



## Press Release 27.09.2023

Directorate of Enforcement (ED) has taken possession of movable properties to the tune of Rs.55.36 Crore (Approx.) in the form of balances available in the bank accounts and Merchant IDs held by various Shell and Chinese linked entities, in the case of HPZ Token and Others. ED, after freezing, had filed Original Application (O.A.) before the Ld. Adjudicating Authority, New Delhi. Thereafter, Ld. Adjudicating Authority, New Delhi under the provision of Section 8 of the Prevention of Money Laundering Act (PMLA), 2002, upheld the freezing order issued by ED and allowed retention of properties frozen under Section 17 of PMLA.

ED initiated investigation on the basis of FIR registered by Cyber Crime Police Station, Kohima, Nagaland, under various sections of IPC and Information Technology Act in relation with duping thousands of gullible investors, in garb of promise of astronomic returns on investing money for Bitcoin mining. The modus operandi of the fraudsters was to first lure the victims to invest in the company in the pretext of doubling their investment through the app HPZ Token. Similarly, investments were also received fraudulently for online gaming and betting.

ED investigation revealed that various Bank accounts and Merchant IDs were opened by various shell entities having dummy directors /proprietors only for the purpose of rotation/layering of proceeds of crime representing funds fraudulently received for illegal online gaming and betting and investment for Bitcoin mining. For an investment of Rs. 57,000/- returns of Rs. 4,000 per day for 3 months were promised but money was paid only once and thereafter fresh funds were sought.

In this case ED had conducted nationwide searches at 26 locations during year 2022 and 18 locations in year 2023 and has so far frozen amounts to the extent of Rs. 176.67 Crore (Approx.).

Further investigation is under progress.