

Hong Kong Customs detects first case of cross-boundary vehicle drivers assisting in money laundering (with photos)

Hong Kong Customs mounted an operation codenamed "Interceptor" this month and successfully detected a suspected money laundering case involving about \$170 million while five men were arrested. This is the first time Customs has detected a money laundering case of cross-boundary vehicle drivers assisting in money laundering activities.

Customs officers targeted a suspected money laundering syndicate in May this year and initiated a financial investigation. After months of in-depth investigations, Customs deployed over 40 officers from August 19 to 23 to raid three residential premises in the New Territories and a licensed money changer in Kwun Tong. Five men, aged between 40 and 43, suspected to be involved in the case were arrested for conspiring to "deal with property known or reasonably believed to represent proceeds of an indictable offence" (commonly known as money laundering) and contravening the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance. The five men comprise three cross-boundary vehicle drivers and two persons-in-charge of a money changer.

Initial investigation revealed that the three cross-boundary vehicle drivers involved in the case had conspired with others to deal with a total of about \$170 million of suspected criminal proceeds, of which about \$20 million in cash was seized by Customs officers when they intercepted two cross-boundary vehicles driven by two of the cross-boundary vehicle drivers. One of the drivers was also suspected of providing false information when making a declaration. Furthermore, it is suspected that part of the money has been dealt with through the two persons-in-charge of the money changer involved.

In addition, Customs has seized a number of mobile phones and over \$300,000 in cash from the residential premises and money changer involved in the case. A total of about \$580,000 of assets held by two of the cross-boundary vehicle drivers have also been frozen.

Investigation is ongoing. All arrested persons have been released on bail and the likelihood of further arrests is not ruled out.

Customs stressed to members of the public that they risk committing the crime of money laundering if they deal with money from unknown sources, regardless of whether monetary reward is involved.

Under the Organized and Serious Crimes Ordinance, a person commits an offence if he or she deals with any property knowing or having reasonable

grounds to believe that such property in whole or in part directly or indirectly represents any person's proceeds of an indictable offence. The maximum penalty upon conviction is a fine of \$5 million and imprisonment for 14 years while the crime proceeds are also subject to confiscation.

Under the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance, a person commits an offence if he or she makes a declaration for a large quantity of currency and bearer negotiable instruments (i.e. the total value of which is more than HK\$120,000) that contains any information that is false in a material particular. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for two years.

Members of the public may report any suspected money laundering activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).

