

# Hong Kong Customs detects money laundering case involving about \$1.6 billion

Hong Kong Customs mounted an operation codenamed "Spark II" yesterday and today (October 15 and 16). Five local men, aged between 34 and 71, were arrested for conspiracy or aiding to "deal with property known or reasonably believed to represent proceeds of an indictable offence" (commonly known as money laundering) under the Organized and Serious Crimes Ordinance (OSCO). They included a former compliance officer and a company secretary of a money changer, a bank staff member and former company directors. The total amount involved was about \$1.6 billion.

In October last year, Customs mounted an operation codenamed "Spark" and cracked down on a money changer suspected of money laundering in which the compliance officer laundered about \$600 million from unknown sources by setting up a shell company. After an in-depth follow-up investigation, it was further found that the compliance officer manipulated two other shell companies and opened a total of 23 accounts at a number of local banks to deal with over 4 000 suspicious transactions since 2020. Meanwhile, the investigation also found that a bank staff member was suspected of assisting the relevant arrested persons to evade the bank's monitoring of customers' transactions.

During the operation, a number of mobile phones were seized and the five persons who were suspected of assisting in dealing with the suspected crime proceeds in the accounts were arrested.

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

Customs reminds members of the public that they risk committing the crime of money laundering if they use bank accounts to assist in dealing with money from unknown sources, regardless of whether a monetary reward is involved.

Under the OSCO, 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.

Members of the public may report any suspected money laundering activities to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)) or online form

([eform.cefs.gov.hk/form/ced002/](http://eform.cefs.gov.hk/form/ced002/)).