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Case Sharing

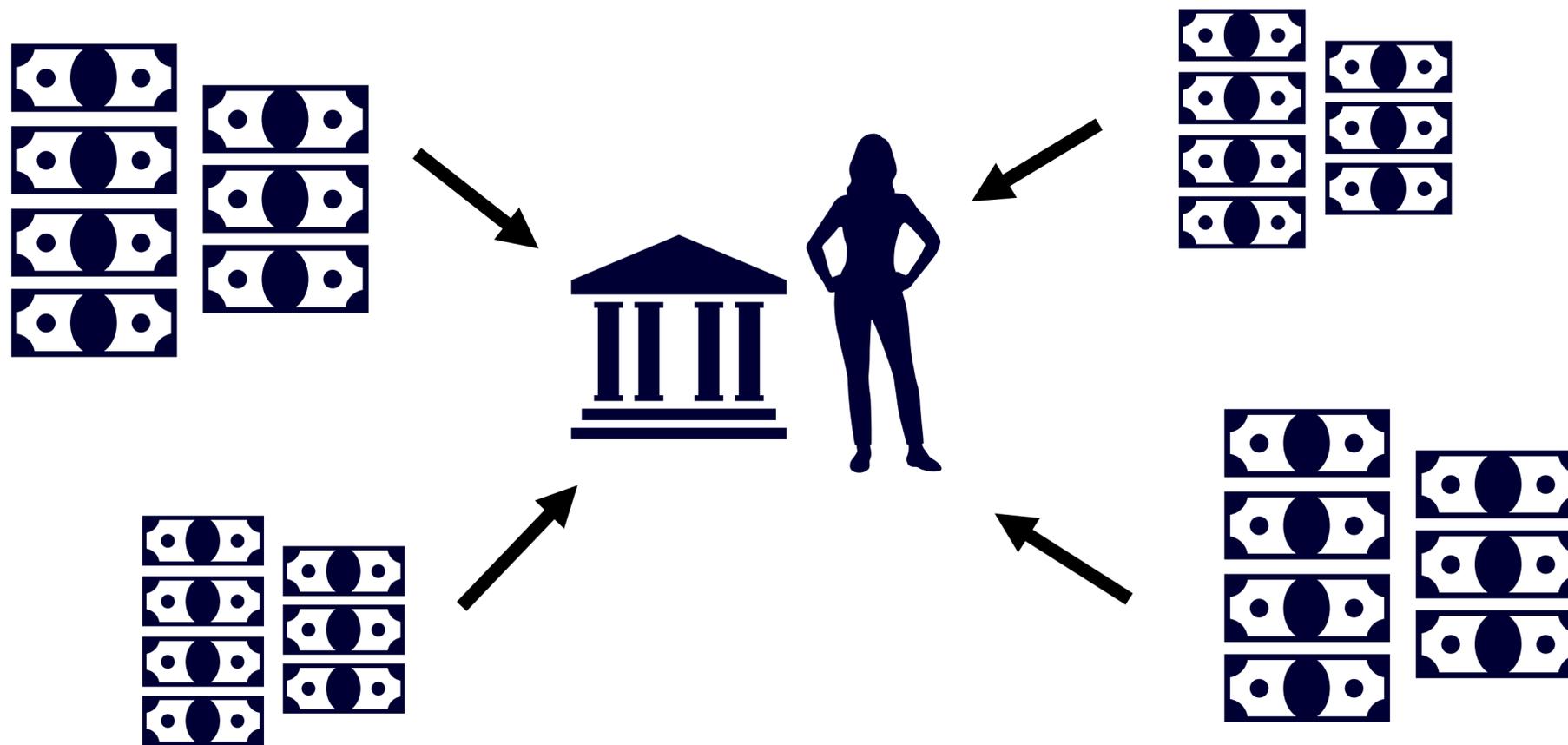
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1. Intelligence from JFIU

- Intelligence from banks suggested that a female (A) received suspicious cash deposits by her bank accounts and she then withdrew the funds or transferred such to her family members.



- Aged 50
- Housewife
- No reported income
- No criminal record

2. Enquiry and Fund Flow Analysis

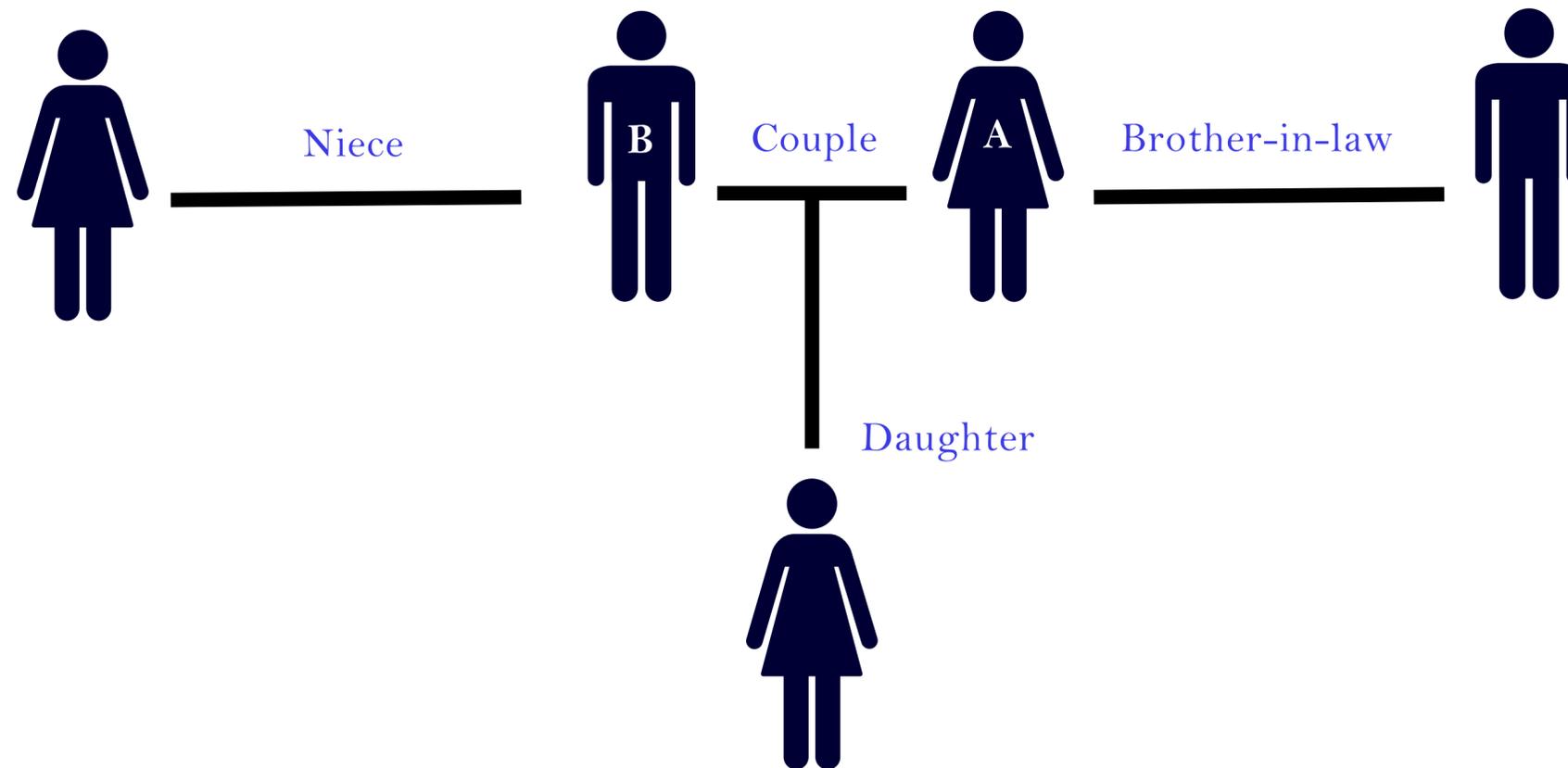
- Initial investigation: information from JFIU database, tax record, background check, asset scan
- Cash deposits incommensurate with A's background > Full investigation commenced.
- Fund flow analysis on A's accounts:
 - Amount of cash deposits (~USD 0.4M in one year) : round number and ranged from a few hundred USD to a few thousands dollars
 - Date/ time/ location of ATM cash deposits suggested they were made by different persons
 - Comparison between cash deposits and A's movement record suggested that the deposits were not done by herself
 - Funds were dissipated by cash withdrawals, and transfer to her husband (B) and other family members
- Scope of investigation extended to cover her family members



2. Enquiry and Fund Flow Analysis

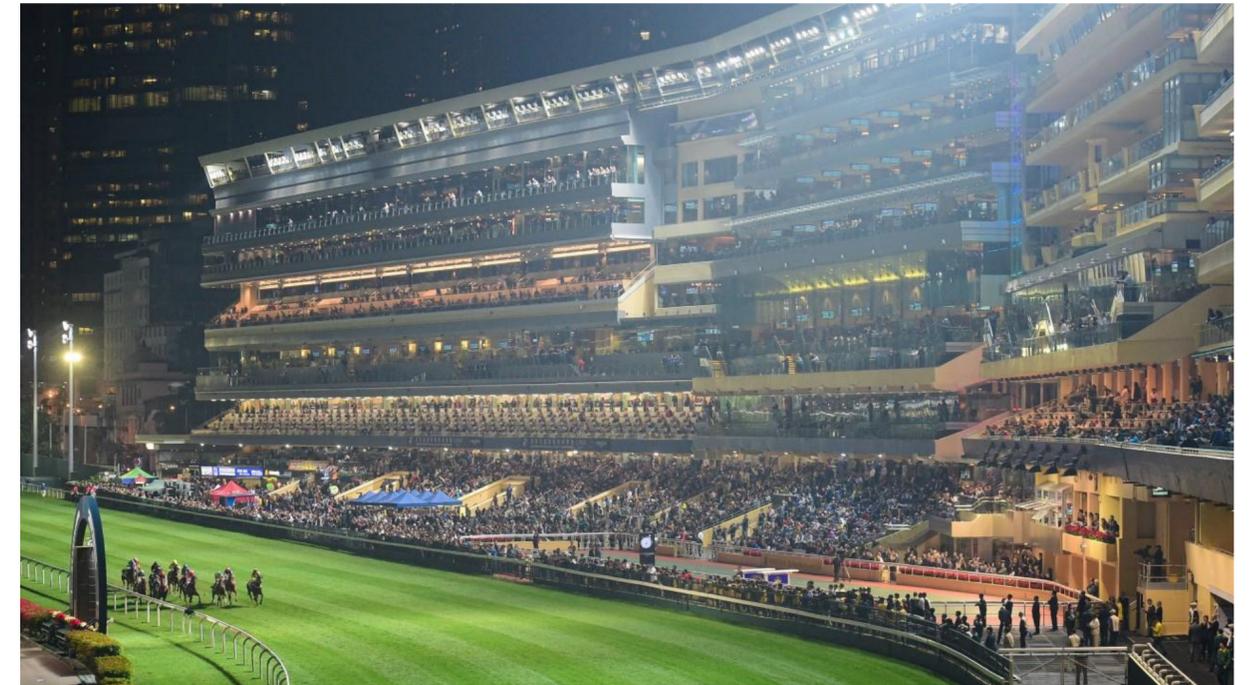
- Most of family members were employed with proper record at tax authority.
 - Most of them never had involvement in criminal activities.
 - Lifestyle of all targets matched with their reported employment.
 - Fund flow analysis:
 - Significant cash deposits which were not made by themselves.
 - Cash withdrawals were made at the same time from different targets' bank accounts.
 - It is concluded that they are stooges.
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3. Targets



4. Joint Investigations

- Intelligence was passed to another team of the police which is responsible for investigation on triad and syndicate crimes.
- B traveled a lot to Mainland China without apparent legitimate reasons.
- Surveillance of B unveiled the location of a small flat rented by A (which was not disclosed in other enquiry)
- B frequented the apartment alone and stayed there for a few hours each visit, that the time matched the horse racing events (every Wednesdays and Sundays).

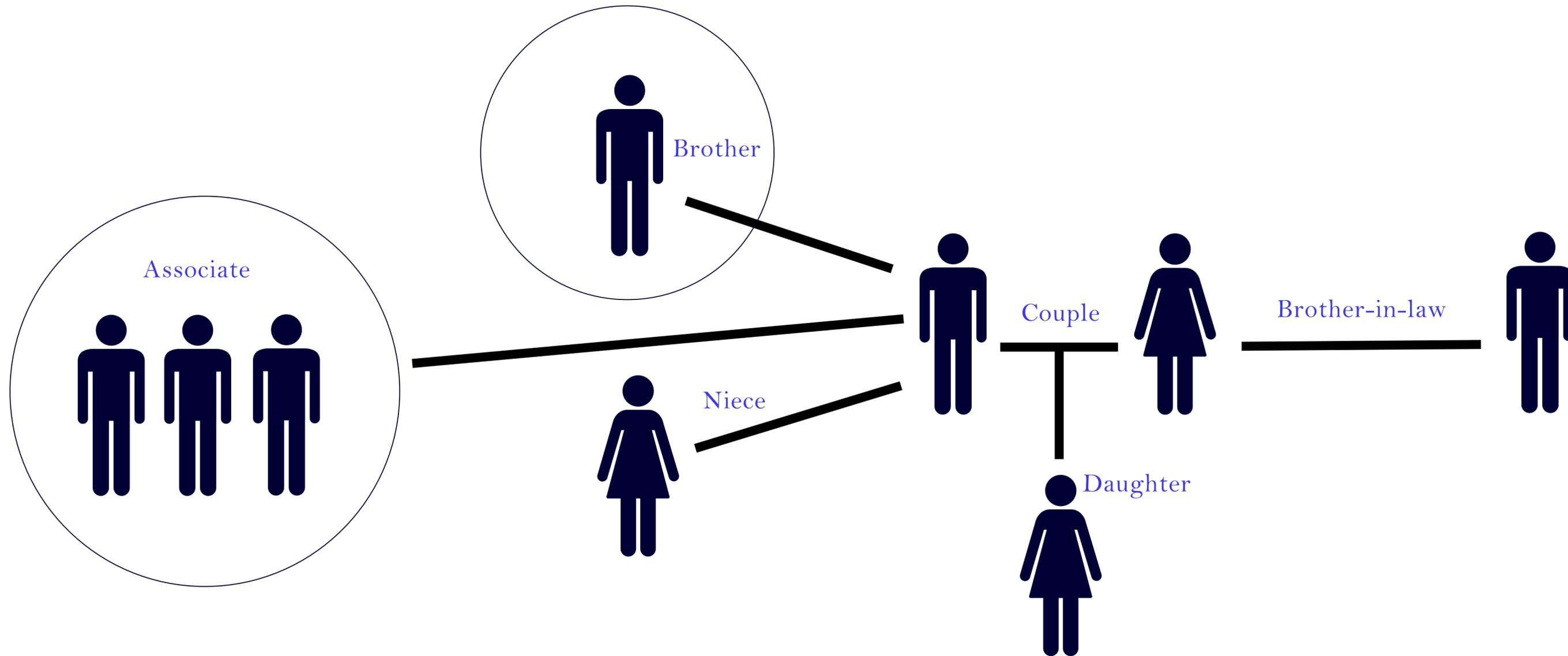


5. Arrest, Search and Seizure

- Seizure of betting slips and mobile phone
- Television showing the live broadcast horse racing event.
- All six people were arrested and denied the offences/ remained silent
- Bank cards of other four people seized in B's motorbike
- Investigation extended to these four people (including B's brother) and were arrested later.
- Debriefing: to know what was really happening.



Targets (Updated)



6. Temporary Withholding of Assets

- Administrative measures to temporarily withhold the balance of all bank accounts of the syndicate
- As their properties were under mortgage, their properties were also temporarily withheld by the bank not allowing them to settle the mortgage bank account.

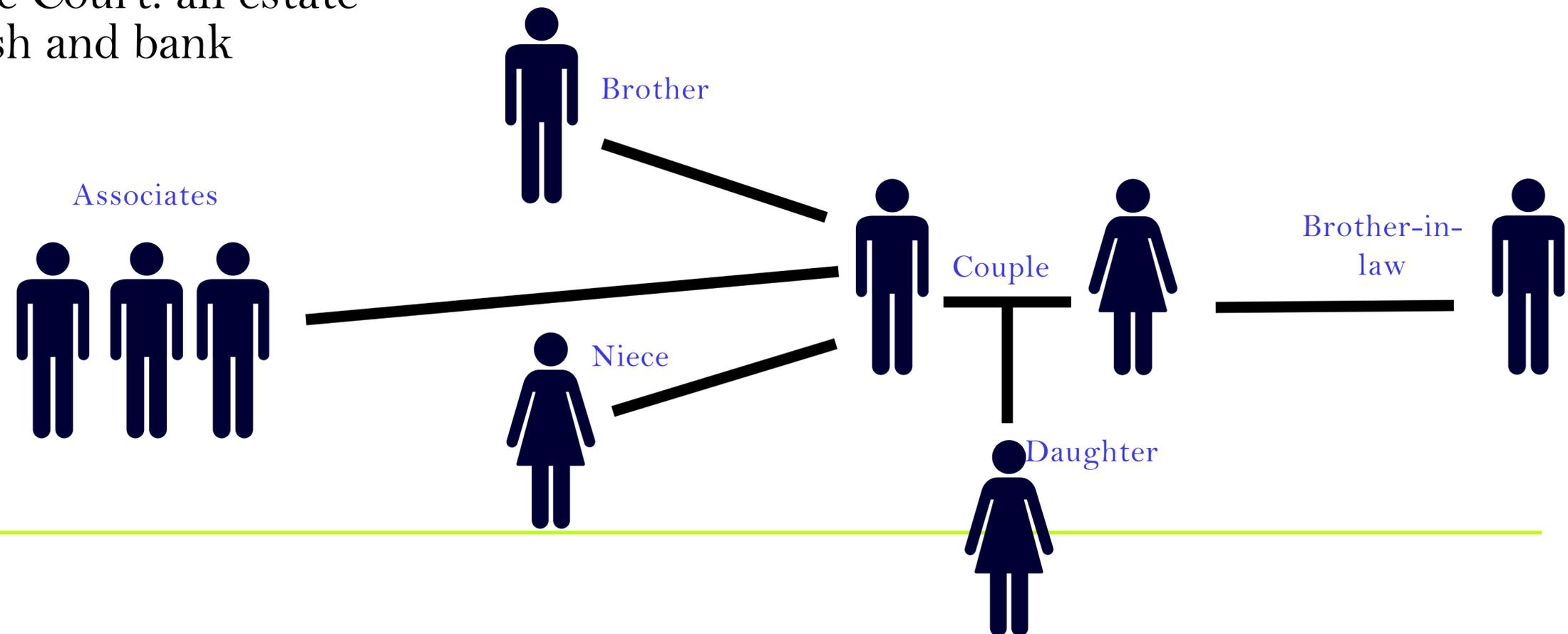


7. Expert Advice

- Assistance from expert:
 - (1) Accountant to provide fund flow analysis;
 - (2) Gambling expert to suggest that B was bookmaking at the time of arrest
 - Discussion with Department of Justice for venue of trial.
 - High Court: Jury
 - District Court: Judge
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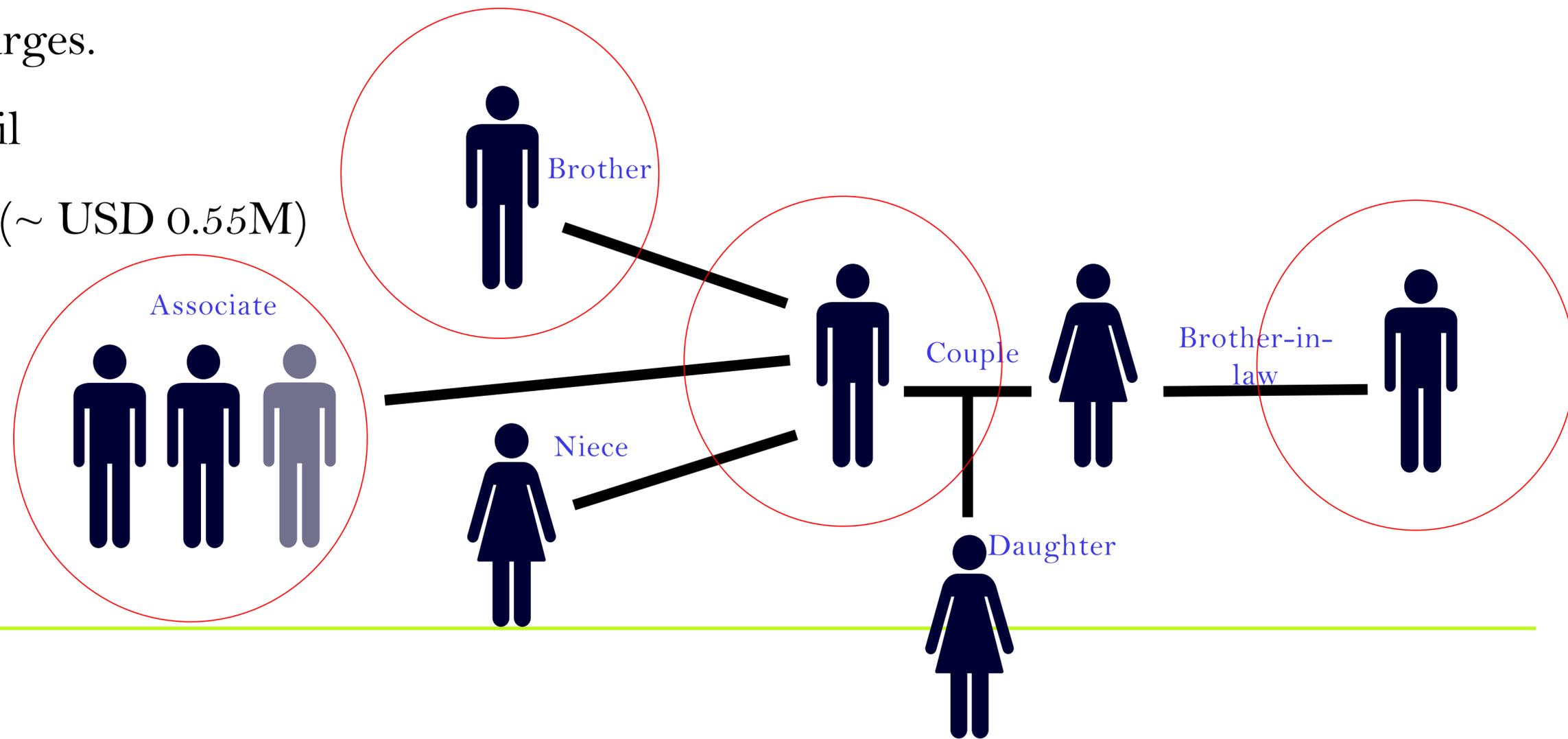
8. Charges and Restraint Order

- B (Mastermind): Money laundering and Bookmaking
- Syndicate members: Money laundering
- Total amount laundered: USD 15.5M
- Restraint Order granted from the Court: all estate properties, insurance policies, cash and bank accounts under their names



9. Prosecutions, Convictions, and Confiscation

- B requested for plea bargaining, for withdrawing the charge against her wife (A) and their daughter. The prosecutions refused.
- Only B pleaded guilty to all charges.
- Sentence: 31 to 45 months in jail
- Confiscation: total HKD 4.3 M (~ USD 0.55M)



Conclusions

1. Showcase of financial investigation unearthing the predicate offence
2. Joint investigation with department specialized in investigating the predicate offence
3. Good planning / execution of arrest operation led to evidence and seizure, securing the charge of predicate offence
4. Powerful administrative measures to temporarily withholding bank accounts
5. Expert advice played an important role in prosecutions