**Case reference C2402**

**Background of subjects**

**Suspect 1**

Name/ Entry permit /Country or Region: CHAN TAI MAN (“CHAN”)/ A000001(0)/ CHINA

Alerted account: 111-111111-101 (Account opened on 16 Aug 2024, account restriction date on 17 Sep 2024)

**Suspect 2**

Name/ Entry permit /Country or Region: CHUNG SIU (“CHUNG”)/ A000002(0)/ CHINA

Alerted account: 111-111111-102 (Account opened on 25 Jul 2024, account restriction date on 10 Oct 2024)

**Triggering Factors and reported payments**

**Intelligence 1**

**Source: Internal Referral**

**Fraud Type: Not provided**

Alerted transaction:

**Payment 1:** 29 Aug 2024,HKD20,000 cash deposits via ATM to CHAN’s account 111-111111-101. It can be located in banking system.

**Payment 2:** 30 Aug 2024, HKD20,000 cash deposits via ATM to CHUNG’s account 111-111111-102. It can be located in banking system.

**Intelligence 2 (C2409)**

**Police team: District Investigation Team 3**

**Police Reference: TSW RN 240■■■■■■■**

**Fraud Type: Investment Scam**

Alerted transaction:

**Payment 3:** 28 Aug 2024**,** HKD50,000 cash deposits via ATM to CHUNG’s account 111-111111-102. It can be located in banking system.

**KYC Review on HASE Suspect**

|  |  |
| --- | --- |
| Customer Background | **Suspect 2** |
| Entry permit | A000002(0) |
| Customer name | CHUNG SIU |
| Relationship with HASE since | 25 Jul 2024 |
| Gender | MALE |
| Date of birth | 2 Jan 2000 |
| Nationality (country/region/ territory) | CHINA |
| Occupation | SALES (last updated on 25 Jul 2024) |
| Employer | ABC2 Limited |
| Address | Rm02, 1/F, 111 Argyle Street, Mong Kok, Hong Kong |
| Contact number | 10000002 (Mobile) |
| Email | [10000002@hangseng.com](mailto:10000002@hangseng.com) |
| Monthly income | HKD20,000 (last updated on 25 Jul 2024) |
| Previous financial crime risk | No previous financial crime risk was identified. |
| Others | Last CDD review was found and completed on 25 Jul 2024. |

**Conclusion and the Way Forward on CHUNG**

- Intelligence revealed that account 111-111111-102 of CHUNG might be involved into fraud as suspect account. The involved fraud payments could be located and the destination cannot be traced.

- From the high level account review, money laundering red flag can be observed.

- CHUNG is new to Bank as a customer, having opened the account in Jul 2024. Nevertheless, account maintains minimal balance.

- Per account CHUNG’s opening form, the purpose of account opening is for savings and investments, however, the account pattern was unmatched.

In summary, the financial crime risk of CHUNG could be identified. Therefore, it is recommended to terminate the business relationship between the bank and CHUNG.

**Account review on CHAN:**

Source1 (Branch - Purchase)

|  |  |  |
| --- | --- | --- |
| Reported Payment# | Reported Payment / Period Details | Checking in Bank Record |
| 1 | HKD20,000 cash deposits via ATM to CHAN’s account 111-111111-101 on 29 Aug 2024. | * Reported payment can be located |

**Summary on CHAN:**

* CHAN has been reviewed in previous case with financial crime risk identified together with CSEM recommendation (Bank Ref. C2408). The account review period of the previous case was between 6 Aug 2024 (account open date) to 04 Sep 2024, which has covered the reported transaction(s) in the current case. For more details, please refer C2408
* Acknowledge by EIR on 13 Sep 2024
* The account of 111-111111-101 has been restricted by the Bank on 17 Sep 2024.
* Account 111-111111-101 has been added to Blacklist on 01 Nov 2024.

As the review period of the previous financial crime risk already covered the concerned payment(s) in current incident(s), no HASE 2nd layer could be identified and no new fraud indicators found, therefore, further investigation is not required.