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**A
10-Billion-Dollar
Thief ¹** ”





IBFC, Photo from June 22, 2015 Apple Daily News

At twelve past nine in the morning on December 10th, 2008, a man wearing black glasses, a white sweatshirt, blue gym slacks, and slippers walked out of Taipei Prison with a duffle bag in hand. Seeing the group of reporters that had been waiting for him to emerge, the man bowed solemnly 3 times and knelt before them on the ground. “I want to thank society and the International Bills Finance Corporation (IBFC, 國際票券公司),” he said, “for giving me the chance to live free again. I have no hidden money and have explained to the prosecutor how I stole from IBFC.” He knocked his forehead against the ground in a traditional

sign of humility and continued, sobbingly, “I also hope that Manager Wang Qing-Xiang (王慶祥)’s family may forgive my transgressions.” He climbed into a black van and disappeared into the traffic on the highway.

This newly released inmate was the famous 10-billion-dollar thief, Yang Rui-Ren (楊瑞仁).

¹ 民國 84 年 10 月 14 日，台北地檢署 84 年度偵字第 17339 號等案件，以竊盜、詐欺、偽造文書及炒作股票等罪名起訴被告楊瑞仁等 26 人。被告楊瑞仁偽造 14 家公司開立之國票商業本票出售給台灣銀行，詐領款項炒作股票。於 83 年 9 月至 84 年 8 月間，共偽造面額新台幣（下同）387 億 5500 萬元商業本票，實際向台灣銀行詐得 98 億 161 萬 4259 元。起訴後經臺北地方法院以 84 年度訴字第 2643 號案件判處被告楊瑞仁 13 年有期徒刑，併科罰金 3 億元。本案偵查與公訴檢察官均為杜英達。



Yang Rui-Ren

Photo from October 19, 2016 United Daily News

Rui-Ren was born in the Taipei City suburb of Sanchong in 1965. After graduating from Taipei Business Vocational School (today, the National Taipei University of Business), he took a position at the International Bills Finance Corporation (IBFC) in 1988 as a transaction clerk. He later transferred to Banchiao Branch and in 1993, at the recommendation of his manager, Wang Qing-Xiang (王慶祥), Rui-Ren was promoted to transaction dealer. His colleagues described him as a person who was charming, witty and humorous, easy to talk to, and generous. Even though he was just a low-level dealer, he owned a cell phone and travelled by car, which was unusual for a person in his position at the time.



International Bills Finance Corporation



ICBC

Photo from October 14, 2010 Solomon203 , Wiki



City Bank of Taipei

Photo from December 13, 2010 Solomon203 , Wiki



Taiwan Cooperative Bank

Photo from June 18, 2010 Solomon203 , Wiki

The International Chinese Business Commercial Bank (中國國際商銀), City Bank of Taipei (台北銀行), Taiwan Cooperative Bank (合作金庫), and Central Investment Company (中央投資公司) jointly founded Taiwan's second bills finance company, the IBFC (國際票券公司), on January 15th, 1977. When it was listed on the stock market in 1986, IBFC became Taiwan's first listed bills finance company.

“The heist



Photo from August 09, 1995 United Daily News

Stock manipulation was something that fascinated Yang Rui-Ren, and he borrowed money from fund providers to play his luck in the stock market. However, by August 1994, he was in debt for NT\$12 million for his losses. Despite his mother selling off 2 houses to help him out, he was still mired in debt. This was when he began looking to his firm for bailout funds.

In September 1994, he stole a batch of blank commercial papers from IBFC storage. Taking advantage of the negligence of his colleagues, he stole the A-level stamp of Vice Manager Chen Chun-De (陳淳德) and B-level stamp of Group Leader Wang Heng-Hui (王恒譔), and used them on the insurer column of the blank commercial papers without authorization. He then affixed company stamps under his possession on the back of the stolen blank commercial papers without authorization. He forged 10 bank stamps and used them on the mandate paying agent column of the blank commercial papers. He then proceeded to forge the stamps of 14 renowned companies and their presidents and used them on the drawer column of the blank commercial papers. By this time, he had what appeared to the unsuspecting eye to be a large stack of legally authorized and approved commercial papers.

Next, Rui-Ren set about creating reasons to use his commercial papers. He forged false transaction invoices in the company

computer system after and before working hours in violation of internal rules. After printing these invoices, he deleted the transaction records from the computer.

He then sold his forged transaction invoices and commercial papers to the Bank of Taiwan's Department of Trust (臺灣銀行信託部), which then wired the funds into IBFC's checking accounts.

To cover his wrongdoings, he used 11 nominal accounts to forge re-purchase transactions and to fax invoices to IBFC. IBFC staff were thus led to believe that the funds wired by the Bank of Taiwan (臺灣銀行) were for re-purchase transactions. Upon receiving the money from the Bank of Taiwan, he sold those re-purchase bills to IBFC using the nominal accounts. IBFC then wired money into those nominal accounts. Yang Rui-Ren used this clever approach to successfully funnel money out of IBFC.

By August 4th, 1995, Rui-Ren had forged commercial papers worth NT\$38.755 billion (US\$1.3 billion). After factoring out the repetitive transactions, he actually managed to fraudulently collect NT\$9.8 billion (US\$326.7 million). When he was arrested, he held unpaid forged commercial papers worth some NT\$10.2 billion (US\$341 million).

Rui-Ren's caper had not only allowed him to clear his debts but also given him an enormous war chest to continue engaging in stock manipulation.



Mr. Yang Rui-Ren

Photo from October 20, 2016 Apple Daily

An accidental finding



In August 1995, investigators from the Ministry of Justice's Investigation Bureau (MJIB) launched an investigation on illegal stock manipulation by the Gaoxingchang Company (高興昌公司). Investigators discovered that Yang Rui-Ren and Zheng Nan-Xing (鄭楠興) had conspired to manipulate the stock price of the company by having over 100 nominal accounts buy and sell its stock. From November 1994 to March 1995, they had raised Gaoxingchang's stock price from NT\$26.3 to NT\$56 per share.

While combing through the funds that Rui-Ren had used to manipulate stocks, investigators stumbled upon evidence of his illicit activities at IBFC.

On August 3rd, 1995, Rui-Ren was subpoenaed by Prosecutor Du Ying-Da (杜英達) and detained on the same day. Although he confessed in detail the process that he had used to forge documents, he did not disclose where the money had gone.

Through Rui-Ren's confession, Prosecutor Du found that one of Rui-Ren's colleagues,

Zhuang Ming-Zheng (莊明政), had been aware of the wrongdoings but had agreed to remain quiet for a bribe of NT\$15 million (US\$500,000). Ming-Zheng not only kept his end of the bargain, but soon became an accomplice in forging transaction invoices through IBFC's computer system and deleting them after printing. With Ming-Zheng's complicit assistance, Rui-Ren continued to steal.

Rui-Ren's fiancée, Wen Yi-Jun (溫怡君), received NT\$32 million (US\$1.07 million) from Rui-Ren, eventually using part of the money to buy a house in Taipei City. After Yang was detained, she immediately wired NT\$10.76 million (US\$360,000) to the United States, attempting to hide the criminal proceeds.

3日上午
有人已死？
預知出事

調局追查誰在大賣國票股票

郁慕明促召開全國金融會議
貿然要求北顧自願棄賣

記者陳永祥、李國輝

當天下午楊瑞仁被約談，早上即有人賣出2383張國票股票，使得國票成為當天第一支跌停股，其中有2345張疑似融券放空。

國票在昨(五)日收盤後，已成為台股市場上最受矚目的焦點。由於國票在昨(五)日收盤後，已成為台股市場上最受矚目的焦點。由於國票在昨(五)日收盤後，已成為台股市場上最受矚目的焦點。由於國票在昨(五)日收盤後，已成為台股市場上最受矚目的焦點。

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在國票已跌六年 7月底起崩盤

難逃...楊瑞仁已有警覺

記者陳永祥、李國輝

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國票已向央行申請融資

記者陳永祥、李國輝

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智慧犯罪 刑責太輕

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王建：四信案決策 不尊重專業

記者陳永祥、李國輝

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國票重傷 政府要如何急救？

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朱星羽打李登輝 要求監委提出彈劾

記者陳永祥、李國輝

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Photo from August 06, 1995 United Daily News

The indictment

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On November 14th, 1995, Prosecutor Du indicted 26 defendants for burglary, forfeiting documents and stamps, manipulating stocks, knowingly receiving criminal proceeds, embezzlement, and tampering evidence. He especially condemned Rui-Ren for harm done to the stock market, IBFC, and domestic financial order in the selfish pursuit of personal wealth. Therefore, Prosecutor Du asked the court to sentence Yang to 12 years' incarceration.

The trial

In the courthouse, only Rui-Ren and Ming-Zheng) pleaded guilty. All of the other defendants denied all charges. On August 13th, 1986, the judge found 20 of the defendants guilty as charged and 3 of the defendants not guilty. The court sentenced Rui-Ren to 13 years' incarceration and a fine of NT\$3 billion and Ming-Zheng to 3 years' incarceration. The other defendants were sentenced to serve times between 3 and 22 months.

After several appeals and reverses, the High Court gave their final ruling on March 26th, 1999, sentencing Rui-Ren to 13 years with an additional 10 years of suspended civil rights. His time behind bars in Taipei Prison began on April 23rd, 1999.

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Taiwan's ShawShank redemption



Photo from July 01, 2008 Internet Movie Poster Awards , Wiki

While serving his time, Yang Rui-Ren obeyed the rules, kept to himself, and carefully avoided trouble. However, he continued to harbor dreams of becoming fabulously rich. In his cell, he voraciously consumed books on finance and stocks. He was paving the way to jump back into the money game after his release.

However, he needed help to place his stock purchase orders outside prison walls. He first bribed correctional officers, including Wang Zhi-Hong (王志宏), Yen Xiao-Ren (嚴孝仁), and Ding Ren-Wei (丁任偉), who acted as curriers to smuggle uncensored letters

out to his younger sister, Yang Shiu-Hui (楊淑惠). His letters gave specific instructions for carrying out stock transactions and for paying off the three prison officers for their illicit assistance.

One of the prison officers, Wang Zhi-Hong, even worked as Rui-Ren's assistant to pick up transaction orders just outside of his cell and place orders just outside of the jail on a public phone. Rui-Ren promised Zhi-Hong a 10% share of the profit and no responsibility for any losses. These secretive transactions continued from April 1997 to December 1999.



Photo from editors

Furthermore, Rui-Ren had one of the other prison officials, Yen Xiao-Ren deliver letters to his fiancée's defense lawyer Wang Cong-Ming (王聰明) with instructions to register a petroleum company.

Rui-Ren was indicted in April 29th, 2000 by Taoyuan District Prosecutors Office for violation of the Anti-Corruption Law and sentenced to 4 years' incarceration and a fine of NT\$3 million. His sister, Shiu-Hui, was sentenced to 18 months' incarceration with 4 years' probation. The correctional officers were sentenced to 6 years' incarceration each.

Rui-Ren's mother, after this sentencing, stopped visiting her son in jail.

Benefitting from the 2007 Criminal Commutation Act, Rui-Ren had his sentence reduced, ultimately serving at total of just 13 years in prison.

Like the fictional character, Andy Dufresne, in the movie *Shawshank Redemption*, Rui-Ren was a wily inmate who remotely controlled criminal activities on the outside. His attempt to gain wealth while in jail resulted in 4 more years' incarceration. He was also removed from Taipei Prison to Tainan Prison and stayed in solitary confinement for quite a long time

IBFC on the verge of bankruptcy



Wang Qing-Xiang's corpse

Photo from December 10, 2008 TVBS

IBFC was informed of Rui-Ren's long-term stealing on August 4th, 1995, the day after investigators uncovered the source of his stock-manipulation funds. IBFC immediately contacted the Bank of Taiwan. They discovered that IBFC still had NT\$10.22 billion (US\$341 million) in outstanding warranty liability to the Bank of Taiwan. The news of this broke on August 5th, sending IBFC's stock into near freefall and triggering a run on the bank that saw NT\$26 billion (US\$867 million) withdrawn in a single day. On August 7th, the Ministry of Finance and the Central Bank called an urgent meeting and asked five banks to come to IBFC's aid.

On August 9th, IBFC Manager Wang Qing-Xiang, the person who had initially promoted

Rui-Ren, couldn't bear the disgrace of his role in facilitating Rui-Ren's criminal career and jumped to his death from the IBFC headquarter building. Qing-Xiang's suicide put a dent in Rui-Ren's defense, as the latter, upon hearing the news of his former manager's death, publicly burst into tears of remorse. He later submitted his fiancée's house for the prosecutor to confiscate.

IBFC, a listed company, was required under the Security Law to submit its mid-year report by the end of August. If the net value

of the company was estimated in this report to be less than NT\$5 per share, IBFC shares would become “full delivery” shares. The problem thus shifted to how to formally acknowledge the money that was lost in the stealing incident. Although the prosecutor had already confiscated criminal proceeds of nearly NT\$2.4 billion (US\$80 million), that still left IBFC still NT\$7.8 billion in debt.

Therefore, IBFC requested the Ministry of Finance to allow the bank to spread the loss over five consecutive accounting years in order to avoid off listing. However, after consulting with the Ministry of Economic Affairs, the Ministry of Finance denied the request as

falling short of legal qualifications for staggered reporting. IBFC thus rewrote its mid-year report to acknowledge all of its losses in this incident, which sent the net value of IBFC to NT\$8.35 NT dollars per share and just nearly became full-cash delivery stock.

In 1996, IBFC reduced its capitalization by 30% to compensate for the losses caused by Rui-Ren. The bank later increased its capitalization by issuing new stocks at 60% current market price. IBFC had only narrowly escaped bankruptcy.

“The consequences

The case devastated IBFC, crashed the stock market, and ruined financial order. Four government officials were punished, including MOF Financial Bureau Director Chen Mu-Zai, MOF Financial Bureau Deputy Director Zhang Xiu-Lian, and Central Bank Vice Presidents Peng Huai-Nan and Qiu Zheng-Xiong.

Wang Qing-Feng and Zhai Zong-Quan of the Control Yuan launched an investigation into the case and proposed actions in 2000 to the Taipei Prison to increase disciplinary measures for corrective officers accepting bribes from prisoners.

To avoid another blank commercial paper fraud, the Taiwan Bills Depository and Clearance Corporation (TBDCC) was established in August 2003 and began operations in April 2004. TBDCC is now responsible for the centralized safekeeping of bills and for periodically crosschecking with depository banks and clearance banks to make sure that records match across banks and related agencies.

The **compensation**”

Fearing denial of his probation application, Rui-Ren worked with Prosecutor Liu Cheng-Wu (劉承武) of the Execution Department of Taipei District Prosecutors Office to commit to a compensation plan with IBFC. Rui-Ren promised to pay NT\$4 billion (US\$133 million) to IBFC within six years of his release and to negotiate further for the payment of the remaining NT\$6 billion NT dollars (US\$200 million) in debt. His plan was to set up an ecommerce Internet company.

However, after 13 years in prison and with his infamous reputation, it was difficult for him to start afresh. He legally changed his name to Yang Bo-Zhi (楊博智) in January of 2012 and took a job at a law firm. One-third of his salary was deducted monthly to pay off his debt to IBFC. Nevertheless, this was obviously a lot less than what he had promised in his settlement with IBFC.

All told, Yang Rui-Ren had stolen nearly NT\$10 billion from IBFC. He had used NT\$8 billion to purchase Gaoxingchang Company stock and paid NT\$300 million in interest. The whereabouts of the remaining roughly NT\$1.7 billion remained a mystery. Rui-Ren continued to insist that he returned all of the stolen money.

Rui-Ren's ” **never-ending** story



In October of 2016, when investigating illegalities surrounding the acquisition of Xpec Entertainment Company (樂陞科技股份有限公司), a prosecutor in the Taipei District Prosecutors Office stumbled upon evidence that Rui-Ren had used the nickname “Anthony” to manipulate that company’s stock price. Prosecutors raided Rui-Ren’s residence and indicted him again on January 2017 for stock price manipulation.

Rui-Ren, responding to a reporter’s question, said, “If I had a chance to choose again, I’d still steal the money from the company. The only thing I would change would be to hide the money overseas.” Yang’s prison cell number this time was 1314, a near homophone of the Chinese phrase for “forever”. Was this a coincidence, or perhaps a signal that Rui-Ren’s fate is to be a lifetime jailbird? Only time will tell.

A contrast between East and West”

While Taiwan was being shaken by Rui-Ren’ s case, a similar case in the US was also shaking the world’ s financial foundations.

Since January 16th, 1995, Nicholas Leeson, a trader in the Singapore Subsidiary of Barings Bank (UK), invested in derivatives with a preference for short straddling. However, an earthquake that hit Kobe, Japan on January 17th, 1995 sent stock markets across the region tumbling. Leeson’ s investments tanked. He redoubled his involvement in high-risk leverage trading to compensate for his losses, but failed epically. His exploits led to a loss of US\$1.4 billion – a catastrophic hit that shuttered this 200-year-old bank

permanently. Leeson fled to Germany, but was ultimately found and caught. He was extradited to Singapore, sentenced to 6.5 years, and released in 1999.

Leeson committed his historic crime at 28 years of age, whereas Rui-Ren began his life of crime at 29. Both cases broke in 1995. While Rui-Ren set a record for the most expensive individual fraud case in Taiwan, Leeson made his mark on the world as the first person to bring down a global bank singlehandedly.

One person certainly can change the world!

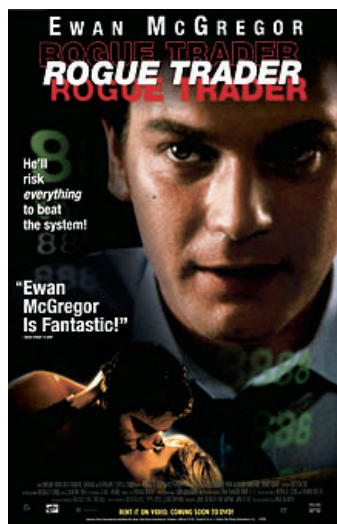


Photo from Wiki



QUOTE FROM PROSECUTOR

Du Yin-Da

To my recollection, I once faced a dilemma in this case's investigation. Since the Bank of Taiwan suffered great deal of loss and the International Bills Company may go bankrupt, the Ministry of Finance asked me to help solve the problem by returning the confiscated promissory notes forged by Defendant Yang. It was quite a risk to do so before indictment. However, when a case like this happened and the economic order would be in peril, a prosecutor should take every factor into account and tried to make the best interest choice for the public.



CTS-6557 吉利二號



Tamsui River , Taipei
Photo from Yang An-Sheng