

LCQ13: Combating illegal gambling

Following is a question by the Hon Chan Hak-kan and a written reply by the Secretary for Security, Mr Tang Ping-keung, in the Legislative Council today (July 3):

Question:

It is learnt that the problem of members of the public engaging in illegal gambling with unauthorised bookmakers has been serious in recent years, especially during major games such as the UEFA European Football Championship 2024 currently underway. In this connection, will the Government inform this Council:

(1) of the number of persons who have been arrested for engaging in illegal gambling activities, the proportion of juveniles in the number of persons arrested, the amount of bets seized and the types of games involved in the gambling in each of the years since 2021;

(2) of the number and proportion of illegal gambling activities conducted by telephone and on the Internet respectively in each of the years since 2021; as it has been reported that the proportion of online bets in illegal gambling activities is growing, of the measures put in place by the Government to step up combat against illegal online gambling activities;

(3) as it has been reported that many fraud syndicates are using online platforms and social media to promote illegal gambling in order to scam the public out of their money, of the measures put in place by the Government to combat such acts and whether it has made use of Scameter to further promote the relevant anti-scam messages;

(4) as it has been reported that some members of the public sell their personal bank accounts to criminals for use as "stooge accounts", of the measures put in place by the Government to educate the public that they should never sell their personal bank accounts to third parties; and

(5) regarding the UEFA European Football Championship 2024 currently underway, whether the authorities have stepped up the tripartite operations involving the Guangdong Province, Hong Kong and Macao to combat illegal football gambling; if so, of the details?

Reply:

President,

We attach great importance to the prevention and alleviation of gambling-related problems, and have adopted a multi-pronged strategy including regulation through legislation, law enforcement against illegal gambling activities, public education on the harms of gambling addiction and

provision of counselling and treatment services to people in need. Among others, the Home and Youth Affairs Bureau (HYAB) established the Ping Wo Fund (Fund) in 2003 to finance preventive and remedial measures for problems caused by gambling.

For regulation through legislation, the existing Gambling Ordinance explicitly stipulates that all unauthorised gambling activities, apart from those situations stated in the ordinance, constitute an offence. Offences related to illegal gambling include operating or managing an unlawful gambling establishment, bookmaking, gambling in a gambling establishment, gambling in a street, etc. The Hong Kong Police Force (HKPF) has put in place strategies to combat illegal gambling activities, especially those involving triad-related or organised crimes, in four aspects through prevention, education, intelligence collection and law enforcement.

After consulting the HYAB and the HKPF, the reply to the question raised by the Hon Chan Hak-kan is as follows:

(1) The number of persons arrested (including youths) by the HKPF between 2021 and May 2024 in combatting illegal gambling offences and the amount involved are set out below:

Illegal gambling offences (Note 1)	2021	2022	2023	2024 (From January to May)
(a) Number of persons arrested for serious gambling offences (percentage of youths among the arrested)	775 (2.5%)	828 (1.8%)	666 (2.1%)	181 (1.1%)
(b) Number of persons arrested for other gambling offences of a less serious nature (Note 2)	4 956	5 953	5 435	1 760
(c) Total number of persons arrested (including youths) ((a)+(b)=(c))	5 731	6 781	6 101	1 941
Total amount of betting slips/cash seized (HK\$ million)	3,978.2	547.9	27.6	4.6

Note 1: Illegal gambling offences comprise "serious gambling offences" and other gambling offences of a less serious nature. "Serious gambling offences" include operating or managing an unlawful gambling establishment and bookmaking; those of a less serious nature include gambling in a gambling establishment, gambling in a street, etc.

Note 2: The HKPF does not maintain separate statistical figures on youths arrested for less serious gambling offences.

For persons arrested for engaging in illegal gambling offences, the

gambling activities involved include mahjong, cards, football betting and horse race betting. The HKPF does not maintain a breakdown of figures by type of gambling activities.

(2) The HKPF has been closely monitoring the trend of these crimes and taking appropriate intelligence-led enforcement actions against them. The HKPF has noted the increase in the prevalence of online illegal gambling. To combat such illegal activities, officers of the Organized Crime and Triad Bureau of the HKPF will conduct cyber patrols. Other formations of the HKPF will gather intelligence through different channels, investigate illegal gambling websites within and outside Hong Kong and take law enforcement actions after gathering sufficient evidence. In addition, the HKPF will conduct internal training and upgrade equipment and facilities, so as to raise the frontline officers' awareness of the latest development of online gambling activities and enhance their capability in handling such cases. At present, the HKPF does not maintain separate statistical figures for illegal gambling activities conducted by telephone or on the Internet.

Below are some of the cases relating to online illegal gambling activities that were detected by the HKPF in recent years:

- In December 2022, the HKPF smashed a local syndicate suspected of recruiting gamblers using a mobile game application. Gamblers would purchase game points in cash and engage in illegal gambling through the application. The syndicate would then charge commissions by providing game points redemption services. During the operation, a total of 25 people were arrested for the suspected offences of "conspiracy to promote or facilitate bookmaking" and "money laundering". Cash totalling more than HK\$6 million, a number of telephone sets and computers as well as two luxurious cars were seized. The syndicate was also suspected of manipulating a number of stooge bank accounts, involving more than HK\$240 million.
- In August 2023, the HKPF smashed a triad-manipulated illegal online gambling platform. The syndicate promoted the platform through social media platforms, SMS or mobile phone communication applications. Gamblers could top up their accounts by money transfer or with cryptocurrencies, and could earn commissions after successfully referring others to register for an account. During the operation, the HKPF cracked down on seven operation centres and arrested 47 people, including the mastermind of the syndicate and seven core members. They were suspected of committing the offences of "conspiracy to commit bookmaking" and "conspiracy to commit money laundering", involving crime proceeds of about HK\$300 million.
- In June 2024, the HKPF conducted the Operation Nearspace to crack down on illegal gambling websites (commonly known as bookmaking websites). As

at June 24, 2024, a total of 62 people were arrested for "conspiracy to commit bookmaking" and "money laundering". Among them, five were core members, 25 were suspected either to be "middlemen" or to have taken part in the operation of the bookmaking websites by assisting in the money laundering process, and 32 were holders of stooge accounts. The amount involved exceeds HK\$460 million. The HKPF's investigation and enforcement action are ongoing.

On publicity and education, the HKPF has used various channels, such as holding press conferences and producing promotional videos, to convey messages about the harm of gambling addiction (including online gambling). In addition, to address problems related to illegal online gambling, the Fund has accorded priority to financing events relating to the prevention of online gambling activities since 2020. In the light of the UEFA European Football Championship 2024 (UEFA Euro), the HYAB and the Fund launched a territory-wide anti-gambling publicity campaign titled "Stop Gambling. Be the Wise Man of the Match!" in mid-June 2024. The campaign aims to raise public awareness of gambling-related problems and promote no-gambling messages during the UEFA Euro period. The Fund will continue to disseminate anti-gambling messages to the public through different channels.

(3) To tackle fraudulent online advertisements and websites (including frauds involving illegal gambling activities), the HKPF will swiftly request the relevant advertisers and website operators to remove such advertisements and websites, and will actively track down the whereabouts of the fraudsters. The HKPF will also request telecommunications providers to facilitate the blocking and filtering of suspicious calls and website links involving frauds, including those relating to illegal gambling activities.

The HKPF launched Scameter and Scameter+ in October 2022 and February last year respectively as the means to cope with the risks of various types of frauds (including frauds involving illegal gambling activities). As at the end of May 2024, nearly 3.6 million searches have been recorded and more than 560 000 alerts on frauds and cyber security risks have been issued. The Scameter+ was upgraded in February 2024. With a new function to issue alerts and a new public reporting platform, members of the public can report suspicious phone numbers or websites directly through the application, thereby further enriching its database. As at May 2024, members of the public have reported a total of over 70 000 suspicious calls and nearly 9 000 suspicious websites.

The HKPF will continue to promote the use of Scameter and Scameter+ through various channels. Notably, starting from May 2024, an "anti-scam promotional truck" will spend a year reaching out to various districts in the territory. Members of the public can learn about the latest modus operandi of scams through interactive games and are encouraged to download and make good use of Scameter+.

(4) To crack down on fraud syndicates using stooge accounts to collect fraudulent payments and launder money, the HKPF continued to step up

enforcement actions. In the first five months of 2024, the HKPF arrested a total of 4 361 persons for being involved in various types of deception cases and related money laundering activities, representing an increase of 30 per cent over last year. Among them, more than 3 000 were stooge account holders.

In addition, upon deliberation, the HKPF and the Department of Justice (DoJ) have streamlined the evidence gathering and prosecution procedures for relatively simple money laundering cases involving stooge accounts with a view to expediting prosecution. For conviction cases of money laundering involving stooge accounts, the HKPF and the DoJ will also apply to the court for enhanced-sentencing, so as to achieve a greater deterrent effect. As at May 2024, the sentences of 11 stooge account holders involved in deception were increased by four to 12 months (by 12.5 per cent to 33.3 per cent), leading to imprisonment terms ranging from 26 to 75 months.

On publicity and education, the HKPF launched the Anti-money Laundering Month in January 2024. The large-scale publicity campaign continued to use the slogan "Don't Rent, Don't Lend, Don't Sell!" to remind members of the public not to rent, lend or sell their accounts. The HKPF also collaborated with policy bureaux (including the Financial Services and the Treasury Bureau and the Security Bureau), regulatory bodies and stakeholders of various industries to produce promotional videos with innovative ideas.

The HKPF disseminates anti-money laundering messages through various online and offline publicity channels, e.g. large-scale publicity campaigns such as the CyberDefenders' Carnival and social media platforms of the HKPF. Through concerted efforts with public and private organisations, the HKPF raises public awareness of money laundering by broadcasting promotional videos and displaying posters and banners across the territory, on public transport systems and at boundary control points.

As syndicates tend to perpetrate money laundering through different communities (including foreign domestic helpers), the HKPF maintains close co-operation with the Consulates General of Indonesia and the Philippines in Hong Kong. In addition to publishing anti-money laundering promotional materials in English, Bahasa Indonesia and Tagalog, the HKPF arranges crime prevention seminars for foreign domestic helpers from time to time. Furthermore, the HKPF organises seminars for new arrivals to Hong Kong and students of tertiary institutions regularly to warn them against money laundering traps. The HKPF will continue to strengthen collaboration with stakeholders, including regulatory bodies and financial institutions, for intelligence exchange and risk assessment in a timely manner, so as to formulate the latest anti-money laundering strategies.

(5) In view of the UEFA Euro being held from June 14 to July 14, 2024, the HKPF enhanced its publicity and education efforts under the theme of Stay Away From Illegal Betting. In particular, the HKPF held a press conference in early June to talk about the harm of gambling addiction, and has produced promotional videos to be broadcast on online and offline platforms. Enforcement efforts have also been stepped up to combat illegal gambling activities (including those through online platforms). As at June 24, a total

of 62 persons were arrested in the abovementioned Operation Nearspace conducted in June 2024.

Meanwhile, the HKPF has all along maintained close intelligence exchange with the Mainland, Macao and overseas law enforcement agencies to combat bookmaking and the related gambling activities. For instance, the HKPF and other law enforcement agencies exchange intelligence through annual Guangdong-Hong Kong-Macao tripartite meetings and conduct joint law enforcement operations as appropriate.

The HKPF will continue to conduct intelligence-led enforcement operations and step up publicity and education, with a view to combatting various types of illegal gambling activities.