



**SINGAPORE
POLICE FORCE**
COMMERCIAL AFFAIRS
DEPARTMENT



**COMMERCIAL AFFAIRS DEPARTMENT
ANNUAL REPORT 2015**

OUR MISSION

To prevent, deter and detect financial crime.

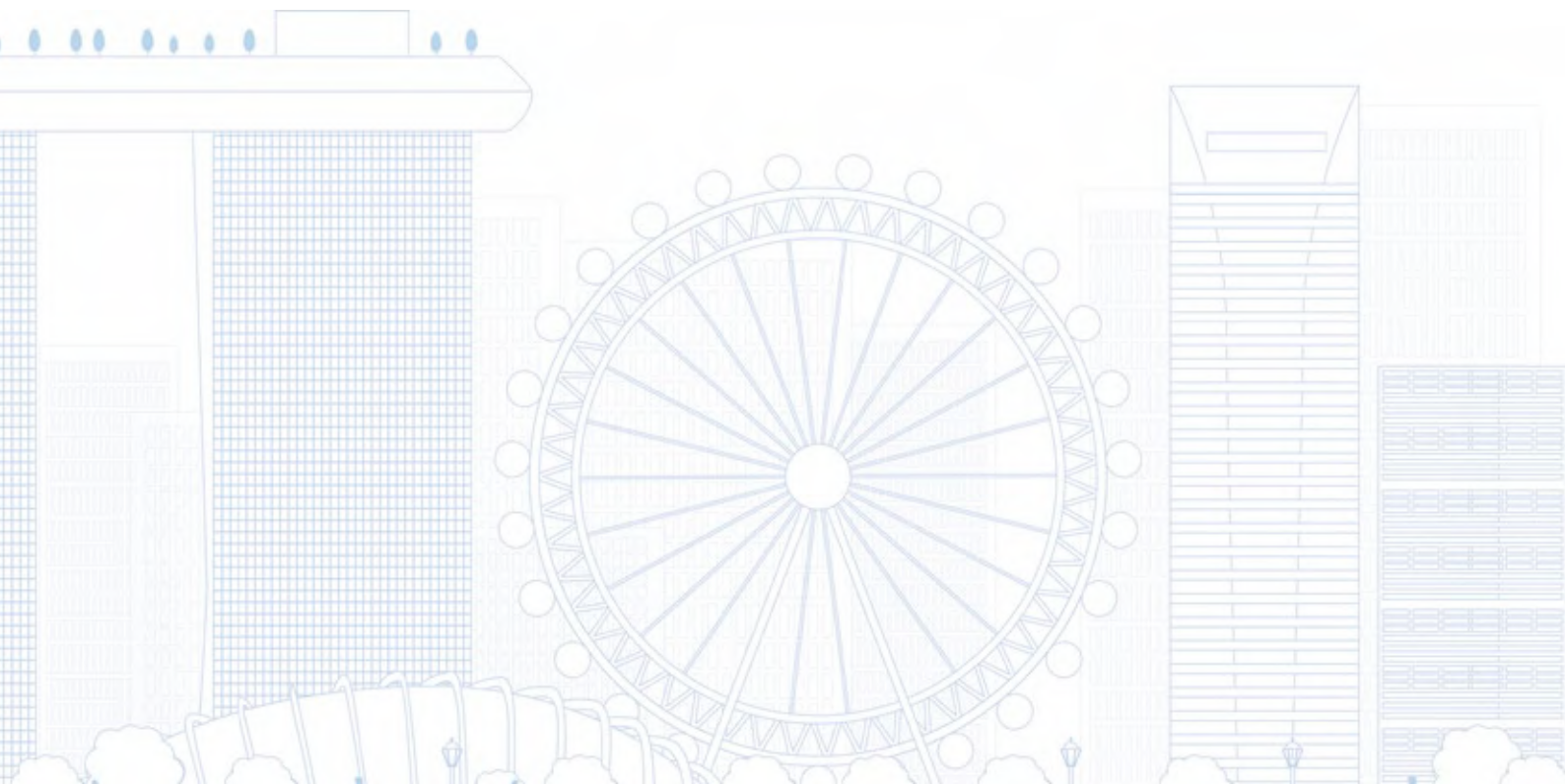
OUR SHARED VISION

To make Singapore the safest and most trusted place for business and finance.



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COMMISSIONER'S MESSAGE

➤ **Commercial crime increased by 46.5% when compared to the year before. Scams, especially those committed online, contributed significantly to the rise.**



Trust in the integrity of Singapore's commercial and financial sector is key to our success as a financial hub.

The officers of the Commercial Affairs Department (CAD) work tirelessly every day to safeguard that trust by preventing, deterring and detecting financial crime.

It is not easy work.

Commercial crime increased by 46.5% when compared to the year before. Scams, especially those committed online, contributed significantly to the rise.

In these cases, criminal syndicates use sophisticated social engineering techniques to target Singaporeans and manipulate them into handing over their hard-earned money. To add to the challenge, the perpetrators for these crimes operate overseas, abusing the global financial system to commit their crimes.

This trend is a cause for concern, given the increasing use of e-commerce platforms by our tech-savvy population. It is imperative that Police take action to combat these trends so as to maintain the public's trust in the integrity of our financial system.

Educating the public, enhancing our capabilities and working closely with our international law enforcement counterparts are key to our efforts to combat such crimes.

The Police have done much on these fronts.

In 2015, the Police worked with the National Crime Prevention Council to push out scam education messaging through the "Scam Alert!" website and

our social media platforms aggressively. New and emerging trends were quickly publicised in a bid to prevent more victims from falling prey to such scams.

With money being transferred at the click of a computer mouse, time is of essence. The CAD has leveraged on data analytics to speedily process large volumes of evidence. The CAD will continue enhancing its technological capabilities to enable our officers to keep pace with new developments.

On the international front, the CAD tapped on their extensive international network of financial intelligence units to exchange intelligence on criminal activities. It also proactively engaged and collaborated with its international enforcement counterparts to interdict criminals operating overseas or to identify victims whose money have flowed to and from Singapore.

These efforts have borne fruit. In 2015, the CAD worked together with the Ministry of Public Security of the People's Republic of China, to cripple a fraud syndicate operating in China that targeted Singaporeans. By undertaking joint investigations with foreign law enforcement agencies, the CAD prevented more individuals from falling victim to such scams. The CAD will continue in its efforts to work with its international partners to target the syndicates at their source.

The CAD is the vanguard in Singapore's war against commercial crime. It has done well in 2015, and I have every confidence that the CAD will continue to build on its success as it works towards safeguarding Singapore's commercial and financial sector.

Hoong Wee Teck
Commissioner of Police

DIRECTOR'S REPORT



➤ In order to address the challenge of increasingly multi-faceted and multi-jurisdictional crimes, the CAD will continue to bolster its capabilities through strategic partnerships with the enforcement community, the industry and the public.

Looking Back at 2015

2015 was another busy year. Against the backdrop of all the other work covered by the CAD, three matters stood out – the conclusion of high-profile cases, Singapore's mutual evaluation by the Financial Action Task Force (FATF) and the unprecedented increase in Internet-enabled commercial crime.

Two high-profile trials concluded in the courts in 2015. After a 140-day trial involving leaders of the City Harvest Church, one of the longest criminal hearings in Singapore's history, the accused persons were convicted on the charges. Another long-drawn trial concerned the aborted take-over of Jade Technologies Holding Limited. This involved charges of market rigging and insider trading against Soh Guan Cheow Anthony. The case concluded in August 2015 with his conviction and sentence to 8 years and 9 months' imprisonment.

Work on the Mutual Evaluation by the FATF kept us busy much of the year. The international team of assessors visited Singapore between November and December 2015 and the CAD had a significant role in assisting the assessors to prepare their Mutual Evaluation Report on Singapore. The report was tabled before the FATF plenary in June 2016. Singapore's participation in the FATF evaluation process shows our continuing commitment to international standards to combat money laundering and terrorism financing.

We then had to deal with the unprecedented increase in commercial crime. Increased Internet accessibility of Singaporean households has resulted in an increase in cheating and money laundering cases. The criminal need not meet the victim personally, now any person can be cheated at any time of day, in any place in Singapore, in a vast array of scams. This democratisation of cheating cases from the business centres to our heartlands has resulted in a tsunami of cases hitting the CAD and the Land Divisions in like measure. I would like to thank our officers and those in the Land Divisions for tirelessly managing the

increased case load and going beyond the call of duty to ensure that justice is done, and is seen to be done.

Fighting the New Dimensions of Commercial Crime

Criminals can and do adapt and innovate to come up with new forms of crime. They are also quick to exploit e-commerce's access to the global marketplace and cyberspace for their operations.

The World Wide Web provides criminals with a truly global reach. Fraudsters have the potential to cheat anyone with access to the Internet and the use of encrypted messaging has added another layer of anonymity, hiding their identities and making them truly faceless. Criminals often take advantage of territorial boundaries, by quickly moving the victims' money across jurisdictions to avoid detection. The complex and transnational nature of commercial crime calls for fresh policing strategies. The only effective way to counter these new dimensions of crime is for collaboration and coordinated action among the policing authorities and our partners.

Coordinating with International Law Enforcement Agencies

Criminals have global operations. In response, the investigation agencies of the affected countries must closely coordinate their operations to counter the threat of these criminal organisations. To take out a criminal syndicate, they must first be tracked to their operating base. This year the CAD had an opportunity to coordinate operations with an international partner. Many local residents fell victim to credit-for-sex scams in 2015. The CAD mounted a joint investigation with the authorities from the People's Republic of China into credit-for-sex scams. Officers from the CAD participated in operations conducted in mainland China in December 2015 which resulted in the detention of dozens of members of the syndicate. The CAD will continue to work closely with the INTERPOL and overseas law enforcement agencies to crack down on foreign syndicates operating overseas who target victims in Singapore or who use local bank accounts to launder money derived from victims overseas.

Collaborating with Industry Partners and the Public

It is said that an ounce of prevention is worth a pound of cure. The public have an important role in fighting crime; it is not the work of law enforcement agencies alone. The anti-scam posters and videos on television and on social media platforms are part of an extensive nationwide Anti-Scam Public Education Campaign organised in collaboration with the National Crime Prevention Council to raise public awareness of online scams. We have also engaged industry players to exchange information and insights in the detection and prevention of motor insurance and credit card frauds. By engaging the public and stakeholders, we equip them with the know-how and tools to avoid falling prey to criminals.

Combating Money Laundering, Terrorism Financing and Proliferation Financing

Singapore is committed to detecting and deterring the abuse of our financial system to launder the proceeds of crime or to finance terrorists. Our memberships in international organisations such as the FATF, the Asia/Pacific Group on Money Laundering and the Egmont Group of Financial Intelligence Units underscore our commitment to ensure that Singapore is a responsible financial centre that does not tolerate money laundering. Along with our partners at the Monetary Authority of Singapore (MAS) and the Attorney-General's Chambers (AGC), we will take firm and decisive action against anyone who abuses our financial institutions to launder criminal proceeds or fund terrorists.

As a responsible global player, Singapore diligently discharges our international obligations to prevent proliferation of weapons of mass destruction. In 2015, the CAD charged Chinpo Shipping Company (Private) Limited under the United Nations (Sanctions - Democratic People's Republic of Korea) Regulations 2010 in connection with its role in an arms-related activity. The company was also charged under the Money-Changing and Remittance Businesses Act for carrying on a remittance business without a licence.

The company had performed remittances on behalf of North Korean entities which did not have access to the banking system due to United Nations sanctions. The company was convicted and fined a total of \$180,000.

Partnering MAS in Fighting Securities Market Abuse

The CAD and the MAS commenced our joint investigation of market misconduct offences in 2015. The sharing of resources and regulatory expertise has certainly brought about greater investigative synergies, and would deliver more effective enforcement outcomes in the near future.

Deepening our Skills

Our officers are operating in an increasingly complex environment which requires deep specialist skills. We place strong emphasis on providing opportunities for our officers to deepen their expertise through academic studies and specialist training. We also build a sense of esprit de corps through regular team bonding activities both within the CAD and with our partners. In December 2015, the CAD organised the annual inter-agency games with the AGC and the Corrupt Practices Investigation Bureau (CPIB) to strengthen our ties.

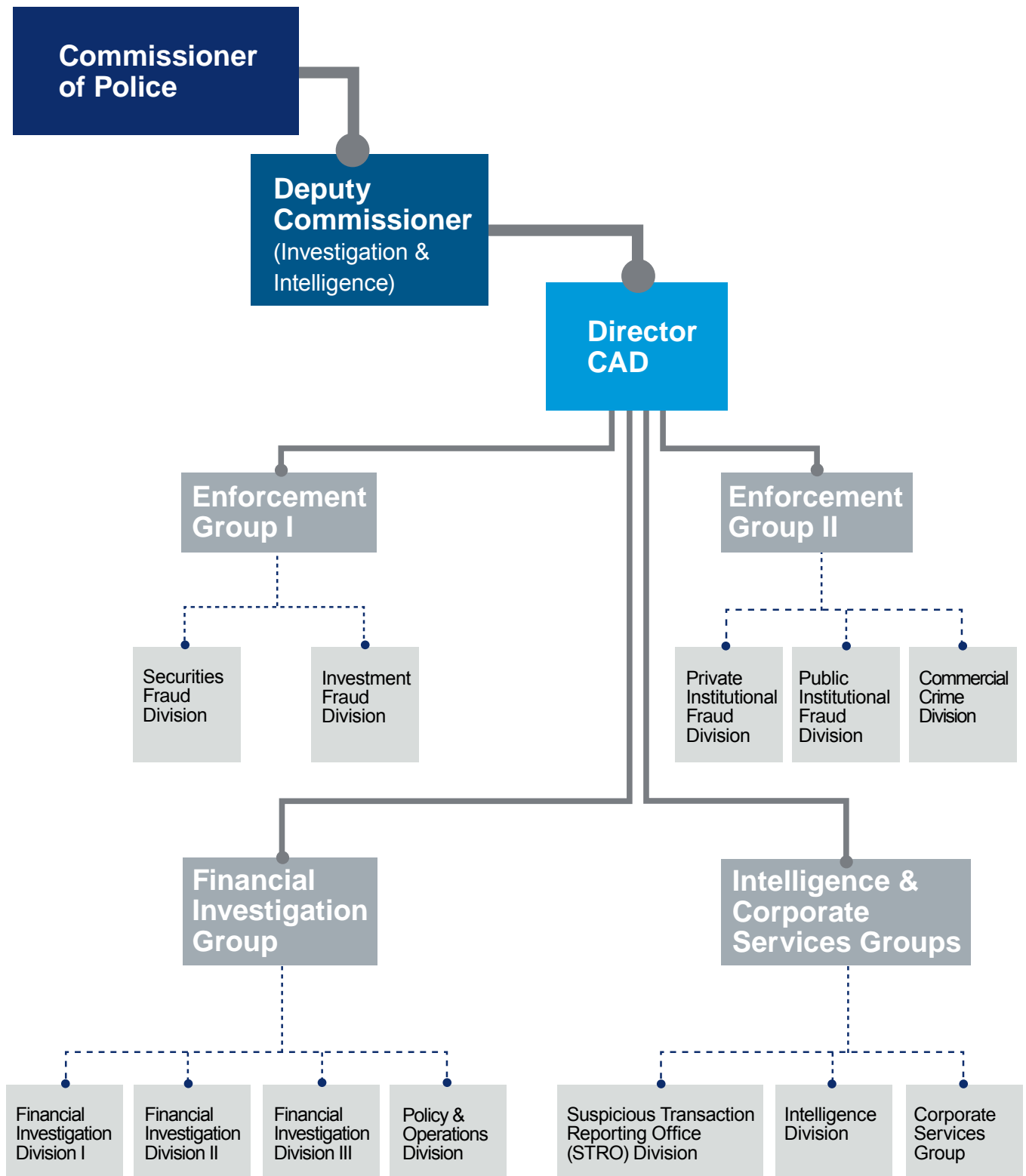
Delivering on the CAD Vision

Our commercial crime investigators in the CAD and the Land Divisions have had an extraordinarily busy year. We remain steadfast despite the challenges. In order to address the challenge of increasingly multi-faceted and multi-jurisdictional crimes, the CAD will continue to bolster its capabilities through strategic partnerships with the enforcement community, the industry and the public. Together we will deliver on our vision, to make Singapore the safest and most trusted place for business and finance.

David Chew
Director

Commercial Affairs Department

ORGANISATION STRUCTURE



MANAGEMENT TEAM



1. Michael Scully, Senior Deputy Director, Intelligence Group and Corporate Services Group
2. Rachel Koo, Deputy Director, Enforcement Group I
3. David Chew, Director
4. Seow Hwee Koon, Deputy Director, Enforcement Group II
5. Ian Wong, Deputy Director, Financial Investigation Group



1. Lim Kok Meng, Assistant Director, Investment Fraud Division
2. Peh Chin Wah, Assistant Director, Private Institutional Fraud Division
3. Tan Fong Chin, Assistant Director, Securities Fraud Division
4. Mak Kum Kay, Assistant Director, Special Projects
5. Lee Wee Kiang, Assistant Director, Financial Investigation Division I
6. Jude Hansen Fernandez, Assistant Director, Corporate Services Group
7. Cheung Siu Wing, Assistant Director, Commercial Crime Division

MANAGEMENT TEAM



INTELLIGENCE AND CORPORATE SERVICES GROUPS

FRONT ROW (Seated) **Jude Hansen Fernandez**, Assistant Director, Corporate Services Group, **Michael Scully**, Senior Deputy Director, Intelligence Group and Corporate Services Group, **Mak Kum Kay**, Assistant Director, Special Projects.

BACK ROW (Standing) **Yolanda Chin**, Head, Suspicious Transaction Reporting Office Branch I, **Andrew Pek**, Head, Field Research Branch, **Rovin Ng**, Head, Intelligence Division, **Joey Lim**, Head, Manpower & Training Division, **Lim Boon Jui**, Head, Suspicious Transaction Reporting Office Branch III, **Christabelle Lim**, Head, Corporate Support Division.

NOT IN PICTURE: **Eugene Neo**, Head, Planning & Organisation Development Division, **Chua Jia Leng**, Head, Suspicious Transaction Reporting Office Branch II.



ENFORCEMENT GROUP I

FRONT ROW (Seated) **Tan Fong Chin**, Assistant Director, Securities Fraud Division, **Rachel Koo**, Deputy Director, Enforcement Group I, **Lim Kok Meng**, Assistant Director, Investment Fraud Division.

BACK ROW (Standing) **Tay Yi Jie**, Head, Public Companies Investigation Branch, **Sheryl Tan**, Head, Securities Fraud Branch II, **Ng Yining**, Head, Securities Fraud Branch I, **Jasmine Cher**, Head, Investment Fraud Branch I, **Michelle Foo**, Head, Investment Fraud Branch II.



ENFORCEMENT GROUP II

FRONT ROW (Seated) **Peh Chin Wah**, Assistant Director, Private Institutional Fraud Division, **Seow Hwee Koon**, Deputy Director, Enforcement Group II, **Cheung Siu Wing**, Assistant Director, Commercial Crime Division.

BACK ROW (Standing) **Henry Seah**, Head, Private Institutional Fraud Branch II, **Triana Ridwen**, Head, Insurance & Specialised Fraud Branch, **Steven Tan**, Head, Payment System Fraud Branch, **Lionel Damian Low**, Head, Public Institutional Fraud Branch I, **Ng Chong Seng**, Head, Private Institutional Fraud Branch I.

NOT IN PICTURE: **Chew Jingwei**, Head, Syndicated Fraud Branch.



FINANCIAL INVESTIGATION GROUP

FRONT ROW (Seated) **Lee Wee Kiang**, Assistant Director, Financial Investigation Division I, **Ian Wong**, Deputy Director, Financial Investigation Group

BACK ROW (Standing) **Fong Wai Kit**, Head, Financial Investigation Branch III, **Leow Yan Yun**, Head, Financial Investigation Branch II, **Kevin Han**, Head, Counter-Financing of Terrorism Branch, **Nio Yin Chun**, Head, International Cooperation Branch, **Richard Wong**, Head, Financial Investigation Branch I, **Sharon Xie**, Head, Asset Confiscation Branch, **Chew Wan Lin**, Head, Anti-Money Laundering Policy Branch.

NOT IN PICTURE: **Yolanda Yu**, Head, Financial Crime Policy & Operations Branch.

PARTNERING WITH THE LOCAL COMMUNITY

The CAD actively partners our local stakeholders to deepen our enforcement expertise and immunise the community against trending crimes.

Partnering with the MAS

Since 17 March 2015, the CAD and the MAS have been conducting joint investigations into market misconduct offences under the Securities and Futures Act. In the process, both the CAD and the MAS have benefitted from each other's expertise in the capital markets and financial crime investigations. As more effective enforcement outcomes are achieved, this would strengthen the public's trust and confidence in Singapore's capital markets.

The collaboration between the MAS and the CAD also extends beyond enforcement work. The CAD has been working with the MAS to leverage on MoneySENSE to increase the effectiveness of public educational efforts on investment scams. MoneySENSE is a national financial education programme that brings together industry and public sector initiatives to enhance the basic financial literacy of consumers. This includes collaborating with the MAS to include crime advisories and a link to MoneySENSE's Consumer Alerts webpage on SPF's website.

Partnering with the Private Sector Intermediaries

The Suspicious Transaction Reporting Office (STRO) has been working together with domestic agencies to provide guidance to reporting entities. The guidance is disseminated to reporting entities via the SPF website, the mailing lists of the sector regulators and industry associations, and at face-to-face outreach sessions.

In 2015, the STRO created a "one-stop" location on the SPF website providing guidance information for all sectors on the filing of Suspicious Transaction Reports (STRs). The webpage now groups STR filing guidance according to sectors. For each sector, the STR filers can conveniently access sector specific red flag indicators, Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) regulations and guidance issued by their respective regulators, Frequently Asked Questions on filing STRs and STR forms. Quick Reference Guides for each sector are also available to help STRO's online STR filing platform (STROLLS) users navigate STROLLS. The help available



includes managing user account settings, step-by-step instructions on completing the STR forms and accessing real time feedback on the STRs filed.

During the year, the STRO rolled out new publications on detailed red flag indicators and typologies. Some examples of these publications on red flag indicators are those that help to detect Terrorism Financing, Proliferation Financing, and Trade-Based Money Laundering. Examples of typologies include Guidance on Shell Companies and related Money Laundering, Typologies and Indicators of Money Laundering and Terrorist Financing in the Real Estate Sector and Guidance on Tax Crimes and related Money Laundering.

In March 2015, the CAD conducted its first outreach programme on motor insurance fraud. Representatives from the MAS, the AGC, the General Insurance Association of Singapore and over 18 insurance companies attended the session. The programme provided updates on the overall situation of motor insurance fraud, preventive measures the industry can undertake to tackle the problem upstream and a discussion on a more structured coordination framework between the various stakeholders.

Lastly, the CAD is engaging various private sector intermediaries to strengthen their capability in early crime

detection. For example, the CAD worked with financial institutions to train their frontline staff to recognise red flag indicators so that they can intervene and help prevent their customers from becoming a victim of a scam, and with online e-commerce platform administrators to proactively detect fraudulent behaviour on their sites.

Partnering with the General Public

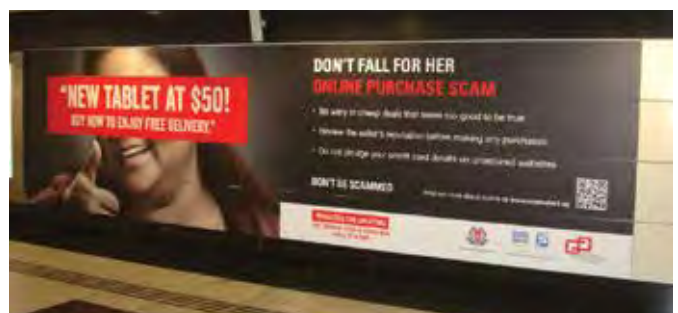
As the principal enforcement unit for commercial crimes, the increasing incidence of scams is a serious cause for concern for the CAD. In order to combat this emerging crime trend, the CAD initiated the Scam Control Forum (SCF), which brought together representatives from various police departments.

One of the initiatives of the SCF is the establishment of a closer partnership with the National Crime Prevention Council (NCPC). Working hand-in-hand with the NCPC, the CAD launched an island-wide Anti-Scam Public



Education Campaign in November 2014. The campaign served to push scam awareness messages out to the general population through a wide range of mass media and digital platforms.

To further raise public vigilance on commercial crimes, the CAD worked with community policing officers to intensify the frequency of community road shows and outreach programmes.



Source: National Crime Prevention Council. Reproduced with permission.

DEEPENING ENGAGEMENT WITH INTERNATIONAL PARTNERS

Commercial crime is becoming more complex and transnational. Criminals are exploiting the Internet and taking advantage of easy movement of people and assets across borders. The CAD's response to these challenges is to work closer with our international partners. This is achieved by having effective mechanisms to exchange intelligence, mount joint investigations and build capacity to handle such crimes through cross-agency training.

Sharing of Information between International FIUs

To support the enforcement effort, the STRO develops deeper understanding of criminal activity through the analyses of suspicious funds movements. It also actively enters into information sharing arrangements with foreign Financial Intelligence Units (FIUs) to combat transnational crime.

In 2015, the STRO entered into an arrangement with a foreign counterpart to exchange financial intelligence on wire transfer fraud cases originating from their country. Under this arrangement, the two FIUs will expedite the exchange of information within days instead of the previous working arrangement which took longer. This expedited process allows the law enforcement agencies to take timely investigative action.

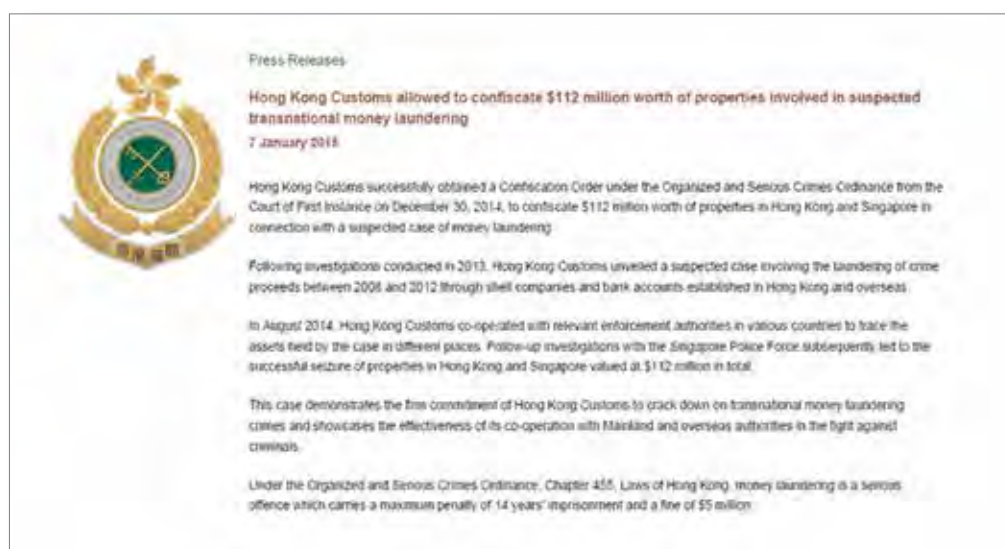
In October 2015, the STRO received a STR showing that a Singapore bank account had received funds of a suspected wire transfer fraud from a bank in the foreign country. In accordance with the expedited information exchange arrangement, the STRO requested for and received the financial information from the foreign counterpart within two working days. This allowed investigators to swiftly seize \$97,467.55 in the Singapore bank account,

before the monies could be withdrawn. Investigators are working to determine the legal title of the seized funds.

The case demonstrates the effectiveness of the project. Timely sharing of information aids enforcement action and thwarts the dissipation of criminal proceeds.

International Cooperation in Law Enforcement

In August 2014, the CAD worked closely with the Customs and Excise Department, The Government of the Hong Kong Special Administrative Region to seize illegal proceeds valued at US\$13 million in Singapore. The seizure was the fruit of a transnational money laundering investigation conducted jointly with Hong Kong. In 2015, the agencies' collaboration continued, with the transition from investigations to confiscation proceedings. This is an example of the CAD's commitment to international cooperation.



Source: Customs and Excise Department, The Government of the Hong Kong Special Administration Region. Reproduced with permission.



Singapore saw a spate of credit-for-sex scams in 2015. Male victims received unsolicited offers for sex on social media platforms and were subsequently cheated into buying purchase cards or online shopping credits. There were a total of 1,203 cases in 2015 with losses of about \$2.9 million. Initial investigations suggested that the criminals were operating from multiple countries, including the People's Republic of China. The CAD conducted a joint investigation with the Ministry of Public Security of the People's Republic of China into these cases. The 8-month long joint investigation culminated in an operation in mainland China in December 2015, resulting in the detention of 43 syndicate members. The crippling of this transnational syndicate demonstrates the common resolve of the two Police Forces to spare no effort in clamping down on criminals who hide behind the anonymity of the Internet to prey on victims across borders.

Cross-agency Training

The CAD engages in cross-agency training to build capacity to handle complex transnational crime. In March 2015, the CAD organised and conducted the annual International Economic Crime Course (IECC). This five-day programme was attended by 26 local officers from different law enforcement agencies, including the CAD, the Police Land Divisions, the AGC, and the CPIB, as well as 11 foreign participants from Commonwealth of Australia, Hong Kong Special Administrative Region, Federation of Malaysia and Republic of the Philippines. The focus of this year's IECC was on financial investigation, and included



topics on Internet and e-commerce scams, trade financing and money laundering. Apart from sharing sessions by both foreign and local representatives, this course also provided a good opportunity for interaction among the law enforcement officers of different agencies and countries.

Separately, in December 2015, a delegation from the Hong Kong Police Force of the Government of the Hong Kong Special Administrative Region made a study visit to the Singapore Police Force. One of the delegation's areas of focus was combating international telecommunications fraud. As the specialist staff department handling commercial crime, the CAD hosted the delegation. The meeting provided a valuable opportunity to exchange information and share experiences in handling this type of transnational fraud.

THE LAND DIVISIONS

The CAD is the specialist staff department of the SPF dealing with commercial crimes in Singapore. The CAD is, however, not the only unit battling white collar criminals. The Commercial Crime Squads, present in each of the Land Divisions in the SPF are also committed members of the commercial crime-fighting team. These case highlights show the integral role the Commercial Crime Squads play in dealing with commercial crimes in Singapore.

JOVER CHEW FORMER BOSS OF MOBILE AIR JAILED 33 MONTHS FOR CONNING CUSTOMERS

For practising unscrupulous sales tactics, the owner of the now-defunct mobile phone business, Mobile Air Pte Ltd (Mobile Air), along with four other salesmen he employed, were sentenced to jail terms ranging from four to 33 months in 2015. Twenty-six customers were found to have been deceived into buying mobile phones and in-house warranty packages at grossly-inflated prices. Some of the customers were told to fork out additional fees when they tried to cancel the deal. In total, the victims suffered a loss of \$12,199.

EX-PHARMA FIRM EXEC GETS JAIL FOR ILLEGAL CODEINE SALE

In an attempt to attain her sales targets, pharmaceutical firm executive Ashley Jas Ang Wei Hoon (Ashley Ang), supplied over 20,000 litres of codeine-based cough syrup and 22,000 medicinal tablets to a Malaysian man, despite having reasons to believe that the codeine was not meant for use as medicine. Ashley Ang forged invoices to deceive her employer into believing that the sale of codeine was authorised. In all, Ashley Ang was sentenced to 21 months' imprisonment for committing a total of 203 offences under the Medicines Act and 192 offences of forgery under the Penal Code.

JOBLESS MAN JAILED FOR E-SHOPPING SCAMS CARRIED OUT WHILE ON BAIL

In 2013, unemployed male, Dwight Soriano (Soriano), conceived of a kidnap scam to sustain himself. Soriano pretended to be a kidnapper, tricking his former girlfriend into transferring money into his bank account for his purported release. While he was on bail for the kidnap scam, Soriano went on to perpetrate a slew of e-commerce scams on 33 victims, making away with ill-gotten gains of about \$39,000. Follow-up investigations by the Police led to the successful recovery of \$6,300 from the accused person. In 2015, Soriano was handed a jail term of 17 months.

Mobile Air boss Jover Chew jailed 33 months

Elena Chong
Court Correspondent

Mobile Air boss Jover Chew Chiew Loon who, with his workers, cheated 26 victims into agreeing to buy mobile devices worth \$16,599, was sentenced to 33 months' jail yesterday.

The 33-year-old was fined \$2,000 for insulting a Chinese national by making her pick up coins totalling \$547 – part of a payment he owed her 22-year-old niece –

from the floor.

Chew had pleaded guilty to 12 charges, with 16 others taken into consideration. He has made full restitution of \$12,199.

His lawyer, Mr Louis Joseph, said Chew is dissatisfied, considers the sentence excessive and may appeal.

Chew's four freelance sales executives are now serving between four and 14 months in jail for their roles. They received 40 per cent commission on profits made from their sales while Chew pocketed the rest.

Once, a 41-year-old Bangladeshi man was duped into thinking he could buy a phone for \$330 but was told to cough up another \$600 for a two-year warranty.

When the victim wanted to back out, he was asked to pay \$1,000 as compensation and told that his \$330 would be forfeited for "breach of contract".

When it was found that he did not have enough money, Chew threatened to complain to his boss and get his work permit cancelled.

In passing sentence, District Judge Siva Shanmugam said there was a flagrant disregard for the law as Chew persisted in his conduct despite frequent visits from the police.

Chew, he said, seemed to have targeted vulnerable victims on the basis that they would be least likely to assert their rights in Singapore.

"The offences would also undoubtedly have had an adverse effect on Singapore's efforts to pro-

mote itself as a retail hub, with both the local and foreign media highlighting the need for caution on the part of customers when dealing with errant local retailers," he said.

When contacted, Consumers Association of Singapore executive director Seah Seng Choon said: "This will send a strong signal to all errant retailers who are scheming to scam consumers."

"We hope that this sends a strong message that they should not get involved in such questionable tactics. The punishment is a good message to errant traders. The court has set a precedence that such errant traders will be brought to justice."

Chew carried a plastic bag of books along with him to prison. The maximum punishment for cheating is 10 years' jail and a fine.

elena@sph.com.sg

Additional reporting by Jalelah Abu Baker

THE STRAITS TIMES | TUESDAY, DECEMBER 1, 2015 |



District Judge Siva Shanmugam said Jover Chew (left) targeted vulnerable victims on the basis that they would be least likely to assert their rights in Singapore.
ST PHOTO
WONG KWAI CHOW

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| THE STRAITS TIMES | THURSDAY, NOVEMBER 12, 2015 |

Ex-pharma firm exec gets jail for illegal codeine sale

A judge who jailed a former pharmaceutical company sales manager for 21 months for forgery and offences under the Medicines Act said this could well be the worst case of unauthorised sale of codeine.

Ashley Jas Ang Wei Hoon, 38, worked for Beacons Pharmaceuticals when she committed 203 counts of supplying more than 20,000 litres of codeine-based cough syrup and codeine tablets to a Malaysian man, and 192 offences of forgery. She had admitted to 60 charges in all.

In a year from May 25, 2009, she supplied one Wong Kin Yu with a total of 984 x 3.8L canisters containing codeine and 4,000 codeine tablets which she knew were medicinal products not on the General Sales List. The estimated 20,307.2 litres of cough syrup she dealt with is the highest amount involved in such an offence.

Deputy Public Prosecutor Stacey Anne Fernandez said Ang wanted to hit her sales targets and create a "good portfolio" for herself in the hope of getting a job in another multinational company.

In May 2009, Soh Woon Mei, an assistant at Kim Tian Clinic, asked Ang if she could help order and de-

liver bottles of cough syrup to Wong, also known as Paul, who had visited the clinic.

Ang at first declined but later accepted the offer when she realised she could not meet her team's sales target. The court heard that she did not query Wong on why he needed medicinal products but believed he wanted to sell them on the black market.

She knew he had faked details in the invoices with the intent to commit fraud. She used the invoices to deceive Beacons into believing that the order had been made by Kim Tian Clinic.

After Ang's arrest in June 2011, numerous cases of forgery on invoices were uncovered. She had deceived the company into believing the orders had been made by various general practitioner clinics.

In passing sentence, District Judge Chay Yuen Fatt said the large number of charges and sheer quantities of medicinal products sold showed the extent of Ang's overall culpability and would constitute a significant sentencing factor for consideration.

"This may well be the worst case involving the unauthorised sale of codeine but the prosecution is far from seeking the highest possible



Ashley Jas Ang Wei Hoon committed 203 counts of supplying over 20,000 litres of codeine-based cough syrup and codeine tablets to a Malaysian man, and 192 offences of forgery. ST PHOTO: WONG KWAI CHOW

sentence," he said.

He accepted that Ang was not the mastermind, but still certainly no "pawn", as characterised by her counsel, Mr Tan Cheow Hung.

"I would consider her to be a co-conspirator or, at the very least, she played the role of the seller in a 'buyer-seller' relationship in the il-

legal transactions," he added.

He said Ang committed the offences out of self-interest, even if she had not made any financial gain from the illegal transactions.

Ang could have been jailed for up to 10 years and fined for forgery.

Elena Chong

Source: The Straits Times © Singapore Press Holdings Limited. Permission required for reproduction.

| THE STRAITS TIMES | SATURDAY, OCTOBER 17, 2015 |

Jobless man jailed for e-shopping scams carried out while on bail

An unemployed man cheated 34 victims of about \$30,000 through online shopping scams.

Dwight Soriano would post items such as watches and Gundam robot models for sale on websites like Carousell and Gumtree, and collect money when he actually did not have the items.

The 30-year-old Singaporean was jailed 17 months on Thursday after he admitted to 19 of 70 cheating charges. The total amount involved in all the charges is \$39,386. He has made restitution of \$6,303.

He carried out the online scams while he was out on police bail for another cheating case.

He had tricked his former girlfriend, Ms Wong Yee Poh, into believing that he had been kidnapped abroad and needed her to transfer money to his bank account for his release.

He duped her into transferring a total of \$10,100, including \$90 to buy bus tickets in Malaysia, to his account.

Deputy Public Prosecutor Charis Low said Soriano went to Thailand in May 2013. In August that year, he pretended to be a kidnapper and messaged Ms Wong to say that Soriano had been kidnapped. He demanded ransom money.

Each time she transferred the

amount demanded to his POSB account, Soriano, posing as the kidnapper, would send text messages saying Soriano had been released but recaptured. He would then – as the kidnapper – send her messages demanding further payments for his release.

Ms Wong lodged a police report on Dec 3 that year that she had transferred money to Soriano as he had purportedly been kidnapped.

Back in Singapore, he devised a scam to cheat people into transferring money to his bank accounts.

From August last year to March this year, he posted electronic advertisements claiming to have various

items, such as Gundam figurines and G-Shock watches, for sale.

When his OCBC Bank account was frozen, he used eight bank accounts belonging to seven friends to receive payments.

He told them his own account had been frozen and he needed to receive his salary or money from other friends.

Pressing for a stiff sentence, DPP Low said there is pressing public interest to deter would-be criminals from using the Internet as a cheap and convenient platform to draw in a large number of victims.

"There has been a recent sharp increase in cheating cases involving e-commerce," she said.

For the first half of this year, they were up by 62 per cent compared with the same period last year.

Soriano could have been jailed for up to 10 years and fined on each charge.

Elena Chong



Dwight Soriano cheated 34 victims of about \$30,000 through online scams. He was jailed 17 months after he admitted to 19 of 70 cheating charges.

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SERIAL RENTAL SCAMMER CONVICTED OF CHEATING

Tan Boon Leng (Tan) had put up online advertisements, purporting to have rooms or a whole apartment for rent. Tan was not the owner of the apartment. He was neither authorised to rent out the apartment or its rooms. Tan had also posted online advertisements purporting to have various electronic goods for sale. Tan, however, did not have any electronic goods for sale. In 2015, Tan pleaded guilty to 11 counts of cheating in relation to the rental scams, four counts of cheating in relation to the e-commerce scams and one count of a money laundering offence. On 15 December 2015, Tan was sentenced to 30 months' imprisonment.

SCAMMER WHO TARGETED ELDERLY VICTIMS GETS JAIL OF 6 WEEKS

For perpetrating a series of Automated Teller Machine (ATM) scams targeted at the elderly, Tay Yew Chye (Tay) was convicted and sentenced to six weeks' imprisonment in November 2015.

Tay's modus operandi was to approach the elderly victims and offer to help them check their account balances at ATMs on the pretext that some government agencies had credited monies into their bank accounts. Tay would obtain the victims' confidential ATM PINs and surreptitiously swap their ATM cards. He later withdrew monies from the victims' accounts. In total, Tay withdrew \$11,530 from the bank accounts of eight victims.

FORMER VOLKS AUTO EMPLOYEE CHARGED WITH CONSPIRING TO COMMIT CBT INVOLVING \$4.6M

Volks Auto Pte Ltd (Volks Auto), a car parallel importer, collected several million dollars from more than 100 buyers. Before the cars could be delivered to the buyers, Volks Auto shut its doors in 2014.

Koh Chek Seng, a former employee of Volks Auto, was charged in December 2015 with conspiring with the director of Volks Auto and another man to misappropriate over \$4.6 million in deposits collected from customers in 2014.

At the time of this publication, the case is still in court.

联合早报 星期五 2015年2月27日

涉六起连环租房骗案 36岁男子落网

36岁男子因涉嫌参与六起连环租房诈骗被捕，将面对最长十年牢狱之灾。

警方昨天发布文告说，今年1月至2月，至少收到六份和实龙岗中第262座单间出租有关的受骗报案记录。

嫌犯将出租组屋房间的广告刊登在网上，一旦有人想要租房，嫌犯就会让受害者在搬入之前，付给他介于800元到1900元的押金。

在收到押金后，嫌犯便习惯性地“玩消失”，再也无法联系上。

宏茂桥警局警员通过详尽的追踪和询问后，前天在友诺士将嫌犯逮捕。

这起案件今天过堂。如果欺诈罪成，嫌犯可被判最长达十年的监禁与罚款。

警方提醒公众，如果需要租住房屋，一定要查明对方是否是真正的屋主，也应该向有执照的房地产经纪人求助。

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| THE STRAITS TIMES | THURSDAY, JANUARY 7, 2016 |

Non-delivery of cars: Worker faces CBT charge

A car dealership employee, who was hauled to court last year to face a charge of abetment to cheat, yesterday had his charge amended to conspiring to commit criminal breach of trust.

Koh Chek Seng, 33, had worked for Volks Auto, which shut down after allegedly collecting a few million dollars from more than 100 buyers without delivering the cars.

He is now alleged to have conspired with Volks Auto owner Alvin Loo Mun Yu and another man, Jason Koh Chi Kang, to misappropriate over \$4.6 million in deposits between July and October 2014.

Koh was offered bail of \$1 million, but he told the court he could not raise the amount. The case will be heard again on Jan 20.

Volks Auto made the news in 2014, after disgruntled customers gathered outside the parallel

importer's premises in MacPherson Road to look for Loo. Some also contacted the media to highlight their plight.

Parallel importers, such as Volks Auto, buy cars from dealers abroad and sell them here for a profit, typically at prices lower than those charged by authorised dealers. Drawn by advertised prices about \$10,000 lower than prevailing rates, the affected customers said they each paid \$20,000 to \$30,000 in downpayments to Volks Auto.

Police later confirmed that Loo left Singapore in December 2014, before customers discovered his business was closed. If convicted of the criminal breach of trust charge, Koh faces life imprisonment or jail of up to 20 years and a fine.

Amir Hussain

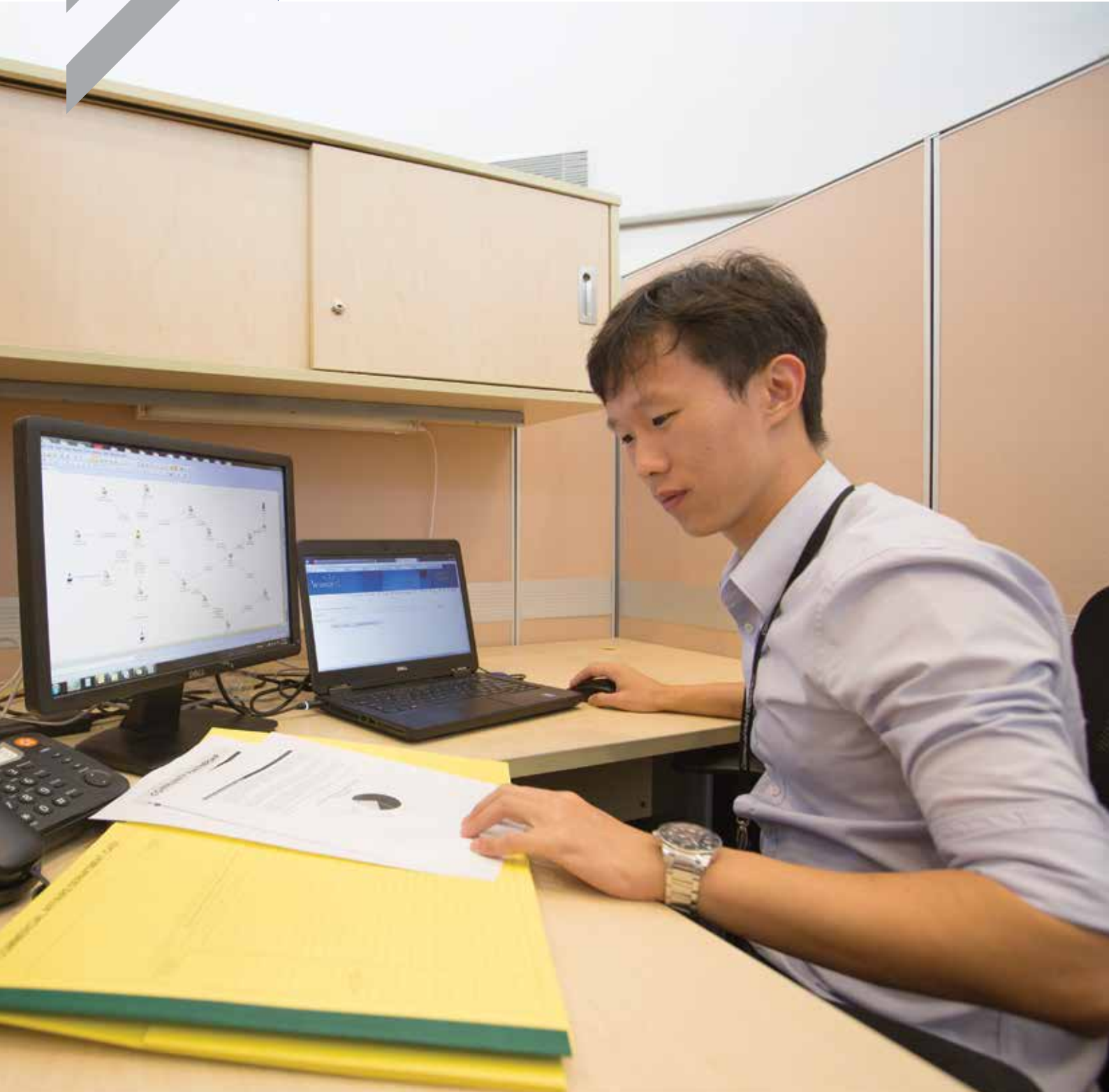


Volks Auto made the news in 2014 after disgruntled customers gathered outside its premises to look for owner Alvin Loo. ST FILE PHOTO

Source: The Straits Times © Singapore Press Holdings Limited. Permission required for reproduction.

REPORT

REPORT BY INTELLIGENCE GROUP



THE INTELLIGENCE GROUP

The Intelligence Division provides comprehensive, timely and accurate field intelligence support to the enforcement arms of the CAD. The division networks extensively with local intelligence agencies and overseas law enforcement agencies to enhance the effective exchange and gathering of information given the transnational nature of commercial crimes.

The Suspicious Transaction Reporting Office (STRO) is the Financial Intelligence Unit (FIU) of Singapore. It is the central agency in Singapore for receiving, analysing and disseminating Suspicious Transaction Reports (STRs), Cash Movement Reports (CMRs) and Cash Transaction Reports (CTRs). The STRO turns raw data in these reports into financial intelligence to detect money laundering, terrorism financing and other criminal offences.

About the Intelligence Division

The field intelligence section and the intelligence analysis and processing section support the enforcement units of the CAD in the mission to prevent, deter and detect financial crime.

The Intelligence Division was called on to mount ground intelligence operations in several investigations conducted by the CAD. The Division contributed to the success of investigations into money laundering, use of counterfeit credit cards and fraud.

Besides gathering intelligence for many investigations, the Division initiated probes into a network of fraudsters operating a fraudulent housing loan scheme to defraud banks by the use of false identities and forged documents. The effective collaboration between the Division and the investigation unit of the CAD led to the arrests of several suspects in the ensuing investigation.

In April 2015, the Intelligence Division also mounted tactical operations to support an investigation into a local fraudulent investment company that promised high returns from financial instruments. That investigation resulted in the arrests of several suspects. In another case, timely intelligence provided by the Division enhanced the quality of investigations into a local multi-level marketing scheme operation. Our analysts also played a pivotal role in the Division's success, for example by providing timely analysis of reported cases that helped the Police crack down on online fraudsters.

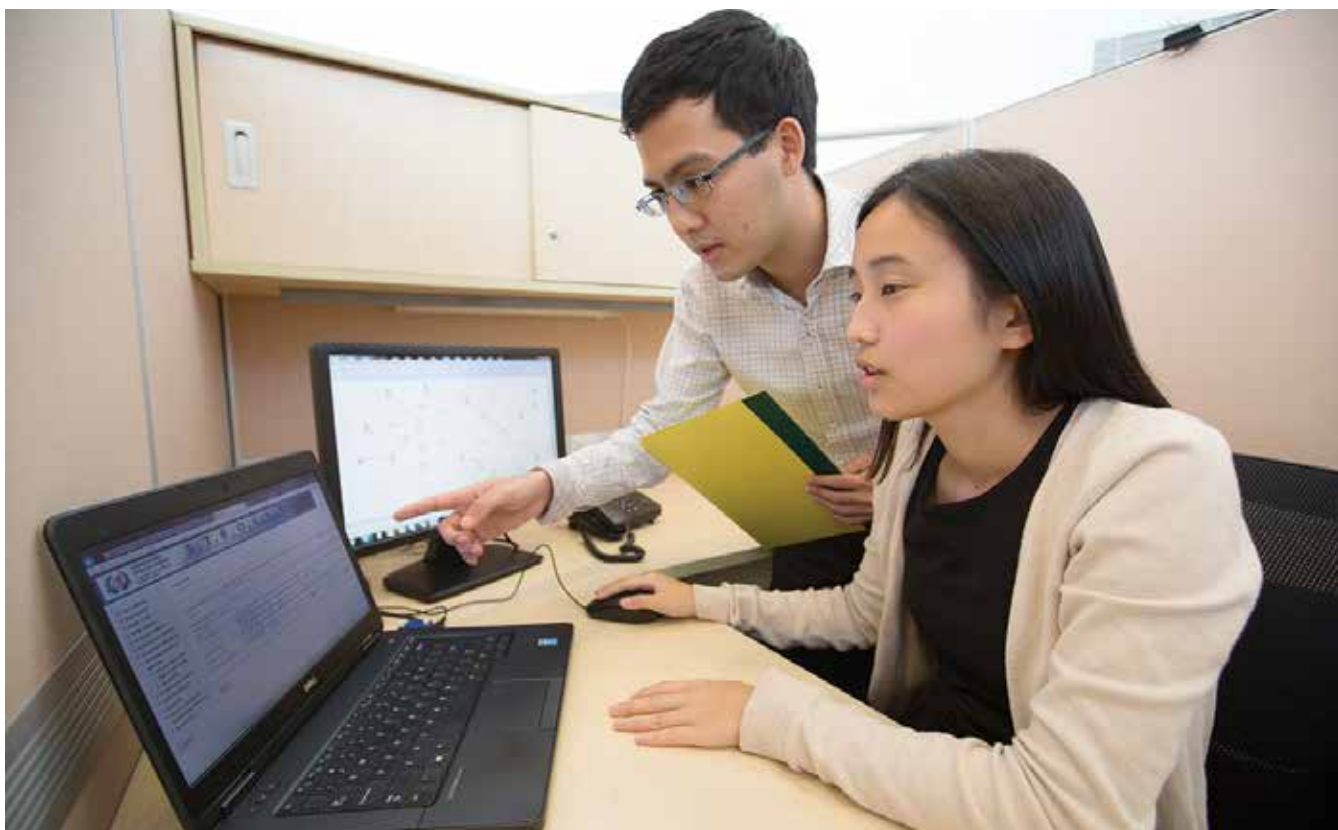
About the STRO

The STRO is the financial intelligence unit of Singapore responsible for receiving, analysing and disseminating financial intelligence. The STRO engages and collaborates with the different stakeholders in the local community, such as the reporting entities and the domestic investigation and regulatory agencies. In a similar manner, the STRO also collaborates with its many foreign counterparts.

In 2015, the STRO kept up with its efforts to reach out to reporting entities through its publications and outreach sessions. The aim was to keep the reporting entities updated on the latest crime trends, allowing them to be better-equipped to detect suspicious financial transactions. There was a 5% increase in the number of STRs filed compared to 2014, and a 20% increase in CMR filings in 2015. The general increasing trend of the total number of CTRs filed from 2012, however, saw a slight decrease of 2% in 2015.

The STRO achieved positive results in the dissemination of financial intelligence in 2015. More STRs were disseminated to domestic agencies compared to 2014. Although the majority of these STRs were disseminated to the CAD units, there was an increase in the proportion of STRs referred to other domestic agencies, from 26% in 2014 to 32% in 2015. The information disseminated covered a broader spectrum of crimes, indicating the increasing relevance of the financial intelligence handled by the STRO.





The STRO remains highly committed to international cooperation. In 2015, the requests for assistance from foreign FIUs jumped by 19%. The number of STRs spontaneously disseminated to foreign FIUs also increased by 4%. The STRO has also concluded letters of undertaking with counterparts in Norway and Switzerland and established memoranda of understanding with Papua New Guinea and New Zealand in 2015. Such agreements allow for the effective co-operation between the STRO and its foreign counterparts, which is pivotal in the fight against transnational crime.

Work is being undertaken to revamp the information technology infrastructure and analysis methodologies of the STRO. The improvements will enhance the ability

of the STRO's financial intelligence database to capture information and increase its analytical capability.

The STRO invested substantial time and effort in the Financial Action Task Force Mutual Evaluation conducted in 2015.

The STRO will continue to improve its capabilities and strengthen collaboration with the various stakeholders to better contribute to crime-fighting efforts locally and globally.

Michael Scully
Senior Deputy Director

Intelligence Group and Corporate Services Group

CASE HIGHLIGHTS OF THE SUSPICIOUS TRANSACTION REPORTING OFFICE

SOLE PROPRIETOR SENTENCED FOR LAUNDERING MONEY

For the offence of converting, transferring or removing from jurisdiction, property which represents benefits of criminal conduct, Loh Yen-Lyng (Loh) was convicted and sentenced to nine months' imprisonment on 3 March 2015.

In April 2013, the STRO received a suspicious transaction report filed by a bank on Loh's corporate bank account in Singapore. It was reported that the account received proceeds of a fraudulent wire transfer amounting to \$114,349.25 from a victim's bank account in Turks and Caicos Islands. Loh was unsuccessful in her attempt to transfer \$113,362 of those funds to a bank account in China. She later transferred \$101,787.58 to a bank account in Hong Kong.

An urgent request by the STRO to the Turks and Caicos authorities confirmed the transaction to be fraudulent. The STRO referred the case to the Financial Investigation Group (FIG) of the CAD to conduct an investigation into a money laundering offence.

At the same time, the STRO contacted the financial intelligence unit in China. Although no funds were received in the China account, information was provided to the China authorities about the attempt to deposit fraudulently obtained funds in that account in China. The STRO also assisted the FIG to obtain information from the Hong Kong financial intelligence unit about the receipt of the fraudulent monies in the Hong Kong bank account.

The FIG's investigations revealed that Loh was involved in a scheme to launder funds fraudulently obtained

by an overseas fraudster. Loh had responded to a job offer posted on the Internet by Emmanuel Fisher (Fisher). Fisher offered her the job of receiving and transferring funds, which he claimed were donations meant for a charity. Loh agreed to take up the job. In return, she would retain a certain amount of the funds each time she received monies in her Singapore bank account.

The investigations resulted in a seizure of about \$12,000, and the prosecution of Loh for money laundering offences under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act.

This case demonstrates the crucial need for collaboration between the STRO, the reporting entity, the law enforcement agency and our international counterparts to enable the CAD to take timely and effective action against money launderers.



STATISTICS ON FINANCIAL INTELLIGENCE



Suspicious Transaction Reports

5%



Cash Movement Reports

20%



Cash Transaction Reports

-2%



Requests For Assistance

19%



Spontaneous Exchange Of Information

4%

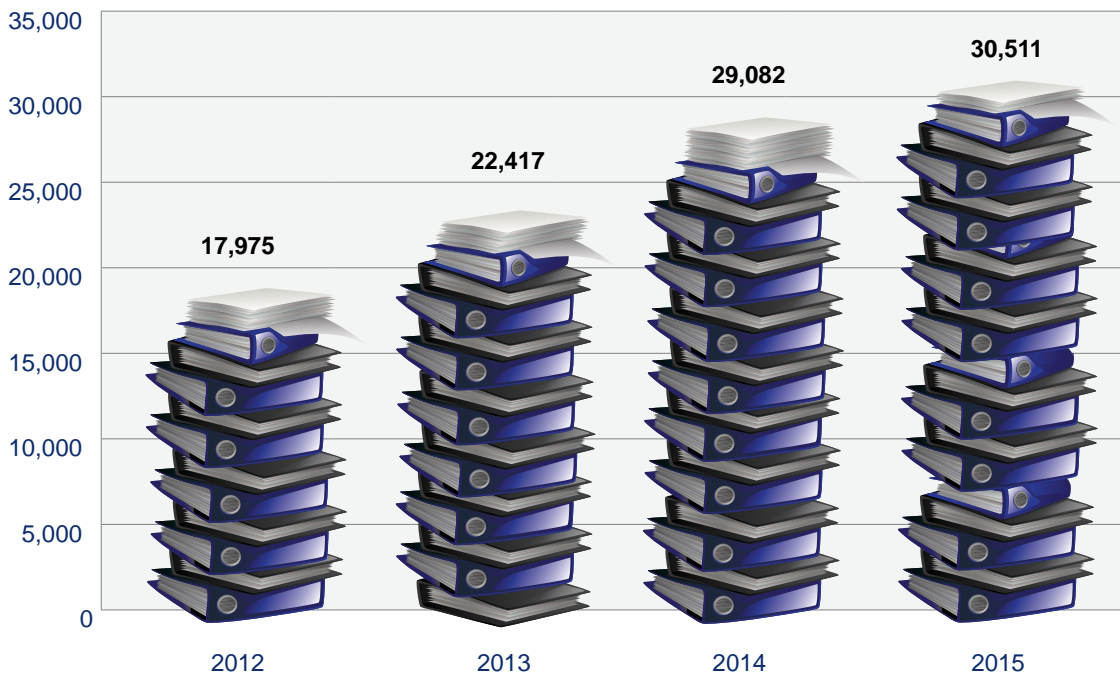
1. Total Number of STRs Submitted

Suspicious Transaction Reports (STRs)



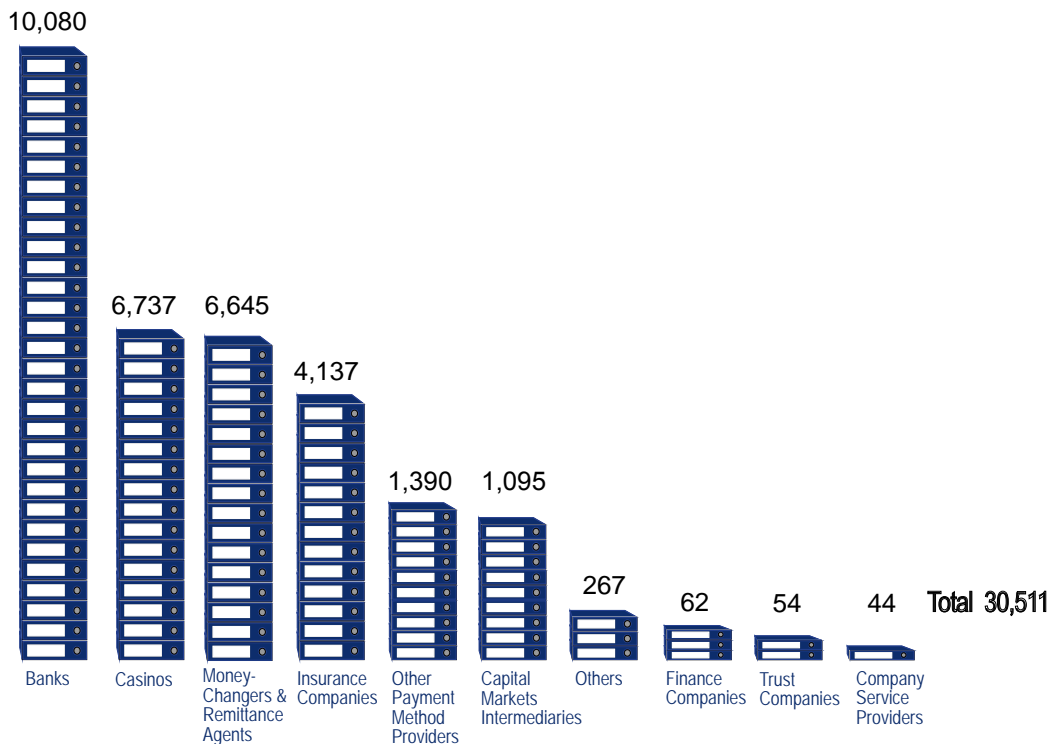
5% | 30,511 STRs

Between 2012 and 2015, the number of STRs submitted to the STRO continues to increase. This increase in number of STRs received reflects the vigilance of reporting entities and a higher level of AML/CFT awareness in Singapore.



2. Breakdown of STRs Submitted by Sector

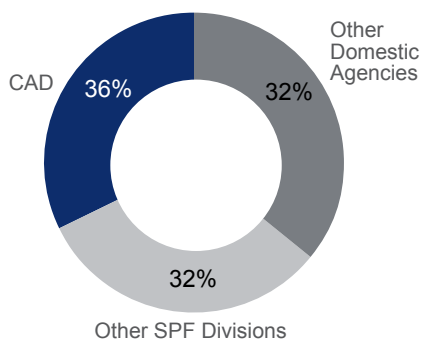
Although the banking sector continues to be the main source of STRs in 2015, an increase in the number of STRs submitted by other sectors was observed. A breakdown of the STRs submitted by the various sectors is shown in the chart below:



3. Outcome of STR Analysis

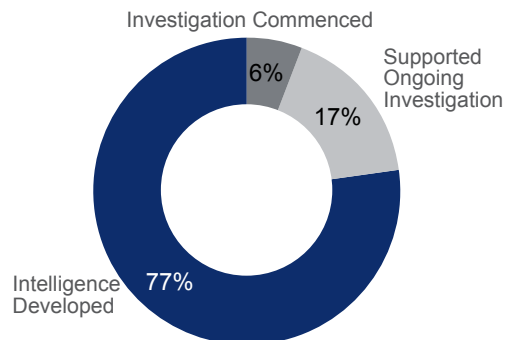
a. Financial Intelligence Reports Disseminated in 2015 by Agency

In 2015, the proportion of financial intelligence reports disseminated to non-CAD units increased by 4% (from 60% in 2014 to 64% in 2015). This reflects greater awareness and use of financial intelligence by non-CAD investigative units. A breakdown of the dissemination of financial intelligence reports to recipients is shown in the chart below:



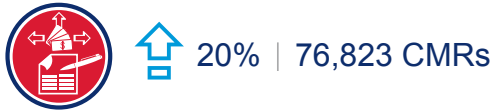
b. Financial Intelligence Reports that have Direct and Immediate Impact on Investigations in 2015

Financial intelligence plays an important role in many investigations by supporting ongoing investigations and in some cases, initiating the investigations. There was an increase in the proportion of financial intelligence reports used to develop further intelligence from 40% in 2014 to 77% in 2015. This reflects the increased use of financial intelligence by the domestic agencies to cultivate intelligence to be used in future.



4. Total Number of CMRs Submitted

Cash Movement Reports (CMRs)



The STRO receives cross border CMRs - NP727 (from travellers) and NP728 (from senders, carriers and recipients). There was a 20% increase in the number of CMRs submitted to the STRO from 64,173 in 2014 to 76,823 in 2015. This increase was largely contributed by the increase in the number of NP728 reports submitted.

Where relevant, CMR information is disseminated to domestic law enforcement agencies and foreign FIUs. CMRs provide valuable information to complement the work of the investigators.

5. Total Number of CTRs Submitted

Cash Transaction Reports (CTRs)



The STRO has been receiving CTRs from casino operators (since 2010) and precious stones and metals dealers (since 2014). Although there was a 2% drop in the number of CTRs submitted from 385,496 in 2014 to 378,498 in 2015, it was not a significant dip and the numbers continue to reflect the high level of compliance by the casino operators and precious stones and metals dealers in Singapore.

Where relevant, CTR information is disseminated to domestic law enforcement agencies and foreign FIUs. CTRs provide valuable information to complement the work of the investigators.

6. Number of Requests for Assistance from Foreign FIUs

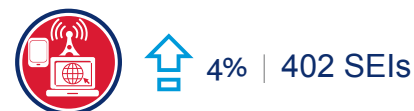
Requests for Assistance (RFAs)



As a member of the Egmont Group of Financial Intelligence Units, the STRO renders assistance within the limits of Singapore laws to our overseas counterparts in the global fight against money laundering and terrorism financing. The number of RFAs received from our foreign counterparts has increased by 19% from 164 in 2014 to 195 in 2015.

7. Number of Spontaneous Provision of Information to Foreign FIUs

Spontaneous Exchange of Information (SEIs)



The STRO proactively disseminates financial intelligence reports to foreign FIUs to assist foreign law enforcement agencies to detect and investigate crime overseas, with a view to identify and pursue possible money laundering in Singapore. The number of SEIs sent to foreign counterparts increased by 4% from 385 in 2014 to 402 in 2015.

8. Community Partnership

a. Outreach



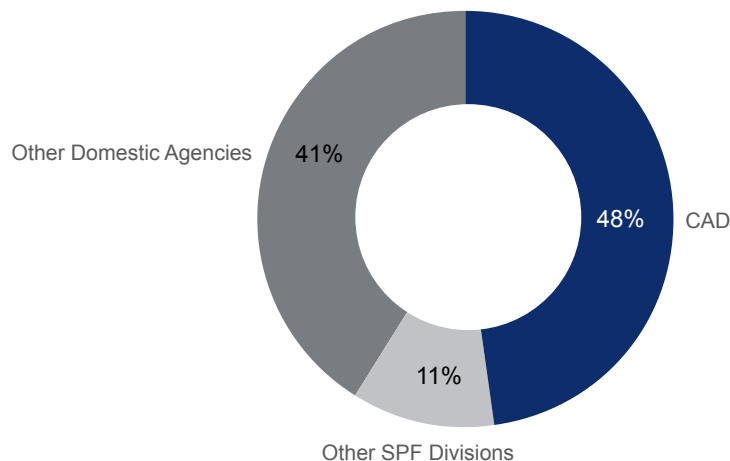
In 2015, the STRO held 12 meetings and discussion forums with the financial institutions and designated non-financial businesses and professions. These sessions included closed-door discussions with individual reporting entities and also industry wide events jointly organised with industry associations and regulators. At these events, the STRO provided the participants with updates on the AML/CFT regime in Singapore, shared trends and typologies of crime relevant to their respective industries and discussed issues of concern that the participants might have relating to AML/CFT.

In addition, the STRO held 20 meetings and discussion forums with domestic agencies (including law enforcement agencies, intelligence and regulatory units) in 2015 to raise awareness of the value of financial intelligence in criminal investigations, exchange trends and crime typologies as well as set dissemination policies and criteria. These sessions increase the use of financial intelligence in investigations and promote the earlier detection of crimes.

b. Breakdown of Requests for Antecedent Reports in 2015 by Agencies

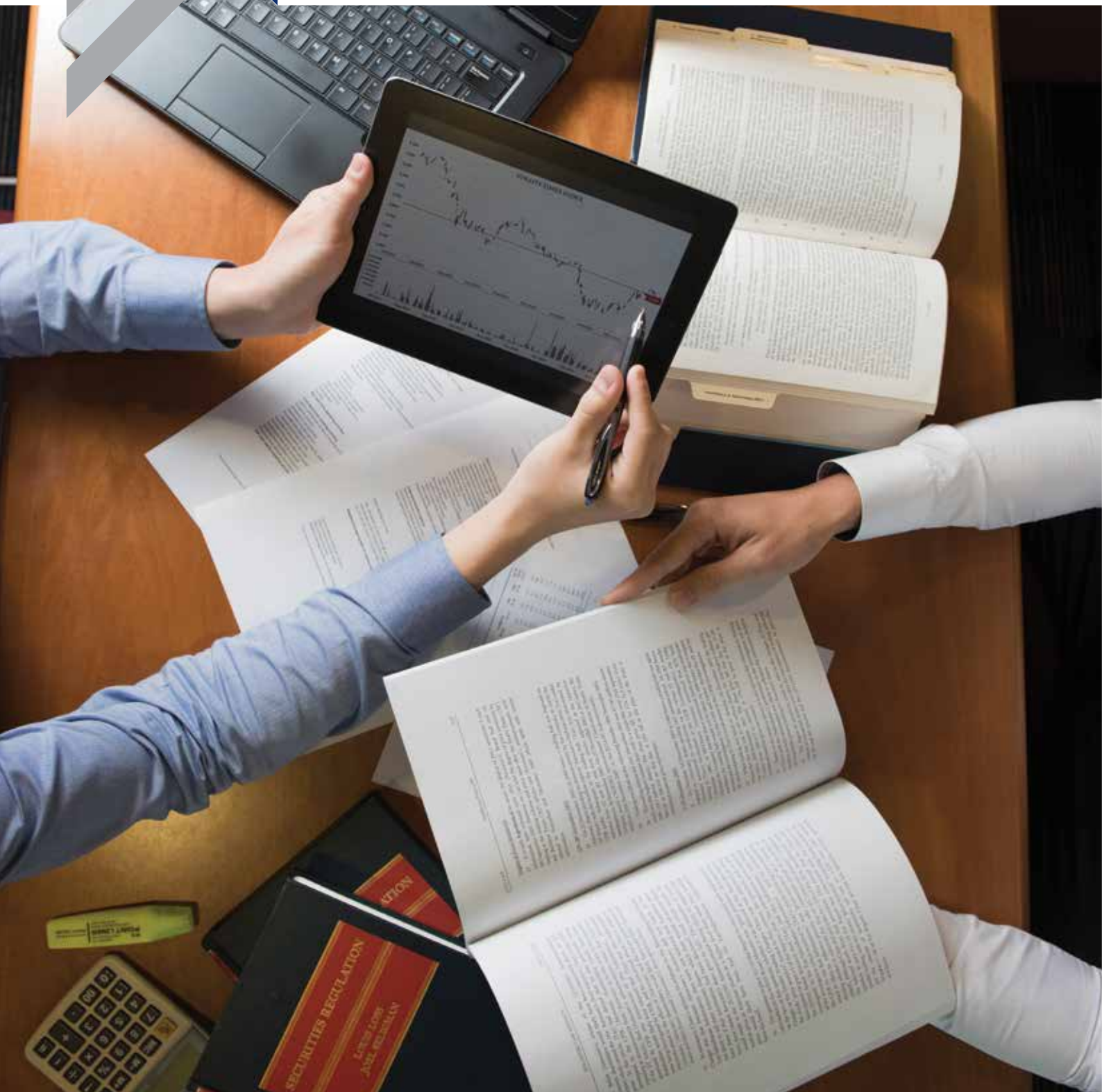
Requests by domestic agencies for antecedents of suspicious financial transactions found in the STRO database relating to their persons of interest continued to increase in 2015. There were 1,667 requests for antecedent reports in 2015, an 82% increase from 2014.

A much greater awareness of the use of financial intelligence by non-CAD investigative units was observed in 2015. A breakdown of the requests for antecedent reports from the various agencies is shown in the chart below:



REPORT

REPORT BY ENFORCEMENT GROUP I



ENFORCEMENT GROUP I

The Investment Fraud Division investigates complex investment and pyramid selling schemes. Investment schemes that are investigated are broadly divided into two categories - regulated and unregulated. Regulated investment schemes offer financial services that are regulated by the MAS. This typically involves fund management services, leveraged foreign exchange and the trading of listed and unlisted shares. Unregulated investment schemes typically offer investments in commodities like precious metals and properties. Such schemes do not require a licence from the MAS to operate.

The Securities Fraud Division investigates capital market fraud such as insider trading and share manipulation, as well as other breaches of the Securities and Futures Act. It also investigates fraud committed by senior management of listed companies, acting in their official capacity.

The Year in Review

The year proved to be another eventful and hectic one. We were kept busy with the investigation of several questionable schemes promoted in Singapore. We were alerted to a couple of schemes offering lucrative returns from trading in leveraged foreign exchange by members of public. They had come forward as they found the schemes to be too good to be true. We conducted checks and found reason to suspect that the scheme operators had breached regulatory requirements under the Securities and Futures Act. Their timely information enabled us to step in quickly and disrupt the operators' attempts to attract more clients.

Schemes paying lucrative commissions to existing investors to bring in new investors are becoming increasingly common. The high returns encourage many to convince their families and friends to take up the investment opportunity. It is important to scrutinise the investment even though it is brought to you by a family member or close friend. Find out the benefits they stand to gain by getting you to invest. Walk away from the offer if they are unable to clearly explain the nature of the investments and the risks involved. Schemes offering high returns, coupled with lucrative commissions, need to generate much higher returns from their investments in order to be sustainable. To do so, the risks involved are usually high or the scheme is fraudulent in nature. There is a high chance that you could lose your hard earned monies from such investments. Many of the persons who file complaints

with us about failed investments made their investments on the urging of their friends and relatives.

Last year, the CAD and the MAS also formally commenced joint investigation of all market misconduct offences. This arrangement hit the one year mark in March this year. We are happy to say that the partnership has deepened our ties with the regulator and we see great value in the unification of the securities market misconduct civil/criminal penalty regime.

We are also happy to note that the courts are taking a tough stance in dealing with securities market misconduct offenders. In two cases we discuss in subsequent pages, relatively lengthy jail sentences were meted out to the offenders. For the offence of unauthorised trading, Chen Yue, a futures broker was sentenced to 36 months' imprisonment, the most severe sentence for the said offence thus far. Chen Yue's acts had caused an astronomical loss of US\$7,285,910 (or approximately S\$9,067,315) in a single night. I mentioned the trial of Anthony Soh Guan Cheow (Anthony Soh) in the CAD Annual Report 2013. On 14 August 2015, Anthony Soh was sentenced to 8 years and 9 months' imprisonment. This included unprecedented sentences of one and a half years for an insider trading charge, two and a half years for market rigging, and four years for making a take-over offer without reasonable grounds for believing he would be able to perform his obligations. In his judgment, the District Judge said that the principle of general

deterrence is a sentencing aim for securities offences, due to the extraordinary public interest in protecting the integrity of our financial markets. We await the High Court's view on Anthony Soh's conviction and sentence following the appeal heard on 26 and 27 May 2016.

Looking Forward

Investment and securities fraud is becoming increasingly complex. Fraudsters constantly evolve and even refine their schemes so as to avoid detection or to exploit loopholes. To deter them, close collaboration with strategic partners, like the Singapore Exchange and the MAS, is more crucial than ever. The arrangement for the CAD and the MAS to jointly investigate market misconduct offences under Part XII of the Securities and Futures Act is one such initiative. We also work with our strategic partners in the areas of public education, surveillance and the review of existing regulations.

Physical distance and geographical boundaries have been broken down significantly in this digital age. Commercial transactions can be carried out simply with a mouse click or a swipe of a finger. Reaching out to an international audience is far easier and cheaper than it

used to be. Such advances have made going about our daily lives more convenient. Unfortunately, the same holds true for fraudsters too. Indeed, the world has become the fraudster's oyster.

Cross border cooperation is becoming ever more important in law enforcement. In order to effectively combat financial crime, we make conscious efforts to reach out to our foreign counterparts. However, multi-agency investigations across jurisdictions pose unique challenges. Therefore, investors are strongly advised against putting too much faith in schemes that offers investments overseas. Investors often wrongly assume that investing overseas is similar to investing in Singapore. Even if a scheme is not fraudulent, investors may not entirely understand the risks involved in investing in a foreign country. Investors may therefore wind up exposing themselves to risks they may not be willing to accept in the first place.

Rachel Koo
Deputy Director
Enforcement Group I

CASE HIGHLIGHTS OF ENFORCEMENT GROUP I

THE UNSCRUPULOUS CORPORATE MONEY MULE

Andrew Norman Barrell (Barrell) was the director of SGS Consulting Pte Ltd, a Singapore-incorporated company. On 30 April 2015, a total of 99 charges of offences under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act was brought against Barrell for his involvement in dealing with benefits of criminal conduct. Barrell had allowed his company's bank account in Singapore to be used as a conduit to receive and thereafter transfer criminal proceeds overseas. The criminal proceeds were derived through a transnational boiler-room scam that involved multiple foreign victims. On 18 May 2016, Barrell pleaded guilty to 20 of the charges, with the remaining 79 taken into consideration. He was sentenced to 24 months' imprisonment.

UNAUTHORISED TRADING AND EMBEZZLEMENT OF CLIENT'S MONEY BY STOCKBROKER

Prem Hirubalan was a dealer with OCBC Securities Pte Ltd. On 3 November 2015, Prem Hirubalan was prosecuted for conducting unauthorised trades in three of his clients' accounts between September 2010 and March 2011. He was also charged with the offence of misappropriating a total sum of \$81,810 from one of the three clients. Prem Hirubalan had used the said sum of money to pay for the outstanding losses incurred from his unauthorised trades in the other two clients' accounts. On 24

June 2016, Prem Hirubalan pleaded guilty to, and was convicted of one count of offence under section 406 of the Penal Code and two counts of offences under section 201(b) read with section 204(1) of the Securities and Futures Act. One other count under section 406 of the Penal Code and one other count under section 201(b) of the Securities and Futures Act were taken into consideration for sentencing. Prem Hirubalan was sentenced to 8 weeks' imprisonment and fined \$60,000 by the District Court on 7 July 2016. The prosecution filed an appeal against the sentence. On 8 August 2016, the High Court increased the sentence to 10 months' imprisonment.

THE ROGUE TRADER

Chen Yue was a broker employed by UOB Bullion and Futures Limited (UOBBF). His role was to execute trades upon receiving orders from clients or instructions from UOBBF. He was not allowed to conduct discretionary trading.

During one of the night shifts on 3 May 2012, Chen Yue came to a view that crude oil had upside potential. He decided to use a client's account to trade in crude oil futures for himself. He chose an account which he knew that the client was not proficient in English and would not check the trades conducted in her account.

Chen Yue's initial plan was to open and close off all his crude oil futures positions within his shift.

However, shortly after he entered into the positions, crude oil prices started to move against him. He would incur huge losses if he were to close the positions at that point. Chen Yue decided not to liquidate his positions. Instead he bought more crude oil futures in a bid to "average down" his purchase price.

Ordinarily, when Chen Yue received an order from a client, he was required to raise an order ticket and submit it to the back office immediately. This was for purposes of risk monitoring and ensuring that client accounts trade within their limits. However, Chen Yue held back on the submission of the order tickets for the unauthorised trades on that day, so that he could close the position of the unauthorised trades before submitting the tickets.

Crude oil prices did not recover on 3 May 2012. By the morning of 4 May 2012, Chen Yue had accumulated 4,987 lots of crude oil futures and sold only 10 lots. The net open position of 4,977 lots was close to 250 times that of the trading limit of the client's account, which had a trading limit of only 20 lots. Chen Yue eventually admitted to his supervisor about the unauthorised transactions.

UOBBF suffered losses amounting to US\$7.28 million as a result of Chen Yue's unauthorised trades. Chen Yue was sentenced to 36 months' imprisonment for the offence of operating a fraud upon UOBBF.



THE SCHEMING DOCTOR

Anthony Soh Guan Cheow (Anthony Soh) was a medical doctor turned businessman. On 18 February 2008, Anthony Soh, through his company, Asia Pacific Links Limited (APLL), launched a general offer for the shares of Catalist-listed Jade Technologies Holding Limited (Jade). The offer priced at 22.5 cents per share caused the value of Jade shares to rise to around 22 cents, a 20% increase from the average daily closing price of 18.4 cents for the month of January 2008. Many investors snapped up the shares of Jade, in anticipation of a good profit to be made.

Unbeknownst to the public, Anthony Soh was under tremendous financial pressure in the period leading up to the general offer. He had pledged a substantial amount of Jade shares to financial institutions and was facing margin calls due to a decline in Jade share price between December 2007 and January 2008. The general offer was in fact an attempt by Anthony Soh to shore up Jade share price and stall for time to settle his obligations.

To launch the general offer, Anthony Soh first needed to assure his financial advisers that he had the means to complete the offer. He did this by producing a financial resources confirmation letter purportedly issued from an overseas bank. After the offer was launched, Anthony Soh secretly sold some of the Jade shares held by him and his entities and used the proceeds to pay off his personal debts. In total, he sold more than \$11 million worth of Jade shares during the offer period.

The offer came to an abrupt end on 5 April 2008, after Anthony Soh's financial advisers found out that the financial resources confirmation letter was forged and that Anthony Soh did not have the financial means to complete the offer. When trading in Jade shares resumed on 7 April 2008, its share price plummeted to 6.5 cents per share. In total, close to \$118.2 million in shareholders' value was wiped out as a result of Anthony Soh's actions.

Anthony Soh was convicted of an offence of announcing a take-over offer when he had no reasonable

grounds for believing that APLL would be able to perform its obligations if the take-over offer for Jade was accepted. The court found him to be a "sophisticated crook who engineered the general offer and secret sale of shares for his own benefit, but to the great detriment of the market as well as shareholders of Jade". Anthony Soh was also found guilty of artificially inflating the price of Jade shares via the general offer.

For his surreptitious sale of Jade shares while he knew that APLL was unable to perform its obligations under the take-over, itself being material insider information, the court convicted Anthony Soh for seven counts of insider trading. He was also convicted on 30 counts of disclosure related and false statement offences.

Anthony Soh was sentenced to an imprisonment term of 8 years and 9 months and a fine of \$50,000. He is currently appealing against the judgment and sentence.

THE BUSINESS TIMES WEEKEND SATURDAY/SUNDAY, AUGUST 15-16, 2015

Ex-Jade director sentenced to record jail term and fine

He was convicted on all 39 charges under SFA and Companies Act

By Claire Huang
huangjy@sph.com.sg
@ClaireHuangBT
Singapore

FORMER Jade Technologies Holdings director Anthony Soh Guan Cheow, convicted of share rigging and insider trading, has been sentenced to eight years and nine months in jail and fined S\$50,000 – the highest sentences imposed for such offences in Singapore to date.

Soh, 60, was convicted on all 39 charges against him under the Securities and Futures Act (SFA) and

the Companies Act, in connection with a failed takeover bid for Jade Technologies.

Of these, 11 charges proceeded at trial. They included one count under Section 140 of the SFA – the first time a person was charged and convicted under this.

Soh had announced in February 2008 an offer to buy all issued shares of Jade Technologies, now known as Cedar Strategic Holdings, via Asia Pacific Links (APL).

Also the director and sole shareholder of APL, he had priced his offer at 22.5 Singapore cents a share so as to raise the stock price and then dump the shares at an inflated price.

But he faced immense financial pressure when

Jade's share price fell and when a series of margin calls came from lenders for Jade shares he had earlier pledged for loans.

Soh knew he needed at least S\$116 million for the bid but he had only a net worth of between S\$3 million and S\$5 million. So he abruptly withdrew his bid just a week before the offer deadline in April 2008.

Other than keeping Jade's share price up at an artificial level between February and April 2008, the takeover offer resulted in the sale of more than S\$10 million worth of Jade shares to the public at an inflated price.

Soh then used the proceeds of the sales for his own financial obligations.

Among the charges he faced were market rigging,

insider trading and providing a false report to Singapore Exchange (SGX) and the Securities Industry Council (SIC).

In his grounds for decision, District Judge Soh Tze Bian said Soh's offences were "egregious" and "committed without any regard to the consequences that would have followed".

"No one in the history of Singapore's stock market has been convicted of the offence under section 140(2) of the SFA, which in itself is a very serious offence. The accused person had the audacity to commit this offence when he knew the risk and the adverse consequences if the voluntary general offer (VGO) were to fail and yet he put the market at great risk by his offences, purely



ANTHONY SOH

Among the charges he faced were market rigging, insider trading and providing a false report to SGX and SIC

for his own financial benefit."

The judge said Soh was clearly unremorseful during the trial and had "spun a web of lies to try to evade and confuse".

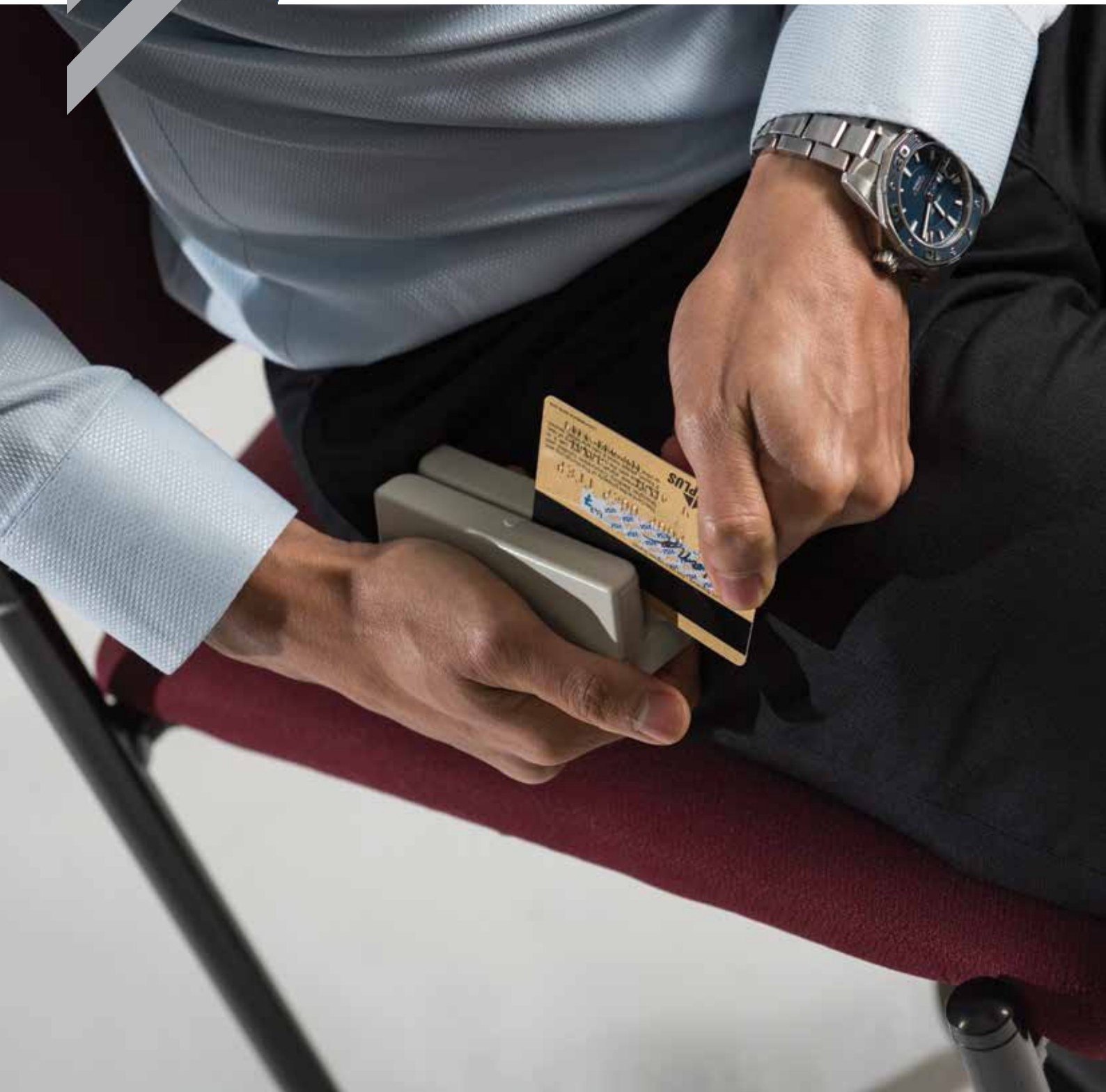
To send a strong deterrent message that the investing public has to be protected and to restore confidence in Singapore's securities market, the law must come down hard on him, said the judge.

Soh has indicated his intention to appeal and is now out on bail of S\$800,000.

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REPORT

REPORT BY ENFORCEMENT GROUP II



ENFORCEMENT GROUP II

The Commercial Crime Division investigates cheating and related offences committed by syndicates, and specialised crimes such as counterfeit currencies and credit cards, false motor insurance claims, trade financing fraud and scams involving lottery wins and inheritance monies. The Commercial Crime Division also works with the Police Divisions to investigate transnational online scams.

The Private Institutional Fraud Division investigates corporate fraud and offences committed by directors of companies, bankrupts, lawyers and public accountants under the Penal Code, Companies Act, Legal Profession Act and Accountants Act.

The Public Institutional Fraud Division investigates fraud involving loss of public monies, such as fraud in charities and public organisations, and fraud committed on government bodies.

The Year in Review

In 2015, we saw increases in technology-enabled crime, particularly cheating by sellers and buyers in online sale and purchase of goods (Cheating involving e-Commerce); cheating by syndicates offering sexual services and asking for online credits as prepayment (Credit-for-sex scams); and cheating by online lovers (Internet Love scams). Many of these scams were committed by criminals based overseas, and they used emails, social media, and mobile applications to reach victims in Singapore.

We worked with foreign law enforcement agencies to investigate these transnational crimes. We are pleased to report success in the investigations of the Credit-for-sex scam and a case of Internet Love scam.



Source: Hangzhou Public Security Bureau. Reproduced with permission.

We had a joint investigation with the Ministry of Public Security of the People's Republic of China on the Credit-for-sex scam. In December 2015, the Chinese Police conducted simultaneous raids at various locations in China and detained 43 members of a syndicate responsible for such scams. Locally, we charged a

22-year-old Malaysian in June 2015 for helping a Credit-for-sex scam syndicate to launder money. He was convicted by the Court and sentenced to 12 months of imprisonment.

We worked with the Royal Malaysia Police to solve an Internet Love scam case and to recover \$150,000 for a 51-year-old Chinese female victim. The Royal Malaysia Police arrested a Nigerian and prosecuted him for cheating offences in Malaysia.

We increased our prosecutions for motor insurance fraud in 2015 – we charged 60 persons, up from 48 persons in 2014 and 29 persons in 2013. We asked for and obtained deterrent sentences in deserving cases. You will read, in our case highlights, the conviction of three persons who had conspired to stage a traffic accident in order to defraud an insurance company.

We charged 58 persons in 2015 for credit card fraud. They had used counterfeit cards or made unauthorised payments using stolen or lost credit cards.

We charged three persons linked to timeshare termination and recovery companies. One person was convicted for fraudulent trading under the Companies Act. He was behind five companies namely, Chevalier Don Associates Pte Ltd, Global Capital Recovery Pte Ltd, Malcolm & Ong Associates Pte Ltd, Goldman Austrasia Pte Ltd and William & Hoe Associates Pte Ltd, offering timeshare termination and timeshare investment recovery services, which opened and closed in succession. He was sentenced to an imprisonment term of five years and nine months. The cases of the other two persons are still before the Court.

We prosecuted 22 persons for their roles in frauds committed on government bodies and one person for giving false evidence for court proceedings. You will read, in our case highlights, a case where an Internet Service Provider was convicted for submitting inflated expenses to a statutory board for government grants.

Partnership

Today, we partner the industry and major players to detect and prevent crime. We work with industry groups, such as the Card Security Group, the Online Merchant Fraud Forum and the Freight Forwarders Forum, to counter payment card fraud; the General Insurance Association of Singapore to counter motor insurance fraud; and the major online advertising platforms such as Carousell, Locanto and Gumtree to address e-Commerce fraud.

We reach out to businesses to raise their awareness on crimes and enlist their help for crime prevention. We have, for example, organised jointly with Marina Bay Sands and Marina Bay Neighbourhood Police Centre, a crime prevention talk on counterfeit currencies and credit card fraud for 200 retailers on 1 July 2015. We had a joint outreach with Western Union where we spoke to their frontline staff on scams and how they can help to detect and prevent crime.

We put up crime alerts and advisories and reach out to the public using television, social media, print media, and out-of-home media. We featured scams in the local television programme 'Crimewatch'. Our officers spoke as panellists in television talk shows on scams. We have Youtube videos on scams, one produced by the Singapore Police Force and another jointly produced with the Hong Kong Police Force.

Moving Forward

Many scams today are committed by transnational syndicates. It is difficult to investigate and prosecute the offenders outside our jurisdiction and to recover monies. We, therefore, need to focus on preventing crime.

Criminals are quick to adopt news and the latest fads as cover stories for their scams, to make you think it is real. We urge you to exercise care before making payments or giving out personal information.

Be aware that the person you are dealing with online (or over the phone) may be a criminal imposter. The attractive offer you receive online may be false, just to lure you to pay. The government telephone number displayed as the caller on your phone can be faked. Criminals can hack into the email accounts of your friend or business associate and send you emails asking you to remit money overseas.

Take the extra step to call and speak to someone to verify the request before you act. Ask to transact in person and choose to use online platforms with rules on resolving disputes. Question the attractive deal, the sudden windfall and the stranger's request to befriend you. Pause and ask questions. Your vigilance is the best protection against scams.

Seow Hwee Koon
Deputy Director
Enforcement Group II

CASE HIGHLIGHTS OF ENFORCEMENT GROUP II

CREDIT-FOR-SEX SCAM

1,203 persons reported to the Police in 2015 that they were cheated by women they befriended online and they lost approximately \$2.9 million. They had purchased Alipay or iTunes credits to pay for dates or sexual services and they did not get to meet the women.

Initial investigations showed that the criminals were operating overseas, including from China. The CAD and the Chinese Ministry of Public Security met and started a joint investigation to solve these cases. In December 2015, the Chinese Police conducted simultaneous raids at various locations in China and detained 43 members of a syndicate responsible for such scams.

This was not the only scam reported by Credit-for-sex victims. In June 2015, some victims also lost their ATM cards to a Credit-for-sex syndicate. The syndicate told victims to place their ATM cards at certain corners in public places and to disclose the Personal Identification Numbers for their cards. They said this was to protect the girls whom the victims were meeting. Unknown to the victims, their bank accounts were used to receive monies deposited by other victims.

The syndicate had a local accomplice at work. The CAD investigated the leads and arrested Liew Yii Tern (Liew), a 22-year old Malaysian studying in Singapore.

Liew was himself a victim of the Credit-for-sex scam and he was recruited by the syndicate to launder proceeds of crime. He took instructions from the syndicate and went around collecting

the ATM cards hidden in various locations. He withdrew the monies, bought Alipay credits and transferred the credits to a syndicate in China. By the time Liew was arrested, he had transferred over \$110,000 to the syndicate and had earned about \$2,000.

Liew was charged with 8 counts of offences under Section 44 of the Corruption, Drug Trafficking and Other Serious Offences (Confiscation of Benefits) Act for facilitating the retention of the benefits of the criminal conduct of the fraud syndicate. He was sentenced to 12 months' imprisonment.

THE NEW PAPER ON SUNDAY February 28 2016



TEAMWORK:
(From far left) Insp Alan Kit and DPS Ho Ban Hsiung flew to China to help their Chinese counterparts with their investigations.
TNP PHOTO: GAVIN FOO

Taking on the credit-for-sex syndicate

Victims here fleeced by scammers in China

Report by SHAFFIQ ALKHAHATIB
ashaffiq@sph.com.sg

There's no denying that sex sells.

Consider the scams over the years: the strip-blackmail operation, the wire-money-to-a-suit-or-scandal and now credit-for-sex scam. The premise is often the same. Put a picture of an attractive woman online and wait for men to take the bait.

Simple but effective. There were 1,203 cases of credit-for-sex scams last year involving a whopping \$2.9 million. There were 66 of such cases in 2014, involving \$18,200.

The victims, enticed by online pictures of scantily-clad women, would send text messages from their Singapore mobile phones for paid sex.

They would then receive suggestive replies and promises of a meeting.

But the men were actually communicating with scammers, mainly other men operating in China.

Many victims were fleeced of their cash and there wouldn't even be a meet-up.

Men here were such good pickings that Singapore police officers had to work with their counterparts in China to crack down on the scammers there.

Following a joint investigation into a major credit-for-sex syndicate, Chinese police raided the scammers' call centres last Dec 23.

The syndicate was operating from Jiangxi and Fujian in the south-east and Hunan in the south.

Deputy Superintendent (DSP) Ho Ban Hsiung from the Commercial Affairs Department (CAD) told The New Paper on Sunday that the syndicate was a major player in the credit-for-sex cases. He added that since the raid, the number of such cases has "dropped drastically".

So, how do the scams work?

A victim, who wanted to be known as Peter, 42, was cheated of \$456 last May 15 after responding to an online ad for sexual services.



The service engineer received a reply almost immediately, saying a sex worker would meet him later that day at Vista Point mall in Woodlands.

When she failed to show up, he sent her another message and a woman called him from a private number, asking him to buy MyCard credits.

These credits can be used to buy online game credits and game items. The woman said she wanted to be paid this way to "protect herself".

Peter went to a nearby AXS machine to buy the credits but still the woman failed to turn up.

He finally gave up after waiting for about two hours. DSP Ho told TNPS that 38 men and five women – all Chinese nationals in their 20s and 30s – were arrested in the full-day operation. The two ringleaders, men in their 20s, were among those caught.

They were arrested in seven different locations, mainly apartments that doubled up as call centres and their cases are still pending.

DSP Ho said: "Some of these men pretended to be women when they sent text messages. The women were sometimes deployed to speak to their victims over the phone."

He also said the syndicate's headquarters was in Jiangxi while financial transactions were performed in the other two provinces.

Three days after the raid, DSP Ho flew to China with Inspector (Insp) Alan Kit, who is also from the CAD, to assist their Chinese counterparts with their investigations.

Insp Kit said that the Chinese police officers needed information from the victims in Singapore.

Singapore officers then collated the information and handed it over.

He also said that one of the main obstacles in cracking the case was the sheer number of credit-for-sex scam cases reported last year – 1,203.

DIFFERENT LAWS

He added: "Singapore and China have different laws, legal procedures and protocols. Despite these, we still managed to work together to stop the crime."

DSP Ho told TNPS that the scammers targeted Singapore because of the large Chinese population who can communicate in Mandarin through text messages.

He added: "In Singapore, information such as the location of ATM and AXS machines can also be easily found online. After finding out where their victims were, the scammers would search the Internet to find the location of the machines that were closest to them."

"The scammers then instructed their victims to make their transactions without being physically present in Singapore."

As a crime prevention measure against credit-for-sex scams, netizens are advised to be wary of strangers who befriend them online.

The police also said: "Think twice before making payment using online credits. Do not send money to, or buy anything for anyone you have never met before."

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Insurance cheat jailed for fake road accidents

A 40-year-old man who was part of a syndicate that set up fake road accidents to cheat over \$104,700 from insurance companies through fraudulent claims was jailed for 44 months yesterday.

Tew Yee Jeng, a Malaysian, will also be disqualified from driving for five years after his release from

prison, reported The Straits Times.

A district court had heard that Tew, a ceiling board installer, would recruit accomplices and instruct them to brake suddenly while driving on the roads, so that an unsuspecting vehicle would crash into the back of their cars.

In all, fake property damage and

personal injury claims amounting to \$104,768 were submitted by the syndicate for three car accidents, which took place in July 2014, April 2012 and Jan 2012.

Four accomplices have been prosecuted for their roles in the scam. Three accomplices remain at large.

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STAGING ACCIDENTS TO MAKE INSURANCE CLAIMS

Singaporean, Goh Hua Loon (Goh) and Malaysians, Jonathan Tan Kia Xiang (Tan) and Tew Yew Jeng (Tew) staged an accident in 2014 and were convicted of cheating and dangerous driving in 2015. Tew was also convicted for staging two accidents in 2012. Goh and Tan received jail sentences of eight months each and Tew received a jail sentence of 44 months.

Goh had known Tew for a few years. In early 2014, Goh went drinking with Tew in a pub in Johor Bahru and confided in Tew that he was in debt. Tew told him that money could be made from motor insurance claims. He could help Goh stage a road traffic accident and Goh would get to keep \$1,000 to \$2,000 from the personal injury payout. Goh agreed to Tew's suggestion a few days before 3 July 2014.

Yew Yun Xiang (Yew), who was Tew's friend, was separately recruiting people in Malaysia to take part in

staged accidents in Singapore. He recruited Tan and offered him a fee for participating.

On 3 July 2014, Tew, Yew and Tan entered Singapore. They collected a Singapore-registered car from a workshop and met Goh in the evening in Woodlands. They then drove around Woodlands – Tew and Yew in a lead vehicle followed by Goh in his car with Tan as a passenger. They communicated by mobile phones which were placed on speakerphone mode.

They were looking for a Singapore-registered heavy vehicle to be the rear vehicle in the accident. Tew and Yew would slow down the lead car and instruct Goh to brake suddenly. This would give the vehicle behind no time to react and cause it to collide into Goh's car. A collision by a Singapore-registered heavy vehicle would allow them to make higher damage claims.

Goh failed to brake on several attempts and Tan took over as driver. He successfully caused a lorry to

collide into Goh's car at 9.45pm. Goh and the lorry driver then reported the accident for insurance claims.

After four days, the insurer received an estimated repair cost of \$54,707.79. The lorry driver told the insurer that Goh had deliberately braked his car in order to cause the collision. He provided the video recording of the in-vehicle camera in his lorry.

Goh was interviewed by the insurer and he admitted that the accident was intentionally caused. The insurer reported the case to the Police on 6 August 2014.

The video recording from the in-vehicle camera and the insurer's timely report of the case to the Police made a difference to this case. The CAD was able to secure evidence to prosecute persons who staged accidents on our roads and put them in jail. The insurer avoided excessive claims – the parties agreed to a reduced cost of about \$34,000 for repairs and the insurer did not receive any personal injury claims.

Fugitive counterfeit chief gets 11 years' jail

By OLIVIA HO

A MAN who ran a counterfeit currency syndicate fled the country 24 years ago after his outfit was busted.

Now 71, Lim Goon Lor has finally come home – after police caught him last year in Malaysia. Following a seven-day trial, he was sentenced to 11 years in prison yesterday for printing and trafficking fake money.

Lim was first arrested in January 1991 with three other men for running a counterfeit currency printing enterprise out of a rented room in a Greenwood Avenue shophouse off Dunearn Road.

His three accomplices were each jailed 12 months in 1993.

Lim, the mastermind, jumped bail of \$150,000 and escaped to Malaysia, where he remained on the run until a tip-off to the police led to his arrest last year.

He was convicted in Petaling Jaya for immigration offences last February and deported to Singapore last April, where he faced 22 charges related to counterfeiting currency, ranging from US dollars to Indian rupees.

Deputy Public Prosecutor Jurena Chan said the four charges that proceeded to trial alone involved sums of nearly \$200,000.

Lim, who was unrepresented, broke down and wept in the dock during his lengthy mitigation plea, which lasted for well over 10 minutes. Speaking in Mandarin, he said: "I thought I met a judge with wisdom in Court 24 and that he would believe me, but I have been let down."

District Judge Shaiffudin Saruwan responded: "Although it is unfortunate you find me lacking in wisdom, I hope you do not find me wanting in patience."

For each charge of counterfeiting currency, Lim could have been jailed for up to 20 years and also liable to a fine.

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FUGITIVE CONVICTED OF COUNTERFEITING CURRENCIES

71-year-old Lim Goon Lor (Lim) was convicted of manufacturing, possessing and trafficking counterfeit currency notes and sentenced to 11 years' imprisonment in May 2015.

He was first charged in 1991 and released on bail. He fled and the court issued a warrant for his arrest. In 2014, the CAD received information on his whereabouts and worked with the Royal Malaysia Police to trace and arrest him. In April 2014, he was deported from Malaysia and arrested by the CAD.

Lim had received funds from others in 1987 to procure materials and equipment to produce counterfeit currency notes. He rented a room behind a laundry shop at Greenwood Avenue and had printers, a camera, films of currencies, plate makers, printing plates and various printing inks to print counterfeit United States dollars, Singapore dollars, Malaysia Ringgit and Indian Rupees. When he was arrested on 26 January 1991, he had more than 13,000 pieces of counterfeit notes in various currencies, worth about \$196,230.24.

Following his arrest, the CAD arrested Lim's eight accomplices. They were convicted and sentenced to imprisonment terms between 9 and 12 months each. Lim jumped bail and fled to Malaysia where he assumed a new identity and later raised a family. He remained in Malaysia for the next 23 years till his arrest for immigration-related offences.

Lim claimed trial to his charges and said he was framed by the co-accused persons and the Police. After nine days of trial, Lim was convicted of the charges. He later appealed against his conviction and sentence, but his appeal was dismissed in December 2015.

COMPANY DIRECTOR SOLD SHARES SECRETLY

Tan Siak Soon (Tan) was convicted of 144 counts of charges of forgery, criminal breach of trust and falsifying company accounts, and sentenced to 66 months' imprisonment on 5 November 2015.

Tan was the director of RSA Holdings Pte Ltd and SIPS Pte Ltd which invested in shares of listed companies to earn dividends. The spouse of his co-director handled the shares investment and provided the funds. Tan could only trade in shares with their authorisation.

In 1996, Tan took a bank overdraft for \$1.25 million and mortgaged his house to trade in shares. He lost all the money. He had to pay \$6,000 in interest each month but his salary was only \$3,500. By 2006, he had mounting credit card debts.

Between 2006 and 2010, he progressively sold shares held by RSA Holdings Pte Ltd and SIPS Pte Ltd. He used a shares trading account where he was named as an authorised person to trade and another trading account which he opened fraudulently by forging his co-director's signature on the account opening form.

Tan was authorised to sign cheques for the companies' bank accounts. When the proceeds from the sale of shares were received, he used the proceeds to pay his creditors and personal expenses. He misappropriated \$1,341,938.56 over four years.

To conceal his misdeed, Tan told the accountant to record the cheque payments as payments to his co-director. He forged his co-director's signatures on the audit confirmations for director's loans and the companies' financial statements so that his co-director would not know the true state of affairs. His fraud was discovered

when his co-director wanted to sell shares and found that there were no shares in the account.

SERIAL CHEAT POSING AS LAWYER

Sim Tee Peng (Sim) was investigated by the Inland Revenue Authority of Singapore (IRAS), the CAD and the Land Transport Authority (LTA). He had provided freelance help on conveyancing matters to four law firms between June 2011 and September 2012 and committed a series of offences. He also drove with a false car licence plate. He was convicted of cheating, criminal breach of trust, forgery, money laundering, offences

of unauthorised person acting as advocate or solicitor, giving false statements to public servant, and offences under Road Traffic Act. He was sentenced to 86 months' imprisonment. He was sentenced to another 12 weeks' imprisonment on charges brought by the IRAS against him for forging stamp duty certificates.

Sim used to work as a law firm's paralegal and had four years of conveyancing experience. He was never a lawyer and did not have a practising certificate. In June 2011, he started helping out at a law firm, although he was not formally employed by it. He referred

| SATURDAY, FEBRUARY 13, 2016 | THE STRAITS TIMES |

7 years' jail for serial cheat who splurged on BMW

He duped over 20 property buyers of nearly \$1.8m by posing as lawyer, faking documents

Ng Huiwen

A serial cheat passed himself off as a lawyer to more than 20 property buyers, cheating and misappropriating nearly \$1.8 million, part of which he splurged on a BMW 5 Series car.

His plan was said to be almost like a Ponzi scheme, which involves using fresh funds from new parties to pay those who had joined earlier.

And it lasted 14 months before Sim Tee Peng, 39, was caught.

He was yesterday jailed for seven years and two months for 23 charges, including cheating, criminal misappropriation and acting as an authorised advocate or solicitor. He received an additional 12 weeks' jail for three counts of counterfeiting stamp duty certificates.

From June 2011 to September 2012, Sim collected stamp duty payments and conveyancing-related fees from 21 property buyers, sup-

posedly on behalf of four law firms. He received between \$17,088 and \$312,000 from each victim.

Although he previously worked as a paralegal and had about four years of conveyancing experience, Sim was never formally employed by the law firms and did not have a valid practising certificate.

His modus operandi involved instructing the victims to deposit the monies into his or his company's bank account.

He then told them that he had issued his own personal cheques for the payments.

Sim, now a salesman, was then director of general wholesale company WW Hub.

To dupe victims into thinking the fees were paid, he produced fake documents, such as false invoices using a law firm's letterhead.

Sim even passed himself off once as a partner of a law firm, on name cards given to property buyers.

Describing his tactics as almost

like a Ponzi scheme, District Judge Low Wee Ping noted that Sim used the monies he earned from later victims to pay off earlier victims.

In all, Sim misappropriated millions of dollars, although the judge also noted that the actual loss suffered was about \$200,000.

On instances when the victims directly deposited the fees into the law firm's account, Sim would counterfeit stamp certificates to dupe the firm into giving him reimbursements for stamp duties he had supposedly paid using his own funds.

His offences came to light in January 2012 after the Inland Revenue Authority of Singapore looked into forged stamp certificates for property transactions handled by him.

While out on bail pending police investigations, Sim continued to offend several times, including driving his ill-gotten BMW car with a false vehicle licence number.

His plan involved "much premeditation, planning and calculation", said the judge.

For cheating, Sim could have been jailed up to 10 years and fined.

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Sim, 39, went on a cheating spree that lasted 14 months before he was caught. He even passed himself off as a partner of a law firm. ST PHOTO: LAU FOOK KONG

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From June 2011 to September 2012, Sim collected stamp duty payments and conveyancing-related fees from 21 property buyers, supposedly on behalf of four law firms. He received between \$17,088 and \$312,000 from each victim.

\$1.8m

Sim cheated and misappropriated nearly \$1.8 million, part of which he splurged on a BMW 5 Series car. The judge noted that the actual loss suffered was about \$200,000.

Source: The Straits Times © Singapore Press Holdings Limited. Permission required for reproduction.

property buyers to the firm and gave clients the impression that he was a conveyancing lawyer in the firm. He misled some clients into believing that his company W W Hub Pte Ltd was a qualified law corporation, when it was not. The company was instead in general wholesale trade and had in fact been inactive since 2010.

Sim lied to property buyers and the law firm that he made advance payments for stamp duties and various payments for the property purchases he was handling.

He showed them copies of un-presented personal cheques, fake invoices and forged stamp duty certificates and asked them for payments. The monies were deposited into his bank account or the account of W W Hub Pte Ltd. Over 14 months, he deceived clients of four law firms and collected nearly \$1.8 million from 21 victims.

Sim used the monies collected for his personal expenses and a down

payment for a secondhand BMW 5 Series car. He also used the monies from later victims to cover up his earlier misappropriations to conceal his crime.

Sim's misdeeds came to light when the IRAS investigated a forged stamp duty certification for a transaction he handled. The information was passed on to the CAD. The CAD investigation disclosed more offences. The IRAS, the LTA and the CAD worked together in this case to bring charges against Sim.

INFLATING CLAIMS FOR GOVERNMENT GRANT

Chua Thiong Kien (Chua) was convicted and sentenced to six months' imprisonment for submitting a false claim to cheat the Info-communications Development Authority of Singapore (IDA).

The IDA launched the Wireless@SG Enhancement and Service Adoption Programme in 2009 and offered grants to service providers for enhancing

the Wireless@SG network. iCELL Network Pte Ltd (iCELL Network) was a wireless Internet Service Provider and had a grant from the IDA. The company lodged claims for co-funding from the IDA for costs that it paid to enhance the Wireless@SG network, including setting up Internet Protocol camera sites.

Chua was a director of iCELL Network. He submitted a claim to the IDA and sought reimbursement of \$379,200 for costs incurred for enhancing the Wireless@SG network. He submitted an invoice from PC Connect Pte Ltd for 425 Internet Protocol cameras, amongst other costs.

iCELL Network actually purchased only 44 such cameras during the qualifying period for the project. Chua was a director of PC Connect Pte Ltd and he asked the company to prepare the invoice. He was charged with cheating the IDA.



REPORT BY FINANCIAL INVESTIGATION GROUP



FINANCIAL INVESTIGATION GROUP

In a nutshell, the Financial Investigation Group (FIG) is responsible for money laundering and terrorism financing investigations. The FIG also investigates fraud committed by financial sector employees in their official capacity, proliferation financing (the financing of weapons of mass destruction), offences under the Money-Changing and Remittance Businesses Act, and enforces United Nations Security Council Resolutions relating to financial sanctions against individuals and entities (Singapore may give effect to such Resolutions under our United Nations Act and United Nations Regulations).

The FIG is also responsible for law enforcement policy in relation to money laundering and terrorism financing matters. We work very closely with domestic stakeholders in these areas.

Year In Review

2015 was a productive year for the FIG. We successfully concluded several critical projects and important cases that spanned the course of several years. We also pushed the boundaries and broke new ground in certain areas.

Prosecution

In October 2015, after a trial that stretched more than two years, the court delivered its verdict in the high-profile case involving the leaders of City Harvest Church. Church founder, Kong Hee and five others were convicted of engaging in a conspiracy to commit criminal breach of trust as an agent and the falsification of accounts. They were sentenced to imprisonment terms of between 21 months and eight years. The prosecution has filed an appeal against the sentence, while all the accused persons have filed appeals against the conviction and their sentences. The appeal is scheduled to be heard in September 2016.

Wire Transfer Fraud & the Global Problem of Money Mules

In early 2012, we noted a sudden surge in the number of money laundering cases involving foreign email hacking/bank wire fraud, where stolen funds were subsequently remitted to bank accounts in Singapore. These accounts belonged to individuals who were recruited to act as money mules, and shell companies that appear to have been incorporated for the purpose of money laundering.

Singapore is not the only country facing this problem. Many other financial centres were similarly affected. For example, in 2010, the US Federal Bureau of

Investigation disrupted a large-scale, international organised cybercrime operation, which targeted small to medium-sized entities by infecting their computers with malware. This malware captured passwords, account numbers, and other data used to log into online banking accounts. The hackers then took over the victims' bank accounts and made fraudulent transfers to bank accounts belonging to money mules controlled by the syndicate. 37 defendants were charged with their involvement in this scheme, which resulted in the attempted theft of approximately \$297 million, with actual losses of close to \$95 million. In the United Kingdom, a Home Office study found that serious organised crimes cost the country approximately \$48 billion in 2013 and money mule schemes are suspected to have played a major role in this.

In February 2016, law enforcement agencies and judicial bodies from Belgium, Denmark, Greece, the Netherlands, the United Kingdom, Romania, Spain and Portugal, with further support from other countries in Europe, joined forces and coordinated an operation against money mules. The operation resulted in the identification of 700 mules across Europe and the arrest of more than 80 individuals.

As the international community works together to take coordinated action against money mules, it is evident that the problem is not an easy one to solve. For the FIG, we recognised from the onset that three elements were very critical: intensifying public education and outreach, robust enforcement, and effective international cooperation. This multi-pronged approach has been highly successful. The number of such cases decreased from 212 in 2013 to 123 in 2014 and dropped further to 58 in 2015.



FATF Mutual Evaluation

Against the backdrop of our heavy caseload, the FIG was heavily involved in the FATF Mutual Evaluation of Singapore, which took place in Singapore in November 2015.

As the lead enforcement agency for AML/CFT, the FIG/CAD started preparing for this evaluation very soon after our last evaluation in 2008. Firstly, we implemented the various recommendations that the assessors made to improve our system. Next, we stepped up training in financial and anti-money laundering investigations. We worked closely with various law enforcement agencies to develop guidance and SOPs, and implemented initiatives such as the anti-money laundering “proforma” in every appropriate investigation file to make sure that no case slips through the cracks.

From 2013 onwards, our preparations intensified as we aimed to ensure that all relevant parties are familiar with their roles and responsibilities in the overall AML/CFT regime. As an international hub with high volume of financial and trade flows, Singapore needs to be robust in tackling money laundering arising from transnational crime. We showed our assessors during their visit to Singapore that we understood Singapore’s vulnerability to international money laundering; that we valued international cooperation by continually seeking opportunities for deeper collaboration with our foreign counterparts; and how we successfully dealt with various domestic and international money laundering threats.

Breaking New Ground

We also broke new ground in two main areas. Firstly, we successfully convicted a Corporate Service Provider (CSP) for failing to exercise reasonable diligence in discharging his directors’ duties and for money laundering offences. Briefly, he assisted to incorporate three companies in Singapore, and was the resident director for them. The companies subsequently received more than US\$650,000 of fraudulent funds in their bank accounts, and these funds were later transferred to various overseas bank accounts. His defence was that he was only a “nominee” director and did not play any role in managing these companies in Singapore.

The prosecution proceeded with charges relating to one of the companies, and he was convicted for his offences. He has filed his appeal against both the conviction and sentence. This conviction serves as a reminder to everyone, especially CSPs, that they do need to exercise due diligence as a

resident director of a company. We will take action against anyone who fails to exercise reasonable diligence and allows their companies to be used as conduits for money laundering.

Secondly, we secured convictions in cases related to financial sanctions by the United Nations (UN) Security Council. In March 2015, two Singaporeans were convicted for making funds available to a person sanctioned by the UN Security Council. Separately, in December 2015, a Singapore-incorporated company Chinpo Shipping Company (Private) Limited was convicted for transferring financial assets that may reasonably be used to contribute to the nuclear related programmes of the Democratic People’s Republic of Korea, which are in violation of UN sanctions. Chinpo has since filed its appeal against both the conviction and sentence.

Challenges Ahead

We look forward to the publication of Singapore’s Mutual Evaluation report by FATF in August/September 2016. No system, including ours, is perfect. There are always ways to improve and we will accept the assessors’ recommendations in this spirit.

This is also an opportune time for the FIG to take stock of our current AML/CFT situation and assess whether we need to recalibrate our approach and reprioritise our objectives. Money laundering and terrorism financing risks are not static, and we need to periodically determine whether our resources are correctly allocated to address the risks.

We have achieved significant success in our fight against international wire transfer fraud via money mules and shell companies, but we should not become complacent. While the further decline in these cases in 2015 is very encouraging, our aim is to ensure that it drops even further before we move on to tackle newer and even more complex cases of money laundering.

The FIG remains highly committed in pursuing anyone that commits money laundering and terrorism financing offences in Singapore. We seek to prosecute these offenders and will continue doing our utmost to deprive them of their ill-gotten gains.

Ian Wong
Deputy Director
Financial Investigation Group

CASE HIGHLIGHTS OF FINANCIAL INVESTIGATION GROUP

CHURCH LEADERS

CONVICTED OF ENGAGING IN “COVERT OPERATIONS AND CONSPIRATORIAL COVER-UPS”

The high profile case involving Kong Hee, the founder and Senior Pastor of City Harvest Church (CHC), and five church leaders namely, Lam Leng

Hung, Tan Ye Peng, Chew Eng Han, Serina Wee Gek Yin (Serina Wee) and Tan Shao Yuen (Sharon Tan), came to a close in October 2015 when the six accused persons were convicted on the charges against them. In his written judgement grounds for the

case, the Presiding Judge of the State Courts See Kee Oon referred to their conduct as engaging in “covert operations and conspiratorial cover-ups” by contriving to “create cover stories and clever round-trips concealing their unlawful conduct”.

Church leaders sentenced

THE STRAITS TIMES | SATURDAY, NOVEMBER 21, 2015 |

<p>Kong Hee, 51 Who: City Harvest Church (CHC) founder and senior pastor Guilty of: Three counts of criminal breach of trust (CBT)</p>  <p>Jail sentence: 8 years</p>	<p>Chew Eng Han, 55 Who: Former CHC fund manager Guilty of: Six counts of CBT, four counts of falsifying accounts</p>  <p>Jail sentence: 6 years</p>	<p>Tan Ye Peng, 43 Who: CHC deputy senior pastor Guilty of: Six counts of CBT, four counts of falsifying accounts</p>  <p>Jail sentence: 5½ years</p>	<p>Serina Wee, 38 Who: Former CHC finance manager Guilty of: Six counts of CBT, four counts of falsifying accounts</p>  <p>Jail sentence: 5 years</p>	<p>John Lam, 47 Who: Former CHC finance committee member Guilty of: Three counts of CBT</p>  <p>Jail sentence: 3 years</p>	<p>Sharon Tan, 40 Who: CHC finance manager Guilty of: Three counts of CBT, four counts of falsifying accounts</p>  <p>Jail sentence: 21 months</p>
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ST PHOTOS: KEVIN LIM ST GRAPHICS

Shocked faces after sentencing

All six defendants have 14 days to decide whether to file notice of appeal

Danson Cheong

Shock and disbelief crossed the faces of the six accused City Harvest Church (CHC) leaders yesterday as Judge See Kee Oon handed down prison terms for them.

Making it clear that the church's 51-year-old founder Kong Hee was the mastermind behind the conspiracy to cause wrongful loss to the church and defraud auditors, the judge sentenced him to eight years in jail – the longest of the six.

Calling Kong CHC's spiritual leader, Judge See said he was “the prime mover and driving force for the Crossover”, referring to the project to promote his wife's pop career using millions in church funds. “The others looked to him for direction and took their cue from him.”

Leaving the courtroom, Kong was mostly silent when surrounded by reporters and cameramen. His wife Ho Yeow Sun was surprisingly not present in court yesterday, at the end of the 142-day trial. When asked why, he could only manage a weak smile.

Later in a Facebook post, Kong wrote: “Unfortunately, I must continue to face some very difficult days ahead.” He added that he would study the court's judgment before deciding whether to appeal. All six have 14 days to file a notice of appeal.

After being sentenced, they emerged from the courtroom after frantic discussions with their lawyers. Former CHC fund manager Chew Eng Han had bloodshot eyes when he told The Straits Times: “No comment, you already know I

want to appeal.” He was sentenced to six years' jail.

Judge See said the other accused had “relied heavily” on the 55-year-old's expertise.

Deputy senior pastor Tan Ye Peng, 43, faces a 5½-year term in prison. Speaking on his behalf, his lawyer N. Sreenivasan said: “This has been a very trying case. He needs to pray, reflect and discern, before deciding what to do.”

Tan Ye Peng had a blank look when he left, but he was not the only one who was at a loss for words.

Former CHC finance manager Serina Wee, 38, appeared to be on the verge of breaking down when members of the media approached her.

Her husband, Mr Kenny Low, said: “We are thankful that we are able to have some time to go back and settle our family, and to think about what's ahead.”

The court has deferred the start of their sentences to after Christmas, beginning on Jan 11 next year. Former CHC finance committee

member John Lam said this was a “very difficult time”.

“But it's quite clear that our faith is in God and we love CHC very much,” said the 47-year-old, who was sentenced to three years' jail.

CHC finance manager Sharon Tan had the lightest sentence of 21 months. Her lawyer Paul Seah said he would discuss with her before deciding what to do.

The Commissioner of Charities yesterday made it clear that it would be resuming proceedings – held over because of the trial – to remove the accused from their positions in the church.

They will be barred from acting as board members, trustees or key officers of any charities.

All six were found guilty last month of misusing \$50 million in church funds. They had funnelled \$24 million into bogus bonds to fuel Ms Ho's career. A further \$26 million was used to cover their tracks.

Evidence was presented during the trial to show that the accused,

keenly aware of the National Kidney Foundation and Ren Ci charity scandals, decided to shroud their use of the church monies for Ms Ho's career.

Judge See yesterday called the case unique and without precedent, agreeing with the defence's constant refrain that there was “a lack of any personal wrongful gain, any motive of self-interest or enrichment, and the absence of an intent to cause permanent loss” to the church.

The funds were also ultimately returned. But these do not change the fact that the accused were guilty of serious offences and breaches of trust involving large sums of charity money.

“General deterrence must therefore underpin the court's sentencing approach,” said the judge, adding he had also considered “wider issues of personal integrity, transparency and accountability”.

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CHC in May 2002 embarked on the "Crossover Project", an evangelistic endeavour of the church which would be achieved through commercialising the secular music of Kong Hee's wife, Ho Yeow Sun (Sun Ho). In May 2010, the CAD raided the offices of CHC and its associated entities. In June and July 2012, criminal charges were filed against the six accused persons.

All the accused persons, except for Sharon Tan, were charged with dishonestly misappropriating \$24 million belonging to CHC to fund the music career of Sun Ho and to provide funds to one Wahju Hanafi, which was an unauthorised use of CHC funds. In addition, Tan Ye Peng, Chew Eng Han, Serina Wee and Sharon Tan were charged with dishonestly misappropriating another \$26,638,937 of CHC funds to create the false appearance that certain purported investments in bonds had been redeemed, which was an unauthorised use of CHC funds.

Kong Hee was sentenced to eight years' imprisonment, while the other five persons were sentenced

to imprisonment ranging from 21 months to six years. All the accused persons have appealed against their conviction and sentences. The prosecution has also filed an appeal against the sentences imposed on the six accused persons as they found the sentences to be "manifestly inadequate, in all the circumstances of the case".

COMPANY DIRECTOR CONVICTED OF BEING A "CORPORATE MONEY MULE"

Abdul Ghani Bin Tahir (Ghani) is the owner of A&G Corporate Services which provides corporate secretarial services to small and medium enterprises.

Between September and December 2011, Ghani assisted foreign clients in setting up three companies namely, Kassar Logistics Pte Ltd, World Eastern International Pte Ltd and Mega Zone International Pte Ltd and to apply for their corporate bank accounts. He was appointed the co-director of the three companies although he was neither a shareholder nor the authorised

bank signatory of these companies.

Between December 2011 and November 2012, these companies received in their bank accounts criminal proceeds derived from various frauds amounting to over US\$650,000. The funds were quickly transferred to overseas bank accounts. Ghani claimed that he was unaware of the fraudulent transactions in their bank accounts and that he had no knowledge of the business and operations of the three companies. He claimed that he did not check on the background of his foreign clients before the incorporation of the three companies.

On 6 March 2014, Ghani was charged with failing to exercise reasonable diligence to discharge his duties as a director of the above-mentioned three companies. These three companies had committed offences of transferring benefits of criminal conduct, and these offences are attributable to his neglect.

Ghani claimed trial and the Attorney-General's Chambers (AGC)

Jail for 'corporate money mule'

Company director jailed more than 2 years over laundering of \$1.2m, made to pay costs

Amir Hussain

The director of a company which engaged in money laundering involving some \$1.2 million was jailed for more than two years yesterday.

Abdul Ghani Tahir, 51, was convicted on seven counts after an eight-day trial last year.

He was also ordered to pay \$3,992 in costs to the prosecution, and will be disqualified from being a company director for five years

after he serves his sentence of 26 months and four weeks.

He successfully applied to be bailed out, pending an appeal, but still faces 16 similar counts involving another two of his companies. These charges are at a pre-trial stage.

The total amount of alleged illicit fund transfers in and out of his three companies is about \$2 million.

Abdul Ghani, a former finance secretary of Malay-Muslim non-governmental organisation Majlis Pusat, is also accused of cheating

the Singapore Tourism Board and other government agencies by inflating expenses incurred for the 2012 Hari Raya Aidilfitri light-up project in Geylang Serai.

He is a chartered accountant and owner of A&G Corporate Services, which provides corporate secretarial services to small and medium-sized enterprises.

As part of these services, he incorporates companies on behalf of clients and acts as the resident director of companies with directors who are overseas.

Recent records show he has held various appointments in more than 110 business entities here, mostly in roles such as director and secretary.



Abdul Ghani, who was granted bail pending appeal, still faces 16 similar counts involving another two of his companies.

In December 2011, he incorporated World Eastern International on behalf of a Romanian man, consenting to be its director even though he had never met him. The company was supposedly involved in the "wholesale of parts and accessories for vehicles".

But between April 11 and May 28,

2012, \$403,867 in stolen money was deposited into the company's bank account, and \$795,802 was transferred out, to accounts in China, Morocco, the United States, Geneva and Hong Kong.

Deputy Public Prosecutor Ang Feng Qian asked for 30 months' jail, telling the court that Abdul Ghani is the first person to be prosecuted as a "corporate money mule".

She also asked for \$24,907 in costs for the "unnecessary and extravagant expenditure of state resources in order for witnesses to testify to matters that were not disputed by the defence".

She noted, for example, that a Sudanese victim testified for over an

hour, but was cross-examined for only 12 minutes.

Defence lawyer Dilip Kumar asked for a fine or a short jail term. He said: "The accused was not dishonest (but) merely negligent."

In passing sentence, District Judge Shaiffudin Saruwan said Abdul Ghani failed to exercise "reasonable diligence" when incorporating the company, and also "breached practically all of his obligations as a director subsequent to incorporation".

The judge agreed on the need for a stiff sentence, noting the amount of money involved and the "global reach of the offences".

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proceeded with charges related to World Eastern International Pte Ltd while the rest of the charges were stood down. In his oral grounds of decision, District Judge Shaiffudin Bin Saruwan stated that the same standard of care and diligence is required of all directors, whether one is an executive director or a non-executive director. On 14 January 2016, Ghani was convicted of money laundering offences and for failing to exercise reasonable diligence in discharging his duties as a director. He was sentenced to a total jail term of 26 months and four weeks and disqualified from acting as a company director for five years after he has served his sentence.

SINGAPORE FIRM CONVICTED OF FACILITATING PAYMENTS TO SHIP ARMS TO NORTH KOREA IN VIOLATION OF UNITED NATIONS SANCTIONS

In July 2013, the Panama authorities interdicted a shipment of arms and related material that was bound for the Democratic People's Republic of Korea (DPRK) from Cuba. The DPRK owned the cargo vessel, the Chong Chon Gang, which was found to contain six concealed trailers with surface-to-air missile systems and 25 shipping containers.

The containers were loaded with two disassembled MiG-21 aircraft, 15 engines for MiG-21 aircraft other components for surface-to-air missile systems, ammunition and other miscellaneous arms-related materials. The cargo had been hidden beneath more than 200,000 bags of sugar on the vessel.

Chinpo Shipping Company (Private) Limited (Chinpo Shipping), a Singapore-incorporated company, was found to have paid US\$72,017

for the passage of the vessel through the Panama Canal en route to DPRK in July 2013. Investigations also revealed that the payment was one of the numerous transactions Chinpo Shipping made on behalf of DPRK entities. Over four years between April 2009 and July 2013, Chinpo Shipping, without possessing a valid remittance licence from the MAS, performed 605 remittances amounting to more than US\$40 million on behalf of DPRK entities which did not have access to the banking system due to United Nations sanctions.

In her oral grounds of decision, District Judge Jasvender Kaur stated that "this constituted the largest amount of

arms and related material interdicted to or from DPRK". In the first case of its kind in Singapore, Chinpo Shipping was convicted under Regulation 12(b) of the United Nations (Sanctions - DPRK) Regulations 2010 of the United Nations Act, Chapter 339, for breaching the prohibition against provision of financial services and other resources. It was also convicted under section 6(1) of the Money-Changing and Remittance Businesses Act, Chapter 187, for carrying on a remittance business without a licence.

Chinpo Shipping was sentenced to a total fine of \$180,000 on 29 January 2016. The company is currently appealing the judgment and sentence.

| TUESDAY, DECEMBER 15, 2015 | THE STRAITS TIMES |

S'pore firm moved funds linked to nuclear programme

Chinpo transferred money for passage of ship carrying arms from Cuba to North Korea

Elena Chong
Court Correspondent

A Singapore-registered company was convicted yesterday of transferring funds that could reasonably have been used to contribute to North Korea's nuclear programme.

Chinpo Shipping Company was also convicted, after an eight-day trial, of running a remittance business without a valid licence for four years. The case involved shipping arms-related material, bound for North Korea, from Cuba.

The company, represented by its director Tan Cheng Hoe, 82, faces a fine of up to \$100,000 for each of the two offences. It transferred US\$72,017 from its Bank of China account to shipping agent CB Fenton and Co operating at Panama Canal on July 8, 2013 for the return passage of the cargo ship Chong Chon Gang - owned by North Korea - through the Panama Canal. The transfer was a necessary payment to transport the arms and related material from Cuba to North Korea.

The ship was managed by North Korean company Ocean Maritime Management (OMM), a long-time client of Chinpo, which is in the ship agencies and chandlers business.

The Chong Chon Gang, intercepted by Panama, was found loaded with 25 containers and six trailers of arms and related material weighing 474 tonnes in July 2013.

The cargo included two MiG-21 jet fighters and anti-tank rockets, as well as SA-2 and SA-3 Russian surface-to-air missile systems and their parts. All were bound for North Korea and hidden in the cargo hold under 10,500 tonnes of sugar. The shipment constituted the largest amount of arms and related material interdicted on the way to or from North Korea.

OMM wanted to hide the fact that the money was coming from a North Korean entity and wanted someone to send funds and make transfers for them. Chinpo agreed to help.

As part of the Chong Chon Gang's trip to and from Cuba to transport arms, on May 28 that year, Chinpo transferred US\$54,270 to pay for the passage of the ship through the Panama Canal on its way to Cuba.

Again on July 8, the company transferred US\$72,017 to pay for the ship's passage back through the Panama Canal to North Korea.

District Judge Jasvender Kaur said people who engage in financial transactions must take some trou-



Chinpo, represented by director Tan Cheng Hoe (left), was convicted of transferring funds that could reasonably have been used to contribute to North Korea's nuclear programme.
ST PHOTO: KWAI CHOW

ble to find out what the remittance is for, by asking for the documentation and information before acting on someone's behalf.

She said the prosecution did not have the legal burden of proving that Chinpo knowingly transferred the sum of US\$72,016.76.

She found that Chinpo conducted no due diligence of any kind before transferring the money to CB Fenton. This led to it facilitating the shipment of arms and related material on the Chong Chon Gang.

The court heard that, between April 2009 and July 2013, Chinpo applied for a total of 605 outward remittances totalling US\$40 million on behalf of North Korean entities.

The case was adjourned to Jan 29 for the prosecution to make its submissions on sentencing and for the defence to offer its mitigation plea.

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Robbery victim jailed for unlicensed remittances

Man, whose unlawful business was robbed of \$1.3m in 2012, illegally remitted \$502.5m

Elena Chong
Court Correspondent

A victim of a \$1.3 million gang robbery in Little India 3½ years ago landed himself behind bars yesterday, for running an unlicensed remittance business that saw him transferring a staggering \$502.5 million in total.

Indian national Jalaludeen Gulam Hussain, 36, was jailed for 10 months and given the maximum fine of \$100,000 for setting up shop at a flat in Block 664 Buffalo Road from January 2010 to July last year when he had no licence from the Monetary Authority of Singapore.

A district court heard that the \$502.5 million he remitted was the

highest for the offence. Jalaludeen also gained \$552,750, one of the largest profits made by such an offender.

In September 2012, a gang of five robbed him and his two compatriots – Kamarulzaman Abuasanar, 31, and Anthony Savarimuthu, 39 – of \$1.3 million at a Dunlop Street lodging house. The robbers are each serving between eight and 10½ years' jail plus caning. Last month, Kamarulzaman was jailed for 10 weeks and fined \$70,000 while Anthony was jailed for five months and fined \$100,000 for running an unlicensed remittance business.

Deputy Public Prosecutor Nicholas Khoo told District Judge May Mesenas that Jalaludeen used a system known as Hawala, which is



A court heard that Jalaludeen gained \$552,750, one of the largest profits made by such an offender. His average monthly profit: \$8,250.
ST PHOTO: ALPHONSUS CHERN

based on trust between the customer and the agent. Jalaludeen collected remittance funds in Singdollars from Indian nationals who came from the same town or village in India, then transmitted them to India.

Representatives there would disburse the equivalent amounts in rupees to intended recipients, based on pre-agreed exchange rates. Jalaludeen would also remit money from India to Singapore.

He would convert Singdollars by buying gold which would be transmitted to India through couriers. The gold would be sold at a profit in

India and the Hawala agents based in India would disburse the proceeds in rupees. Jalaludeen's average monthly profit was \$8,250.

DPP Khoo cited several aggravating factors, including the long period of offending and difficulty in detection. Jalaludeen's lawyer Sarbrinder Singh said his client, who is married with no children, had suffered as a victim, and had cooperated fully with the authorities.

The maximum penalty is a \$100,000 fine and two years' jail.

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THREE UNLICENSED REMITTERS SENTENCED TO JAIL

The CAD investigated three Indian nationals namely, Jalaludeen Gulam Hussain, Savarimuthu Anthony and Kamarulzaman Abuasanar, for conducting unlicensed remittance businesses. The investigation uncovered over seven years of remittance records and established that the unlicensed remittances amounted to a total of over \$561 million.

The investigation revealed that between 2008 and 2015, the three Indian nationals operated an unlicensed money remitting business and they were also members of

a syndicate purchasing gold to be carried into India. In carrying out their money remittance business, they collected Singapore currency from Indian nationals in Singapore and arranged with their counterparts in India to disburse the equivalent amount in Rupees to the beneficiaries in India. They bought gold with the Singapore currency they had collected and arranged for couriers to hand carry the gold into India.

The three accused persons were convicted in early 2016, of carrying on a remittance business without a valid licence from the MAS under the Money-Changing and Remittance

Businesses Act (Cap. 187, 2008 Revised Edition). They were each fined between \$70,000 and \$100,000, and received imprisonment terms of between 10 weeks and 10 months. In his oral grounds of decision, District Judge Luke Tan stated his reasons for meting out a harsh sentence, which include the large remittance quantum involved, the concealed nature of the businesses and their efforts to circumvent Singapore's AML/CFT regime.

The CAD alerted the Indian authorities to the operation of the gold purchasing syndicate in view of the possible money laundering activity.

MONEY MULE CONVICTED OF MONEY LAUNDERING AND FAILURE TO REPORT CROSS BORDER MOVEMENT OF CASH

Huang Jiaxing (Huang) is the director of San Guang Joss Art Trading Pte Ltd, a private limited company with a paid-up capital of one Singapore dollar. His company's corporate bank account received funds amounting to about \$1,764,070, alleged to be fraudulently transferred from the bank account of a victim overseas. The San Guang Joss Art Trading Pte Ltd bank account had remained largely dormant before its receipt of the first fraudulent funds transfer.

The CAD investigation revealed that sometime in 2013, Huang befriended a Malaysian man known as "Ahak" who requested for his help to receive funds in his corporate bank account. Ahak told Huang that he required the funds to be wired into a corporate bank account because it was "more reliable". Upon receiving the funds, Huang was instructed by Ahak to issue cheques for six-figure sums which were separately encashed by Huang or a friend of Huang or by Ahak. The funds were eventually

transferred to Ahak. For his role in the matter, Huang was paid commissions amounting to \$41,000.

Huang had reason to believe that the funds received in his corporate bank account were linked to stolen property. On at least two occasions, he had to deliver the cash to Ahak in Malaysia. Ahak refused to enter Singapore. He had indicated on the cheques descriptions such as "BONUS", "SUPPLIER" or "LUCKY DRAW COMPANY DINNER", to placate the bank staff when he was questioned on the withdrawals.

The CAD investigation resulted in a seizure of about \$962,796. On 5 May 2015, Huang was sentenced to a total of 48 months' imprisonment for dishonestly receiving stolen property, money laundering and failure to report the cross border movement of cash.

FORMER BANK OFFICER CONVICTED OF CHEATING, CRIMINAL BREACH OF TRUST AND MONEY LAUNDERING

Eng Sze Keat (Eng) was a former Relationship Manager with DBS Bank Ltd (DBS) and his role entailed the

promotion and sales of investment products such as fixed deposits, unit trust and third party insurance products.

Between March 2011 and July 2011, Eng requested various DBS customers to sign blank funds transfer forms on the pretence that the said forms were a requirement for the customers' application of investment products. Thereafter, Eng completed the funds transfer forms with instructions to transfer funds from the customers' DBS bank accounts to bank accounts belonging to his mother and friends. Using this method, Eng made 15 unauthorised funds transfers amounting to \$529,175 from the bank accounts of 10 customers. Additionally, Eng defrauded one of his customers of \$80,000 cash handed to him for the purchase of a non-existent insurance policy. The misappropriated funds were used by Eng to finance his gambling habit.

Eng was also investigated by the Ang Mo Kio Police Division for forging his girlfriend's signatures on various bank cheques and credit card applications.

Eng left Singapore in August 2011 prior to the commencement of the CAD investigation and returned to Singapore in May 2015. In July 2015, the CAD and the Ang Mo Kio Police Division jointly brought a total of 100 charges against Eng. The charges related to cheating, criminal breach of trust as a servant, forgery, theft and cheating by personation under the Penal Code, Chapter 224, and the transferring of benefits of criminal conduct under the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act, Chapter 65A. Eng was convicted of the offences and sentenced to 56 months' imprisonment in May 2016.

| THE STRAITS TIMES | FRIDAY, MAY 13, 2016 |

Ex-DBS exec jailed for cheating clients

He took nearly \$700k from 11 victims who are either elderly or non-S'pore residents

Elena Chong
Court Correspondent

A former DBS branch relationship manager who cheated 11 victims of almost \$700,000 over two years was jailed for 56 months yesterday.

Eng Sze Keat, 32, had admitted to 27 counts of cheating, criminal breach of trust, forgery, transferring property which represented benefits from criminal conduct, and theft. Another 73 charges were

taken into consideration.

When part of the sales team at the Royal Brothers Building branch of DBS, his duties included selling unit trusts, insurance policies and foreign exchange products to DBS customers.

He also helped customers to deposit or withdraw cash, and handled office administrative work.

Investigations showed that most of his customers who eventually became his victims were either elderly or non-Singapore residents.

After his customers agreed to buy a product and filled in their personal details on the necessary application forms, he assured them that he would fill in their remaining details later.

He would either slip in a fund transfer request form, a fixed deposit transaction form or an MAS Electronic Payment System application form for the customers to sign, or forge their signatures.

He would then fill in the forms with instructions to transfer the money to his friends' or family's bank accounts, including those of his ex-girlfriend and his mother.

Once the money was transferred, he would either ask them to

transfer those funds into his bank account or withdraw the money in cash and pass it to him.

His offences involved a total of \$717,226, including cheating DBS customers of \$689,173.

His ex-girlfriend reported him to the police in 2011, alleging that he had used her details to apply for credit cards without her authorisation. He has since made full restitution of \$28,000 to her for credit card fraud offences.

Four months later, the Commercial Affairs Department received a report from DBS, alleging that Eng had made unauthorised withdrawals from his clients' accounts.

On Aug 12 that year, Eng left for China with a performing artiste from China. He turned himself in four years later when he returned to Singapore last June.

District Judge Lee Poh Choo said Eng, represented by Mr Josephus Tan, exploited his position and had brought disrepute to DBS, a recognised Singapore brand. She noted that the amount taken was substantial, and Eng had targeted and cheated vulnerable victims.

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EVENTS AND VISITS



The Honourable Deputy Attorney-General, Mr Tan Siong Thye graced a visit to the CAD on 6 May



On 12 June, the CAD held its Change of Command Ceremony which saw our outgoing Director, Mr Tan Boon Gin handing over command to our incoming Director, Mr David Chew Siong Tai



On 1 July, the CAD hosted officers from the Ministry of Public Security from the People's Republic of China



The Honourable Second Solicitor-General, Mr Kwek Mean Luck graced a visit to the CAD on 27 July



On 12 August, the CAD hosted officers from the National Electronic Security Authority from the United Arab Emirates

TEAM CAD



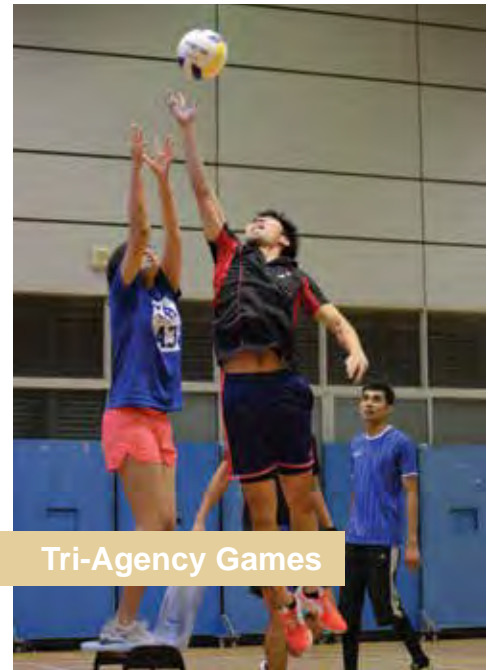
CAD Anniversary Dinner 2015

CAD's got Talent!



Bowling

CAD officers letting loose on the lanes!



Tri-Agency Games

CAD versus CPIB in a neck to neck match of Captain's Ball!



Archery Tag

At CAD, fun times outside office are aplenty!

NOTES OF APPRECIATION

“I would like to thank you for taking the time to see us last week to discuss the roles and responsibilities of Commercial Affairs Department. We deeply appreciate the information shared and your assistance in helping us understand CAD’s important role in Anti-Money Laundering in Singapore. “

– ***Japan Management Systems, Inc***

“Thank you for hosting us yesterday. [We] found the briefings to be very meaningful and insightful. We are grateful that you’ve taken precious time off your busy schedules for yesterday’s session.”

– ***State Courts***

“The information provided by SPF...is of referential value to the design of the system in Hong Kong. Please accept my heartfelt appreciation for the assistance offered to us all along on this matter.”

– ***Syndicate Crimes Investigation Bureau,
Customs and Excise Department,
Hong Kong Special Administration Region***

“[The officer] has attended to my queries very professionally with great concern and courtesy. She even went to consult her senior when she finds that she may not be of help as I was unable to furnish more evidence to pursue my case. Great Job!”

– ***Victim***

“Thank you for your assistance in the recovery of these funds, it has been a pleasure!”

– ***Victim***

“We would like to thank your team of [officers] for their vigorous effort that led to the conviction...Kudos to your [officers]”

– ***Victim***

“I would like to applaud the actions of your entire team but would especially like to commend [the officer] for her determination and patience in working with the writer, until all rightful monies were returned. [The officer’s] efforts in dealing with the many international challenges along with the bigger challenge of resolving the actual crime are appreciated. Outstanding work and thank you, again!”

– ***Victim***

“I made a telephone enquiry on signature forgery to your department on 24th July 2015. [The officer] attended to me. He spent almost half an hour answering all my questions. I expected the session to be solemn but [the officer] conducted it like a friendly chat filled with much laughter. He had served the purpose of my call dutifully by substantiating his explanations with easy to understand examples. I am pleased that CAD had trained your staff well, keep it up!”

– ***Complainant***

“We wish to place on record our sincere appreciation and gratitude for the effort your department has put into this matter which has reaped great results for us.”

– ***Victim***

ACKNOWLEDGEMENTS

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