propose methods of aligning law enforcement strategies with evidence derived from digital payment technologies.

The service provider will be expected to work closely with GFEMS staff, who will lead project implementation, as well as the service provider we have engaged to complete the first stage of work.

GFEMS anticipates awarding one award as a result of this solicitation.

### **INSTRUCTIONS TO THE RESPONDENTS**

Interested respondents should submit a proposal following the prescribed format in the Submission Requirements section of this RFP.

Adherence to the proposal format by all respondents will ensure a fair evaluation with regard to the needs of GFEMS. Respondents who do not follow the prescribed format may be deemed non-responsive.

Please limit your proposal to no more than 8 pages, excluding CV's or resumes and required forms. Proposals must be submitted electronically using the [webform link](#) on the [GFEMS website](#) or by email to [april.stewart@gfems.org](mailto:april.stewart@gfems.org) with the 'subject' from the top of the cover page in the email subject line. No phone calls please. Proposals received after the closing date stated on the top of the cover page of this RFP will be rejected.

Technical and contractual questions concerning this solicitation must be submitted through the linked [Q&A webform](#) or by email to [april.stewart@gfems.org](mailto:april.stewart@gfems.org).

No communication intended to influence this procurement is permitted except by contacting the designated contact email above. Contacting anyone other than the designated contact (either directly by the Respondent or indirectly through a lobbyist or other person acting on the respondent's behalf) in an attempt to influence this procurement: (1) may result in a Respondent being deemed a non-responsive Respondent, and (2) may result in the Respondent not being awarded a contract.

This RFP in no way obligates GFEMS to award a contract nor does it commit GFEMS to pay any cost incurred in the preparation and submission of a proposal.

GFEMS bears no responsibility for data errors resulting from transmission or conversion processes.

## **ABOUT GFEMS**

The Global Fund to End Modern Slavery (GFEMS) works to dismantle the systems that perpetuate modern slavery. To do this, we mobilize new and diverse funding. We collaborate with governments, the private sector, philanthropists, and civil society. And we invest in programs and solutions that are scalable and sustainable. Our investments target regions and sectors with high prevalence of modern slavery and high potential for impact. We are building a coherent global strategy against trafficking and slavery.

GFEMS issues funding across sectors and geographies with a focus on addressing supply, demand, and the enabling environment factors that perpetuate modern slavery. The Fund also invests in building the evidence base for the anti-trafficking field and generating knowledge products to inform interventions. We invite you to read more about the fund's strategy, investments, and impact at [www.gfems.org](http://www.gfems.org).

## **BACKGROUND AND PURPOSE**

**Through consultation of experts in the fields of sexual exploitation and illicit financial flows, GFEMS has identified online sexual exploitation of children (OSEC) in the Philippines as a critical area of intervention.** The Philippines is recognized as a global hotspot for OSEC and is the largest known source of OSEC cases in the world, with [8 times more case referrals than any other country](#) (p60). [Current analysis](#) (p17-18) attributes this dubious distinction to the Philippines' highspeed internet connectivity, growing availability of relatively cheap smartphones and tablets, widespread use of the English language, and a high wealth disparity compared to buyers in Europe and North America.

**Tracing financial flows is not only key to the detection of perpetrators but, if correctly identified, financial flows can also serve as evidence to support prosecutions in court and to confiscate criminal assets for compensation of victims.**

**Authorities have systems for receiving reports from money bureaus and banks, but the same is not true for some nontraditional payment methods.** This lack of regulation is problematic because investigators have found that some OSEC crimes have used [electronic money wallets and cryptocurrency](#). At this point, few countries have implemented regulations for virtual currency exchanges. Moreover, the users of such channels may be more sophisticated and less likely to take risks which could reveal their identities, and the payment channel itself may be more hidden by design. Anti-TIP efforts need support to address non-traditional payment channels. Even if nontraditional channels prove to be lightly used currently, pre-emptive action now can prevent them from becoming the next channel for traffickers when authorities do tighten control of traditional channels.

Additional background information is available on request.

**GFEMS is now seeking a specialist service provider to lead workstreams relating to the European legislation, investigation, and prosecution environment around OSEC (or a subset of European countries to be specified by the Respondent). The goal of this project is to create a practical handbook demonstrating the steps necessary to successfully prosecute cases of OSEC in Europe facilitated by traditional payment channels with new digital interfaces; and to**

**identify methods of expanding on these guidelines to successfully prosecute cryptocurrency and other new payment technology transactions.**

**SCOPE OF WORK**

The selected service provider will focus on two components. The structure can be discussed with GFEMS during the negotiation phase and can also be adapted during the implementation of the project.

1. Collection of a corpus of OSEC buyer cases that have been prosecuted in Europe; and identification of themes and commonalities among the key digital transaction evidence from those cases.
  - a. These cases should include examples of prosecutions of illicit financial flows facilitated using traditional payment methods, new digital payment platforms, as well as those using cryptocurrency.
  - b. This evidence base should be written up in a report summarizing the themes and evidence collected, including archetypal transactions, potentially for publication.
  - c. This should be written in very plain language which can be understood by individuals without legal expertise.
  - d. Cases relevant to crimes committed in the Philippines are especially pertinent, but global cases may also be used.
  - e. We suggest that the respondent specify their proposed geographic scope within Europe, based on what they consider to be feasible, in their proposal.
2. Building on the existing investigative and prosecutorial track record, identification of potential methods of aligning prosecution strategies with evidence that may derive from either digital payment platforms or cryptocurrency payments.
  - a. The service provider will be expected to work closely with the consultant GFEMS has engaged to identify methods of deanonymizing cryptocurrency transactions. It is expected that this workstream should identify the feasibility of leveraging the proposed cryptocurrency deanonymization techniques to support prosecution. Other methods of supporting prosecution should also be considered.
  - b. As above, these methods should be written up in a report summarizing the recommendations for the approach to prosecution. This should be written in very plain language which can be understood by individuals without legal expertise.

**Deliverables:**

1. A report summarizing the themes among the key digital transaction evidence collected, potentially for publication and/or dissemination;
2. A report proposing methods of aligning prosecution strategies with evidence that may derive from either digital payments or cryptocurrency payment technologies, including new deanonymization techniques;
3. Write-ups of selected chapters within the Nowhere to Hide investigative handbook, summarizing the steps taken to produce the deliverables above. This deliverable should

be completed in close alignment with the service provider leading the work to deanonymize cryptocurrency transactions, already engaged by GFEMS.

**The ideal service provider will have:**

- Deep experience in understanding and interpreting the investigative and prosecutorial landscape in at least some countries within Europe and at the European Union level;
- Ability to communicate this experience and learnings for practical use by a wide audience, in plain English, with French being an additional asset;
- Connections with relevant law enforcement, AML, and civil society organizations in Europe;
- Knowledge of and experience with human trafficking, OSEC, and financial flows;
- An understanding of the OSEC context in the Philippines, preferably, or in another country; ● Experience of successful collaborations with similar organizations to achieve a common goal.

**GFEMS anticipates the total cost for the above scope of work to not exceed \$50,000 USD, inclusive of any relevant sales tax.**

**SUBMISSION REQUIREMENTS**

<p>Section 1. Company profile:</p>	<p>Please limit to no more than two pages. CV's or resumes will not count toward the page limit.</p> <ol style="list-style-type: none"> <li>1. Provide a description of your business and general corporate capabilities</li> <li>2. Provide the year established in the current business for the services requested in this request for proposal</li> <li>3. Revenue and number of employees for the past two fiscal years.</li> <li>4. Statement that you are financially sound, not delinquent to or under investigation by any unit of government, and are otherwise a responsible, going concern</li> <li>5. CVs or resumes of key personnel- in a leading paragraph, please indicate how much time each person(s) will devote to this contract and what other projects this person (s) undertake at the same time</li> <li>6. Please indicate whether or not you would use subcontractors, consultants, or other third parties; if so, please list them</li> </ol>
<p>Section 2: References:</p>	<p>A description of the types and sizes of client organizations served, as well as a sample client list indicating the type of services rendered. Respondents should provide references as follows:</p> <ol style="list-style-type: none"> <li>1. At least three (3) examples of relevant work</li> <li>2. The contact information should include the contact name, phone number, e-mail address, and website address. References will be contacted as part of the evaluation process</li> </ol>
<p>Section 3. Approach:</p>	<ol style="list-style-type: none"> <li>1. Describe a comprehensive plan to collect of a corpus of OSEC buyer cases which have been prosecuted in selected European countries.</li> <li>2. Describe the methodology proposed to efficiently review the relevant literature; prioritize the most relevant cases; pull out key digital transaction evidence from those cases; and identify themes and commonalities.</li> </ol>

	<ol style="list-style-type: none"> <li>3. Describe your approach to choosing a geography in Europe [this may include one, several or all EU countries; or non-EU-member countries within Europe.]</li> <li>4. Describe your approach to the ideation phase of work: proposing methods of aligning prosecution strategies with evidence derived from digital payment platforms and cryptocurrency payments.</li> <li>5. Provide an indicative workplan and staffing plan.</li> <li>6. Data and information will often be hidden and difficult to access, provide an action plan to address such challenges or other foreseeable risks.</li> <li>7. List relevant existing partners and how they will support the project.</li> <li>8. Ensure the proposal reflects your ability to write in very plain language which can be understood by individuals without legal expertise.</li> </ol>
Section 4. Budget and Price:	<p>GFEMS will consider a proposal that is either a transaction level, fixed-fee, level of effort rate subject to a maximum not to exceed fee, or other arrangement fair and favorable to GFEMS.</p> <p>If proposing a transaction fee arrangement, provide your proposed transaction fee for each of the transaction types anticipated under this scope of work.</p> <p>For other than transaction fee arrangement, please describe your pricing method and why this would be advantageous to GFEMS.</p> <p>Please provide a detailed breakdown of line item cost by unit using the budget template included with this RFP. (Annex A)</p> <p>Please be advised that GFEMS is cost-conscious about procuring outside services.</p>

**TYPE OF CONTRACT TO BE AWARDED**

Fixed price per deliverable

**CONTRACT TERM AND DELIVERY DATES**

GFEMS expects this scope of work to be completed in approximately 6 months, from March 2022 to September 2022. Final delivery dates will be negotiated upon award.

Below is an indicative timeline that can be largely revised based on the preferences and methods of the selected service provider. It only serves here to provide further indications on the different components of the scope of work:

Activity	Deadline
Partner submits a report summarizing the themes among the key digital transaction evidence collected, potentially for publication;	May 2022

Partner submits a report proposing methods of aligning prosecution strategies with evidence that may derive from cryptocurrency payment technologies, including new deanonymization techniques;	
Partner completes write-ups of selected chapters within the Nowhere to Hide investigative handbook, summarizing the steps taken to produce the deliverables above.	July 2022

**EVALUATION AND AWARD PROCESS**

The award will be made to a responsible offeror whose offer follows the RFP instructions, meets the eligibility requirements, and meets or exceeds the minimum required technical specifications, and is judged to be the best value to GFEMS.

Please note that if there are significant deficiencies regarding responsiveness to the requirements of this RFP, a proposal may be deemed “non-responsive” and thereby disqualified from consideration. GFEMS reserves the right to waive immaterial deficiencies at its discretion.

GFEMS reserves the right to award under this RFP without further negotiations. Respondents are encouraged to offer their best terms and prices with the original submission. It is anticipated that an award will be made solely on the basis of these original proposals. However, GFEMS reserves the right to conduct any of the following:

- conduct negotiations with and/or request clarifications from any respondent prior to award;
- issue a partial award or split the award among various respondents, if in the best interest of GFEMS;
- cancel this RFP at any time.

Proposals will be evaluated based upon:

1. ability to match the qualifications set forth in this solicitation
  - a. Company Profile (10%)
  - b. References (10%)
  - c. Technical/strategic approach-collection of corpus of evidence (25%)
  - d. Technical/strategic approach-ideation of new prosecution techniques (25%)
  - e. Budget and price (25%)
  - f. Application completeness and organization (5%)

**GENERAL CONDITIONS**

Late submissions and submissions lacking the appropriate completed forms will not be considered. Submissions will not be accepted at any other GFEMS location other than the email address above. If changes are made to this RFP, notifications will be sent to the primary contact provided to GFEMS from each respondent. GFEMS takes no responsibility for effective delivery of the electronic document.

This RFP does not commit GFEMS to award a contract, pay any costs incurred in preparing a proposal, or to procure or contract for services or supplies. GFEMS reserves the right to accept or reject any or all submissions received, to negotiate with all qualified sources, or to cancel in part or in its entirety the RFP when it is in GFEMS's best interest.

The respondent shall disclose any indictment for any alleged felony, or any conviction for a felony within the past five years, under the laws of the United States or any state or territory of the United States, or any other Jurisdiction, and shall describe circumstances for each. When a respondent is an association, partnership, corporation, or other organization, this disclosure requirement includes the

organization and its officers, partners, and directors or members of any similarly governing body. If an indictment or conviction should come to the attention of GFEMS after the award of a contract, GFEMS may exercise its stop-work right pending further investigation or terminate the agreement.

It is GFEMS's Policy that no gifts of any kind and of any value be exchanged between respondent and GFEMS personnel. Discovery of the same will be grounds for disqualification of the respondent from participation in any GFEMS's procurements and may result in disciplinary actions against GFEMS personnel involved in such discovered transactions.

Respondent must disclose any financial or organizational interest – as an employee, consultant, business partner, investor, shareholder, borrower, lender, beneficiary, board member or trustee – in an actual or potential competitor, contractor, sub-contractor, customer, client, vendor, donor or recipient of GFEMS, that might produce a conflict of interest or the appearance of a conflict of interest should this contract be awarded.

Respondent warrants that it shall not discriminate because of race, color, religion, sex, national origin, political affiliation, non-disabling physical and mental disability, political status, matriculation, sexual orientation, gender identity or expression, genetic information, status as a veteran, physical handicap, age, marital status or any other characteristic protected by law.

United States law prohibits transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. The respondent under any award resulting from this RFP must ensure compliance with these laws.

By submitting a Proposal in response to this RFP, the respondent, if selected for award, agrees that it will comply with all federal, State, and local laws applicable to its activities and obligations under the Contract.

## **APPENDIX A**

<b>SUMMARY BUDGET</b>	
<b>Cost Category</b>	<b>Total</b>
A) Salaries & Wages	-
B) Fringe Benefits	-
C) Travel	-
D) Supplies	-
E) Contractual	-
F) Other Direct Costs	-
<b>Total Direct Cost</b>	<b>-</b>
G) Indirect Costs	-
<b>Total Estimated Cost</b>	<b>-</b>