

Hong Kong Customs tackles cross-boundary frozen meat smuggling and money laundering case involving \$190 million (with photos)

Hong Kong Customs mounted an operation codenamed "Seashine" in mid-August and successfully smashed a cross-boundary frozen meat smuggling and money laundering syndicate, with 13 persons arrested. The total value of the seized frozen meat as well as assets to be frozen and being considered for confiscation involved in the case was about \$190 million, which is the highest amount among similar frozen meat smuggling and money laundering cases solved by Customs in the past five years.

During the operation, about 160 tonnes of suspected smuggled frozen meat with an estimated market value of about \$25 million were seized. Customs officers also seized assets of the syndicate worth about \$18 million, including cash and valuables, and made arrangements to freeze the bank accounts held by the syndicate members with a total balance of deposits amounting to about \$27 million. Also, Customs is pursuing an investigation into the aspects of money laundering and criminal proceeds according to the Organized and Serious Crimes Ordinance. Upon conviction, Customs will consult the Department of Justice and apply to the court for confiscation of eight properties and three parking spaces under the syndicate members' names worth about \$120 million.

Customs earlier conducted an in-depth investigation targeting the frozen meat smuggling syndicate and deployed about 250 Customs officers to carry out enforcement action on August 13. First, a barge and a tugboat were intercepted for examination in the waters off Lung Kwu Chau and the batch of suspected smuggled frozen meat was seized on board the barge. Four men suspected to be connected with the case, aged between 55 and 65, were arrested.

After follow-up investigation, Customs officers raided 13 premises across Hong Kong, including residential premises, offices, a wharf and a container yard. A total of six men and three women, aged between 40 and 58, including the suspected mastermind and directors of the companies involved, were further arrested. Cash valued at about \$15 million and valuables worth about \$3 million including gold bars, gold ornaments, jewellery and watches, suspected to be part of the crime proceeds of the syndicate's smuggling and money laundering activities, were seized at their residential premises and the container yard.

In addition, financial investigation revealed that the syndicate members were suspected to have laundered the crime proceeds through fund transfers and purchases of various properties to conceal the real source of funds. In connection with this, Customs has arranged to freeze deposits with a total

value of about \$27 million in 76 bank accounts held by the syndicate members. Follow-up action in relation to the eight properties and three parking spaces under the syndicate members' names worth about \$120 million has been taken in accordance with the Organized and Serious Crimes Ordinance.

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

The operation has fully shown the determination of Customs in preventing smuggling and money laundering activities.

Under the Organized and Serious Crimes Ordinance, a person commits an offence if he 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.

Smuggling is also a serious offence. Under the Import and Export Ordinance, any person found guilty of importing or exporting unmanifested cargo is liable to a maximum fine of \$2 million and imprisonment for seven years.

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

