

Lottery Scam

There is an emerging trend of the use of Hong Kong bank accounts for collecting and disbursing the proceeds of lottery frauds. These cases normally involved overseas victims who received luring emails or ‘cold calls’. The victims were alleged to have won lottery but they had to pay a certain amount of money as handling charges. The victims were deceived to make deposits or transfer funds into bank accounts of newly/recently incorporated offshore or local incorporated companies with non-resident or offshore corporate directors/shareholders. The funds are then immediately withdrawn in cash or quickly dissipated to other accounts in other South East Asian countries.

A large number of ‘Lottery Fraud’ cases involved stooges opening accounts and then transferring the control of the accounts to the fraudsters. Analysis has shown that majority of accounts used in connection with this type of activity were opened by Taiwanese or Malaysians with incoming remittance are received from individuals (victims) in geographically diverse areas.