

Interview Summary: Sam Swartz & Dan Alexander, Stripe

Background

Sam Swartz is Stripe's Director of Public Policy for the Americas. He has worked at Stripe for four years. Mr. Swartz leads the company's supportability policies which, broadly speaking, address with whom Stripe may work in given areas. Mr. Swartz was actively involved in Stripe's response to the protests that occurred in January and February 2022. Scores of employees worked on Stripe's response over the course of several weeks, and Mr. Swartz oversaw these efforts as project manager.

Dan Alexander is Stripe's Financial Crimes Officer and Head of Compliance for North America. He has worked at Stripe for more than two and a half years. Mr. Alexander's involvement in Stripe's response to the protests included reviewing impacted accounts and interfacing with stakeholders such as regulators and financial institutions.

Mr. Swartz and Mr. Alexander were interviewed by Daniel Sheppard and Étienne Lacombe on September 12, 2022. Questions about this summary should be directed to Daniel Sheppard.

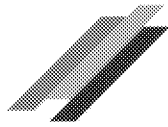
Text contained in [square brackets] are explanatory notes provided by Commission Counsel to assist the reader.

Payment Processing and Crowdfunding Platforms

Stripe provides payment processing solutions to crowdfunding platforms, among other services. In Canada, it operates and processes payments under Stripe Payments Canada Ltd. When a user located in Canada creates a fundraising campaign on an American crowdfunding platform, Stripe looks to process the payments from donations through its Canadian entity.

To provide payment processing services, Stripe partners with financial institutions. These include an acquiring bank which processes credit and debit card payments, and a depository institution which holds the funds until instructed to pay them out. In Canada, Peoples Trust acts as Stripe's acquiring bank and HSBC as its depository institution. In the United States of America, Wells Fargo acts as one of the acquiring banks and depository institutions for Stripe.

Crowdfunding platforms GoFundMe and GiveSendGo use Stripe's Connect service. With this service, the crowdfunding platform, as the primary merchant, has a main user account with Stripe. Individual campaign owners in turn create subaccounts when they sign up on the crowdfunding platform. From a regulatory perspective, this structure enables Stripe and the platforms to distinguish transactions associated with a given subaccount from those associated with other campaigns, and to perform basic Know Your Customer and other risk and compliance checks on individual campaign owners.



Regulatory Compliance and Risk Management

As a payment processor, Stripe was not required to register with or submit reports to the Financial Transactions and Reports Analysis Centre of Canada until the Emergency Economic Measures Order came into force. Nonetheless, Stripe's risk management practices flowed primarily from its Global Anti-Money Laundering Program and its own risk management policies, along with its contractual obligations with its partner financial institutions, which are themselves regulated.

Stripe applies risk management controls at different levels. It follows Know Your Customer practices and applies a risk rating to its customers. The customer's identity, their business model and their industry are examples of factors informing Stripe's risk rating. Customers with higher risk ratings are subject to greater scrutiny. Stripe also verifies customers' identities against lists of prohibited individuals and the requirement to hold a valid bank account before receiving funds serves as an additional check. As regards crowdfunding campaigns, Stripe assesses the language of the campaign itself, the activities of the person or group organizing a campaign, its beneficiaries and the purpose of the funding. Crowdfunding campaigns must comply with Stripe's Terms of Service, which prohibit, among other things, unlawful violence.

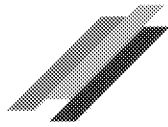
Sometimes, Stripe will reach out for additional information about crowdfunding campaigns. It may do so if there are discrepancies in the information it has received and on which it relies to conduct its risk management and compliance practices.

Stripe Accounts Related to the GoFundMe Freedom Convoy 2022 Campaign

Stripe became aware of the planned freedom convoy protests early on because it monitors events of this sort around the world as part of its ordinary practices. Shortly after becoming aware of the planned protests, the account connected to Tamara Lich's "Freedom Convoy 2022" GoFundMe campaign was flagged for full review.

Stripe reviewed the account against its risk management controls. This included reviewing the Know Your Customer information, the bank account information associated with the Stripe account, any indicators of fraud and whether any economic sanctions applied. Stripe also reviewed the flagged account against its Terms of Service. That review involved looking at the information associated with the campaign, its purpose, organizers and beneficiaries, crosschecking the information provided against other available information, and speaking to people on the ground. These checks overlapped with the ones GoFundMe was conducting in keeping with its own Terms of Service and obligations. After its initial review, Stripe determined that there was no basis on which the account should be deactivated. It continued to review the account against its risk management controls and its Terms of Service as the situation developed.

On January 27, 2022, GoFundMe requested that \$1 million from Tamara Lich's "Freedom Convoy 2022" campaign be transferred from her Stripe account to her bank account.



Before the funds were transferred, GoFundMe paused, then un-paused the payout. As a result, the \$1 million were transferred on February 2, 2022.

Stripe Accounts Related to the GiveSendGo Fundraising Campaigns

There were three main Stripe accounts related to protest fundraisers on GiveSendGo:

- An account connected to Chris Garrah and the Adopt-A-Trucker campaign;
- An account connected to Jacob Wells and a “US” Freedom Convoy 2022 campaign; and
- An account connected to Chad Eros and a “Canadian” Freedom Convoy 2022 campaign.

[In February 2022, both GoFundMe and GiveSendGo were hosting “Freedom Convoy 2022” campaigns connected to Stripe accounts. When GoFundMe removed the “Freedom Convoy 2022” campaign on its platform, GiveSendGo reported an influx of donations.]

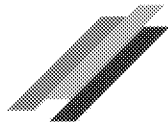
During the protests and in the weeks thereafter, Stripe communicated with GiveSendGo and its Chief Financial Officer Jacob Wells. Prior to February 4, 2022, GiveSendGo had been vocal about its support of the protests. Stripe sought assurances from GiveSendGo that it was monitoring the lawfulness of the protest activities associated with the campaign and the activities’ compliance with Stripe’s Terms of Service.

Moreover, Stripe was aware that Mr. Wells was collecting funds as the owner of the US Freedom Convoy 2022 campaign, which he stated he was doing on behalf of the Freedom Convoy organizers. Stripe sought assurances from GiveSendGo that the intended recipients of the funds would ultimately receive them. GiveSendGo provided those assurances.

Chad Eros created a Stripe account for the Canadian Freedom Convoy 2022 campaign on February 7, 2022. On February 8, 2022, Stripe suspended this account. This was a system-generated pause that might have been triggered by the quick influx of funds into the account; it was not a decision made based on ties to the protest activities. Stripe manually reviewed and un-paused the account later on February 8.

Stripe froze both Mr. Eros and Mr. Garrah’s accounts on February 11, 2022 as a result of the restraint order issued by the Ontario Superior Court of Justice. The funds remained inaccessible until they were disbursed to an escrow agent on May 10, 2022 pursuant to another order of the Ontario Superior Court of Justice.

Once the Emergency Economic Measures Order came into force, Stripe also communicated with GiveSendGo to ensure the latter was aware of the relevant legal



changes, that it would comply with the law, and that it would issue refunds if it was unable to disburse the funds legally. GiveSendGo confirmed that it would.

Upon the Emergency Economic Measures Order coming into force, Stripe also created a taskforce to review accounts that may fall under the Order's ambit. The Order was worded broadly and captured accounts in a less targeted way than the reviews Stripe had been conducting to date. The taskforce began by reviewing accounts to understand whether they were created for the purpose of benefiting the protests. Once Stripe started to receive lists of designated persons, it compared them to customer names. Stripe felt that the Order applied to accounts held by designated persons, even if they were not in fact substantively linked to the protest activities.

Pursuant to the Order, Stripe froze 119 accounts. Some contained no funds and had not been active for years. All Stripe accounts that were not subject to separate court orders (i.e., those connected to the GiveSendGo Freedom Convoy 2022 and Adopt-a-Trucker campaigns) were unfrozen once the Emergency Economic Measures Order was revoked. [GoFundMe had issued refunds for the donations made to the Freedom Convoy 2022 campaign on its platform in early February 2022].

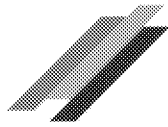
Refunds for donations made to the US Freedom Convoy 2022 campaign hosted on GiveSendGo were issued in March 2022. Logistical considerations such as ongoing freezes, the need to transfer funds to cover the disbursements and ensuring the right amounts were returned to donors impacted the timing of refunds. Stripe and GiveSendGo both supported refunding donations. From Stripe's perspective, there is a responsibility to refund donations when the purpose for which they were made can no longer be achieved. Stripe was also attentive to chargeback risks and did not want to hold funds that cannot reach their intended recipients.

Financial Flows Associated with Stripe Accounts

During this interview, Stripe representatives were asked to provide the Commission with financial information related to funds received and paid out of the various Stripe accounts discussed in the interview. Counsel for Stripe declined to provide information related to Mr. Wells' Stripe Account as it was an American account and subject to US privacy laws.

With respect to the Canadian accounts, the Stripe representatives provided the Commission with the following information following their interview:

- Ms. Lich's account received \$10,737,582.11 CAD in donations. Of those funds, \$1,000,000.00 CAD were paid out of the account. All \$10,737,582.11 CAD were ultimately refunded to donors.
- Mr. Eros's account received \$3,763,180.40 CAD in donations. The account was frozen from February 11, 2022 onward and no funds were paid out of the



account. \$3,401,844.30 CAD from this account were ultimately turned over to the escrow agent.

- Mr. Garrah's account received \$793,584.74 CAD in donations. \$330,470.92 CAD were paid out of the account in 18 payouts initiated between January 24 and February 11, 2022. The account was frozen from February 11, 2022 onward and \$375,999.68 CAD from this account were ultimately turned over to the escrow agent.

Regarding Mr. Eros and Mr. Garrah's accounts, the difference between the amounts raised and the amounts paid into escrow are due to various account actions such as chargebacks or chargeback reversals, application fees for Connect accounts and Stripe fees. Slight discrepancies in the amounts reported may also arise based on the currency conversion in effect on any given day.