

Anti-Money Laundering Seminar for Money Service Operators (MSOs)

Vulnerability of MSOs shown in Telephone Deception Cases

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Content



- ✚ An Overview of Telephone Deception in HK;
- ✚ The vulnerability of MSOs;
- ✚ HKPF's initiatives;
- ✚ Recommendations by the Force Designated Unit.



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Regional Crime Unit, Team 3, Kowloon East

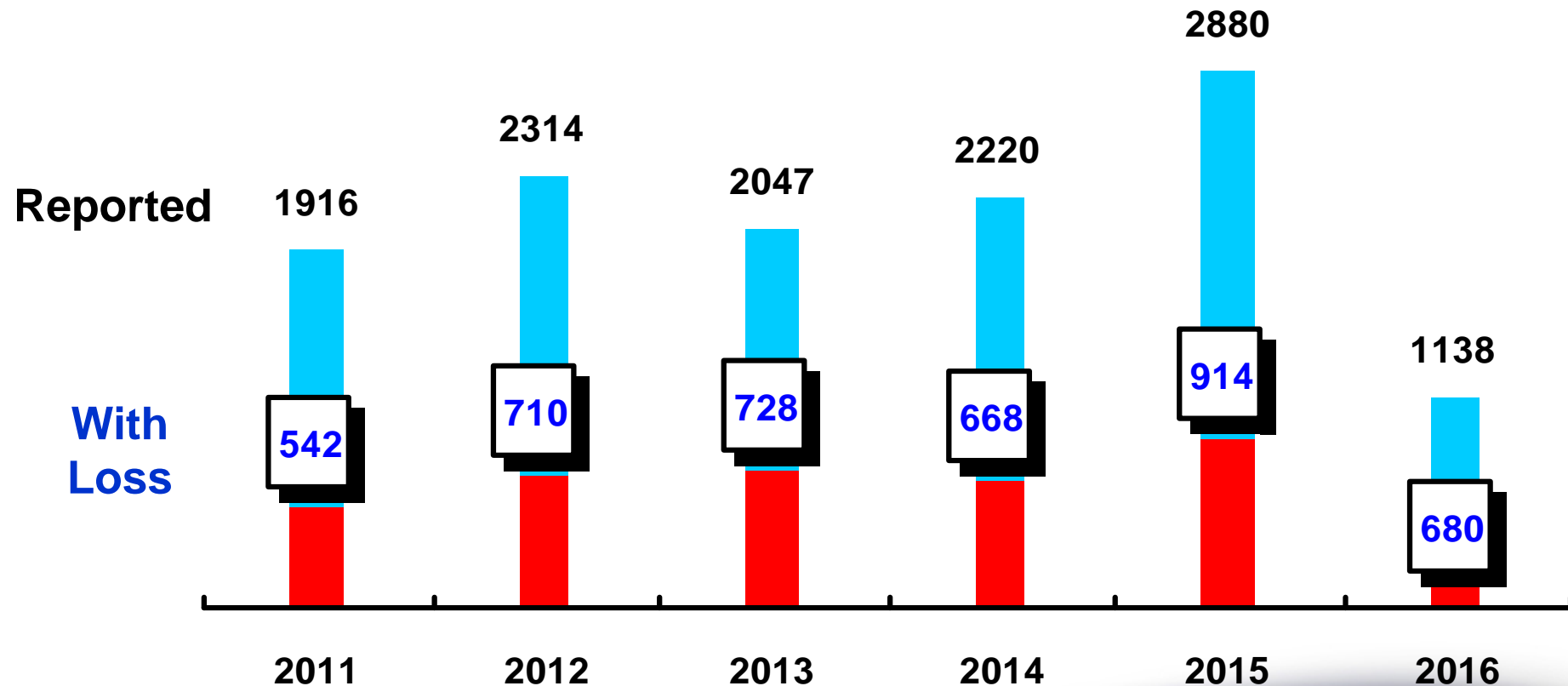
- Force Designated Unit;
- Monitoring TD crime situation in HK;
- Coordinate the investigation of all TD cases occurred in HK;
- Gather and analyse the TD intelligence;
- Formulate strategies in combating TD crime;
- Disseminate useful information to the other departments and the members of public;
- Give expert opinion in the Courts of Hong Kong.



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Telephone Deception Trend

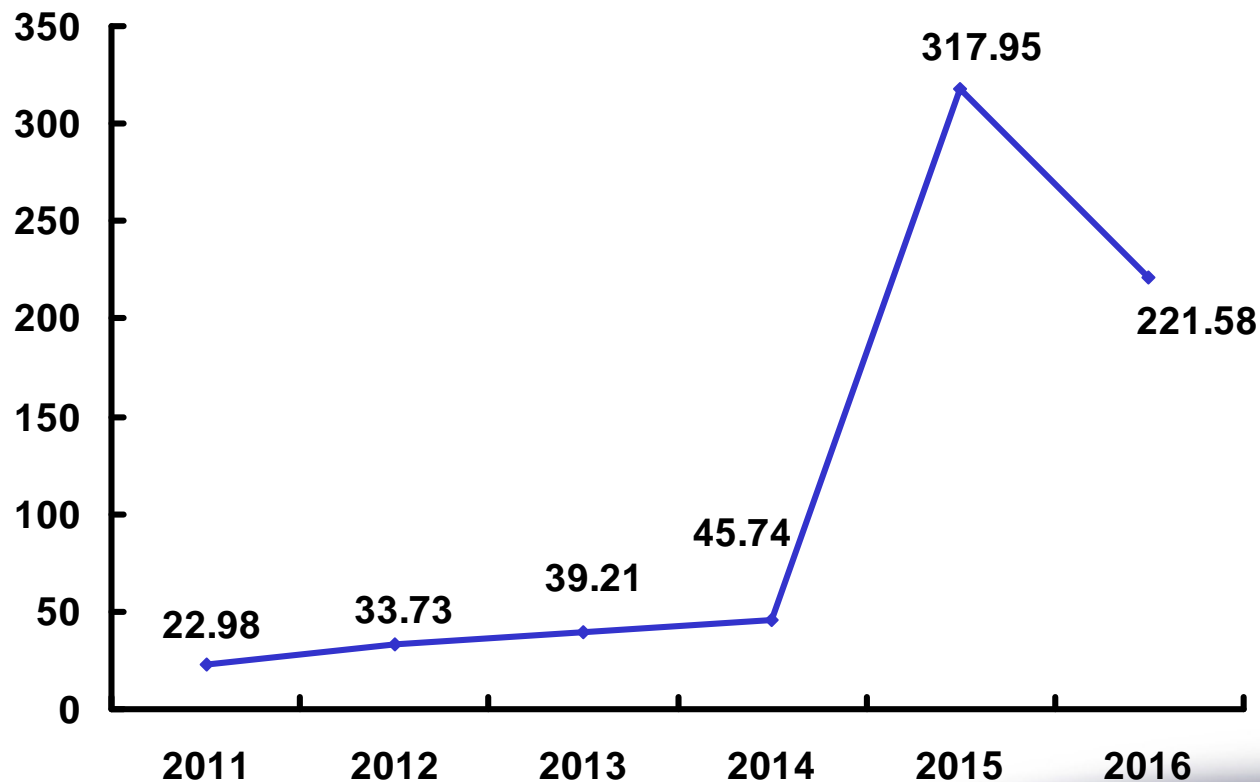
Number of Telephone Deception Report in HK



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Telephone Deception Trend

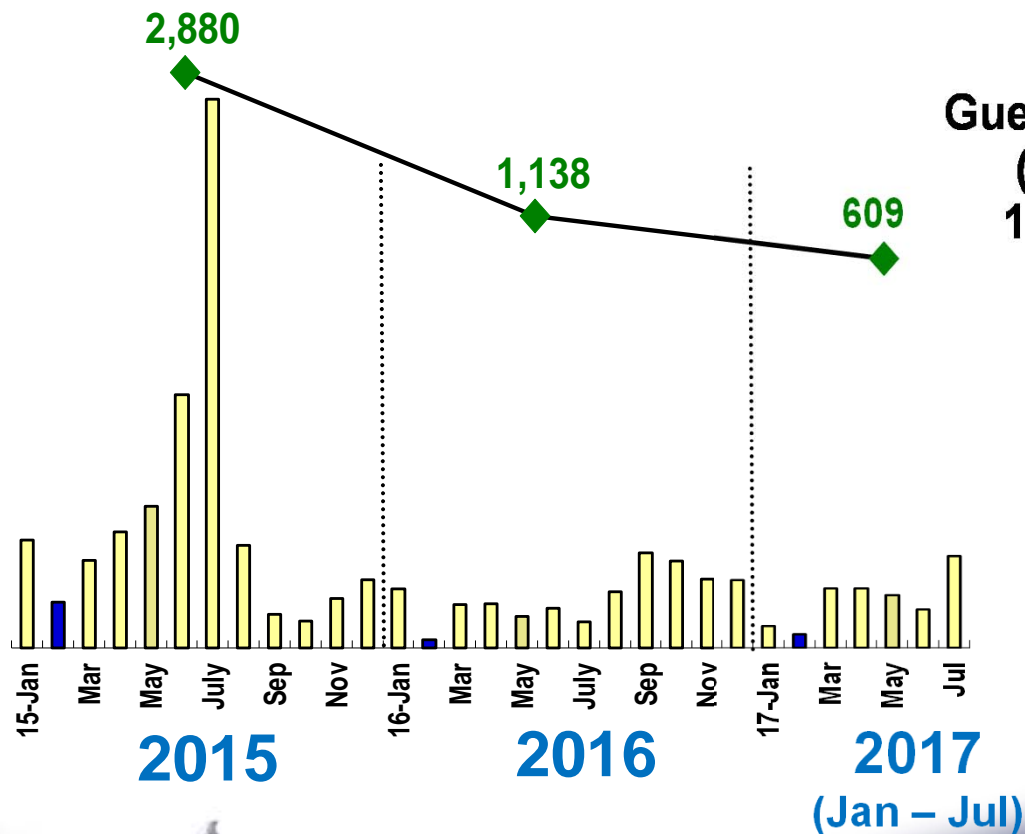
Monetary Loss (in HK\$ million)



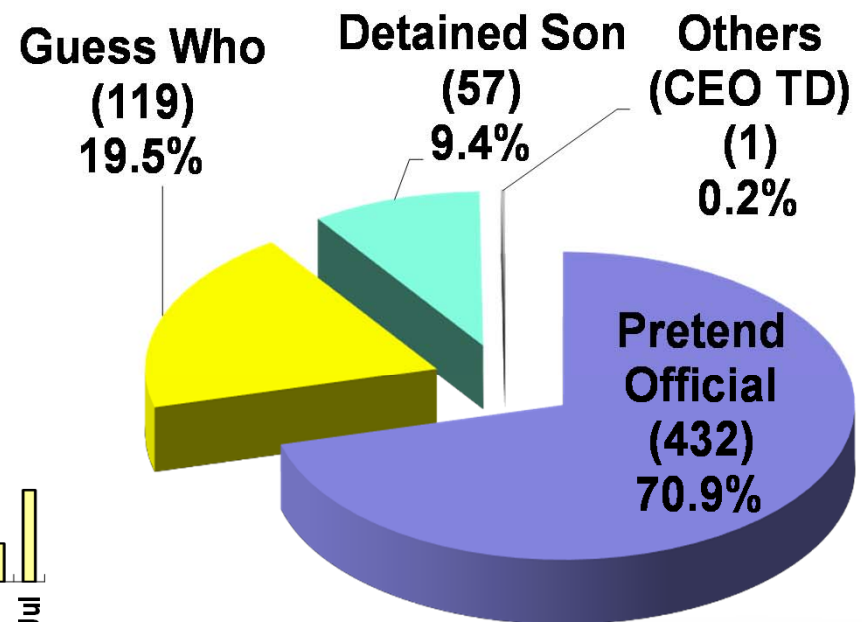
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Telephone Deception Trend

Monthly Breakdown of TD Report
(2015 – Jul 2017)



Distribution by MO
(Jan – Jul 2017)



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Telephone Deception Trend

	2016 Jan-Jul	2017 Jan - Jul	Comparison	
Telephone Deception Cases	457	609	+152	+33.3%
Monetary Loss (HK\$ million)	112.82	173.27	+60.45	+53.6%



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Flow of Crime Proceeds

- Remittance via MSOs to designated Mainland bank accounts
- Transfer to victims' Mainland bank account
- Local bank transfer
- Collection of cash in-person



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Common Modus Operandi of TD

- “Guess Who”
- “Detained Son”
- “Pretend Officials”



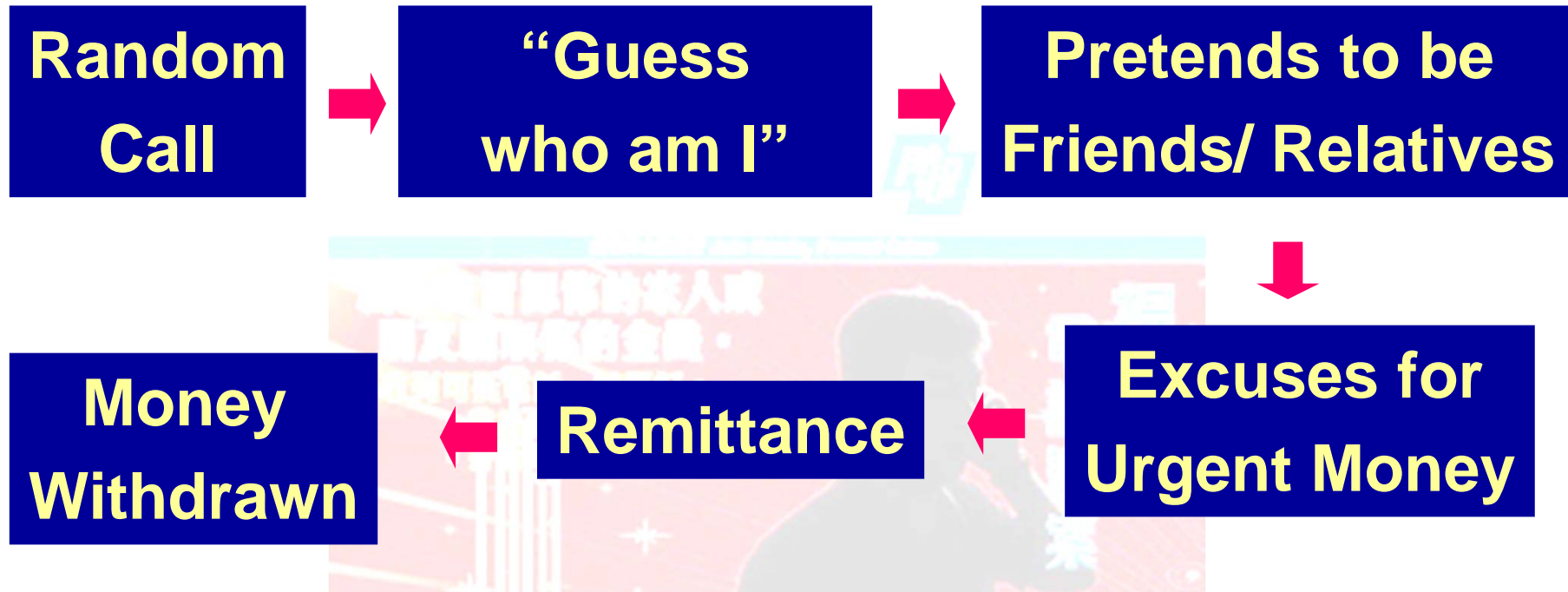
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“Guess Who”



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“Guess Who”



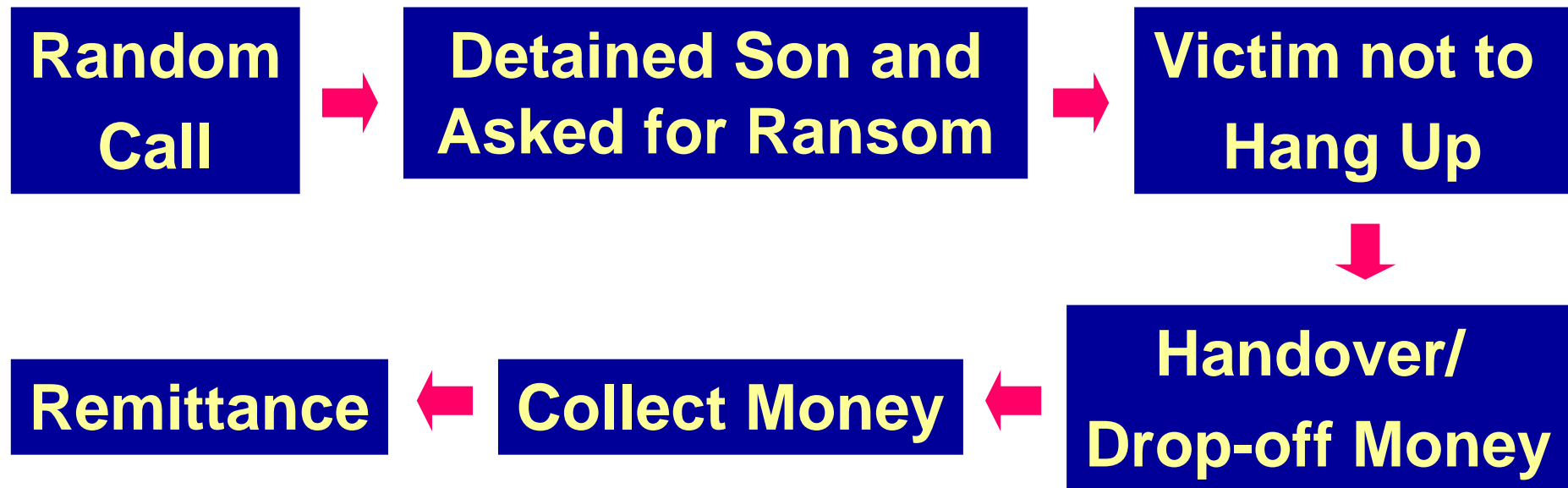
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“Detained Son”



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“Detained Son”



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“Pretend Officials”



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“Pretend Officials”

1st layer

Pretend bank/utilities/telecom/express staff / Immigration



Victim



2nd layer

Pretend Police of China



3rd layer

Pretend Prosecutor of China



Bogus website and fake warrant

1



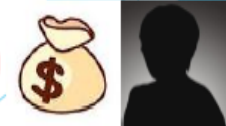
Fraudulent transaction by e-banking

2



Deposit to given bank account / victim's own account

3



Collect money in person

Vulnerability of MSOs

- Characteristics of MSOs:
 - Convenience
 - Quick
 - Low cost
 - Simple Transaction Process
- Difficult in identifying suspicious transactions
- Weak mechanism in handling and reporting suspicious transactions



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Initiatives of HKPF

Operation APPLESHINER

- Organized and coordinated by the Regional Crime Unit Kowloon East since Jun 2013
- Increase public awareness in TD
- Enhance alertness of the MSOs



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Initiatives of HKPF

Scams Response Teams

- Special Liaison Mechanism for Reporting **Suspected Scams/ Suspicious Transactions**
- Police District based



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Anti-Deception Coordination Centre (ADCC)

- Rolled-out on 20th Jul 2017



Objective

Coordinates response in prevention and detection of prevalent deception and fraud

24/7 service of an “Anti-Scam Helpline 18222” to the public

24/7 consultation and assets recovery services to the Force



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Coordination with the Police

Exercise Due Diligence

- Since 2014, 109 cases terminated due to the alertness of the MSOs



Coordination with the Police

- Whereabouts of the crime proceeds
- Suspicious Transactions
- Suspicious Mainland bank account



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Recommendations

Record keeping

**Identify potential
victims
& culprits**

**Suspicious
Transaction
Reports**

**Delay/ Reject/
Terminate
Suspicious Remittance**



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Recommendations

Report to the Police

Urgent

999

Police Station

Police officer
on patrol

Non-urgent

Scams Response
Team

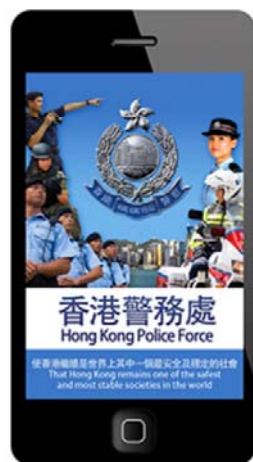
JFIU



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警察 平台 Police Platforms

豐富資訊內容 時刻與您互通



香港警隊
流動應用程式



香港警隊
YouTube 頻道



香港警隊
Facebook



香港警隊
Instagram



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