

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

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## Vulnerability of MSOs shown in Telephone Deception Cases

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Hong Kong Police Force



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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

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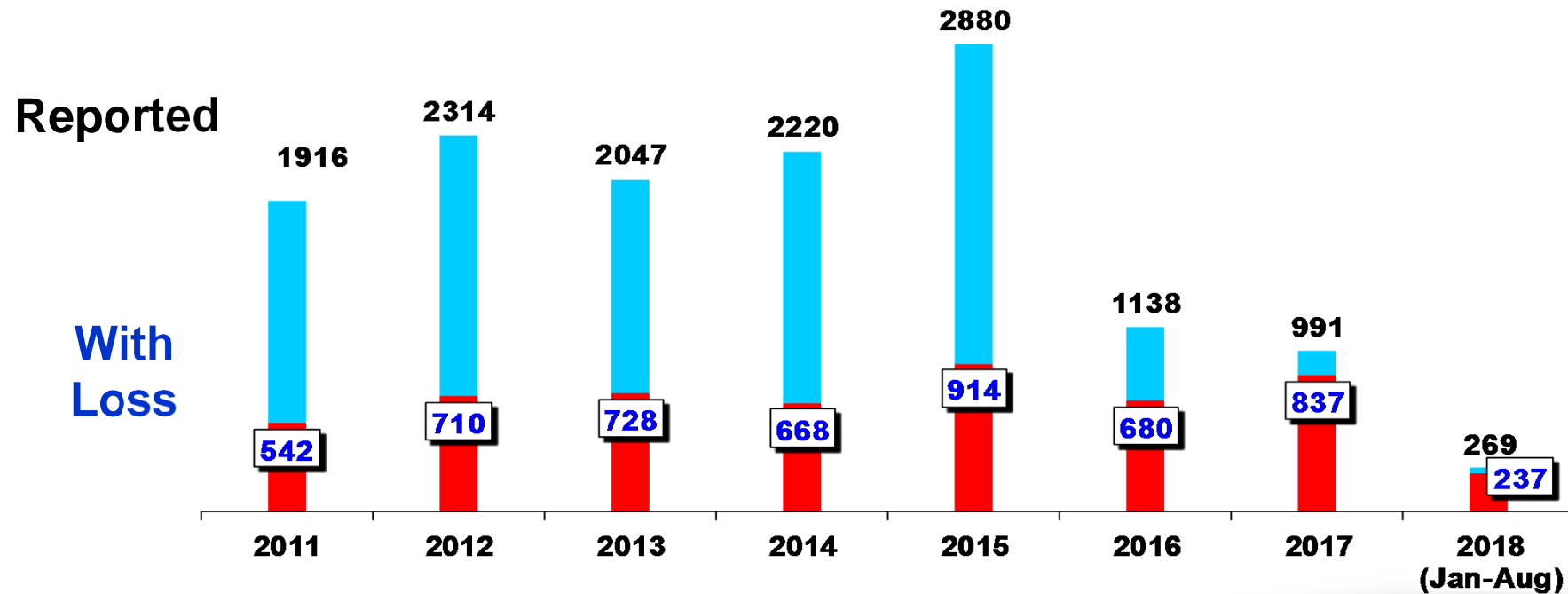
- Force Designated Unit;
- Monitoring TD crime situation in HK;
- Coordinate the investigation of all TD cases occurred in HK;
- Gather and analyse the TD intelligence;
- Formulate strategies in combating TD crime;
- Disseminate useful information to the other departments and the members of public;
-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



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# Telephone Deception Trend

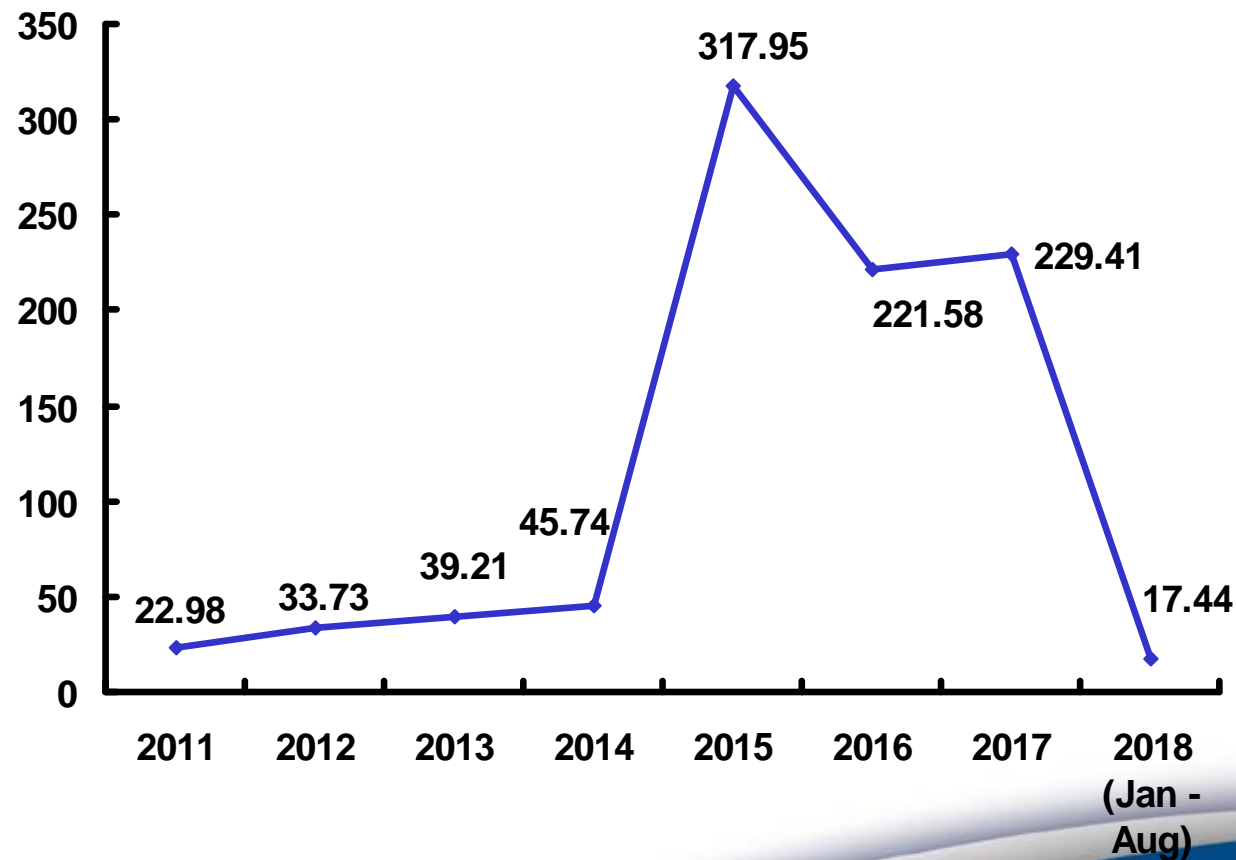
Number of Telephone Deception Report in HK



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# Telephone Deception Trend

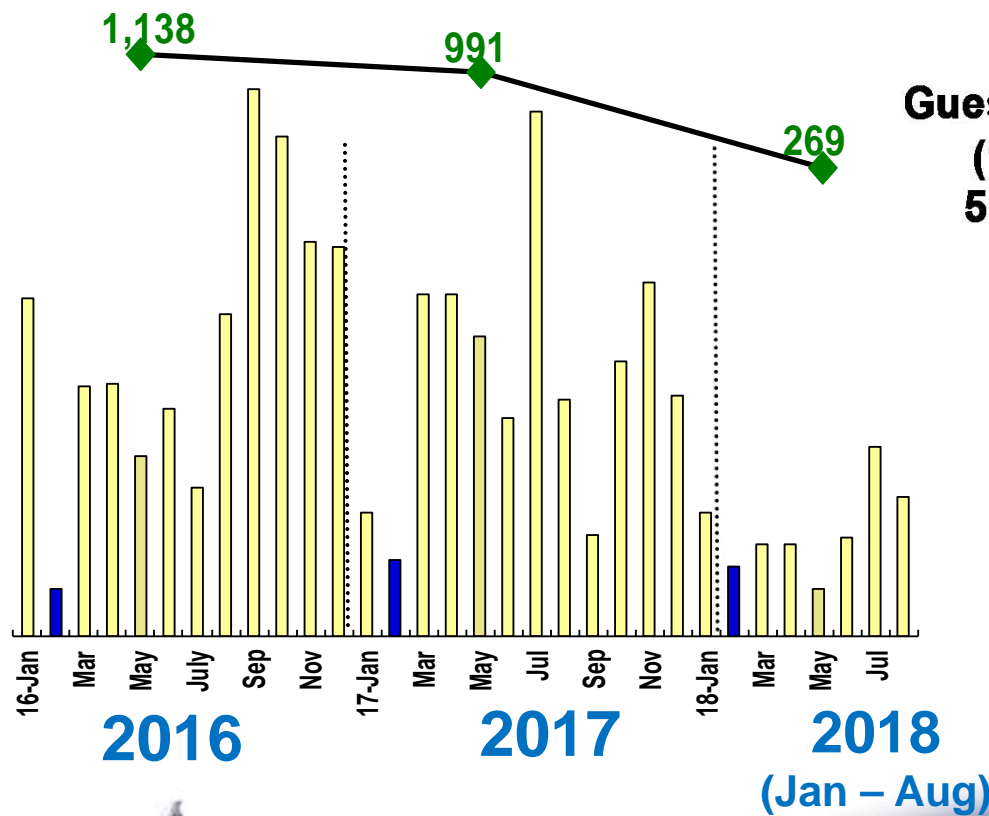
Monetary Loss (in HK\$ million)



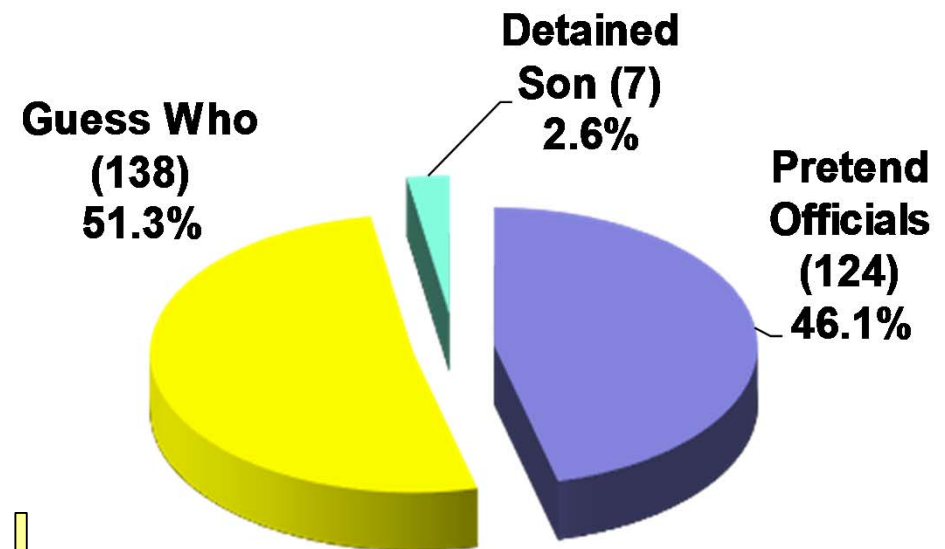
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# Telephone Deception Trend

Monthly Breakdown of TD Report  
(2015 – Jul 2017)



Distribution by MO  
(Jan – Aug 2018)



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# Telephone Deception Trend

|                                 | 2017<br>Jan-Aug | 2018<br>Jan - Aug | Comparison |        |
|---------------------------------|-----------------|-------------------|------------|--------|
| Telephone Deception Cases       | 684             | 269               | -415       | -60.7% |
| Monetary Loss<br>(HK\$ million) | 194.02          | 17.44             | -176.58    | -91.0% |



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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

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



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# “Guess Who”

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# “Guess Who”



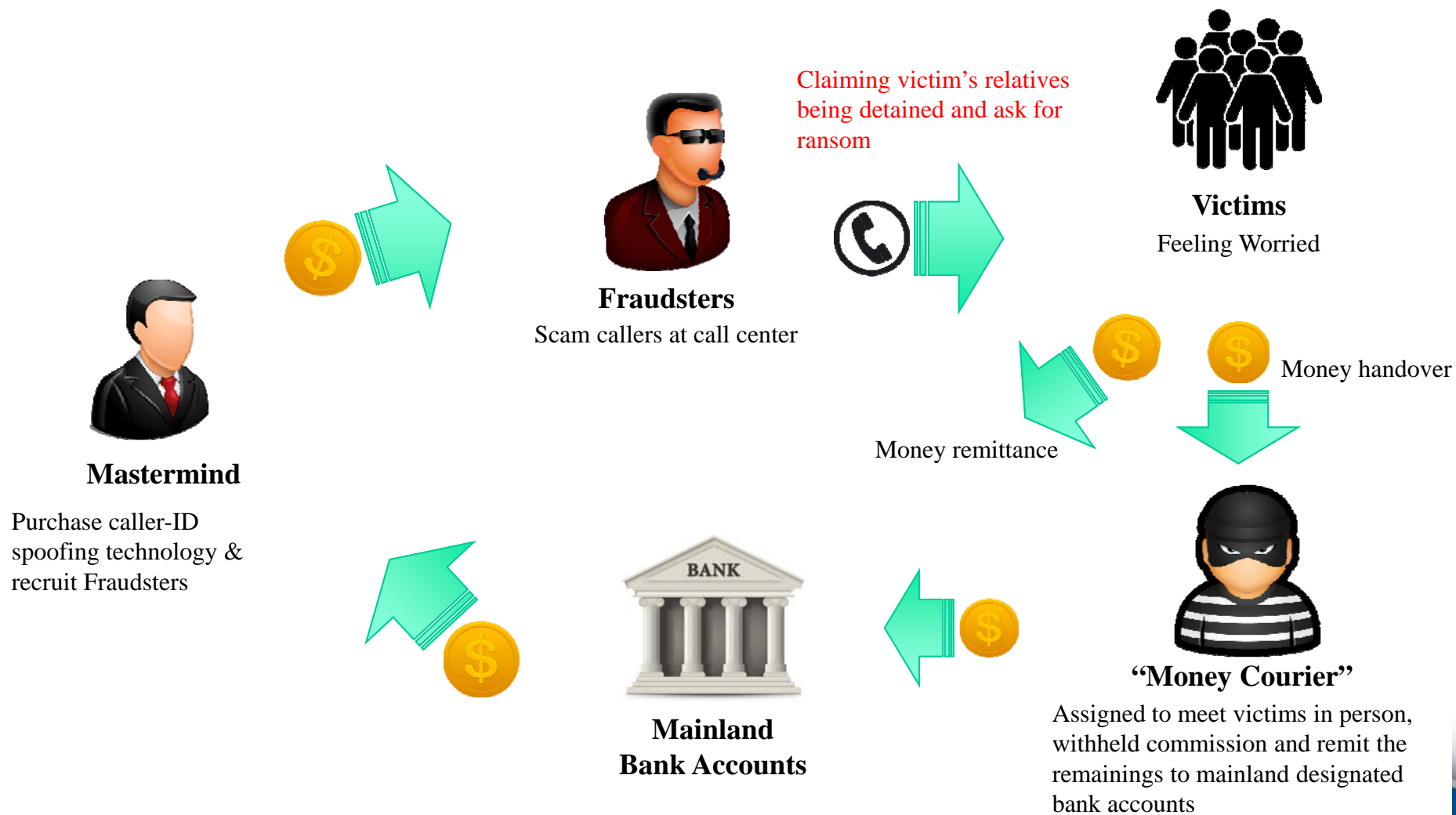
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# “Detained Son”



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# “Detained Son”





# “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



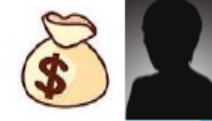
Bogus website and fake warrant

1



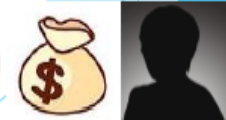
Fraudulent transaction  
by e-banking

2



Deposit to given bank  
account  
/ victim's own account

3



Collect money in person

# Vulnerability of MSOs

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- 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

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## 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

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## Scams Response Teams

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



# Anti-Deception Coordination Centre (ADCC)

Rolled-out on 20<sup>th</sup> 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

# Coordination with the Police

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## Exercise Due Diligence

Since 2013, 129 cases terminated due to the alertness of the MSOs, total stopping \$32.21M



## Coordination with the Police

Whereabouts of the crime proceeds  
Suspicious Transactions  
Suspicious Mainland bank account







社會新聞

100%

## 港漂大學生收假公安電話 找換店職員阻匯款破電騙案

除了19歲青年智擒古惑偷拍狂之外，亦有好市民獎得主協阻止電話騙案發生。近年不少電話騙案，要求事主匯款至內地，是次好市民獎涉及4宗找換店識破電騙案。其中一個找換店職員得獎者謝曉君表示，在找換店工作近三年，業界一直留意可疑匯款及電話騙案情況，今年3月工作時，遇到一個上海來香港讀書的「港漂」大學生，他要求匯款約10萬元到內地一個戶口，由於匯款金額較大，她依例問對方匯款目的及匯款人姓名，避免「被客投訴」。

# Recommendations

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**Record keeping**

**Identify potential  
victims  
& culprits**

**Suspicious  
Transaction  
Reports**

**Delay/ Reject/  
Terminate  
Suspicious Remittance**

# Recommendations

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## Report to the Police

Urgent

Non-urgent

999

Scams Response  
Team

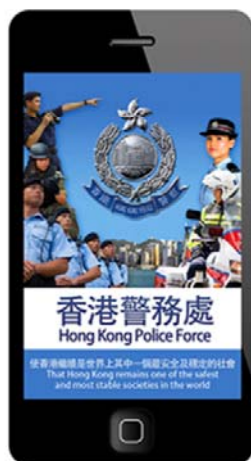
Police Station

JFIU

Police officer  
on patrol

# 警察 e 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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