

Hong Kong Customs dismantles money laundering syndicate with over \$1.8 billion laundered

Hong Kong Customs mounted an operation codenamed "Racer" on April 17 and successfully cracked down on a money laundering syndicate. Three local persons suspected to be connected with the case were arrested and they were suspected of using a cryptocurrency exchange trading platform and a number of company bank accounts in various local banks to deal with money from unknown sources exceeding \$1.8 billion.

Acting upon intelligence, Customs officers targeted three local persons and initiated a financial investigation. It was revealed that the three persons set up a number of local companies and bank accounts between June 2021 and July 2022 to deal with over 1 000 suspicious transactions, including funds transferred from a cryptocurrency exchange trading platform, and the amount totalled over \$1.8 billion. Subsequently, Customs conducted an enforcement operation on April 17 and raided four residential units and seven companies, among which two were money service operators. The three local persons aged between 42 and 60, comprising two men and one woman, were arrested for a suspected conspiracy 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 were believed to be the core members of the syndicate.

Customs officers also seized a batch of items suspected to be connected with the case, including a number of mobile phones, company documents and stamps, bank cards and remittance documents, during the operation.

An investigation is ongoing. The three 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 may risk committing the crime of money laundering if they use personal or company bank accounts to deal 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 2545 6182 or its dedicated crime-

reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).