



Press Release

Taipei District Prosecutors Office

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The application for independent order of confiscation upon the proceeds of crime of the Lafayette Corruption Case has been granted by the Supreme Court within the scope of principals, namely USD 312,539,913.44 (around NTD 9,400,000,000 at the exchange rate 1 USD = 30 NTD), and thus has become final and binding. The Taipei District Prosecutors Office is now actively inquiring countries to enforce the independent confiscation order.

1. It all began with the Special Investigation Squad established by Supreme Prosecutors Office in 2000 for the investigation of Lafayette Corruption Case that has filed requests for mutual legal assistance (“MLA”) with Switzerland and other countries and obtained voluminous banking documents then froze financial assets owned by Chuan-Pu Wang et al., in banks in Switzerland, Liechtenstein, Luxembourg, Austria, Jersey Island, and Isle of Man, since 2001. Domestically, in September 2006, the prosecutor filed indictments against Defendants Chuan-Pu Wang, Li-Heng Kuo, and Shiu-Jun Yeh for the offense of jointly receiving unauthorized kickbacks in violation of Anti-Corruption Statute, against Defendants Chia-Hsing Wang, Chia-Yung Wang, Chia-

Ming Wang, and Chun-Ling Wang for offense of assisting in receiving unauthorized kickbacks in violation of Anti-Corruption Statute, and against Defendant Wen-Tien Kuo for money laundering in violation of Money Laundering Prevention and Control Act. The guilty judgments upon Defendants Li-Heng Kuo and Wen-Tien Kuo have become final and binding since April 2014. The Enforcement Unit of Taipei District Prosecutors Office has successfully enforced the proceeds of crime obtained by Defendants Li-Heng Kuo and Wen-Tien Kuo, around USD 35,000,000 (approximately NTD 1,100,000,000), that has been frozen and returned to our government by Switzerland, and paid the sum total into our National Treasury in April 2015. Defendant Chuan-Pu Wang died in January 2015 while Defendants Shiu-Jun Yeh, Chia-Hsing Wang, Chia-Yung Wang, Chia-Ming Wang, and Chun-Ling Wang remain at large abroad, therefore, Taiwan Taipei District Court has issued arrest warrants against them since May 2009.

2. Our previous Criminal Code provided confiscation of illicit proceeds as a supplementary punishment in nature and provided no mechanisms of independent confiscation. Thus in cases wherein the defendant died or remains at large, the court may not proceed with trial and render neither principal punishment nor confiscation as a supplementary punishment. Although overseas assets owned by Chuan-Pu Wang family were still frozen by Switzerland and other countries, there was still a shortage of a final and binding judgment for enforcing confiscation. The Ministry of Justice initiated an amendment to the confiscation

articles of Criminal Code in 2016 with all efforts, and the Legislative Yuan successfully passed the amendment later. Pursuant to the new confiscation chapter of Criminal Code, promulgated on 1 July 2016, the measure of confiscation constitutes an independent legal effect, no more a supplementary punishment in nature, but more an equivalent to the equitable doctrine, unjust enrichment. Independent order of confiscation is also clearly provided if an offender's offense cannot be prosecuted or a guilty judgment cannot be rendered de facto or de jure, the confiscation of proceeds of crime may be declared independently. The scope of proceeds of crime includes: any property derived from or obtained directly or indirectly, through the commission of an offense, any property transformed or converted from such proceeds and benefits accrued therefrom, as well as other derivative income, including but not limited to interests and dividends.

3. Since the Special Investigation Division of Supreme Prosecutors Office delivered this case to Taipei District Prosecutors Office on 1 January 2017, special prosecutors and public prosecuting affairs officials have taken charge. Soon Taiwan Taipei District Court rendered a ruling on 21 July 2017 to confiscate the proceeds of crime, including principals and accrued derivative incomes, in the amount of USD 900,146,887.18 (around NTD 27,000,000,000) as well as derivative incomes accrued till the date of successful enforcement. Both parties appealed, Taiwan High Court rendered a ruling on 28 November 2018 to confiscate the proceeds of crime in the amount of USD 953,324,920.60

(around NTD 28,600,000,000) as well as derivative incomes accrued till the date of successful enforcement. Both the prosecutor and defense attorneys appealed again, this time the Supreme Court rendered a ruling, Tai-Interlocutory Appeal No. 458 of 2019, on 31 October 2019, to sustain confiscation of the principals among the proceeds of crime requested by the prosecutors, namely USD 312,539,913.44 (around NTD 9,400,000,000), therefore the court order regarding this part has become final and binding. As the authority in charge of seizing proceeds of crime and processing MLA, Taipei District Prosecutors Office has appointed Prosecutor, Yi-Ting Liu, and public prosecuting affairs officials, all specialized in finance, to take charge the following procedure. We are now actively inquiring Switzerland and other countries for restitution of proceeds of crime, based on part of the court order that is qualified as an enforcement title, to make sure that the general principle that crime doesn't pay be manifested.

4. 20 years have passed since the establishment of the Special Investigation Squad for this case. Today we can have such initial achievement is due to various assistance provided by lots of friends from Ministry of Justice, Ministry of National Defense, Ministry of Foreign Affairs, and other countries. We hereby express our heartfelt gratitude to all of you.