

LCQ14: Telephone deception cases

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (January 13):

Question:

It has been reported that the Police recorded 895 telephone deception cases in the first three quarters of last year, representing a 1.3-fold increase when compared with the number of cases in the same period of the preceding year, with the amount of money involved increasing nearly fourfold to \$402 million. Quite a number of the fraudulent calls came from outside Hong Kong, and the fraudsters mostly impersonated government officials, bank staff and staff of financial intermediaries or courier companies. My office has also received recently a number of requests for assistance involving telephone deception. In one of the cases, a fraudster called the victim impersonating bank staff and obtained by deception the victim's personal information, with which the fraudster then applied for a loan of \$100,000 from a bank. The fraudster afterwards withdrew the money. It was only when the bank demanded repayment of the loan that the victim realised that this had been a scam. In this connection, will the Government inform this Council:

(1) of the number of telephone deception cases recorded by the Police last year, with a breakdown by (i) the District Council (DC) district in which the victims resided, (ii) whether the victims suffered a pecuniary loss, and (iii) the identity impersonated by the fraudsters; among such cases, of the number of those in which the telephone calls concerned came from outside Hong Kong;

(2) of the respective numbers of persons arrested and convicted last year for being involved in telephone deception-related offences; the penalties imposed on the convicted persons; the number of cases in which the Police successfully intercepted the lost money and the amount involved;

(3) whether the Police have recently found fraudsters using new tactics to deceive others; if so, of the details; and

(4) given that the Police established the Anti-Deception Coordination Centre in July 2017 to improve intelligence gathering, enhance efforts in publicity and education, as well as strengthen cross-boundary collaboration, whether it has assessed the effectiveness of the work of the Centre; if so, of the assessment outcome, and the results achieved by the Centre in detecting and investigating fraudulent calls coming from outside Hong Kong?

Reply:

President,

Deception is a serious offence. Any person who commits the offence of fraud under section 16A of the Theft Ordinance (Cap. 210) is liable to imprisonment for up to 14 years, while any person charged with obtaining property by deception under section 17 of the same Ordinance is liable to imprisonment for up to 10 years. In addition, any person charged with dealing with property known or believed to represent proceeds of indictable offences under section 25 of the Organized and Serious Crimes Ordinance (Cap. 455) for proceeds of deception is liable to imprisonment for up to 14 years.

Combating "quick-cash" crimes is on the list of the Commissioner's Operational Priorities 2020. In particular, "targeting criminal groups involved in deception through joint efforts with stakeholders under the support of the Anti-Deception Coordination Centre (ADCC)", and "promoting public awareness and securing community support to prevent 'quick-cash' crimes, particularly telephone, Internet and social media deception", are key operational areas of the Hong Kong Police Force (the Police).

(1) and (2) During January to November 2020, the Police recorded a total of 1 108 telephone deception cases, around double of the 533 cases in the same period of 2019. Of these, 1 072 cases involved monetary losses totalling \$563 million, which was approximately four times higher than the \$112 million in the same period of 2019. Most cases recorded involved calls from outside Hong Kong. There were also cases involving local prepaid SIM cards. During the said period, the Police arrested 55 persons in total for telephone deception. The losses in the cases involving the arrested persons amounted to nearly \$160 million.

The Police currently maintains figures of telephone deception by Police Regions. Breakdown by Police Regions and modus operandi are at Annexes I and II respectively. The Government does not maintain statistics on the penalties for persons convicted of telephone deception.

(3) In recent years, the prevalent modi operandi of telephone deception are "Guess Who" and "Pretend Officials". In "Guess Who" cases, the fraudster making the call will ask the victim to guess his or her identity. Once the victim responds, the fraudster will impersonate the victim's relative or friend to swindle. As for "Pretend Officials" cases, the fraudster will often play a recording, posing as a staff member of the Government, a logistics company, or a public or private organisation, and falsely allege that the victim is involved in a criminal case in the Mainland. The call will then be diverted to an accomplice who will pretend to be a Mainland official to perpetuate a fraud. The excuses made by fraudsters are also closely related to current affairs. For instance, during the pandemic, the Police have received deception reports relating to the sale of masks or quarantine matters.

(4) The Police have been adopting all-round strategies to combat frauds on various fronts, including intelligence exchanges, enforcement actions, cross agency co-operation and enhanced publicity and education. To reinforce the combat against deception and raise the public's anti-deception awareness, the Police's Commercial Crime Bureau established the ADCC in 2017, the duties of

which include monitoring and analysing deception trends with a view to formulating and implementing combating strategies; co-ordinating anti-deception publicity work; operating the 24-hour "Anti-Scam Helpline 18222" to provide timely assistance; co-operating with the banking sector to intercept payments to fraudsters so as to minimise the loss of victims; and assisting victims to intercept overseas payments to fraudsters via the "International Stop-Payment Mechanism".

Between January and November 2020, the ADCC received more than 20 000 telephone enquiries, of which about 20 per cent were related to telephone deception. The ADCC provides anti-deception advice to the public and assist those in need to report. It also co-operates with the banking sector to intercept payments to fraudsters, and have successfully intercepted more than HK\$120 million in 185 deception cases where payments have already been made to local and overseas banks. In addition, it has prevented 300 deception cases from happening, 40 per cent of which involve telephone deception.

In view of the transnational nature of deception and money-laundering cases, the ADCC has been co-operating actively with different jurisdictions and has built an extensive network with external counterparts as well as international police authorities to combat such cases. In November 2020, the ADCC and the Police's Designated Subject Team of Telephone Deception attended the meeting of the INTERPOL Anti-Transnational Financial Crime Working Group to exchange intelligence and work experience as well as discuss the way forward with regard to telephone deception matters and the like. The ADCC will continue to enhance the efficacy of tracking and intercepting transnational crime proceeds with overseas judicial authorities through close police co-operation.