**Narrative**

**Our Ref: UCM C2407 (Incorp with sub case C2409)**

**Subject’s Background**

**Suspect 1**

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

HASE account: 111-111111-101 (opened on 09 Aug 2024, account restriction has been imposed since 2 Sep 2024)

**Suspect 2**

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

HASE account: 111-111111-102 (opened on 22 Aug 2024, account restriction has been imposed since 2 Sep 2024)

**Victim**

Name / HKID / Country or Region: CHEUNG TAK SHING (“CHEUNG”) / B000001(0) / HONG KONG

HASE account: 222-222222-101 (opened on 21 Sep 2001)

**Triggering Factors and Review on Reported Payments**

**Intelligence 1 (Bank ref: C2407, Cross border received on 27 Aug 2024)**

**Source: HSBC Referral**

**Fraud Type: Not provided**

Alerted transaction:

**Reported Payment 1:** 25 Aug 2024, HKD20,000.00 via ATM, debited from YEUNG KAI’s HSBC account 66666666601. It cannot be located in banking system.

**Intelligence 2 (C2409)**

Source: ADCC

Fraud Type: Investment Fraud

Police Team: (DIT2-■■■■■)

Police Reference: ESPS 7■■■■■■ and NTKDIV 24■■■■■

Alerted transaction:

Reported payment credited to CHAN’s HASE account 111-111111-101:

**Reported Payment 2:** 24 Aug 2024, HKD50,000.00, debited from CHEUNG’s HSBC account 444-4444444-101. It can be located in banking system

**Reported Payment 3:** 25 Aug 2024, HKD10,000.00, debited from CHEUNG’s HSBC account 444-4444444-101. It can be located in banking system

**Reported Payment 4:** 24 Aug 2024, HKD31,000.00, debited from CHEUNG’s HASE account 222-222222-101. It can be located in banking system

**Reported Payment 5:** 25 Aug 2024, HKD50,000.00, debited from CHEUNG’s HASE account 222-222222-101. It can be located in banking system

**Reported Payment 6:** 25 Aug 2024, HKD60,000.00, debited from CHEUNG’s HASE account 222-222222-101. It can be located in banking system

**Reported Payment 7:** 25 Aug 2024, HKD30,000.00, debited from CHEUNG’s HASE account 222-222222-101. It can be located in banking system

**Reported Payment 8:** 25 Aug 2024, HKD39,000.00 via cash, debited from CHEUNG’s account. It can be located in banking system

Reported payment credited to CHUNG’s HASE account 111-111111-102:

**Reported Payment 9:** 25 Aug 2024, HKD50,000.00, debited from CHEUNG’s HSBC account 444-4444444-101. It can be located in banking system

**Reported Payment 10:** 25 Aug 2024, HKD50,000.00, debited from CHEUNG’s HASE account 222-222222-101. It can be located in banking system

**Intelligence 3 (C2410)**

Police team: District Investigation Team 7, Sha Tin District

Writ no.: 67■■

Police Reference: STRN240■■■■, Writ No.: 67■■

Fraud type: External Fraud

No transaction provided in the intelligence

**KYC Review on CHAN (Suspect 1)**

|  |  |
| --- | --- |
| **Customer Background** | **Suspect** |
| Entry permit | A000001(0) |
| Customer name | CHAN TAI MAN |
| Relationship with HASE since | 09 Aug 2024 |
| Gender | FEMALE |
| Date of birth | 01 Jan 2000 |
| Nationality (country/region/ territory) | CHINA |
| Occupation | SALES (last updated on 09 Aug 2024) |
| Employer | ABC1 Limited |
| Address | Rm01, 1/F, 111 Argyle Street, Mong Kok, Hong Kong |
| Contact number | 10000001 (Mobile) |
| Email | 10000001@hangseng.com |
| Monthly income | HKD25,000 (last updated on 09 Aug 2024) |
| Previous financial crime risk | No previous financial crime risk was identified. |
| Others | Last CDD review was found and completed on 09 Aug 2024. |
| Account opening purpose is for Saving/Investment. |

**KYC Review on CHUNG (Suspect 2)**

|  |  |
| --- | --- |
| **Customer Background** | **Suspect** |
| Entry permit | A000002(0) |
| Customer name | CHUNG SIU |
| Relationship with HASE since | 22 Aug 2024 |
| Gender | MALE |
| Date of birth | 02 Jan 2000 |
| Nationality (country/region/ territory) | CHINA |
| Occupation | SALES (last updated on 22 Aug 2024) |
| Employer | ABC2 Limited |
| Address | Rm02, 1/F, 111 Argyle Street, Mong Kok, Hong Kong |
| Contact number | 10000002 (Mobile) |
| Email | 10000002@hangseng.com |
| Monthly income | HKD12,000 (last updated on 22 Aug 2024) |
| Previous financial crime risk | No previous financial crime risk was identified. |
| Others | Last CDD review was found and completed on 22 Aug 2024. |
| Account opening purpose is for Saving/Investment. |

**KYC Review on Victim**

|  |  |
| --- | --- |
| **Customer Background** | **Victim** |
| HKID | B000001(0) |
| Customer name | CHEUNG TAK SHING |
| Relationship with HASE since | 24 Sep 2001 |
| Gender | MALE |
| Date of birth | 01 Oct 1999 |
| Nationality (country/region/ territory) | HONG KONG |
| Occupation | GEN MANAGEMENT MGR (last updated on 11 Jan 2022) |
| Employer | BBC1 Limited |
| Address | Rm01, 2/F, 222 Argyle Street, Mong Kok, Hong Kong |
| Contact number | 20000001 (Mobile) 21000001 (Home) |
| Email | 20000001@hangseng.com |
| Monthly income | HKD43,333 (last updated on 11 Jan 2022) |
| Previous financial crime risk | No previous financial crime risk was identified. |
| Others | N/A |
|  |

**Conclusion and the Way Forward on CHAN (Suspect 1)**

- Intelligence revealed that account 111-111111-101 of CHAN might be involved into Investment Fraud as suspect account. The reported payments could be located and the destination cannot be traced.

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

* CHAN’s account was newly opened on 09 Aug 2024 (within 6 months). Financial crime risk posed by the allegation cannot be discounted as the account has the risk of been opened/exploited to receive fraudulent transaction.

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

**Conclusion and the Way Forward on CHUNG (Suspect 2)**

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

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

* CHUNG’s account was newly opened on 22 Aug 2024 (within 6 months). Financial crime risk posed by the allegation cannot be discounted as the account has the risk of been opened/exploited to receive fraudulent transaction.

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.

**Findings and actions on victim**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **KYC** | | | | | |
| PVC | | No | | | |
| Potential negative media coverage | | No | | | |
| Previous dispute record | | No | | | |
| Financial status | | Unknown | | | |
| Other relevant circumstances | | No | | | |
| **Findings on customer** | | **Yes** | **No** | | **Unknown** |
| Lent ATM card to a 3rd party | |  |  | |  |
| Lost or stolen ATM card | |  |  | |  |
| Authorized a 3rd party to use bank account | |  |  | |  |
| PIN written down on a physical/digital device or disclosed to a 3rd party | |  |  | |  |
| Left the card in the ATM after cash withdrawal/ transfer | |  |  | |  |
| Reported payment was authorized by customer | |  |  | |  |
| Inputted bank account information or personal e-Banking credentials onto a fake link/fake website | |  |  | |  |
| Downloaded a side-loaded application from an unofficial channel | |  |  | |  |
| Was the card kept safely by the customer? | |  |  | |  |
| Is the mobile number used by the customer the same as the customer’s record in the bank? | |  |  | |  |
| Has the customer provided updated contact information to receive bank’s notification? | |  |  | |  |
| Did customer receive the SMS/ email notification delivered from the bank? | |  |  | |  |
| Did customer pay attention to the notification delivered from the bank? | |  |  | |  |
| Reported lost/fraud incident to the bank timely | |  |  | |  |
| Reported case to the Police | |  |  | |  |
| Other relevant circumstances | | N/A | | | |
| **Other** | | | | | |
| Customer Return Document | Please select the document(s) that customer provided.  □ Police Witness Statement   Others: N/A | | | | |
| Bank Control Weakness(es)/Error(s) | □ Yes  No | | |  | |
|
| Customer raised Complaint |  No complaints received from the frontline | | | | |

**Conclusion and the Way Forward on Victim**

* Reported payments 4,5,6,7,10 were confirmed to be debited from customer’s HASE account (222-222222-101).
* Customer reported the case to the police with reference: ESPS 7■■■■■■ & NTKDIV 24■■■■■ (DIT2-■■■■■).
* Added CDS code (BEWARE OF FRAUDULENT INSTRUCTION / APPLICATION / IMPERSONATION REF: C2407) in OBS for customer on 31 October 2024.
* No previous case found on customer.
* Account no. (111-111111-101 and 111-111111-102) has been updated to <BLACKLISTED\_ACCOUNT > file on 02 Sep 2024.
* Conducted fraud tagging on the alleged fraud transaction on 10 Oct 2024.
* The reported transaction was authorized by him. Hence, the customer should be liable for any loss incurred in this incident.