



## Press Release

### Taipei District Prosecutors Office

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**The investigation into the case of ACE Exchange and others Suspected of Fraud by Taipei District Prosecutors Office(TDPO) is concluded today.**

**The Outlines are as follows.**

The investigation led by head Prosecutor Tseng Yang-Ling and Prosecutor Chen Wen-Jin, in coordination with the Criminal Investigation Division of the New Taipei City Police Department and the Taipei City Investigation Office of the Ministry of Justice Investigation Bureau, has concluded.

#### **I.The Investigation Conclusion**

A total of 32 defendants, including Lin ○ Hong, have been prosecuted with the following charges (charges vary for each defendant):

1. Initiating, hosting, and directing in a criminal organization under Article 3, Paragraph 1 of the Organized Crime Prevention Act.
2. Committing fraud through the internet involving three or more persons, under Article 339-4, Paragraph 1, Subparagraphs 2 and 3, and Article 339, Paragraph 1 of the Criminal Code.
3. Money laundering under Article 14, Paragraph 1 of the Money Laundering Control Act.
4. Unauthorized disclosure of confidential information by non-public officials under Article 132, Paragraph 3 of the Criminal Code.
5. Concealing criminals under Article 164 of the Criminal Code.

#### **II.Brief Facts Of This Case**

- 1. Fraudulent Sale of Cryptocurrencies, Money Laundering, and Organizing criminal organization:**

- (1) Starting in 2019, defendants Lin ○ Hong, Pan ○ Zhang, Lin ○ Qiao, and others wrote false whitepapers for cryptocurrencies and operated Ace Exchange and ProEx Exchange. They listed MOCT, CSO, FITC, NFTC, and BNAT cryptocurrencies on these exchanges, promoted them through the IMBA direct sales team and various branches, spread false news on online media, and manipulated coin prices on exchanges, deceiving the public into investing in these cryptocurrencies. They defrauded approximately 800 million New Taiwan Dollars (NTD) in this manner.
- (2) Lin ○ Hong and others instructed subordinates to create breakpoints in financial flows to conceal, disguise, and use the proceeds of specified unlawful activity committed by others for money laundering.
- (3) Wang ○ Huan, aware that the cryptocurrencies had no actual value and that the team names listed in the whitepapers were fictitious names, nonetheless acted as an advisor, teaching Lin ○ Hong and others to modify the whitepapers in June 2023, making it appear as though the professional team members existed and that the cryptocurrencies had real-world application and liquidity, thus deceiving investors.

## **2. Disclosure of Confidential Information by Wang ○ Huan and Wei ○ Qing:**

After IMBA members were searched by police and prosecutors on June 5, 2023, for fraud, Wang ○ Huan, at Lin ○ Qiao's request, assigned lawyer Wei ○ Qing to defend the accused Wang ○ Ting. During the inspection of the dossier for detention process, Wei ○ Qing obtained case materials, which Wang ○ Huan subsequently disclosed to Lin ○ Qiao.

## **3. Concealing Criminals and Fraud by Wang ○ Huan and**

### **Others:**

- (1) Despite knowing Lin ○ Hong was a wanted criminal, Wang ○ Huan, in June 2023, along with Lin ○ Qiao, rented Wang ○ Huan's property to Lin ○ Qiao, providing a hideout for Lin ○ Hong to evade law enforcement.
- (2) In 2019, Wang ○ Huan, as the legal advisor for Xing ○ Tea Company, falsely claimed to Ho ○ Bin, the company's head, that high fees were needed to hire retired military personnel and professionals to ensure the company's safety. Using deceptive tactics, Wang ○ Huan defrauded He ○ Bin of at least 72.27 million NTD between 2020 and January 2024.

### **III. The proceeds of crime seized**

A total of over 600 million NTD in assets was confiscated, including cash (181.33 million NTD and 20,000 RMB), cryptocurrencies (248 BNB, 43 BTC, 1,943,602 USDT, and 2,300 ETH), which were valued at approximately 400 million NTD as of April 11, 2024, and two luxury cars (one Mercedes-Benz and one McLaren)

### **IV.Sentencing Request**

- Considering the 1,200+ victims and nearly 800 million NTD in losses,
- (1) The core criminals Lin ○ Hong, Pan ○ Zhang, Lin ○ Qiao, and Chen ○ Yang should each be sentenced to over 20 years of imprisonment.
  - (2) Wang ○ Huan, as the head of a renowned domestic law firm and president of ACE Exchange, who received 43 million NTD in illegal gains and defrauded Ho ○ Bin of over 70 million NTD, should be sentenced to over 12 years of imprisonment.

### **V.Recommendations**

The increasing number of cryptocurrencies fraud cases in recent years highlights regulatory issues in Taiwan. Relying solely on industry self-regulation is insufficient to protect investors. Relevant authorities should actively review current regulations, establish specific laws, and define penalties and exit mechanisms for unscrupulous operators to maintain overall financial order and safeguard citizens' assets.