

Hong Kong Customs smashes money laundering syndicate involved in deploying air passengers to assist in laundering over \$700 million

Hong Kong Customs mounted an operation codenamed "Checkmate" between May 25 and June 13, and successfully smashed a money laundering syndicate with arrests of 23 local men suspected to be connected with the case. The syndicate was suspected of arranging for its members to transport large quantities of cash as air passengers from overseas into Hong Kong between January and May this year, to assist in laundering about HK\$720 million of suspected crime proceeds. The amount was the highest on record among the money laundering cases involving air passengers to assist in money laundering detected by Customs.

In January this year, Customs officers targeted a suspected money laundering syndicate and initiated a financial investigation. It was revealed that the syndicate members transported large quantities of United States (US) banknotes from overseas into Hong Kong as air passengers. They would make a declaration to Customs when crossing the boundary at Hong Kong International Airport. Then, the cash would be handed over to other syndicate members for delivery from the airport to a commercial unit in Tsim Sha Tsui for further handling. From January to May this year, the syndicate members had made 41 movements of large quantities of cash from overseas into Hong Kong, amounting to about HK\$720 million in total.

After months of in-depth investigations, Customs raided a total of 24 premises in different districts across the territory, including the above-mentioned commercial unit suspected to be connected with the case and 23 residential premises, between May 25 and June 13 deploying over 50 Customs officers. Twenty-three local men, aged between 25 and 47, suspected to be connected with the case, were arrested for suspected conspiracy to "deal with property known or reasonably believed to represent proceeds of an indictable offence" (commonly known as money laundering). They included two masterminds and two core members of the money laundering syndicate as well as 11 syndicate members who transported cash as air passengers.

During the operation, Customs officers seized assorted currencies valued at about HK\$43 million in total, including US banknotes valued at about HK\$41 million, at the commercial unit in Tsim Sha Tsui. In addition, Customs officers seized a batch of items suspected to be involved with the case, including numerous empty suitcases and rucksacks, multiple banknote counters, computers and mobile phones, plus numerous bank deposit receipts.

An initial investigation revealed that the two arrested syndicate masterminds were suspected of conspiring with the other 21 syndicate members to deal with about HK\$720 million of suspected criminal proceeds in total. An

investigation is ongoing and the likelihood of further arrests is not ruled out. The 23 arrested persons have been released on bail pending further investigation.

Customs reminds members of the public that they risk committing the crime of money laundering if they deal with money from unknown sources, regardless of whether a 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 HK\$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 HK\$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).