



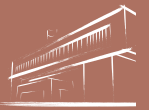
Highlights of Taipei City Field Office over Past Decade

Taipei City Field Office, Investigation Bureau, Ministry of Justice

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I. Preface

Investigation is the beginning of a criminal case. It calls for the work of all to clarify facts about the crime, while maintaining a balance between the legal system and protection of human rights. In order to make full use of investigative powers, the most efficient division of work shall be determined, and the Office shall be responsible for discovery and collection of clues and evidence. Then the case shall be dealt with according to its characteristics under the guidance of prosecutors. Through cooperation of the different units, the truth behind crimes can be uncovered, and the case shall be pursued in court by prosecutors in response to the expectation of the people for justice. A total of 11 indicator cases of the recent decade solved by the Office and Taipei District Prosecutors Office regarding government, business and drugs are listed in the following paragraphs:



II. Selected political cases solved

A. Taipei Twin Towers illegal development case in 2013

On October 20th, 2011, the Department of Rapid Transit Systems, Taipei City Government announced the selection of investors for the 'Joint Development Zone (MRT) Land Use Development Plan for Taiwan Taoyuan International Airport MRT System Specific Area C1 and D1 (east half street)' (hereinafter referred to as 'Twin Star Development Plan'). Person in charge of the Quan-Hsin Development Construction Company, Cheng, believed the project to be profitable for the successful tenderer, and asked Lai, member of the city council, to propose prioritizing the private land teams for the Department of Rapid Transit Systems through friends, Chia and Peng, otherwise the budget for the Twin Star Development Plan would not be spent. Lai asked for an NTD 15 million bribe, and both parties ended up agreeing upon terms for an NTD 10 million bribe.

Peng paid the first NTD 1 million to Lai on November 29th, 2011. However, as the proposal was cancelled upon negotiation in party meeting after passing as an additional postscript, Cheng thereby refused to pay the remaining bribe.

Also, Cheng founded Taipei Gateway International Development (Hereinafter referred to as: Taipei Gateway Company), and tendered in the name of another company. He also teamed up with Ho, person in charge of Hechuan International Investment Co., Ho provided the name of the Japanese Mori Building Company, Limited as the major shareholder, partner and chief consultant for the plan in the development proposal, and the proposal was rated first in line. The head of Department of Finance of Taipei City

Government, Chiu, was well aware of falsehood in the tendering documents but still assisted in covering up the truth and leading other judges to believe such falsehood and rated the team as first for Taipei Gateway Company to obtain the right to sign with the City Government.

This case was complicated and many people were involved in. Communication monitoring of 59 phone numbers was conducted, and four waves of search were executed. The investigation team asked to detain Lai, Cheng and two other persons involved, which was approved by court. Taipei Prosecutors Office officially charged Lai, Cheng and seven other persons involved on July 25th and September 4th, 2013 respectively.

B. 2015 Bribery case of Su, warden of Green Island Prison, Agency of Corrections, Ministry of Justice and Others

Eight persons including vice warden of Taipei Prison, Su; vice-warden of Yi-Lan Prison, Wu; vice-warden of Taichung Prison, Chao; Taipei Detention Center secretary, Ke; Agency of Corrections officer, Wu; Taipei Prison officer, Tsu and Chang; Chou of Taipei Prison head administrator receive irregular gifts, cash from Hu from Eastern Group, gangster Chi for specific criminals such as Eastern Group Chairman Wang for illegal transmission of messages and trafficking of objects, adjustments of dormitories, arrangement for special or additional meetings, etc. From 2011 to November 12th, 2014, the above-mentioned eight persons (such as Su) received a total of NTD 1,749,523 in cash and illegal profits. The case was transferred for investigation from the Bureau to the Taipei Prosecutors Office, and 23 persons (such as Su) were officially charged on January 12th, 2015.



C. 2014 Joint Development Plan for Taipei Mass Rapid Transit System Xindian Station as Processed by Taipei City Government

Gao was the previous director of Taipei City Government Rapid Transit System Construction Joint Development Office. Wang was the previous vice engineering officer of the Joint Development Office and 5th section manager. In 1994, in order to process Joint development plan of Taipei metropolitan mass rapid transit system Xindian line Xindian station, this joint development plan "Land joint development agreement" was signed with private landowners. Then, on December 18th, 2001, the Office signed this joint development "Joint development investment agreement" with Radium Life Tech Co., Ltd. (hereinafter referred to as "Radium Life Company"). The Office also signed "Land use joint agreement" as public landowner with Radium Life Company on March 21st, 2007.

Gao also made use of his power and authority to request a raise in the construction fee with Wang, in order to

support the requested construction costs of the Radium Life Company, which the Joint Development Office used as content of proposal, and as approved instruction for the report to the authorized work team and the Taipei City Government.

A forged valuation report of the valuation company raised the construction costs of Radium Life Company dramatically. Gao and Wang thereby use methods such as counterfeiting to increase the construction fee ratio, affecting the accuracy of the authority work team and Taipei City Government regarding this joint development plan. As a result, the Taipei City Government suffered losses, and Radium Life Company gained a profit authority of NTD 501,246,301; also, for allocation for the implemented floor area, Gao and Wang gained an illegal profit of NTD 2,034,422,376 from the Company. Taipei Prosecutor Office officially charged Gao and Wang on April 21st, 2014.

III. Selected solved economic crime cases

A. 2012 Tax evasion case for real estate institutional investor Huang

Huang is Chairman of Tian O Company. From 2003 to 2011, he purchased real estate and land from Taipei and New Taipei City by contract under the name of 51 family members and friends such as Huang. He then processed transfer registration with an illegal purchase agreement, before raising the price for resale. He then submitted his personal comprehensive income tax return, under the name of contractors, to taxation authorities. He also appointed Chen and Huang, members of Jun O Tax Accountant Office, to apply for business registration for sole proprietorship of real estate holdings under the name of contractors such as Hui Chen to taxation authorities. He then completed inaccurate business profit income and expense bills or accounts to report and pay business tax and income tax for profiting businesses to taxation authorities.

Huang Group sold a total of 1,919 real estate holdings with the above-mentioned method, with a total hidden income of NTD 26,489,841,250. The Group is suspected of avoiding a total of NTD 2,034,342,103 in income tax, income tax of profit-making businesses, and comprehensive income tax. The case was transferred by the Bureau to Taipei Prosecutors Office on June 25th, 2012. Huang was officially charged by Taipei Prosecutors Office on December 14th of the same year.



B. 2012 Shuo ○ Company stock trading case

Chou is a famous stock investor; Tao is Chairman of Heng ○ Investment Company; Qin is CEO of Ding ○ Group; Chen is journalist of The Commons Daily newspaper; Yeh is previous vice president of Fei ○ Magazine; Artist Shao is a cousin of Chou. Tao suggested teaming up for stock trading to Chou at the end of 2010. The two agreed to allow Chou to be responsible for the actual stock trading, Tao to obtain capital with Qin, and Yen to call in orders. The team started stock trading as the Shuo ○ Company on March 4th, 2011. Others including Shao would complete transactions upon instructions from Chou and Tao, or process payment of shares with large cash transactions, in order to create capital end points to cover up their acts of crime.

Upon investigation by the Taiwan Stock Exchange, from March 4th to August 10th, 2011, Tao and his team used a total of 101 stock transaction accounts, belonging to more than thirty persons, to

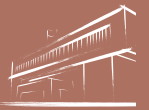
create the illusion of active transactions, or purchased at a high price continuously to affect the closing price of the day and the opening price of the following day. These tricks caused the closing price of the Shuo ○ Company to rise from NTD 74.4 per stock on March 4th, 2011 to NTD 151 per stock on August 10th of the same year.

Chou and the others were aware of the profit per stock of NTD 1.5 for the first six months of 2011 for Shuo ○ Company before the June 24th, 2011 shareholders' meeting, and instructed Chen to publish an article in Commons Daily e-newspaper saying that the Company's EPS for the upcoming five years is unlikely to reach NTD 10, in order to manipulate the stock price. Through this ruse the team gained illegal profit of NTD 184,703,436. The case was transferred for investigation by the Bureau on April 2nd, 2012. Taipei Prosecutors Office officially charged 19 involved persons including Chou on April 19th of the same year.

C. 2013 January Illegal Money Drawing Case for Da ○ Man, Person in Charge of De ○ Bangke Company Person in Charge

Da ○ Man (Japanese nationality) is the person in charge of De ○ Bangke Company. Gu ○ Hong (Japanese nationality) and his girlfriend Wang are directors of the Company. From March 2010 to March 7th, 2012, the three recruited members with no specific targeting groups by multilevel marketing, in order to invest in the purchase of coin-operated massage chairs (each chair is of the value of NTD 98 thousand) and automatic vending machines (each machine is of the value of NTD 318 thousand). The team lied that these machines will be assigned to Japanese BIGVISION Company (person in charge is also Da ○ Man) to be rented for operation in hotels, gym centers, etc. around Japan, and that members shall receive remuneration of 30% of the operation of such machines per month, starting from the fourth month after entry of membership onwards.

Depending on the different machines, members may be paid a remuneration of NTD 8,000 to NTD 18,000 per month that is inequivalent to the invested principal. Also, if members recommend to another member to purchase any of the above-mentioned machines, members may be paid an introducing bonus of NTD 9,000 or NTD 13,500 per machine. If offline members introduce others to become members, the original member shall be paid an organizing bonus of NTD 1,800. Members can receive up to 10th level of bonus with an accumulated number of introduced members reaching more than four thousand people, thereby receiving a bonus of NTD 2,543,434,000. The case was transferred for investigation by the Bureau to Taipei Prosecutors Office on April 12th, 2012. Four involved persons including Da ○ Man were officially charged on January 11th of the following year.



D. 2013 March Money Drawing Case of Tian ○ Green Energy Company

Lin is actual person in charge of Tian ○ Green Energy Company and its subsidiaries. Even though the group is aware that non-bank organizations must not operate deposit businesses, accept investments, attract investors to become shareholders, etc., the group received payment from many people or unspecified groups of people, or received capital while promising to pay a bonus, interest or other remuneration inequivalent to the capital through money drawing plans such as "Rotating savings and credit association" and "Guaranteed buy-back of unlisted stocks of Sheng ○ Green Energy Company", etc. With multilevel marketing methods of payment of commission and performance bonuses, the team raised funds from members of unspecified groups from the general public. From August 20th, 2008 to October 20th, 2012, the group recruited more than two thousand clients or customers, drawing capital up to NTD 3,658,893,100. The case was transferred for investigation by the Bureau to the Taipei Prosecutors Office on March 5th, 2013. 34 persons such as Teng Lin were officially charged in the same year.

E. 2013 May Violation of Securities Exchange Act Case by Wang, Chairman of Pu ○ Company

Wang is chairman and CEO of a listed stock company PuOCompany. Huang is Chief Financial Officer, and Chang is special assistant to the Chairman of PuOCompany. With the chance for publication of third guaranteed convertible corporate bond (hereinafter referred to as "PuOThird Convertible Bond") since December 2011, the team establish a low-cost shareholding position by purchasing optional transaction methods using dummy accounts, before conducting fake transactions of Pu ○

Company under the arrangements of Chang and the others. A total of NTD 1,026,815,053 was involved.

During the period, the team embezzled up to NTD 457,951,600 of the above-mentioned fake transaction values, to purchase Company stocks at high prices, leading to the stock price of the Company rising to NTD 27.2 per share on July 27th, 2012 from NTD 13.7 per share on March 1st of the same year. Wang and the others are estimated to have received a profit of around NTD 29,487,000 during this period. By continuing contracts for PuOThird Convertible Bond, a total of NTD 100,853,390 illegal profit was generated.

Then, in order to continue raising Company stock price, the team paired up with fund manager, Hsu O Zheng (Di O Jin Greater China Fund), Hsu O Cheng (Di O Jin Diantou Market Fund) and Jieh

Chiao (Di O Jin Flagship Fund) of Di O Jin Securities Investment Company at the beginning of July 2012, to purchase Pu O Company stock from Diantou Market by Joint Fund of Securities Investment. Chang agreed to be responsible for payment of securities investment joint fund for purchase of 7.7% of the total value of Pu O Company stock as consideration. Cash of which was to be returned to persons such as Hsu, who would purchase 2,305 thousand shares of Pu O Company shares with the above-mentioned Third fund with a total of NTD 53,351,882. A loss of NTD 19,349,000 was generated, reaching 36.3% of the total investment, leading to losses of 3rd joint fund investors for Di O Jin Securities Investment Company. The case was transferred for investigation from the Bureau to the Taipei Prosecutors Office on April 29th, 2013. 47 persons such as Wang were officially charged on May 21st of the same year.



F. 2014 Case of Insider Dealing of Stocks of Ji ○ Company

Hsu is Chairman of the listed Ji ○ Company and Chairman of the transfer investment subsidiary Sheng ○ Da-ren Company (i.e. Pang Da-ren Bakery); Hsu ○ Hsiang and his son Hsu ○ Jun are major shareholders of the two companies. Hsu agreed to jointly invest NTD 200,000,000 in Sheng ○ Da-ren Company with Hsu ○ Hsiang in March and April of 2012, and the monthly income of Sheng ○ Da-ren Company increased significantly under the comprehensive profit of Ji Company. However, operating income and after-tax net income of Sheng ○ Da-ren Company dropped tremendously after May 2013. Hsu, Hsu ○ Hsiang and Hsu ○ Jun learned of such decrease of operating profit from mid-June 2013 onwards from Huang, CFO of Ji ○ Company, and gradually sold Ji ○ Company stock to avoid loss from July 2013 before official announcement of the major news on August 19th, 2013.

Amongst these tradings, Hsu and his partner Chiang sold a total of 459 thousand shares and received a total of NTD 51,466,400; thus, they avoided loss of illegal profit of NTD 18,805,350. From July 12th to August 19th, 2013, Hsu ○ Hsiang gradually sold a total of 251 thousand shares, receiving a total of NTD 28,331,100 and avoiding loss of illegal profit of NTD 8,288,750. Hsu ○ Jun sold a total of 313 thousand shares, receiving a total of NTD 38,048,500 and avoiding loss of illegal profit of NTD 13,055,450. The case was transferred for investigation from the Bureau to the Taipei Prosecutors Office on December 9th, 2013. Four persons such as Hsu were officially charged on January 26th of the following year.

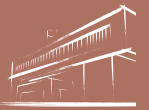
IV. Selected Solved Drug Crime Cases

A. 2012 Case of Smuggling 205 Bricks of Heroin by Chang, Chairman of Shinyuan Township Representative Council, Pingtung County

The case originated from the 2010 case of transportation of methamphetamine weighing 9kgs by Chou Lin. Long-term investigation found major suspects would transport large numbers of illegal drugs to Taiwan every March, August and December. It is confirmed that Chang, chairman of Shinyuan Township Representative Council, Pingtung County is responsible for the transfer, registration and inspection of Tungkan agent fishing boats for trafficking channels. The Chen brothers are responsible for the trafficking mission, members of close inspection then learned that heroin was to be exported from a foreign port in July 2012, and two boats under the name of the Chen brothers sailed out of port for operation at the same time on July 27th. In mid-August, communication caught between the boat owner and crew confirmed "Hong-jiyu No. 7" was the trafficking boat in question. Therefore, the Office sailed out of Kaohsiung port for interception on August 19th, and returned with "Hong-jiyu No. 7" on August 21st. From the bottom of the cabin, seven boxes of 205 heroin blocks (around 80 kg) were found. Captain Pan, Huang Chief Engineer were caught. Main suspect Chong and his girlfriend, Chang, and the Chen brothers were transferred for inspection at the Prosecutors Office. Five persons such as Chang were officially charged on October 11th.

B. 2013 December Drug case of Smuggling 270 Heroin Blocks and 240 kg Ketamine by Chen and Others

Huang, Chang, Chen teamed up to take advantage of Group member Chen's import of fresh ingredients from Vietnam in August and September 2013 for drug



trafficking into Taiwan. The Group chose frozen taro as containers for the drug. Upon instructions by Chang, Chen and Huang visited Vietnam by turns to arrange for trafficking matters. The Group then wired NTD 1.2 million to Chen successively, and promised to pay another NTD 700 thousand of remuneration upon completion of trafficking. By end of September, Huang took 40 bags of taro from Chen as containers for trafficking. Chen then declared for import using "Yi Hsiang Hsing Industrial Co. Ltd.", a company under the name of a friend of Chen, Jin-hui, Chen, person in charge of "Lian-feng Customs Broker".

On October 6th, 2013, the cargo arrived at Kaohsiung port. The Office established a joint project team with comrade units. The team arrived at Port No. 70, Kaohsiung Port along with the Customs Office (Kaohsiung), intercepted one batch of frozen taro Chen imported under the name "Yi Hsiang Hsing Industrial Co. Ltd." Upon inspection, 270 heroin blocks (net weight 102,626.53 gram) and ketamine (net weight 251,357.31 gram) were found hidden within. The team then transferred Chen and Huang to the Prosecutors Office for investigation.

V.Conclusion

Crime investigation calls for wide collection of evidence to obtain the actual truth, in order to act as proof of intention of crime and mode of illegal activities. Law enforcement officers must strictly follow legal regulations, protect human rights, fight for program justice, and avoid program defects that might influence ability to obtain evidence. Officers must make full use of investigation capabilities, in order for the civic legal system to earn the trust of the general public. This is the Bureau and investigation agency's ultimate goal in their work.