



**THE PREVENTION AND INVESTIGATION OF
ECONOMIC CRIME YEARBOOK, 2008**

**THE INVESTIGATION BUREAU, MINISTRY OF JUSTICE
REPUBLIC OF CHINA**

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Foreword

The global financial crisis has led to serious recession, increasing unemployment rates and shrinking consumer demand in every country. In Taiwan, the current global financial depression has caused the suspension of exports of high-tech products, while companies respond by reduction of output and labor, thus, the unemployment rate is on a rising trend. Apparently, economic development in Taiwan has been seriously impacted by the global financial crisis and governmental authorities have stipulated both financial and currency policies to solve problems of recession. At this crucial time, the Bureau will aggressively investigate serious cases of economic crimes, impound illegal income, prevent lawless persons from committing economic crimes, maintain order in financial and stock markets, and help stabilize economic development in Taiwan.

In 2008, the total number of both economic and general crime cases investigated by the Bureau was 1,086 cases, 3,509 suspects and the loss generated by crimes reached NT\$147.8 billion. Moreover, in order to protect the health and interests of the populace, the Bureau has continually enforced the special task of “Discovering and investigating criminal cases of stocking, soaring, and monopolizing consumer prices”; and has cooperated with city and county governments to investigate 7 cases of melamine-tainted milk powder imported from Mainland China, 28 cases of illegal manure stock piling, and 30 cases of petroleum stock piling. The Bureau has also found many new forms of economic crimes, such as selling offshore underground funds. The public may be cheated by this new form of economic crimes due to a lack of caution concerning risk assessment, and the governmental authorities have not yet set rules or stipulated laws to govern this kind of economic activity. Therefore, the Bureau has reported this situation to relevant authorities through the Economic Crime Prevention Division, seminars, and advised the authorities that they should create policies to prevent the occurrence of economic crimes.

In order to increase investigation quality and conviction rates of serious economic criminal cases, the Ministry of Justice has begun to promote the project of the “Three-Grade Licensure System” against serious economic criminal cases since July 1, 2008.

The Economic Crime Prevention Division of the Bureau has drafted the “MJIB Project of Three-Grade Licensure System of Financial Professional Courses”, and recruited relevant colleagues to accept professional training to increase their knowledge and abilities. In 2008, three rounds of elementary-grade courses were held, and 255 agents have attended the courses; two rounds of the first stage of the intermediate-grade courses have been held, and 167 agents have taken these courses. The Bureau will continually deliver courses of elementary-grade, intermediate-grade and advanced-grade licensure classes to meet the demands of agents in dealing with financial and serious economic criminal cases.

This yearbook is an overview of the Bureau’s work in the prevention and deterrence of economic crimes in 2008. It contains statistics, explanatory notes, case reports, and comparative analysis. We sincerely invite your comments and continuing supervision to assist the Bureau’s work to continue progressing.

A handwritten signature in black ink, reading "Wu Ying". The characters are stylized and fluid, with the first character "Wu" being larger and more prominent than the second character "Ying".

Wu Ying
Director General
Investigation Bureau
Ministry of Justice
June 2009

Editorial Notes

1. Editor's goal

The yearbook presents information on the efforts of MJIB in the prevention and investigation of economic crimes over the past year, along with a breakdown of the statistics. To have a better understanding of crime problems, we have probed the causes of crime, gotten a grip on the present crime situation, and formulated countermeasures and policies.

2. Contents

- (1) The yearbook consists of five parts: Part One briefly introduces the organization structure; Part Two presents an overview of our work in 2008; Part Three analyzes criminal condition and characters; Part Four is an orientation of the future operations; Part Five presents a chronicle of events in 2008. To present a complete overview of anti-economic crime efforts, this book also contains tables, graphs and figures (percentage and change rates), pertinent to the statistics and analyses for various types of offenses in the past and predicts the future trends of crimes.
- (2) Figures in this yearbook are compilations of data on the economic crimes related investigation and prevention work performed by the MJIB in last year. Should there be any discrepancy from previously published statistics; the data provided in this yearbook shall take precedence.

3. Annotations:

- (1) In this yearbook, the units of calculation use the following as its standards: solar calendar for year, case for number of cases, person for number of suspects, New Taiwan Dollars for amount, kilograms or grams for weight, or as otherwise depicted in special circumstances.
- (2) All percentages used have been rounded off to the second decimal place.
- (3) For the convenience of compilation, cases here are categorized by the major offense. Special cases, if any, are annotated with explanations.
- (4) The symbols used in graphs and tables denote:

— means no data or data unknown.

NA means calculation not available.

(5) Figures on the cases of economic crimes in this yearbook include cases where the number of victims and amount involved do not meet the definitions in the Special Notes for Serious Economic Crimes Investigated by Prosecutors Offices set forth by the Ministry of Justice (MOJ) and the Recognition Guidelines for Serious Economic Crimes of the MJIB. Therefore, figures on economic crime cases as tallied by the MJIB are greater than the statistics of the MOJ or other government agencies.

(6) Referred cases mean cases referred to and prosecuted by the public prosecutors office or with letter sent to the competent authority for administrative action.

(7) The statistical analyses of various types of crimes are made based on cases investigated by the Bureau only. Therefore, the conclusions may differ from some crime studies made by other government agencies.

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Part One

Organization Overview



I. Authority and Basis of Establishment

In light of the soaring incidents of economic crime that threatened to stifle our economic vitality, the Executive Yuan passed in its council meeting on May 10, 1979 a resolution assigning the Investigation Bureau under the Ministry of Justice the mission of “economic crime prevention”. The mission entails investigating and preventing activities that may undermine our social order and economic development. This government’s move was based on Article 11 of the Statutory Job Descriptions promulgated by the Executive Yuan that specifies: “Special matters for investigation and prevention as instructed by the higher authorities” and Article 2 of the Statute Governing the Organization of the Investigation Bureau.¹ On the basis of Executive Yuan’s Directive Letter Tai-68-Fa-Tze-#5584 dated June 8, 1979, the Bureau established an Economic Crime Prevention Center exclusively in charge of jobs related to the prevention of economic crimes. After

the three-reading procedure in the Legislative Yuan on November 30, 2007, the “MJIB's Organizational Ordinance” was announced by the President on December 19, 2007, and promulgated by the Executive Yuan on March 20, 2008.,to set effective since March 1, 2008. So far, the Organizations of MJIB have been ruled by law. According to Article 2 of this Ordinance, the authority of MJIB is indicated as follows:

- (i) Matters concerning control of internal insurgence;
- (ii) Matters concerning prevention of foreign attack;
- (iii) Matters concerning prevention of leak of national secrets;
- (iv) Matters concerning control of corruption and dereliction of duty and investigation of election bribery;
- (v) Matters concerning prevention of serious economic crimes.
- (vi) Matters concerning narcotics control;
- (vii) Matters concerning anti-money laundering;
- (viii) Matters concerning prevention of

¹ The Executive Yuan issued a directive Tai (45) Nei Tzu-#4711 on August 27, 1956, stipulating the concerns that falls under the jurisdiction of the Investigation Bureau: 1. Matters concerning internal insurgence; 2. Matters concerning foreign attack; 3. Matters concerning leak of national secrets; 4. Matters concerning violation of National General Mobilization Act; 5. Matters concerning corruption and dereliction of duty; 6. Matters concerning eradication of drug addiction; 7. Matters concerning impairment of national currency; 8. Matters concerning obstruction to transportation and telecommunication equipment and protection of facilities during wartime; 9. Matters concerning violation of telecommunications administration; and 10. Special matters Executive Yuan for investigation and prevention as instructed by higher authorities. A clause “matters concerning investigation of tax evasion” was added as Article 10 on December 12, 1968 and the original Article 10 was moved down to become Article 11. In light of the increasing incidents of economic crime, the added the clause “matters concerning prevention of economic crime” in according to Article 11 in May 1979.

- computer crimes, investigation of information security, and handling of information security;
- (ix) Coordinated efforts into organized crime control;
 - (x) Matters concerning investigation of domestic security;
 - (xi) Matters concerning authority security affairs, national security, coordinating and enforcing citizen security education;
 - (xii) Matters concerning coordinating native and foreign relevant authorities, international cooperation, oversea national security investigation, and transnational investigation and assistance of crime cases;
 - (xiii) Matters concerning collection, filing, and investigation of situation and cross-strait criminal activities;
 - (xiv) Matters concerning investigation of domestic security, inquiries of prevention, and management;
 - (xv) Matters concerning technological support of chemistry, documents, physics, and investigation of forensic medicine;
 - (xvi) Matters concerning support of telecom surveillance and equipments for collecting evidence;
 - (xvii) Matters concerning handling of properties, documents, files, treasurer, and general affairs in the Bureau;
 - (xviii) Matters concerning propaganda of activities, accepting accusation, reception of visiting, contact with the press, service of the public, and other public affairs;
 - (xix) Matters concerning evaluation of

investigator, surveillance and inspection of occupational activities;

- (xx) Special matters for investigation and prevention concerning national security and national interest as instructed by higher authorities.

On the basis of Article 3 of the Ordinance, “Economic Crime Prevention Division” has been established in MJIB to enforce the prevention of serious economic crimes.

II. Overview of the Organization and Business

The Economic Crime Prevention Division is in charge of the prevention of economic and general crimes, and supervises over the field offices/stations and regional mobile task forces in undertaking the investigative and preventive work. Its scope of work includes information gathering, research and compilation in association with economic and general crimes as well as prevention and investigation of crimes.

The organization of the Economic Crime Prevention Division is as follows: one director, who oversees the business of the Division, two deputy directors and one senior executive officer, who assist the director in handling the general business. On the basis of Directive issued by Ministry of Justice on October 17, 2008, the Division has four sections, which take charge of the following operations respectively:

- (i) Planning, directing, coordinating, and

- evaluating preventive measures for serious economic crimes;
- (ii) Planning and executing preventive approaches for serious economic crimes;
 - (iii) Investigating, and directing and evaluating investigation for serious economic crimes;
 - (iv) Comprehensive business for international criminal affairs and seizing apprehension of fugitives abroad;
 - (v) Secretarial business for cooperation of cross-strait crime fighting;
 - (vi) Information exchange and cooperative investigation for cross-strait economic crime fighting;
 - (vii) Editing the Yearbook and working handbooks, and data filing and management;
 - (viii) Other relevant prevention of economic crimes.

III. MJIB Recognition Guidelines for Serious Economic Crimes

To keep in line with the socioeconomic conditions and the trend of criminal activities, the Offenses of Economic Crime and Criteria for Determination has undergone several amendments² since its first promulgation by the Ministry of Justice (MOJ) in 1980. In 2004 as the crime patterns and dollar amount involved changed along with economic development and financial liberalization, the MOJ amended the definitions of “Serious Economic Crimes” to reflect the practical status and issued a letter containing the clauses Special Notes for Serious Economic Crimes Investigated by Prosecutors Offices and remarks on August 26 the same year as guidelines for prosecutors to swiftly take on serious economic crime cases. The previously promulgated Offenses of Economic Crime and Criteria for Determination dated October 8, 1994 ceased to apply at the same time.

² At the time when the Ministry of Justice enacted the “Offenses of Economic Crime and Criteria for Determination” on October 17, 1980 per letter (69) Chien Tzu-#4531, there were no restrictions on the number of victims or dollar amount involved. In view of the socioeconomic situation, amended the Criteria on September 4, 1987 per letter (76) Chien Tzu-#10404 to define the scope of economic crime and included the provisions on number of victims, dollar amount involved and damage of interests provided in the law or protected by the law. In conjunction with the implementation of Fair Trade Act, incorporated violation of Fair Trade Act in the definition per letter (81) Chien Tzu -#19062 on December 22, 1992. Subsequently on October 8, 1994 as a move to materialize determination of the government on intellectual property protection, reinforce the insurance system and keep in step with the newly implemented Foreign Futures Trading Act, incorporated into the definitions violation of Copyright Act, violation of Foreign Futures Trading Act and illegal operation of insurance or like-kind business per letter (83) Chien Tzu -#21892.

In 2004, the Bureau drafted the Recognition Guidelines for Serious Economic Crimes, which was in practice until the end of 2008. In order to maintain the order of market trading, increase the transparency of information, and protect the interests of investors and economic minorities, augmentations such as protecting investors, traders, and creditors have been incorporated, while some penalties that did not correspond to current status have been revised or removed³ for the convenience of the Bureau to enforce prevention work of economic crimes. Therefore, the Recognition Guidelines for Serious Economic Crimes was revised and approved by Ministry of Justice January 7, 2009. The key points of the Guidelines are stated as follows:

(I) The following offenses, depending on the number of victims and dollar amount involved, are defined as serious economic crimes:

A. Offenses as stipulated in Articles 339 of Criminal Code, and Articles 154 and 155 of

Bankruptcy Act;

B. Offenses as stipulated in Articles 335 and 336 of Criminal Code;

C. Offenses as stipulated in Article of 342 of Criminal Code;

D. Offenses as stipulated in Article 344 of Criminal Code.

Criteria for determining offenses mentioned above pertaining to the number of victims and dollar amount involved vary by the socioeconomic conditions of the areas that fall under the jurisdiction of respective public prosecutors offices of district courts or their branches:

A. For Public Prosecutors Office of Keelung, Taipei, Panchiao, Shilin, Taoyuan, Taichung, Tainan, and Kaohsiung District Court, where the number of victims reaches over 50, or the dollar amount involved exceeds NT\$20,000,000.

B. For districts other than those listed above, where the number of victims reaches over 30 or the dollar amount involved exceeds NT\$10,000,000.

³ The punishment towards serial criminals in Article 56 of Criminal Code has been removed on February 2, 2005. As for relevant crimes in these guidelines, Article 340 and 345 of Criminal Code, Article 8 of Punishment of Smuggling Act, and Article 94 of Copyright Act have also been removed. And the augmentations include: Article 344 of Criminal Code, Article 15 and 16 of Futures Trading Act, Article 51 of Trust Enterprise Act, Article 105 to 109 of Securities Investment Trust and Consulting Act, Article 38 of Securities Investor and Protection Act, and Article 148 and Paragraph 1 of Article 149 of Consumer Insolvency Proceedings. In addition, the original Article 52 of Financial Holding Company Act has been changed to Paragraph 1 of Article 58; the original Paragraph 2 of Article 168 of Insurance Act has been changed to Paragraph 5 of Article 168. Article 53 of Trust Enterprise Act has been revised to an administrative penalty and has to be removed.

(II) The following offenses are identified as serious economic crime, provided damage to interests protected by the law exceeds NT\$2,000,000:

- A. Offenses as stipulated in Articles 2 of Punishment of Smuggling Act;
- B. Offenses as stipulated in Articles 41 to 43 of Tax Collection Act;
- C. Offenses as stipulated in Article 71 of Commercial Accounting Act;
- D. Offenses as stipulated in Article 22 of Foreign Exchange Regulation Act.

(III) The following offenses that are identified as serious economic crimes that may endanger the economic development and financial stability of the nation:

- A. Offenses as stipulated in Articles 195 and 196 of Criminal Code, and in Article 3 of Act Governing the Punishment for Damaging National Currency;
- B. Offenses as stipulated by Articles 201 and 201-1 of Criminal Code;
- C. Offenses as stipulated in Articles 339-1 to 339-3 of Criminal Code;
- D. Offenses as stipulated in Articles 81 and 82 of Trademark Act, and in Articles 91, 92 and Article 94 of Copyright Act;
- F. Offenses as stipulated in Articles 171 and 174 of Securities & Exchange Act;
- F. Offenses as stipulated in Articles 112 to Article 116 of Futures Trading Law;

- G. Offenses as stipulated in Paragraph 2, Article 35 of Fair Trade Act;
- H. Offenses as stipulated in Articles 125, 125-2, 125-3, 127-1, and in 127-2 of Banking Act;
- I. Offenses as stipulated in Articles 57, 57-1 and Paragraph 1 of Article 58 of Financial Holding Company Act;
- J. Offenses as stipulated in Articles 58, 58-1, 59 and 60 of Act Governing Bills Finance Business;
- K. Offenses as stipulated in Articles 48, 48-1, 48-2, 49, 50 and 51 of Trust Enterprise Act;
- L. Offenses as stipulated in Articles 38-2, 38-3, 39 and 40 of Credit Cooperative Act;
- M. Offenses as stipulated in Articles 167, Paragraph 5 of Article 168, Articles 168-2 and 172-1 of Insurance Law;
- N. Offenses as stipulated in Articles 39, 40, 44 and 45 of Agricultural Finance Act;
- O. Offenses as stipulated in Articles 108 and 109 of Financial Asset Securitization Act;
- P. Offenses as stipulated in Article 105 to 109 of Securities Investment Trust and Consulting Act;
- Q. Offenses as stipulated in Article 38 of Securities Investor Protection Act;
- R. Offenses as stipulated in Article 148 and Paragraph 1 of Article 149 of Consumer Insolvency Proceedings

(IV) Offenses as stipulated in Paragraph 1-2, Paragraph 1-7 to 1-10, Paragraph 1-12 to 1-17, and Paragraph 2-1 of Article 3 of Money Laundering Control Act are identified as serious economic crimes.

(V) Other offenses of serious nature that violate economic control regulations or use illegal practices to disrupt social and economic orders.

Part Two

Performance Overview



I. Strengthening the Functions of Inter-agency Meetings

Three Inter-agency Meetings on the Execution of Economic Crime Prevention were held on April 18, August 28, and December 25, 2008 with the following important tasks accomplished:

(I) Measures Taken for Prevention of Economic Crimes

A. Fair Trade Commission, Executive Yuan

The Commission handled 6 cases in 2008 involving violations of the Fair Trade Act forwarded by the MJIB.

B. Banking Bureau, Financial Supervisory Commission, Executive Yuan

(a) Letters were sent to the Bankers Association of the Republic of China to inform all financial institutions of the latest frauds, and urge its members to strengthen evaluation processes when opening accounts.

(b) In order to solve the problem of across-strait underground remittances, and to correspond to the current policy of transforming Taiwan into a prominent International Financial Center of the Asia Pacific Area, the Bureau plans to loosen the restrictions on remittances to Mainland China from domestic financial institutions, and guide public and domestic enterprises in handling across-

strait remittances, via legal financial institutions. Relevant regulations, laws, and complementary measures regarding these transactions are still under administrative procedures at present; hence, the Bureau will cooperate with the Bankers Association and banks to strengthen the promotion of this policy.

(c) Regarding training in prevention of money laundering, the Bureau has asked financial educational institutions, such as the Taiwan Academy of Banking and Finance, to continue training works. The Taiwan Academy of Banking and Finance provides regular training courses in money-laundering prevention for auditors. In 2008, the Academy opened 12 classes for training auditors, and 417 people attended the classes. It also held four seminars regarding the prevention of money laundering, and 181 people attended the seminars.

C. Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan

(a) The “Guidelines for Disposal of Non-performing Loans by Financial Institutions” was issued March 3, 2008, and the Guidelines have set regulations governing information announcements be accompanied with the disposal of non-performing loans by financial institutions.

(b) Regarding regulations governing

the routes (websites) of information announcements, the Securities and Futures Bureau suggests that each information announcement could be integrated and announced on the same webpage (or by hyperlink within the webpage) for the public inquiry. All the details should be coordinated, before disposal, with the Banking Bureau.

D. Insurance Bureau, Financial Supervisory Commission, Executive Yuan

(a) The Insurance Bureau has incorporated crimes regarding insurance into the current scope of financial crimes, which is consistent with the decision made by the financial crime investigation section of the financial reformation team. The Insurance Bureau also asked governmental authorities to coordinate relevant agencies to hold professional training courses on financial crimes for prosecutors, police officers, and practitioners in jurisdiction in order to give law enforcers a better understanding of current criminal forms of insurance fraud, the problems that the insurance industry faces, and to help them seek preventative methods and solutions for these crime. Since 2002, the Insurance Bureau has coordinated the Insurance Development Center, Insurance Anti-fraud Institute, The Life Insurance Association of the ROC, and The Non-life Insurance Association of the ROC to hold yearly seminars

on insurance crime prevention. The Insurance Bureau has incorporated the crimes regarding insurance into the scope of financial crimes in consistent with the decision made by financial crime investigation team in financial reformation team. The Insurance Bureau also asked governmental authorities to coordinate relevant agencies to hold professional training courses of financial crimes for prosecutors, police officers, and practitioners in jurisdiction and to make law practitioners have a better understanding towards current criminal forms of insurance fraud, the problems that insurance industry faces, and to help them seek for the prevention methods and solutions to this kind of crime cases. The Insurance Bureau has also coordinated Insurance Development Center, Insurance Anti-fraud Institute, and The Life Insurance Association of the ROC, and The Non-life Insurance Association of the ROC to hold regular seminars of insurance crime prevention yearly since 2002. The seminars in 2008 took place at the Tamsui Educational Training Center of Cathaylife and the participants included: judges, prosecutors, practitioners in insurance industry, and civil servants from MJIB, Criminal Investigation Bureau, and National Fire Agency, Ministry of the Interior.

(b) Fraudulent practices, such as unfair discrimination of insurance premium,

receiving kickbacks, manipulation of accounts through buying invoices, and falsified financial management by insurance brokers and insurance agencies, are caused by the intense competition in insurance markets, requests for additional fees, and commissions for unlicensed brokers, has prompted the Insurance Bureau to begin drafting corresponding strategies.

E. Financial Examination Bureau, Financial Supervisory Commission, Executive Yuan

The Bureau cooperated with other agencies in various tasks of economic crime prevention.

F. Bureau of Consular Affairs (BOCA), Ministry of Foreign Affairs (MOFA)

- (a) The Bureau has regularly updated files of information on lost passports, and provides them to MJIB for reference.
- (b) The Bureau has continuously provided information on fugitives, and asked representative offices abroad to assist in apprehending them.
- (c) The Bureau has asked representative offices abroad to make efforts to track the “Wanted Criminals of Serious Cases”, as announced by the Executive Yuan.
- (d) The Bureau assisted in tracking fugitives in 6 cases, with 6 fugitives being repatriated.

G. Department of Commerce, Ministry of Economic Affairs (MOEA)

The Department processed the following cases in 2008:

- (a) 150,396 companies were established and registered.
- (b) 77,042 companies changed registration for increased capital.
- (c) 13,809 companies changed registration for capital reduction.
- (d) 171,355 companies were dissolved, bankrupt, and registration revoked or annulled.

H. Intellectual Property Office, Ministry of Economic Affairs (MOEA)

- (a) The Office of the United States Trade Representatives (USTR) announced the “NTE 2008 Report” on March 28, 2008, which indicated that intellectual property rights (IPR) remain an important issue in the trade relationship between Taiwan and the United States. The United States is satisfied with the effects of Taiwan’s efforts in protecting IPR in 2007, and they will continue to express their concern over false drugs, network invasions, the protection of campus IPR, the production of false labels, and jurisdiction over IPR cases.
- (b) In order to thoroughly enforce the plan of intellectual property protection, the Intellectual Property Office held “Coordinating Meeting of Protection of IPR in 2008”, in which the achievements of “The Plan of Thorough

Enforcement of Protection of IPR” were reviewed. In addition, the Intellectual Property Office held a meeting for relevant authorities to discuss “The Plan of Thorough Enforcement of Protection on IPR (2009 to 2011)”, and reported that the conclusions of “The Fourth Coordinating Meeting of Protection of IPR in 2008” were achieved on December 1, 2008.

- (c) In order to improve campus network management in each college and university, the Intellectual Property Office cooperated with American Institute in Taiwan and the Ministry of Education to hold the “2008 International Campus Network Management Seminar”. About 300 people attended this seminar, which activities were conducive to protecting intellectual property rights and establishing a mechanism that is suitable for campus network management.
- (d) The Court of Intellectual Property was established on July 1, 2008, and the U.S. has expressed strong interest, stating that they hope the Bureau can provide relevant information to the intellectual property court, such as the number of cases and the times of trials, for reference.

I. Department of Prosecutorial Affairs, Ministry of Justice (MOJ)

- (a) The Department of Prosecutorial Affairs emphasizes measures for detaining illegal incomes from defendants to

its administration. Letter Fa-Chian-Tze- #0970800861 was issued to inform the administration that, in criminal cases related to corruption, narcotics, economic crimes, and money laundering, they should detain the illegal incomes of defendants more aggressively and pay closer attention to relevant laws and decrees, such as Article 38 of the Criminal Code, Article 9 of the Money Laundering Control Act, Article 133 of Criminal Procedure Law, and Paragraph 6 of Article 171 of the Securities & Exchange Act. Moreover, the Department of Prosecutorial Affairs has requested the Financial Supervisory Commission to provide necessary assistance in investigations of funds and incomes. The number of people whose incomes have been detained, with the aid of the Financial Supervisory Commission, has increased significantly compared to the two blocks of January to May and June to October 2008. These achievements should be attributed to the field agents and police officers who immediately detained the criminal incomes of the suspects when beginning investigations.

- (b) In order to improve quality the investigations and conviction rates of serious economic crimes, and to win the public’s confidence in prosecutorial authorities, and to fulfill justice, the “Three-grade Licensure System” was put into practice in July

1, 2008. In the future, the prosecutors, officers of prosecution, and agents investigating serious economic crimes, must first acquire a license above intermediate-grade before beginning an investigation, which will result in improved professionalism, efficiency of prosecution, and investigations. In early August, the Economic Crime Prevention Division of MJIB began to cooperate with the Securities and Futures Institute to open elementary-grade courses, and in September, they began to offer intermediate-grade courses. The Department of Prosecutorial Affairs began offering highly concentrated elementary- and intermediate-grade courses for prosecutors and officers in prosecution since September. The participants of these courses must pass an examination upon completion of the courses in order to acquire the license of each grade.

J. Taiwan High Public Prosecutors Office

- (a) In 2008, 273 cases of economic crime cases were investigated, with 256 cases closed.
- (b) The Office is responsible for coordinating agencies to enforce each preventative work regarding economic crimes.

K. National Police Agency (NPA), Ministry of the Interior (MOI)

- (a) NPA has continued its work of assisting governmental authorities

in stabilizing prices of commodities, preventing price increases, preventing joint monopolization, and preventing stocking up of goods. The major tasks are as follows: 1) to actively assist in investigations, aggressively investigate crimes further, inform the public in order that they may understand government's hard works, warn lawless persons to prevent them from committing crimes; 2) to expand the collection of information regarding investigations, cooperate with local governmental authorities, consumer ombudsmen, and investigation agencies to help enforce "Special Investigation cases of assisting in stabilizing prices of commodities," and ask police authorities to cooperate with governmental authorities to investigate all possible targets to prevent the occurrence of criminal incidences.

- (b) NPA visited the Ministry of Economic Affairs, the Fair Trade Commission, the Executive Yuan, and the Chief Secretary of Council of Agriculture, Executive Yuan on June 17 and 18, 2008, respectively, to discuss investigation works that help stabilize prices of commodities.
- (c) The fourth meeting of the Price Stabilizing Team, Executive Yuan was held on June 18, 2008. In this meeting, the NPA reported cases of stocking piling to police authorities, and the two agencies had difficulties in defining these criminal cases, in that their

definition was ambiguous. The presiding chairperson of the meeting considered and announced, “This kind of criminal case should be referred to and handled by the Council for Economic Planning and Development”.

- (d) The NPA visited the Agriculture and Food Agency, Council of Agriculture, Executive Yuan on July 9, 2008 to discuss the investigation of stocking piling of rice, manure, and pesticide. On July 15, the NPA called the Fisheries Information Service Site to discuss the problem of petroleum that had been stolen from the fishery and sold. NPA also proposed two special reports regarding “The Investigation and Corresponding Strategies for illegal stocking piling Fishery petroleum” and “The Investigation and Corresponding Strategies for illegal stocking piling manure”, which they forwarded to governmental authorities for reference.
- (e) NPA drafted “The Outline of the Investigation of Illegal Eavesdropping, enforced by NPA”, planned seminars of special cases, enforced nation wide investigations, and recruited relevant agencies to discuss possible measures for prevention of criminal cases.

L. I National Immigration Agency, Ministry of the Interior

Security operations for serious economic crime cases (including corruption) are as follows:

- (a) 96 security cases have been listed
- (b) 391 security cases have been captured.

M. Investigation Bureau, Ministry of Justice (MJIB)

A total of 715 cases, with 3,189 suspects, were referred to the public prosecutors offices, and the criminal cases included:

- (a) 262 fraud cases with 1,159 suspects
- (b) 51 embezzlement cases with 101 suspects
- (c) 28 cases of breach of trust with 124 suspects
- (d) 7 usury cases with 13 suspects
- (e) 27 smuggling cases with 31 suspects
- (f) 72 cases of Tax Collection Act violation with 988 suspects
- (g) 7 cases of counterfeit or alteration of currency or negotiable securities with 12 suspects
- (h) 7 case of Tobacco and Alcohol Administration Act violation with 8 suspects
- (i) 58 cases of Banking Act violation with 201 suspects
- (j) 69 cases of Securities Trading Act violation with 295 suspects
- (k) 79 cases of Intellectual Property Rights infringement with 125 suspects.
- (l) 15 cases of Fair Trade Act violation with 9 suspects
- (m) 15 cases of Futures Trading Law violation with 57 suspects
- (n) 2 cases of Insurance Law violation with 5 suspects
- (o) 1 case of Wildlife Conservation Law

- violation with 1 suspect.
- (p) 8 cases of Company Law violation with 16 suspects.
- (q) 4 cases of computer crimes with 5 suspects
- (r) 15 cases of other types of economic crimes with 39 suspects

(II) Three Suggestions offered by Inter-agency Meetings

- A. It was suggested that the Insurance Bureau of the Financial Supervisory Commission should take action to prevent the occurrence of fraudulent practices, such as unfair discrimination of insurance premium, receiving kickback, and manipulation of accounts through buying invoices.
- B. It was suggested that the Banking Bureau, Securities, and Futures Bureau of the Financial Supervisory Commission should place emphasis on improving the problems of the disposal of non-performing loans by financial institutions.
- C. It was suggested that financial governmental authorities should place emphasis on selling underground offshore funds in order to maintain financial order and protect the rights of legal corporations and investors.

(III) Presentation of three special reports

- A. Placing “Restriction of Exit” on Suspects of Serious Economic Crimes (submitted by

- National Immigration Agency)
- B. The Investigation of the Evaluation of Money Laundering- Using the Criminal Case of Suspect Lu et al. as an Example (submitted by the Financial Examination Bureau of FSC)
- C. The Outline of National Corruption Prevention and Money Laundering Prevention (submitted by MJIB)

II. Prevention of Economic Crimes

The Bureau upholds the principles of “Prevention over Investigation” and “Investigation for Prevention” when performing economic criminal prevention works. Aside from collaborating with members of the inter-agency meetings, the Bureau embarked on the following actions in 2008 to perform the works of crime prevention:

(I) Data Collection and Analysis

Our field offices collect all types of industrial and commercial information, which are subjected to analysis and filed for future reference. We also closely monitor businesses or individuals that engage in irregular practices, illicit activities, or have numerous occurrences of insufficient funds for written cheques, in order to take preventive actions in a timely fashion. In 2008, we gathered intelligence on 1,983 cases of possible illegal activities, 103 cases of special investigations, and 66 cases of illicit or illegal activities and

referred them to the competent authorities (see Tables 2.01 & 2.02 and Graph 2.01).

(II) Preparing Special Reports for Reference

A. The Bureau produced special reports on the current social status, economic situation, irregular financial activities, new economic crime patterns, and conglomerate enterprises in financial or operating difficulties for the reference of government authorities to take preventive actions.

B. The Bureau compiled and printed the “2007 Compilation of Special Reports”, which is distributed to field offices in order to improve professional knowledge and investigative techniques of the agents.

(III) Discovering Problems and Taking Preemptive Measures

The Bureau took a proactive approach to investigate the financial and operating status of listed companies with excessively high ratios of stock pledges, suffering severe losses, or showing major financial irregularities, as well as financial institutions with excessively high ratios of non-performing loans. If they were found to be involved in economic crimes, the Bureau proceeded with evidence collection and investigation to uphold economic order.

(IV) Inspecting stocking piling of goods, and stabilizing prices of commodities

Since fluctuations in consumer prices would lead to public panic and endanger the order in market trading, the Bureau continued special task of “strengthening investigations of cases of stocking piling goods, manipulation of prices, and monopolization”, and supervised the field offices to make full efforts on investigating cases of price manipulation. In 2008, the Bureau gathered intelligence on 255 cases of petroleum and manure stocking piling, and referred 58 cases to Prosecutors Office. Our investigation contributed to stabilize the prices of commodities in Taiwan and maintaining order for society.

(V) Notifying Competent Authorities for Administrative Actions

- A. On June 3, 2008, the field office in Fujian Province cooperated with the Construction Bureau of the Kinmen County Government and the China Petroleum Corp. to investigate a case of petroleum stocking piling by Hou X Gas Station, an affiliated company of Hsiu X Co., and seized 1,000 liters of diesel oil. The Construction Bureau of Kinmen County Government imposed a fine of \$1,286,200 on October 22, 2008 in accordance with relevant laws and decrees.
- B. From October to November 2007, Kai X Co. in Taichung City sold “Vision-improving Lutein Capsule” and “Super

Table 2.01 Statistics of Economic Crime Prevention Efforts in 2008

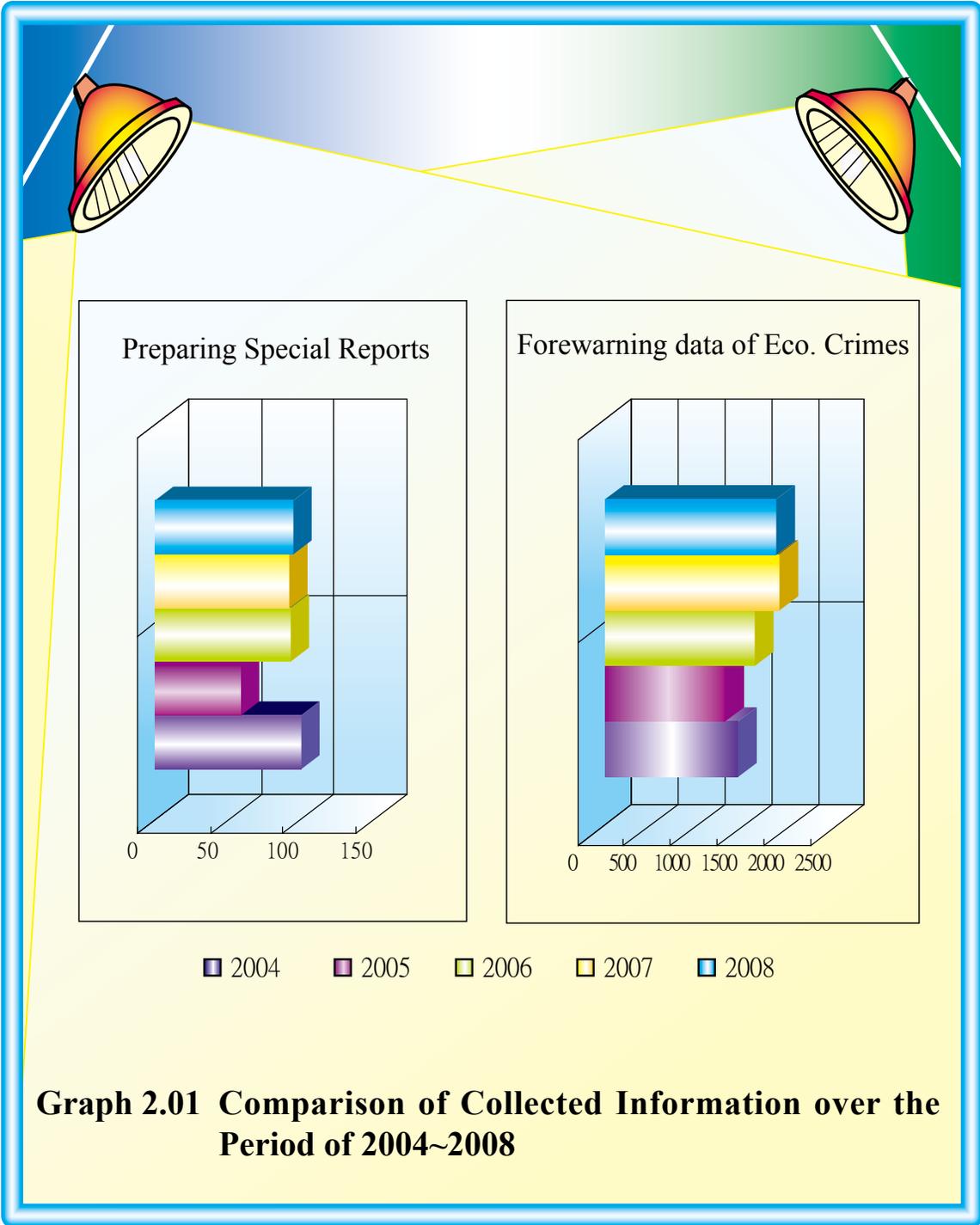
Unit: Case

Item Month	Collected Data				Administrative Correction on Irregular Activities	Symposium on the Prevention of Economic Crime (No. of times held)
	Forewarning Data of Economic Crimes			Preparing Special Reports		
	Collected & Reported	Adopted	Percent			
Total	1,983	1,807	91.12%	103	66	2
Jan.	97	92	94.85%	6	5	0
Feb.	183	158	86.34%	6	4	0
Mar	200	190	95.00%	5	4	0
Apr.	179	142	79.33%	12	8	0
May	136	120	88.24%	12	8	0
Jun.	253	231	91.30%	1	9	1
Jul.	137	124	90.51%	2	7	0
Aug.	134	125	93.28%	2	4	0
Sep.	191	177	92.67%	4	4	0
Oct.	165	153	92.73%	8	2	0
Nov.	107	97	90.65%	38	4	1
Dec.	201	198	98.51%	7	7	0

Table 2.02 Statistics of Economic Crime Prevention Efforts over the Period of 2004 ~ 2008

Unit: Case

Item Year	Data Collected		Administrative Efforts Made to Correct Irregular Activities	Symposiums on the Prevention of Economic Crimes (No. of times held)
	Forewarning Data of Economic Crimes	Preparing Special Reports		
Total	8,669	477	312	10
2004	1,539	109	51	2
2005	1,392	64	50	2
2006	1,734	101	82	2
2007	2,021	100	63	2
2008	1,983	103	66	2



Graph 2.01 Comparison of Collected Information over the Period of 2004~2008

Vision” products on a cable channel of Tung X TV. The advertisements claimed that, “According to the report of CNN, this product saves the vision of over 10 million people each year,” and “Lutein can improve cataracts and the symptoms of age-related macular degeneration (AMD),” which were over exaggerated claims that could lead to misunderstandings by the public. Thereby, the company violated Paragraph 1 of Article 19 of the Food Sanitation Control Law. The case was referred to the Public Health Bureau of Taichung County, and the Bureau imposed a fine of \$60,000 on January 22, 2008.

C. Cheng X operated an underground petroleum business, when petroleum prices were increasing; he stock piled petroleum in the Hsiaokang District of Kaohsiung City, and then sold the petroleum to fishing boats. The Kaohsiung City Field Office cooperated with the Construction Office of Kaohsiung County Government, Kaohsiung County Government Police Bureau, and China Petroleum Corp. to seize 17,300 liters of diesel oil, three oil tanks, gas guns, gas motors, pipes, and flow meters. Kaohsiung City Government imposed a fine of \$3 million on August 26, 2008, and all seized goods were forfeited.

(VI) Holding Symposiums and Collaboration on Economic Crime Prevention

Based on issues discovered during economic crime case investigation this year, academic experts, legal professionals, and representatives of competent authorities were invited to the “Symposium on Economic Crime Prevention”, which was held twice. The opinions offered in the symposium are provided to related organizations for reference, and were referred to by the MJIB in investigation of similar cases.

A. Symposium on “Investigation and Prevention of Economic Crimes Derived from Mergers”

The symposium was held at the Chunghua Building of the Bureau on June 6, 2008. Participants included Nai-Ping Yin (Professor, Department of Finance, National Chengchi University), Qing-Jiao Chen (Judge, The Supreme Court), Chi-Rong Chou (Prosecutor, Taiwan High Public Prosecutors Office Office), Kung-Wha Ding (Chairman, Securities and Futures Institute), Chi-Hsian Li (Deputy Chief, Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan), Ching-Yuan Gao (Deputy Chief, Department of Commerce, Ministry of Economic Affairs), Feng-Fu Chen (Attorney, Da Tung Attorneys at Law), and Wan-Yuan You (Chief of Risk Control, KPMG Taiwan).

Background:

In order to facilitate domestic corporation's executions of organizational reengineering, accelerating transformations, reducing costs, enhancing operational efficiencies, and increasing global competitiveness, the Ministry of Economic Affairs announced the Merger and Acquisition Act in February 2002. The government also promoted the "Second Financial Reform" since 2004, and loosened relevant restrictions on financial systems to expedite the privatization of government-owned stocks and expand the scale of domestic financial institutions for internationalization, in which the number of financial holding corporations was reduced to 7 or 8 in order to meet the economic scale of the market. The reduced interest rates in the financing market stimulated the merger of financial and technological industries, increased foreign ventures' interest in mergers, which further induced the merger of large corporations in Taiwan. Although the practices of the Merger and Acquisition Act enhances the development of domestic industries, attracts foreign investments, gains support from both domestic and foreign corporations, and improves domestic corporations' global competitiveness, the current merger system, and its governing regulations, are not yet complete. As a result, some companies, or their management, exploited opportunities of mergers to commit crimes, such as stripping out assets, exchanging interests, conducting insider trading, or manipulating stock prices. This type of criminal case causes great

concern. This seminar discussed the causes and types of crimes, problems faced by law enforcement, and weaknesses of current laws and decrees to draft new prevention methods in order to prevent the occurrence of this new rise of economic crimes. It is hoped that the merger system can become more concrete and well-organized to protect the order of securities and financial markets, and guarantee investors' rights.

Consensus reached:

- (a) Since it is difficult to collect evidences of serious economic crimes, and the penalties of such crimes are usually severe, and therefore, require more evidential rules, the investigation of these crimes should be addressed through three aspects: investigation of criminal cases, civil action, and administrative settlement, in order to prevent the occurrences of these crimes.
- (b) The governmental authorities should establish an assessment system on intangible assets, which enterprises could follow as criteria for evaluation during the processes of mergers. The assessors must be independent professionals, and there should be regulations that govern these assessors.
- (c) The amount of illegal profits to be gained from economic crimes during a merger are a serious enticement, thus, law enforcers and relevant authorities should freeze the property of suspects, upon initiating an investigation, in order to avoid the suspects divesting themselves of their properties,

and thus, reduce their economic crimes.

- (d) To strengthen the operations of enterprises and set mandates to establish independent directors or auditing committees, SOP for disclosure of information should be established within enterprises, and involved parties should not buy or sell stocks before full disclosure of information.
- (e) Governmental authorities and related agencies (e.g. Stock Exchange, Securities Market, and Securities & Futures Protection Center) should strengthen their ability to gather intelligence from the news, reports or abnormal information regarding stock prices; investigate whether there are illegal activities involved in mergers, and exchange information on merger cases with prosecutorial agencies to quickly determine illegal incidences, and prevent the occurrence of maladministration.
- (f) The Securities and Futures Information Center should educate company owners, directors, supervisors, management, financial, and accounting personnel regarding the consequences of economic crimes.
- (g) The Ministry of Economic Affairs should establish an evaluation committee responsible for evaluating cases of large mergers. The merger of corporations involving sensitive issues of national security should be evaluated by the committee to determine whether the merger can be enforced. The prosecutorial and investigation agencies may also investigate these merger cases.

B. Symposium on “Strengthening the Investigations of Illegal Incomes”

The symposium was held at Chunghua Building of the Bureau on November 27, 2008. Participants included Nai-Ping Yin (Professor, Department of Finance, National Chengchi University), Qing-Jiao Chen (Chief, Criminal Court, Taiwan High Court), Fu-Hsing Wu (President, Securities and Futures Investors Protection Center), Jie-Ching Li (Associate Professor, National Taipei University of Technology), Chi-Hong Chiou (Prosecutor, Department of Prosecutorial Affairs), Guo-Chu Ma (CEO, KPMG Taiwan), Heng-Yi Wang (Supervisor, Banking Section, Financial Supervisory Commission, Executive Yuan), and Tian-Yun Wu (Agent, MJIB Money Laundering Prevention Division).

Background:

This symposium was organized in response to the fact that some criminals enjoy their illegal income or property upon fleeing the country or being released from jail. For example, Tzeng X, the President of the Kuang X group, fled from Taiwan after a guilty verdict for his crimes, and continues to live a luxurious life with his wife. Yang X, the offender in the Guo X Securities Corp. case, chose to serve a 6 months jail sentence to compensate for a fine of \$3 billion, and continued to trade in stocks while incarcerated. Therefore, investigation units must identify and detain illegal incomes, properties, and other gains from criminal activities at the beginning of the investigation,

in order to deprive these criminals of their profits; in addition, it is also a very effective tool for fighting criminals. Meanwhile, aggressively tracing the origins of illegal incomes, and then destroying these sources, are global concerns and important focus areas for policy makers. However, that there are many problems to be solved in the enforcement of illegal income investigation. This symposium discussed the current international trend of economic crimes, and the current legal methods to detain illegal income. In addition, aspects, such as techniques to detain illegal income of different crimes, hiding of illegal income at home or abroad, problems faced by investigation units, educational training, laws and regulations, investigative skills, international juridical cooperation, recovery of illegal incomes from abroad, and establishment of preventive measures, were also discussed, in order to effectively fight against major economic crimes and protect the rights of the victims.

Consensus reached:

- (a) Although the laws governing the search and seizure of illegal income are incomplete in Taiwan, there are still many laws and decrees, such as the Criminal Code, Criminal Procedure Law, and the Money Laundering Control Act, which can govern forfeitures, searches, and impounding of illegal incomes. The enforcement of these laws relies on the manner in which these laws are put into practice.
- (b) At present, the amount of illegal incomes

from criminal activities is growing larger, and criminals have adopted many different methods to hide or disguise their crimes, including crimes that span across countries, in order to avoid investigation. Therefore, agents and prosecutors must continue to improve and increase their detection and seizure skills, and establish active channels of international cooperation.

- (c) In the past, agents have tended to ignore tracing and seizing illegal incomes, thus, the amount of detained illegal income is significantly lower than the actual amount, and such practices raise the doubts of the public. Therefore, the juridical and investigative agencies must rethink their procedures for seizing illegal incomes; in addition, they must enhance their methods of detection, in both thoughts and skills through training and education.
- (d) It is necessary to establish a specific authority to assist prosecutors and agents handling the impoundment, forfeiture, and redistribution of illegal incomes.
- (e) It is suggested to amend the current laws to expand the scope of judgment by default, in order to separate the handling of “forfeiture” from the trials of “defendants”. It is also advised to establish redistribution rules for forfeited illegal incomes.

III. Criminal investigations

The Bureau conducted investigations of 2905 cases in 2008 (458 cases were carried on from 2007 and 2,447 cases were new). By the end of 2008, 2,389 cases were concluded, accounting for 82.24% of the total; 516 cases or 17.76% remained open. Among the closed cases, 1,079 or 37.14% (including tax evasion cases) were referred (please see Table 2.03). There were 715 cases in the nature of economic crime that involved 3,189 suspects and \$145,163,735,569 in dollar amount; the other 153 cases concerned general crimes involving 313 suspects and \$1,297,646,433; in dollar amount; there were 211 tax evasion cases, with fines \$1,381,847,733 in dollar amount (see Tables 2.04, 2.05, 2.06, 2.08 & Graphs 2.03, 2.04).

(I) Economic crimes

In 2008, 715 cases were referred to the public prosecutors offices, a reduction of 10.18% as compared to 796 cases in 2007; consisting of 3,189 suspects, a reduction of 16.63% as compared to 3,825 suspects in 2007; the monetary loss was \$145,163,735,569, a reduction of 47.12% as compared to \$274,523,691,287 in 2007. According to nature of the criminal offenses, the cases referred to the public prosecutors offices are broken down as follows: (see Tables 2.04, 2.05, and 2.07, and Graph 2.02)

- Fraud: 262 cases or 36.64%, with 1,159 suspects or 36.34%.
- Misappropriation/embezzlement: 51 cases or 7.13%, with 101 suspects or 3.17%.
- Breach of trust: 28 cases or 3.92%, with 124 suspects or 3.89%.
- Usury: 7 cases or 0.98%, with 13 suspects or 0.41%.
- Smuggling: 27 cases or 3.78%, with 31 suspects or 0.97%.
- Violation of Tax Collection Act: 72 cases or 10.07%, with 988 suspects or 30.98%.
- Counterfeit or alternation of currency or negotiable securities: 7 cases or 0.98% with 12 suspects or 0.38%.
- Violation of the Tobacco and Alcohol Administration Act: 7 cases or 0.98%, with 8 suspects or 0.25%.
- Violation of the Banking Act: 58 cases or 8.11%, with 201 suspects or 6.30%.
- Intellectual property right infringement: 79 cases or 11.05%, with 125 suspects or 3.92%.
- Violation of the Securities and Exchange Act: 69 cases or 9.65%, with 295 suspects or 9.25%.
- Violation of the Fair Trade Act: 3 cases or 0.42%, with 9 suspects or 0.28%.
- Violation of the Futures Trading Law: 15 cases or 2.10%, with 57 suspects or 1.79%.
- Violation of the Insurance Act: 2 cases or 0.28%, with 5 suspects or 0.16%.
- The number of other economic crime cases was 28, including 1 case of violation of the Wildlife Conservation Law, 8 cases of violations of Company Act, 4 cases of computer crimes, and 15 other cases or 3.92%, with 61 suspects or 1.91%.

Table 2.03 Comparison of Cases Investigated and Investigations Concluded in 2008

Unit: Case

Item	Total Number of Cases Investigated (1)= (2) + (3)		Number of Cases Closed (2)			No. of Cases Still under Investigation by year-end 2008 (3)
	No. of Cases not Closed in 2007	No. of Cases Handled in 2008	No. of Cases Referred to Prosecutor's Office or Administering Authorities for Investigation	No. of Cases Investigated but No Evidence of Crime Found	Others*	
No. of Cases	458	2,447	1,079	917	393	516
Total	2,905		2,389			
Percent	15.77%	84.23%	37.14%	31.57%	13.53%	17.76%
	100%		82.24%			

* Others include cases of apprehending and extraditing fugitives abroad, and of those referred to administering authorities.

Table 2.04 Statistics of Economic and General Crime Cases Referred to Public Prosecutors Office in 2007 and 2008

Type of Offenses		Year		2008			2007		
		No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	No. of Suspects	Amount Involved (NT\$)		
I. Economic Crimes	Total	715	3,189	145,163,735,569	796	3,825	274,523,691,287		
	Fraud	Subtotal	262	1,159	21,268,979,441	273	1,206	21,377,134,831	
		Fraudulent loan	21	225	1,935,747,822	22	104	1,876,984,833	
		Fraud in international trade	1	2	2,163,150	3	5	395,359,146	
		Fraudulent insolvency	5	10	264,224,171	7	12	662,961,373	
		Fraudulent closure of private loan association	9	11	275,807,000	6	6	103,999,900	
		Fraudulent real estate transaction	6	18	211,266,300	8	33	462,300,115	
		Fraudulent negotiable instrument	10	115	696,085,616	9	213	494,659,761	
		Fraudulent investment	19	65	1,607,630,686	17	36	2,959,688,125	
		Credit card fraud	1	1	50,626,978	0	0	0	
		Advertisement fraud	0	0	0	2	5	2,317,500	
		Fraudulent tax refund	2	4	4,243,963	0	0	0	
		Insurance fraud	4	51	11,606,325,663	24	90	65,470,107	
		Cyber fraud	3	7	863,585	5	6	281,592	
		Hospitalization fraud	17	138	162,807,780	22	77	242,572,181	
		New type of group fraud	89	262	1,242,879,652	55	274	554,052,510	
		Others	75	250	3,208,307,075	93	345	13,556,487,688	
		Embezzlement	Subtotal	51	101	1,881,047,753	76	153	5,331,298,500
			General embezzlement	10	17	186,439,012	11	31	285,366,870
			Embezzlement by public employees	5	10	63,524,222	4	7	6,571,904
			Embezzlement by employees of private enterprise	36	74	1,631,084,519	61	115	5,039,359,726
		Breach of trust	28	124	9,266,641,185	43	266	44,539,784,379	
		Usury	7	13	79,201,213	18	66	495,411,040	
		Smuggling	27	31	28,657,542	22	33	233,831,112	
		Violation of Tax Collection Act	72	988	41,707,894,987	91	1,343	47,796,231,146	
		Counterfeit	Subtotal	7	12	970,133,661	3	8	2,658,630
			Counterfeit of national currency	1	5	16,800	0	0	0
		Alternation of securities	6	7	970,116,861	3	8	2,658,630	
	Violation of Tobacco and Alcohol Administration Act	7	8	4,152,003	1	1	25,435		
	Violation of Banking Act	Subtotal	58	201	32,565,493,750	48	151	64,729,832,331	
		Illegal absorption of funds	6	41	5,321,561,344	11	29	23,804,140,608	
		Unauthorized operation of remittance & acceptance and others	52	160	27,243,932,406	37	122	40,925,691,723	

Table 2.04 (cont.)

Infringement of Intellectual Property Rights	Subtotal	79	125	3,118,669,322	116	160	13,328,078,029
	Infringement of Trademark Act	60	89	337,033,845	86	118	341,123,117
	Violation of Copyright Act	19	36	2,781,635,477	30	42	12,986,954,912
	Others	0	0	0	0	0	0
Violation of Securities & Exchange Act		69	295	27,063,396,409	67	344	76,178,028,396
Violation of Fair Trade Act		3	9	43,969,600	0	0	0
Violation of Futures Trading Law		15	57	2,868,701,730	18	64	258,387,947
Violation of Insurance Law		2	5	341,250,000	3	8	106,602,011
Other offenses undermining economic order	Subtotal	28	61	3,955,546,973	17	22	146,387,500
	Violation of Wildlife Conservation Law	1	1	0	1	1	0
	Violation of Company Law	8	16	0	2	3	10,000,000
	Cyber crimes and computer hacking	4	5	0	6	7	0
	Others	15	39	3,955,546,973	8	11	136,387,500
II. General Crimes		153	313	1,297,646,433	155	290	155,048,212
Forgery of document		41	110	373,196,242	69	111	66,963,491
Other general crimes		112	203	924,450,191	86	179	88,084,721
III. Tax Evasion		211	0	1,381,847,733	447	0	798,704,840
IV. Tracking and apprehension of fugitives abroad		7	7	0	10	10	0
Tracking and apprehension		4	4	0	7	7	0
Fugitives surrendered through persuasion		3	3	0	3	3	0
Apprehension through joint efforts		0	0	0	0	0	0
V. International cooperation		0	0	0	0	0	0
Investigation of transnational crimes		0	0	0	0	0	0
Execution of the Agreement on Criminal Justice Cooperation		0	0	0	0	0	0
Total		1,086	3,509	147,843,229,735	1,408	4,125	275,477,444,339

Note: The Bureau has been designated to the investigations of offenses related to crimes committed by computer use, stipulated in Article 358 to Article 362 of Criminal Law to business of the computer Information Office, since January 25, 2004. Investigation of computer crimes has proceeded, for statistics by the Office, since January 1, 2006. Cases of computer crimes, originally included in tables and graphs, were distributed to different categories of crimes for statistics due to retentiveness with offenses stipulated in other acts. Therefore, the number of computer crime cases, in 2006, was listed as zero. Since 2007, cases and suspects investigated by the Office have been included in the comprehensive statistics of the Bureau based on business demand.

Table 2.05 Comparison of Economic and General Crime Cases Investigated in 2007 and 2008

Year Type of Offense	2008				2007				Percent change	
	No. of Cases	No. of Suspects	Case Distribution*	Suspect Distribution*	No. of Cases	No. of Suspects	Case Distribution*	Suspect Distribution*	No. of Offenses (2008-2007)/2007	No. of Suspects (2008-2007)/2007
I. Economic Crimes	715	3,189	100.00%	100.00%	796	3,825	100.00%	100.00%	-10.18%	-16.63%
Fraud	262	1,159	36.64%	36.34%	273	1,206	34.30%	31.53%	-4.03%	-3.90%
Embezzlement	51	101	7.13%	3.17%	76	153	9.55%	4.00%	-32.89%	-33.99%
Breach of trust	28	124	3.92%	3.89%	43	266	5.40%	6.95%	-34.88%	-53.38%
Usury	7	13	0.98%	0.41%	18	66	2.26%	1.73%	-61.11%	-80.30%
Smuggling	27	31	3.78%	0.97%	22	33	2.76%	0.86%	22.73%	-6.06%
Violation of Tax Collection Act	72	988	10.07%	30.98%	91	1,343	11.43%	35.11%	-20.88%	-26.43%
Counterfeit/alteration of National Currency and Securities	7	12	0.98%	0.38%	3	8	0.38%	0.21%	133.33%	50.00%
Violation of Tobacco and Alcohol Administration Act	7	8	0.98%	0.25%	1	1	0.13%	0.03%	600.00%	700.00%
Violation of Banking Act	58	201	8.11%	6.30%	48	151	6.03%	3.95%	20.83%	33.11%
Infringement of Intellectual Property Rights	79	125	11.05%	3.92%	116	160	14.57%	4.18%	-31.90%	-21.88%
Violation of Securities & Exchange Act	69	295	9.65%	9.25%	67	344	8.42%	8.99%	2.99%	-14.24%
Violation of Fair Trade Act	3	9	0.42%	0.28%	0	0	0.00%	0.00%	NA	NA
Violation of Futures Trading Law	15	57	2.10%	1.79%	18	64	2.26%	1.67%	-16.67%	-10.94%
Violation of Insurance Law	2	5	0.28%	0.16%	3	8	0.38%	0.21%	-33.33%	-37.50%
Other Offenses Undermining Economic Order	28	61	3.92%	1.91%	17	22	2.14%	0.58%	64.71%	177.27%
II. General Crimes	153	313	100.00%	100.00%	155	290	100.00%	100.00%	-1.29%	7.93%
Forgery of Documents	41	110	26.80%	35.14%	69	111	44.52%	38.28%	-40.58%	-0.90%
Other General Crimes	112	203	73.20%	64.86%	86	179	55.48%	61.72%	30.23%	13.41%
III. Tax Evasion	211	0	100.00%	NA	447	0	100.00%	NA	-52.80%	NA
IV. Tracking and Apprehension of Fugitives Abroad	7	7	100.00%	100.00%	10	10	100.00%	100.00%	-30.00%	-30.00%
Tracking	4	4	57.14%	57.14%	7	7	70.00%	70.00%	-42.86%	-42.86%
Persuasion	3	3	42.86%	42.86%	3	3	30.00%	30.00%	0.00%	0.00%
Joint Efforts	0	0	0.00%	0.00%	0	0	0.00%	0.00%	NA	NA
V. International cooperation	0	0	NA	NA	0	0	NA	NA	NA	NA
Investigation of transnational crimes	0	0	NA	NA	0	0	NA	NA	NA	NA
Execution of the Agreement on Criminal Justice Cooperation	0	0	NA	NA	0	0	NA	NA	NA	NA

*: The denominator is total number of cases

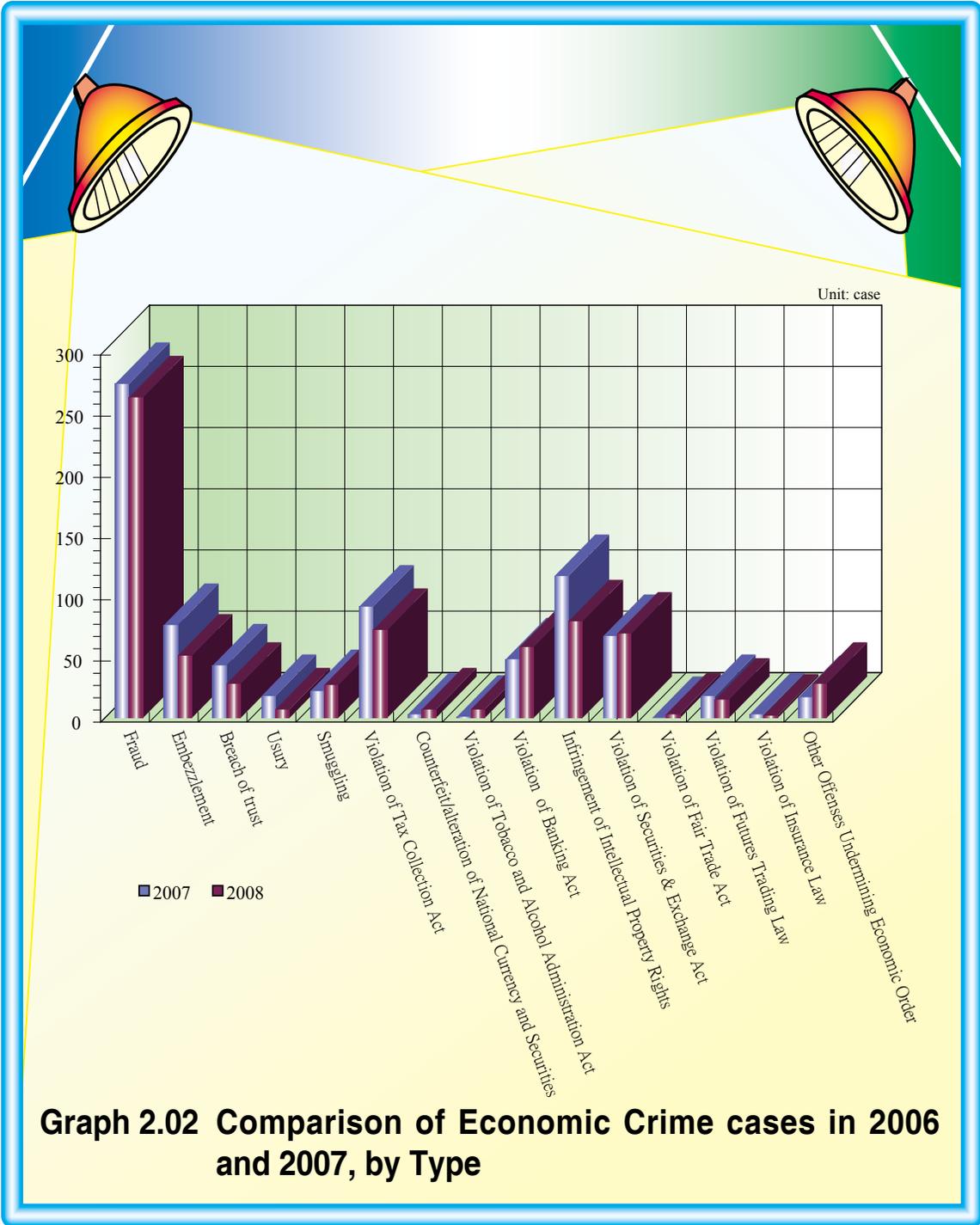


Table 2.06 Statistics of Cases and Suspects Referred to Public Prosecutors Office in 2008

Type of Cases Month	Total			Economic Crimes			General Crimes			Tax Evasion	
	No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	Penalty Imposed (NT\$)
Total	1,079	3,502	147,843,229,735	715	3,189	145,163,735,569	153	313	1,297,646,433	211	1,381,847,733
Jan.	98	275	9,355,377,940	44	235	9,128,702,918	18	40	140,842,000	36	85,833,022
Feb.	57	156	2,296,064,325	40	151	2,275,113,673	3	5	520,000	14	20,430,652
Mar	89	275	30,957,794,643	57	248	30,214,644,475	17	27	1,126,900	15	742,023,268
Apr.	79	151	8,475,649,796	54	128	8,454,479,534	10	23	16,041,305	15	5,128,957
May	82	301	14,038,620,161	60	248	13,941,316,544	15	53	91,802,687	7	5,500,930
Jun.	111	358	7,956,291,026	77	323	7,788,190,399	22	35	160,254,200	12	7,846,427
Jul.	88	279	9,362,922,824	64	242	8,937,633,026	15	37	200,000,000	9	225,289,798
Aug.	84	269	24,332,797,307	61	248	24,146,565,786	15	21	12,006,250	8	174,225,271
Sep.	74	227	4,957,981,041	63	223	4,954,312,003	4	4	0	7	3,669,038
Oct.	100	444	9,087,949,595	78	412	9,042,201,713	17	32	43,126,161	5	2,621,721
Nov.	66	329	11,680,054,919	54	303	11,678,136,791	9	26	890,000	3	1,028,128
Dec.	151	438	15,341,726,158	63	428	14,602,438,707	8	10	631,036,930	80	108,250,521

Note: Cases involving fugitives apprehended not included.

Table 2.07 Statistics of Economic Crime Cases Referred to Public Prosecutors Office in 2008, by Type of Crime

Type Month	No. of Cases	No. of Suspects	Fraud		Embezzlement		Breach of Trust		Usury	
			No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
Total	715	3,189	262	1,159	51	101	28	124	7	13
Jan.	44	235	16	82	0	0	2	8	0	0
Feb.	40	151	15	61	2	2	1	2	0	0
Mar.	57	248	21	52	3	4	2	15	1	0
Apr.	54	128	24	49	2	2	0	0	1	3
May	60	248	24	69	6	12	3	6	0	0
Jun.	77	323	29	152	3	5	4	13	1	2
Jul.	61	237	22	96	5	30	3	19	1	1
Aug.	61	248	21	71	6	13	4	32	0	0
Sep.	60	216	26	134	9	13	1	1	1	3
Oct.	78	412	24	145	7	8	4	15	1	2
Nov.	53	300	20	157	4	7	1	2	0	0
Dec.	70	443	20	91	4	5	3	11	1	1

Table 2.07 (cont.)

Type Month	Smuggling		Violation of Tax Collection Act		Counterfeit/ Alteration of National Currency and Securities		Violation of Tobacco and Alcohol Administration Act		Violation of Banking Act	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
Total	27	31	72	988	7	12	7	8	58	201
Jan.	0	0	7	89	0	0	0	0	3	19
Feb.	3	4	7	45	1	1	0	0	2	3
Mar	2	2	5	107	0	0	1	1	10	24
Apr.	4	4	2	12	0	0	0	0	4	20
May	3	3	6	110	1	1	0	0	6	11
Jun.	4	5	9	80	2	6	3	3	3	4
Jul.	2	3	6	45	1	1	0	0	2	3
Aug.	2	2	3	48	0	0	0	0	6	31
Sep.	0	0	7	33	0	0	0	0	1	1
Oct.	2	2	8	113	0	0	0	0	7	36
Nov.	2	3	5	61	1	2	1	1	9	31
Dec.	3	3	7	245	1	1	2	3	5	18

Table 2.07 (cont.)

Type Month	Infringement of Intellectual Property Rights		Violation of Securities & Exchange Act		Violation of Fair Trade Act		Violation of Futures Trading Law		Violation of Insurance Law	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
Total	79	125	69	295	3	9	15	57	2	5
Jan.	9	14	3	11	0	0	1	5	0	0
Feb.	5	7	2	5	0	0	1	18	0	0
Mar	6	5	5	36	0	0	0	0	0	0
Apr.	6	14	7	18	0	0	1	2	0	0
May	3	5	4	22	1	4	0	0	0	0
Jun.	7	12	9	37	0	0	0	0	1	2
Jul.	5	6	6	19	1	4	4	6	0	0
Aug.	5	7	9	28	0	0	1	1	1	3
Sep.	5	5	6	21	1	1	3	4	0	0
Oct.	10	16	12	66	0	0	1	3	0	0
Nov.	3	5	4	13	0	0	2	15	0	0
Dec.	15	29	2	19	0	0	1	3	0	0

Table 2.07 (cont.)

Month	Other Offenses Undermining Economic Order							
	Violation of Wildlife Conservation Law		Violation of Company Law		Cyber crimes and computer hacking		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
Total	1	1	8	16	4	5	15	39
Jan.	0	0	1	3	1	1	1	3
Feb.	0	0	0	0	0	0	1	3
Mar	0	0	0	0	0	0	1	1
Apr.	0	0	2	2	1	2	0	0
May	0	0	2	4	1	1	0	0
Jun.	1	1	0	0	0	0	1	1
Jul.	0	0	0	0	0	0	3	4
Aug.	0	0	0	0	1	1	2	11
Sep.	0	0	0	0	0	0	0	0
Oct.	0	0	0	0	0	0	2	6
Nov.	0	0	0	0	0	0	1	3
Dec.	0	0	3	7	0	0	3	7

Table 2.08 Statistics of Cases and Suspects Referred to Public Prosecutors Office over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²
2004	2,559	100.00%	18.91%	2,833	100.00%	-1.50%
2005	1,550	60.57%	-39.43%	2,636	93.05%	-6.95%
2006	1,347	52.64%	-13.10%	3,321	117.23%	25.99%
2007	1,398	54.63%	3.79%	4,115	145.25%	23.91%
2008	1,079	42.16%	-22.82%	3,502	123.61%	-14.90%

Table 2.08 (cont.)

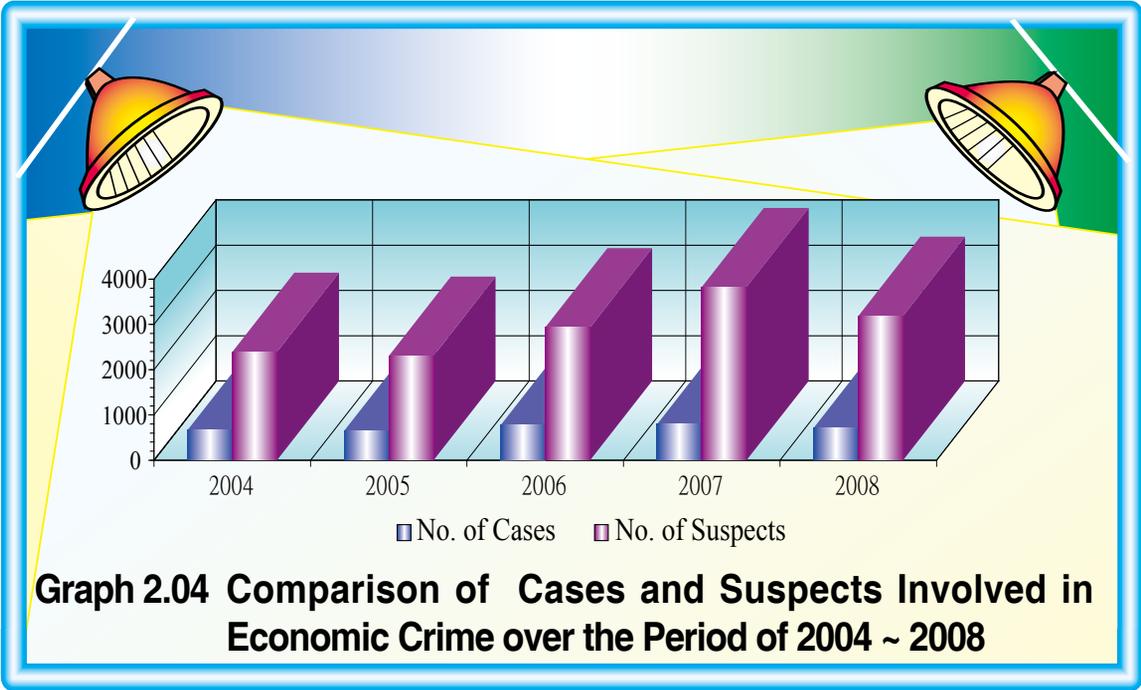
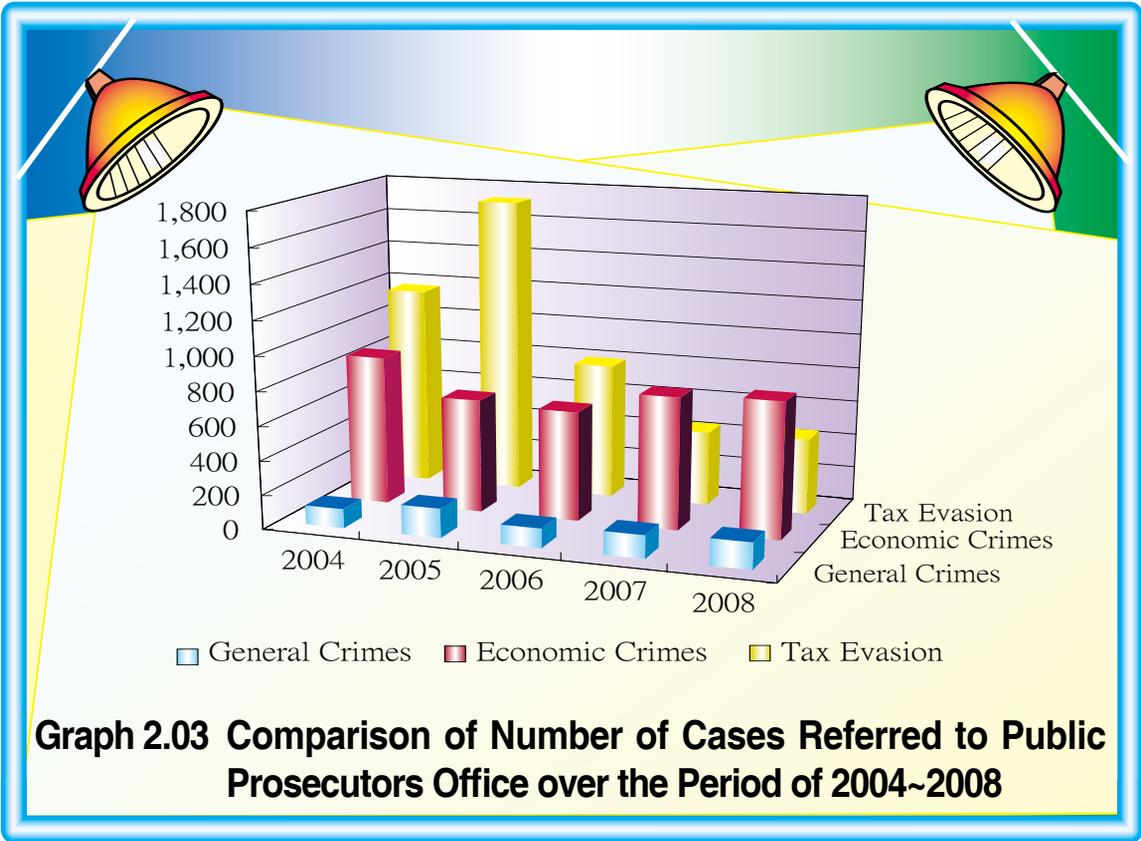
Item Year	Economic Crimes			General Crimes		
	No. of Cases	No. of Suspects	Amount Involved (NT\$1,000)	No. of Cases	No. of Suspects	Amount Involved (NT\$1,000)
2004	665	2,392	224,132,729	171	441	191,199
2005	643	2,306	200,716,368	115	330	655,539
2006	773	2,934	496,004,470	136	387	530,786
2007	796	3,825	274,523,691	155	290	155,048
2008	715	3,189	145,163,734	153	313	1,297,646

Table 2.08 (cont.)

Year	Item	Tax Evasion	
		No. of Cases	Penalty Imposed(NT\$1,000)
2004		1,723	5,720,151
2005		792	2,318,446
2006		438	1,782,482
2007		447	798,705
2008		211	1,381,847

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



Of the aforesaid referred cases, 305 involved more than \$100 million, which is less than 387 cases in 2007, and account for 42.66% of all cases, which is less than 48.62% in 2007. These statistics indicate that the rate of major economic crimes is reduced in 2008 (see Table 2.09).

A. Fraud

(a) Statistics:

There were 262 fraud cases referred in 2008, which was less than 273 cases in 2007, reduced by 4.03%, with 1,159 suspects, 3.90% less than 1,206 suspects in 2007. The dollar amount involved was \$21,268,978,441, which was 0.51% less than \$21,377,134,831 in 2007 (see Table 2.04, 2.05, and 2.10, and Graph 2.05).

The cases include:

- (1) Load fraud: 21 cases
- (2) Foreign trade fraud: 1 case
- (3) Fraudulent bankruptcy: 5 cases
- (4) Fraudulent closedown of private loan association: 9 cases
- (5) Real estate fraud: 6 cases
- (6) Fraud of negotiable instrument: 10 cases
- (7) Investment fraud: 19 cases
- (8) Credit card fraud: 1 case
- (9) Advertising fraud: 0 cases
- (10) Tax refund fraud: 2 cases
- (11) Insurance fraud: 4 cases
- (12) Cyber fraud: 3 cases
- (13) Hospitalization fraud: 17 cases
- (14) New-type group fraud: 89 cases

(15) Others: 75 cases (See Tables 2.04, 2.11, and Graph 2.06)

(b) Significant cases:

- (1) From January 2006 to January 2008, an illegal slaughtering gang, Wei A, Wu, Wei B, and Wei C, went separately to hog farms in Changhua County to purchase dead hogs (of various reason including disease), which they transported to their private illegal slaughter yard in the Fengchi Neighborhood of Tuku Township in Yunlin County, where they butchered, packaged, and distributed the meat to the wholesalers that had agreed to purchase substandard meats, including Chen, Mrs. Chang and her son, and Chen, who gained nearly \$100 million in illegal profits. Upon investigation, 80 dead hogs, 1 dead cattle, and butchered, frozen meat parts totaled nearly 2 tons. The case was referred to Yunlin District Prosecutors Office on March 10, 2008.
- (2) Guo, Chen, Li, and Lu knew well that, providing account names or telephone numbers to others would help provide fraudulent criminal syndicates cover for major crimes; and they knowingly provided the account names or telephone numbers to these people. After these syndicates gained access to

Table 2.09 Comparison of Amount of Money Involved in Economic Crimes in 2007 and 2008

Amount Involved	2008				2007			
	No. of Cases		Percent Distribution		No. of Cases		Percent Distribution	
Total	715		100.00%		796		100.00%	
Less than \$100,000	142		19.86%		144		18.09%	
\$100,000-\$1,999,999	166		23.22%		140		17.59%	
\$2,000,000-\$4,999,999	55		7.69%		75		9.42%	
\$5,000,000-\$9,999,999	47		6.57%		50		6.28%	
\$10,000,000-\$49,999,999	305	124	42.66%	17.34%	387	142	48.62%	17.84%
\$50,000,000-\$99,999,999		45		6.29%		68		8.54%
\$100,000,000 or over		136		19.02%		177		22.24%

Note: Figures listed here do not include tax evasion cases

Table 2.10 Statistics of Fraud Cases over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
2004	163	100.00%	-25.57%	562	100.00%	-17.60%	16,299,947	-57.49%
2005	164	100.61%	0.61%	580	103.20%	3.20%	16,201,199	-0.61%
2006	215	131.10%	31.10%	712	122.76%	22.76%	16,927,951	4.49%
2007	273	126.98%	26.98%	1,206	169.38%	69.38%	21,377,135	26.28%
2008	262	95.97%	-4.03%	1,159	96.10%	-3.90%	21,268,978	-0.51%

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%

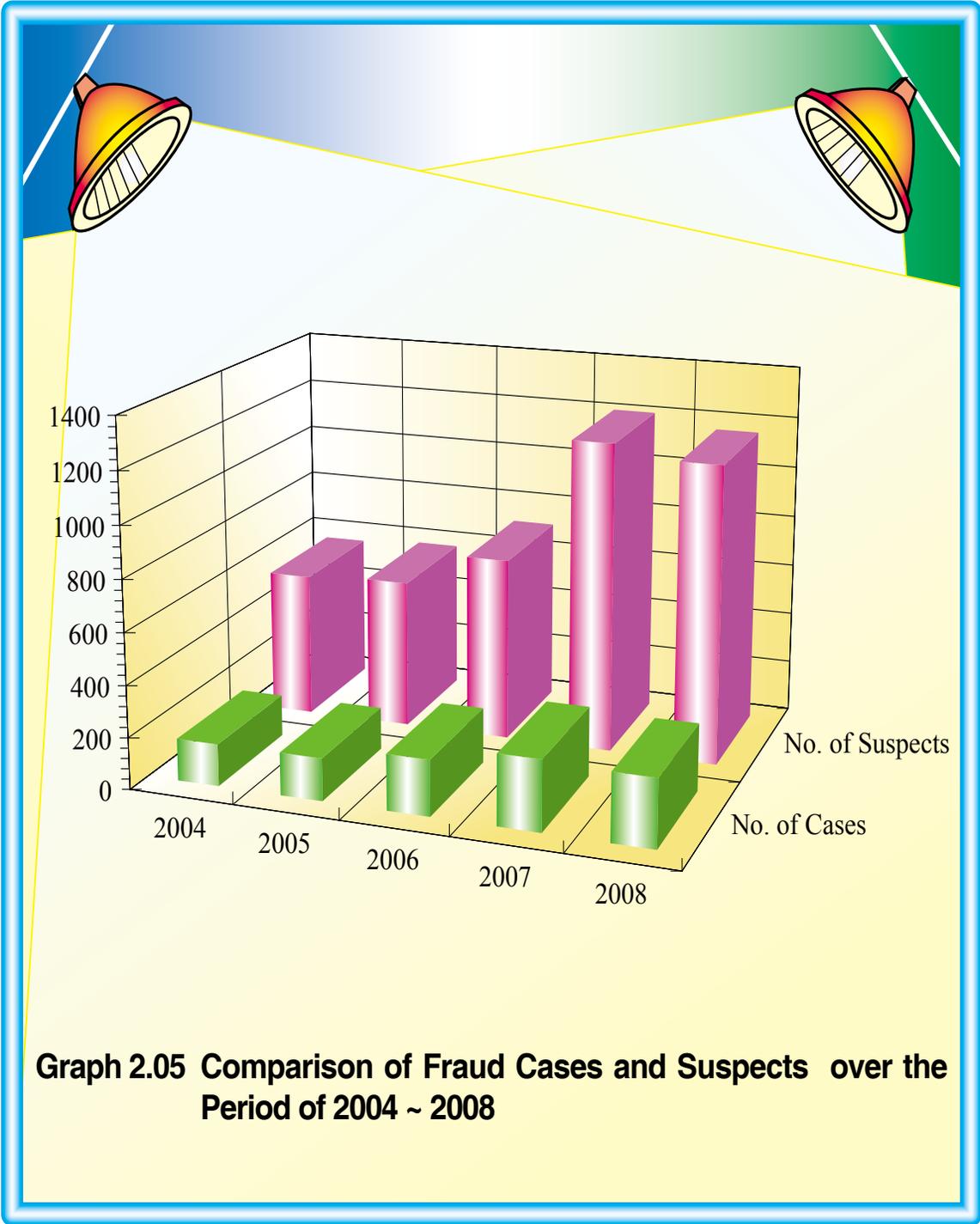


Table 2.11 Statistics of Fraud Cases over the Period of 2004 ~ 2008, by Type

Item Year	Total No. of Cases	Fraudulent loan	Percent Distribution	Percent Change	Fraud in international trade	Percent Distribution	Percent Change	Fraudulent insolvency	Percent Distribution	Percent Change	Fraudulent closure of private loan association	Percent Distribution	Percent Change
2005	164	14	8.54%	-60.00%	3	1.83%	NA	1	0.61%	-90.00%	6	3.66%	100.00%
2006	215	13	6.05%	-7.14%	2	0.93%	-33.33%	5	2.33%	400.00%	7	3.26%	16.67%
2007	273	22	8.06%	69.23%	3	1.10%	50.00%	7	2.56%	40.00%	6	2.20%	-14.29%
2008	262	21	8.02%	-4.55%	1	0.38%	-66.67%	5	1.91%	-28.57%	9	3.44%	50.00%

Notes: Percent Change = [(Current year- previous year)/Previous year]x100%

Table 2.11 (cont.)

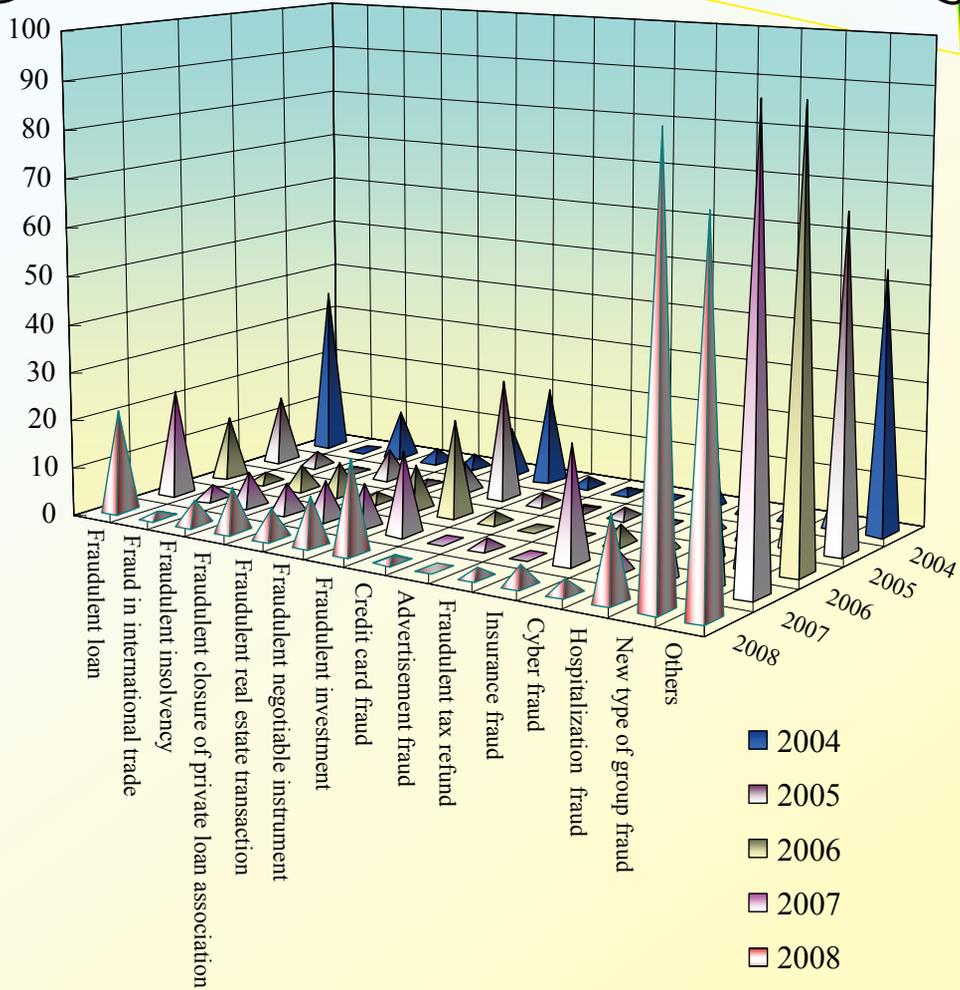
Item Year	Fraudulent real estate transaction	Percent Distribution	Percent Change	Fraudulent negotiable instrument	Percent Distribution	Percent Change	Fraudulent investment	Percent Distribution	Percent Change	Credit card fraud	Percent Distribution	Percent Change
2005	1	0.61%	-66.67%	6	3.66%	-40.00%	25	15.24%	25.00%	2	1.22%	0.00%
2006	2	0.93%	100.00%	9	4.19%	50.00%	20	9.30%	-20.00%	2	0.93%	0.00%
2007	8	2.93%	300.00%	9	3.30%	0.00%	17	6.23%	-15.00%	0	0.00%	NA
2008	6	2.29%	-25.00%	10	3.82%	11.11%	19	7.25%	11.76%	1	0.38%	NA

Table 2.11 (cont.)

Item Year	Advertisement fraud			Fraudulent tax refund			Insurance fraud			Cyber fraud		
		Percent Distribution	Percent Change		Percent Distribution	Percent Change		Percent Distribution	Percent Change		Percent Distribution	Percent Change
2004	1	0.61%	NA	0	0.00%	NA	7	4.29%	250.00%	4	2.45%	NA
2005	1	0.61%	0.00%	2	1.22%	NA	1	0.61%	-85.71%	4	2.44%	0.00%
2006	0	0.00%	NA	0	0.00%	NA	4	1.86%	300.00%	4	1.86%	0.00%
2007	2	0.73%	NA	0	0.00%	NA	24	8.79%	500.00%	5	1.83%	25.00%
2008	0	0.00%	NA	2	0.76%	NA	4	1.53%	-83.33%	3	1.15%	-40.00%

Table 2.11 (cont.)

Item Year	Hospitalization fraud			New type of group fraud			Others		
		Percent Distribution	Percent Change		Percent Distribution	Percent Change		Percent Distribution	Percent Change
2004	4	2.45%	NA	10	6.13%	NA	54	33.13%	-53.04%
2005	9	5.49%	125.00%	21	12.80%	110.00%	68	41.46%	25.93%
2006	25	11.63%	177.78%	31	14.42%	47.62%	91	42.33%	33.82%
2007	22	8.06%	-12.00%	55	20.15%	77.42%	93	34.07%	2.20%
2008	17	6.49%	-22.73%	89	33.97%	61.82%	75	28.63%	-19.35%



Graph 2.06 Comparison of Fraud Cases over the Period of 2004 ~ 2008, by Type

the above mentioned accounts and telephone numbers, they first posed as employees from the household registration agency or telephone company, and falsely claimed that the ID (identification cards) of citizen Lai, Hsia-Cheng et al. had been stolen and illegally used, following this, they then pretended to the police and prosecutors; involving fraud, money laundering, capital being frozen, and the transfer of savings into designated accounts, disguised as a method to prevent the account from being frozen as reasons, the syndicate caused Lai Hsia-Cheng et al. to mistakenly withdraw and deposit into accounts under the names of Guo and Su, used by the fraudulent crime syndicates. A total of \$2,475,000 was taken by the syndicate. The case was referred to Kaohsiung District Prosecutors Office on March 5, 2008.

- (3) Lin A, the President of Huan X Technology Inc. and Lin B, the company CFO, between January 2003 and October 2005, issued and received false invoices from Tian X Co., Shi X Co., Jin X Co., Chuan X Co., Taiwan Chao X Co., Chi X Co., Ching X Co., Tian X Co., and Chian X Co., these income invoices, totaling \$935,799,518, and false sales invoices, totaling \$955,271,215 ,
- were used to gain \$410,069,991 in fraudulent loans from 11 banks, including the Tai Shin Bank. The case was referred to Taipei District Prosecutors Office on January 4, 2008.
- (4) Wu, the President of Yung X Insurance Agency Co.; Huang, the Vice President and Sales Manager, Hong, Lin, Luo, and Li of the said company, recruited Chang, and other sales personnel, between November 2003 and January 2007, by using scams, such as favorable savings options with insurance packages, and promoted life insurance from Global Life, Aegon Life Insurance, and Hon Tai Insurance to non-specific targets, which caused Hsieh et al. to join a false insurance scam, and gained illegal profits of 11,348.8 million . The case was referred to Shilin District Prosecutors Office on August 14, 2008.
- (5) Brothers Chang A and Chang B, knowing well that, the Swisscash fund was not authorized by the governing agencies for domestic offerings and sales, however, in spite of the knowledge, in August 2006, they recruited Huang and Gao as accomplices and began to utilize web sites, which were established outside of the country (<http://www.swisscash.net>; later changed to <http://www.swissmaxif.net>), and used to

advertise false promotions, using multi-layered sales tactics to attract the public to purchase their fund. In addition, false advertisements that promised a 15 months investment in their fund could potentially receive 300% profit, thus, Chang A and Chang B duped victims into participating. The amount of fraud reached \$734,897,808. The case was referred to Taipei District Prosecutors Office on September 9, 2008.

- (6) Liu, the sales representative of Da X Securities, Hsindien Office, on March 2001, in order to raise funds for security transactions, posed as a dealer and told Li et al that he needed funds to reprocess incorrectly processed accounts within the company, and provided all the cheques as collateral, which caused Li et al. to pay a total of \$510.19 million in separate payments. Then, when the loan became due, Liu provided the checks received as collateral, and learned he had been scammed. The case was referred to Taipei District Prosecutors Office on November 24, 2008.

B. Embezzlement

(a) Statistics:

There were of 51 cases of embezzlement referred in 2008, which was 32.89% less than 76 cases in 2007,

with 101 suspects, which was 33.99% less than 153 suspects in 2007, with a monetary loss of \$1,881,047,753, which was 64.72% less than \$5,331,298,500 in 2007 (see Tables 2.04, 2.05, and 2.12, and Graphs 2.07 and 2.08).

The cases include:

- (1) General embezzlement: 10 cases
 - (2) Embezzlement involving public interest: 5 cases
 - (3) Embezzlement by employees of private business: 36 cases
- (See Tables 2.04, 2.12, and Graph 2.08)

(b) Significant cases:

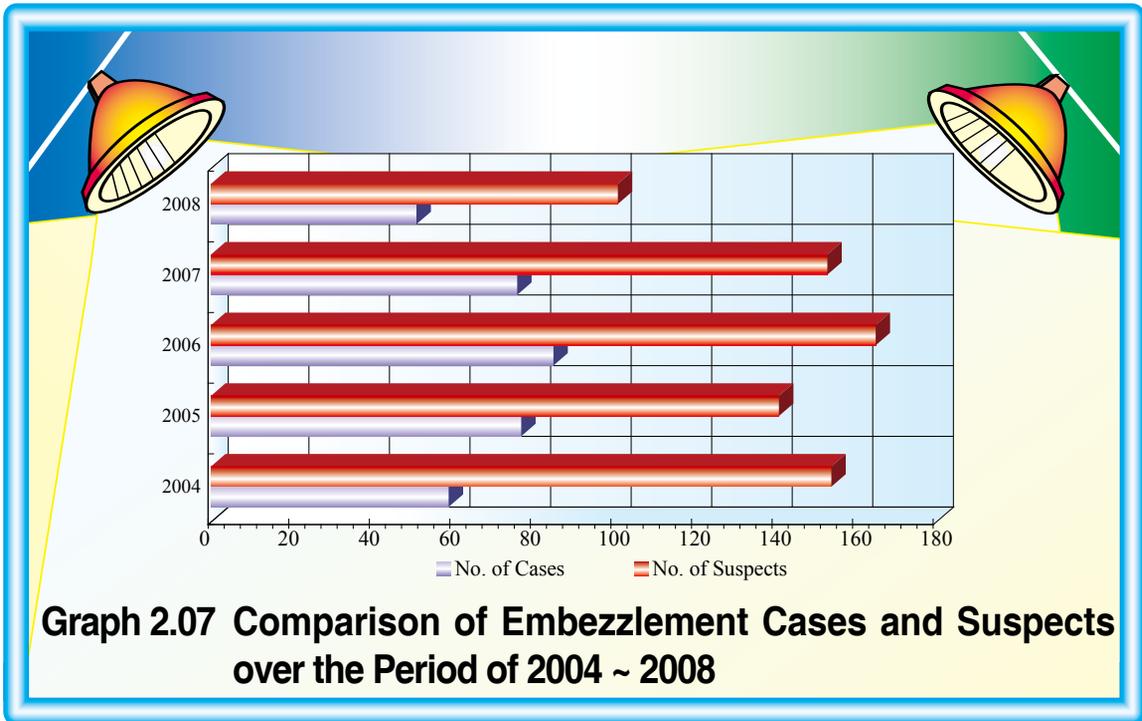
- (1) Lu A, the CEO of Jin X Co. (also the CEO of Jin X, China, in which he invested in), and Huang, the company Secretary, signed a false purchase and sell contract for mechanical equipment between Jin X (China) and Taiwan X Li Co. on May 5, 2007, and received a loan of \$5 million USD from the Bank of China, and then at the board meeting of Jin X Co., on March 19 of the same year, the purchase was motioned and they concealed all facts concerning the loan, then Lu B asked Jin X's (China) suspects to wire the money back into the Taiwan X Li Co company account, and through successive wiring, resulted in repayment of the suspects' loan for Ding X Co., and investment refund for Song X Co. The case

Table 2.12 Statistics of Embezzlement Cases and Types over the Period of 2004 ~ 2008

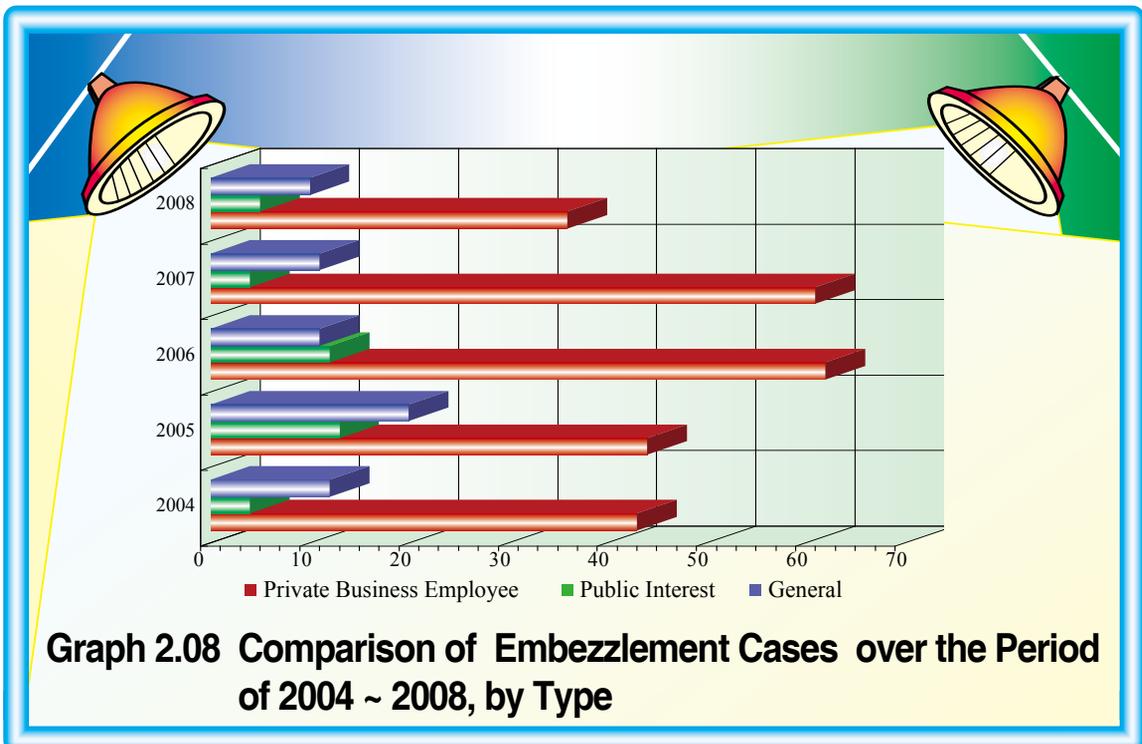
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²	Type		
									General	Public Interest	Private Business Employee
2004	59	100.00%	-22.37%	154	100.00%	29.41%	24,666,533	209.80%	12	4	43
2005	77	130.51%	30.51%	141	91.56%	-8.44%	10,232,293	-58.52%	20	13	44
2006	85	144.07%	10.39%	165	107.14%	17.02%	5,611,915	-45.15%	11	12	62
2007	76	128.81%	-10.59%	153	99.35%	-7.27%	5,331,299	-5.00%	11	4	61
2008	51	86.44%	-32.89%	101	65.58%	-33.99%	2,617,470	-50.90%	10	5	36

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



Graph 2.07 Comparison of Embezzlement Cases and Suspects over the Period of 2004 ~ 2008



Graph 2.08 Comparison of Embezzlement Cases over the Period of 2004 ~ 2008, by Type

- was referred to Taichung District Prosecutors Office on February 27, 2008.
- (2) Liu, the President of Taiwan X Dong Communications Co., and Yan, the former President of Song X Technology Co. were husband and wife. In 2002, Taiwan X Dong Communications Co. received authorization to sell Song X Technology Co.'s Panasonic brand mobile phone. The two companies, under the basis of competitiveness of different products, agreed that sales discounts or bonuses would be paid in cash, or discounts in receivables. However, the Yan couple aimed to take the receivables, and from February 2003 to June 2004, using the names of employee Chen A, driver Li, and relatives Guo and Chen B to establish bank accounts, which founded Cheng X Investment Co., Cheng X Development Co., and Hao X Co.. The Yan's told accountant Chi, who had no knowledge of the deed, that through virtual commission cheques, and other dishonest methods, and embezzled the revenue in an amount of \$384,560,701. The case was referred to Taipei District Prosecutors Office on June 23, 2008.
- (3) During their terms from 1996 to 2002, former President Gao A of Rui X Co. and Chi X Co., and Assistant

Manager Gao B of Financial Department, without authorization of the board or the shareholders, Gao A told the office directly under the company to wire the sales amount of \$404,702,825, which was supposed to wire back to the company, went instead directly into Gao B's private financial account. The case was referred to Chuanghua District Prosecutors Office on August 26, 2008.

C. Breach of Trust

(a) Statistics:

There were total of 28 cases of breach of trust referred in 2008, which was 34.88% less than 43 cases in 2007, with 124 suspects, which was 53.38% than 266 suspects in 2007; the amount of underlying loss was \$9,266,641,185, which was 79.19% less than \$44,539,784,379 in 2007 (see Tables 2.04, 2.05, and 2.13, and Graph 2.09).

(b) Significant cases:

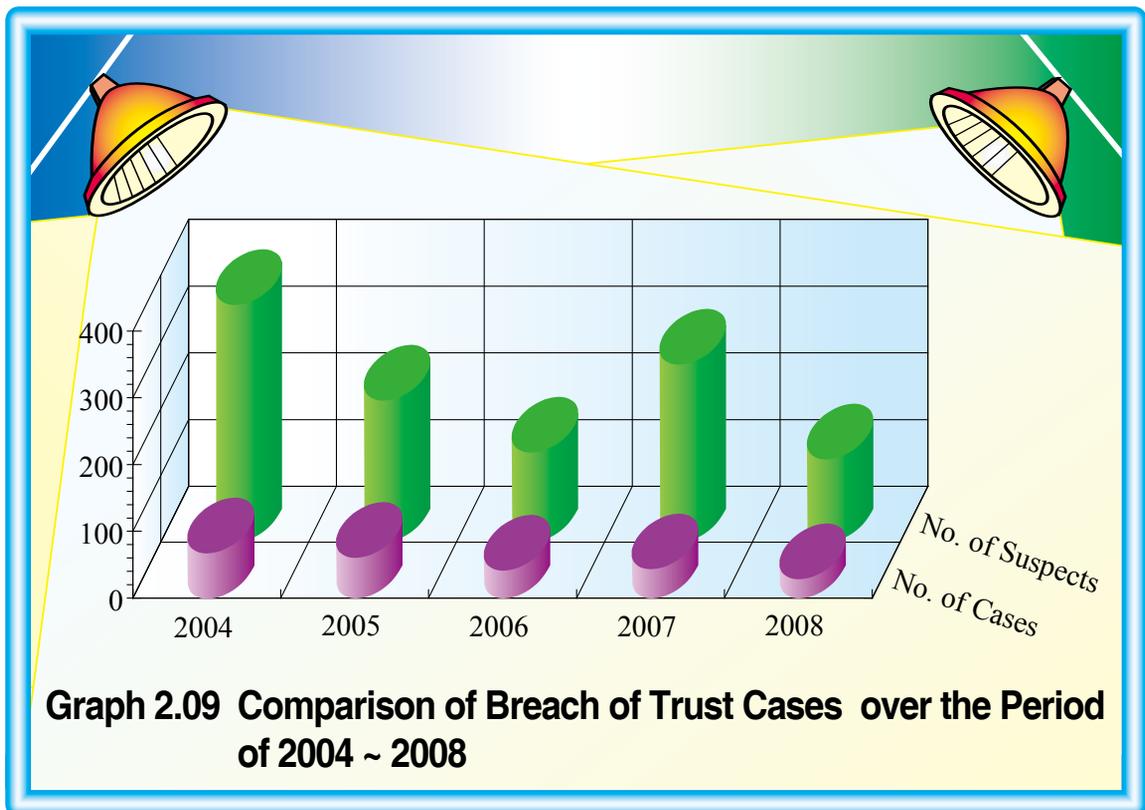
- (1) In March 2005, managing Director Wu of the China Development Industrial Bank, ordered Chen, the Assistant General Manager, to process the subsidiary's \$350 million purchase of Mao X Lease Co.'s business and assets. After signing the deal, Hua X Lease Co. sent staff to audit, where they discovered information in accounts receivable

Table 2.13 Statistics of Breach of Trust Cases over the Period of 2004 ~ 2008

Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
2004	67	100.00%	-14.10%	356	100.00%	-19.82%	39,998,618	-8.25%
2005	60	89.55%	-10.45%	212	59.55%	-40.45%	25,526,724	-36.18%
2006	41	68.33%	-31.67%	134	37.64%	-36.79%	20,948,832	-17.93%
2007	43	64.18%	4.88%	266	74.72%	98.51%	44,539,784	112.61%
2008	28	41.79%	-34.88%	124	34.83%	-53.38%	9,266,641	-79.19%

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



- of Mao X Lease Co., which showed that, the actual amount of past-due loan/overdue was \$1,390.59 million and not the previously stated \$716.08 million, in addition, the total of bad debts was \$1,142.28 million and not the previously stated \$650 million. Later, after Hua X Lease Co. and Mao X Lease Co. negotiated concerning the above items, the original trade amount was maintained and no deductions were made, which forced Hua X Lease Co. to offer an additional \$820.47 million to cancel out the bad debts, causing the company great loss. The case was referred to Taipei District Prosecutors Office on May 5, 2008.
- (2) In June of 2005, Tsai A, the Acting Director of Hua X Enterprise Bank, Tsai B, the General Manager, and Chen, the Director of the Loan Management Division processed the bidding and sale of \$4.5 billion NPL of the bank. They were suspected of cooperation, with Liu, the General Manager of Ching X Financial Consulting Co., and Wang, the Assistant Manager, with the intention of lowering the value of the NPL, and in addition, included a clause, which stated, that to receive the NPL, \$1 billion in preferred stocks must be offered, in order to eliminate any company intending to enter the bidding, designated under the table that Rui X International Asset Management Co. was to win the bid with \$787.5 million, which caused Hua X Enterprise Bank to lose approximately \$1 billion in profits. The case was referred to Taipei District Prosecutors Office on July 30, 2008.
- (3) Choi, the former President of Yuan X Airlines and his reinvestment in Yuan X Investment Consulting Co., and Yi X Technology Co. and Chen, the former General Manager, between May of 1997 and April of 2008: ① Sold Fat Asset and Ferndal company, held by Choi, given by Yuan X Investment Consulting Co. for a very inexpensive price, causing the Yuan X Co. to lose \$665,465,808 in profit. ② Using false payments and investment losses, misappropriated \$72,015,435 of Yuan X Investment Co.'s capital, which he wired to Choi and Chen's holdings, TMB, Navigation, Takeishi, and BioHarvest companies. ③ Misappropriation/embezzlement of Yi X Technology Co.'s capital of \$215,066,980, which he wired to Choi's holding, the Hiliton Company; also in addition, misappropriation of Yi X Co.'s capital of \$2,224,000 to decorate Choi's private housing property. ④ Utilizing false contracts to inflate Yuan X Co.'s revenue, allowing

them to present the financial report in a positive light; in addition, citing expenses, such as PR fees to gain flight routes to China, and other false contracts. He wired \$214,403,617 to Shih's private SUK CHUNG YUNG account; the money is now missing. ⑤ After receiving payment for debts from a Cambodian company, the Taiwan Office of Wu X Airline, citing payments for insurance, transferred \$45 million to Lou personally. ⑥ To control rights of operation, Lou generated ghost investors to participate in the offering of Yuan X Co., and in addition, used delays to gain time to collect Wu X Airline debts of \$779,237,684, in exchange. He is also suspected of involvement of breach of trust and other crimes. The case was referred to Taipei District Prosecutors Office on November 11, 2008.

D. Usury

(a) Statistics:

There were 7 cases of usury referred in 2008, which was 61.11% less than 18 cases in 2007, with 13 suspects, which was 80.30% less than 66 suspects in 2007. The underlying amount was \$79,201,213, which was 84.01% less than \$495,411,040 in 2007 (see Tables 2.04, 2.05, and 2.14, and Graph 2.10).

(b) Significant cases:

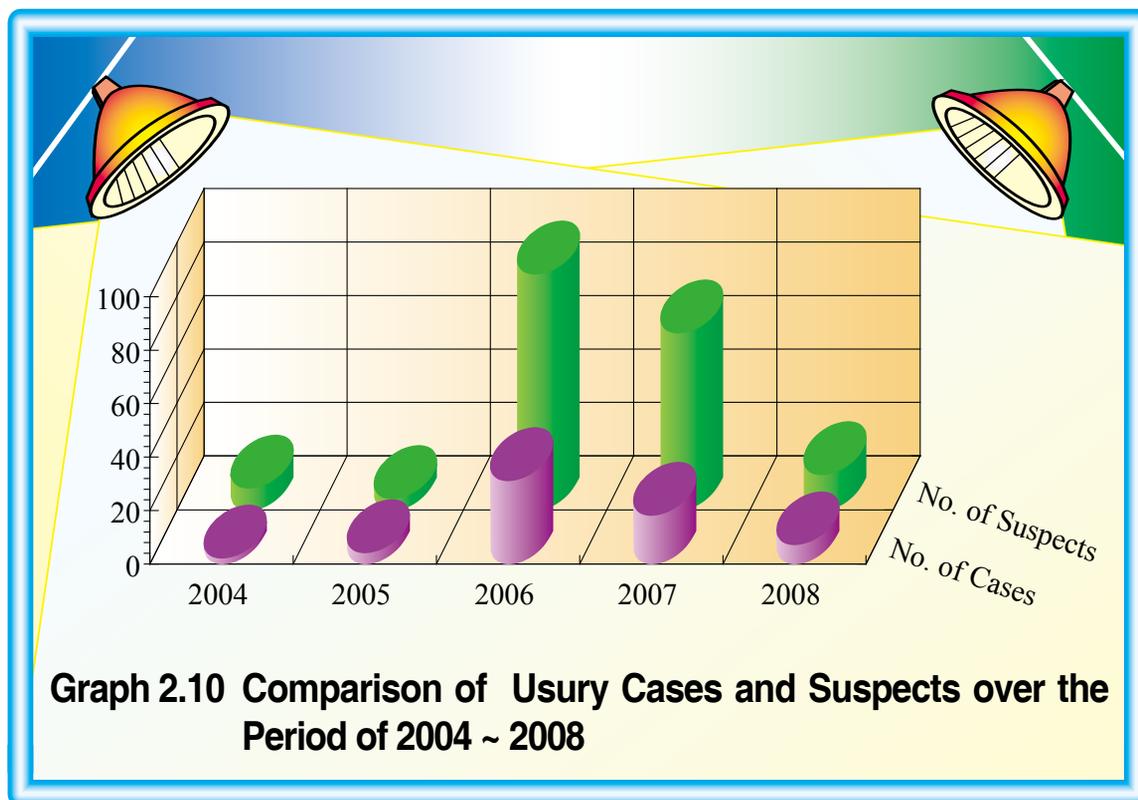
- (1) Chi A, Chi B, and Lin used false advertisements and citizen identifications as pledge, by taking advantage of desperate people without experience, they provided to non-specific people \$10,000 loans with \$1,000~2,000 interest every 10 days, gaining \$2.9 million in illegal profit. If the borrower could not pay back, they used violence to collect, which made them suspects in usury cases. The case was referred to Miaoli District Prosecutors Office on April 29, 2008.
- (2) Loan sharks Chang, Mr. and Ms. Wu, and Lin, between January 2006 and August 2007, took advantage of the financial struggles of Gao X Electronics Co. owner Peng, and Ri X Biotechnology Co. owner Liu, and using cheque pledges, loaned \$61.45 million, \$41.85 million, and \$3,006,000, separately to the owners, and collected excessively high interests on each - \$21,404,500, \$7,305,200, and \$390,000, respectively, making them suspects of usury. The case was referred to Kaohsiung District Prosecutors Office on September 25, 2008.
- (3) From March 2006 to March 2007, Loan shark Wang took advantage of owner Chen of Chuan X Co., which required urgent monetary assistance, by lending Chen \$110.30 million

Table 2.14 Statistics of Usury Cases over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
93 年	2	100.00%	0.00%	8	100.00%	-33.33%	28,800	-95.44%
94 年	4	200.00%	100.00%	4	50.00%	-50.00%	9,176	-68.14%
95 年	31	1550.00%	675.00%	88	1100.00%	2100.00%	982,714	10609.61%
96 年	18	900.00%	-41.94%	66	825.00%	-25.00%	495,411	-49.59%
97 年	7	350.00%	-61.11%	13	162.50%	-80.30%	79,201	-84.01%

Notes:1. Relative to 2002 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



via notes, and charged 39% monthly interest, which was obviously an act of usury, and Wang received illegal profits of \$43,215,513, which made him a suspect of Usury. The case was referred to Taoyuan District Prosecutors Office on October 21, 2008.

E. Smuggling

(a) Statistics:

There were 27 smuggling cases referred in 2008, which was 22.73% more than 22 cases in 2007, with 31 suspects, 6.06% less than 33 suspects in 2007. The dollar amount involved was \$28,657,542, which was 87.74% less than \$233,831,112 in 2007 (see Tables 2.04, 2.05, and 2.15, and Graph 2.11).

The cases include:

- (1) By container: 16 cases
- (2) By fishing boats: 1 case
- (3) By personal carriage: 10 cases

(See Table 2.16, Graph 2.12)

(b) Significant cases:

(1) During January 2008. Tang, the President of Chong X Agricultural Co. reported to Keelung Customs Office concerning the importation of a shipment of North Korean garlic in the company's name, after the Keelung Customs Office took samples and sent them to the Agriculture Product Identification Group in Council of Agriculture,

collateral was paid and the shipment was referred to garlic companies for sales or processing. During the cooperative market investigation of the Mobile Inspection Brigade of Taichung and Keelung Customs Offices and Council of Agriculture, it was determined that the garlic imported by Tang was produced in China. 15,544 Kg was detained according to legal procedures. The case was referred to Yunlin District Prosecutors Office on May 5, 2008.

- (2) Chang and Lyu, the Presidents of Cheng X Co., for smuggling dry mushrooms, and other Chinese agricultural products, requested Chian X Co., on March 21 2008, to report Taichung Customs Office concerning the importation of a shipment of Magnesium oxide. Cooperating with the Mobile Inspection Brigade of Taichung Customs Office, 76,953 Kg of Chinese dry mushrooms and enokitake were found. The case was referred to Taichung District Prosecutors Office on July 9, 2008.
- (3) Chen, the President of Ying X Trading Co., March 5 2007 to October 17 2007, requested Jing Fu Customs Broker, to report to Keelung Customs Office concerning a shipment of imported squid and white shrimp from the Philippines, which

Table 2.15 Statistics of Smuggling Cases over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$)	Percent Change ²
2004	41	100.00%	-43.06%	55	100.00%	-37.50%	42,120,498	-94.12%
2005	21	51.22%	-48.78%	31	56.36%	-43.64%	721,602,777	1613.19%
2006	33	80.49%	57.14%	35	63.64%	12.90%	91,336,750	-87.34%
2007	22	53.66%	-33.33%	33	60.00%	-5.71%	233,831,112	156.01%
2008	27	65.85%	22.73%	31	56.36%	-6.06%	28,657,542	-87.74%

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%

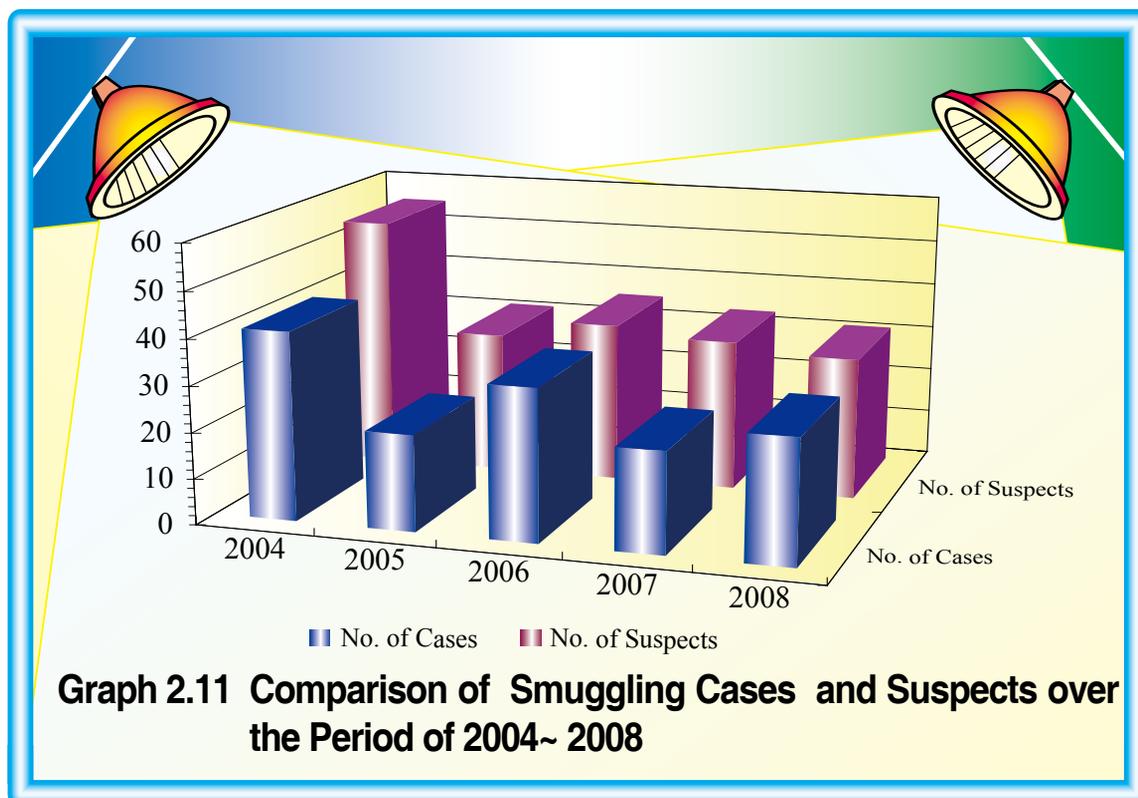
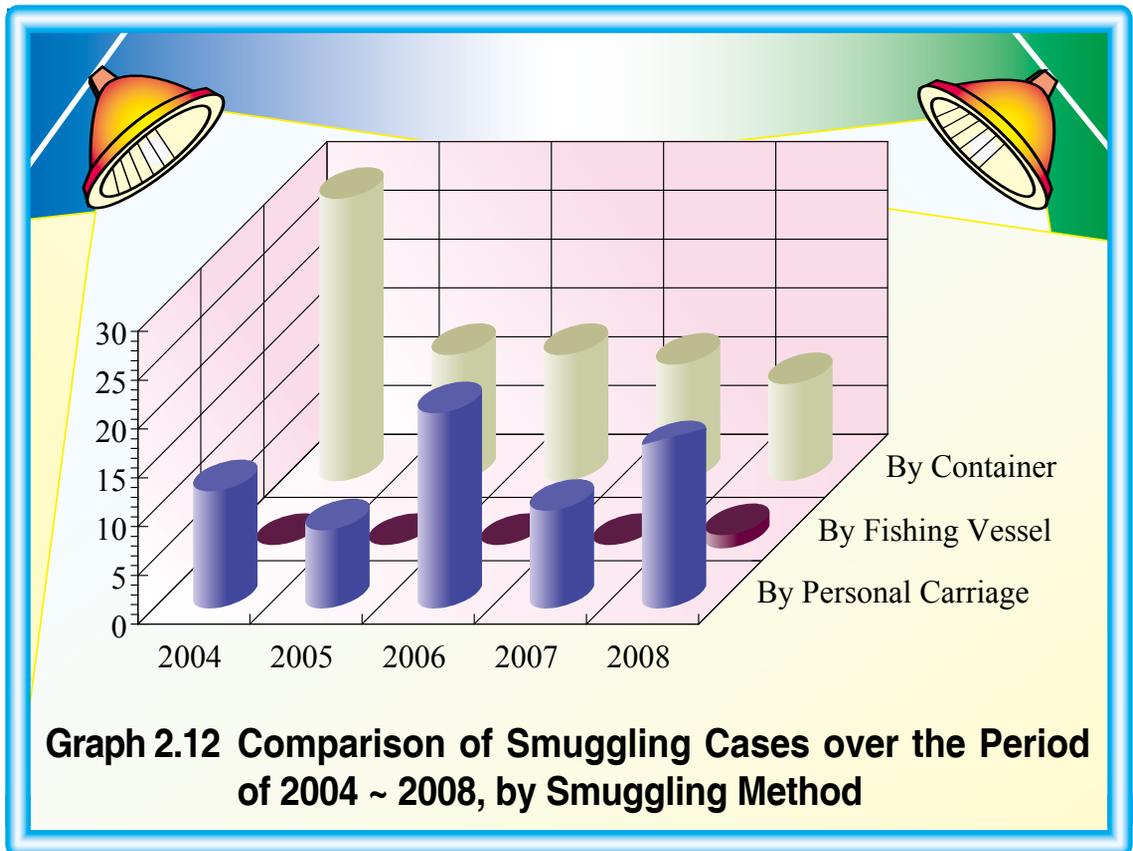


Table 2.16 Statistics of Smuggling Cases over the Period of 2004 ~ 2008, by Smuggling Method

Year	Total		By Container		By Fishing Vessel		By Personal Carriage	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2004	41	55	12	19	0	0	29	36
2005	21	31	8	13	0	0	13	18
2006	33	35	20	21	0	0	13	14
2007	22	33	10	16	0	0	12	17
2008	27	31	16	17	1	1	10	13



contained 1,224 Kg of soft fins and 38,448.9 Kg Chinese white shrimp not reported. The case was referred to Keelung District Prosecutors Office on August 1, 2008.

F. Violation of Tax Collection Act

(a) Statistics:

There were 72 tax law violation cases referred in 2008, 20.88% less than 91 cases in 2007, with 988 suspects, which was 26.43% less than 1,343 suspects in 2007. Involved dollar amount of \$41,707,894,987, which was 12.74% less than \$47,796,231,146, in 2007 (see Tables 2.04, 2.05, and 2.17, and Graph 2.13)

The cases include:

- (1) Article 41 of the Tax Collection Act (Taxpayer evades tax by illicit means): 45 cases
- (2) Article 42 of Tax Collection Act (Violation of tax collection by withholding procedures): 2 cases
- (3) Article 43 of Tax Collection Act (Instigating or helping others in tax evasion): 15 cases
- (4) Others: 10 cases
(See Table 2.18 and Graph 2.14)

(b) Significant cases:

- (1) Fu X Insurance Co. (Fu X Insurance Co.) staff knew well that, there can be no error trades or rebates during payment collection, or submitting false receivables and payables, using Error trade and

rebate. However, in order to compete against other insurance companies, the staff used commissions, agent fees, or processing fee, and hired unprofessional insurance dealers or agents to expand business and find customers. According to Paragraph 3 in Article 92 of Auditing Standards of Taxation: “commissions or agency fees for dealers paid by Property Insurance industry and Life insurance to personnel without business license given by responsible governing agencies, do not qualify”, the monetary amount Fu X Insurance Co paid to agents and dealers without license cannot be written off. However, in order to write off the account items concerning amounts paid to agents and dealer without licenses, the Fu X Insurance Co paid by cheque, or used 16.5% or 16% of monetary items invoiced, and asked insurance dealers, such as Hua X and 70 others, to issue false government uniform invoices for items such as commissions, agency fees, and processing fees to Fu X Insurance Co between 2001 to 2006, total monetary value of \$7,835,599,413. The case was referred to Hualien District Prosecutors Office on March 12, 2008.

- (2) Virtual Company criminal syndicate Huang, Su, Gao, Wu, Chang, and Wang, between 2002 and 2007,

Table 2.17 Statistics of Cases Concerning Violation of Tax Collection Act over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
2004	38	100.00%	-28.30%	394	100.00%	19.03%	104,201,767	75.96%
2005	59	155.26%	55.26%	607	154.06%	54.06%	33,095,020	-68.24%
2006	77	202.63%	30.51%	926	235.03%	52.55%	331,148,950	900.60%
2007	91	239.47%	18.18%	1,343	340.86%	45.03%	47,796,231	-85.57%
2008	72	189.47%	-20.88%	988	250.76%	-26.43%	41,707,895	-12.74%

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%

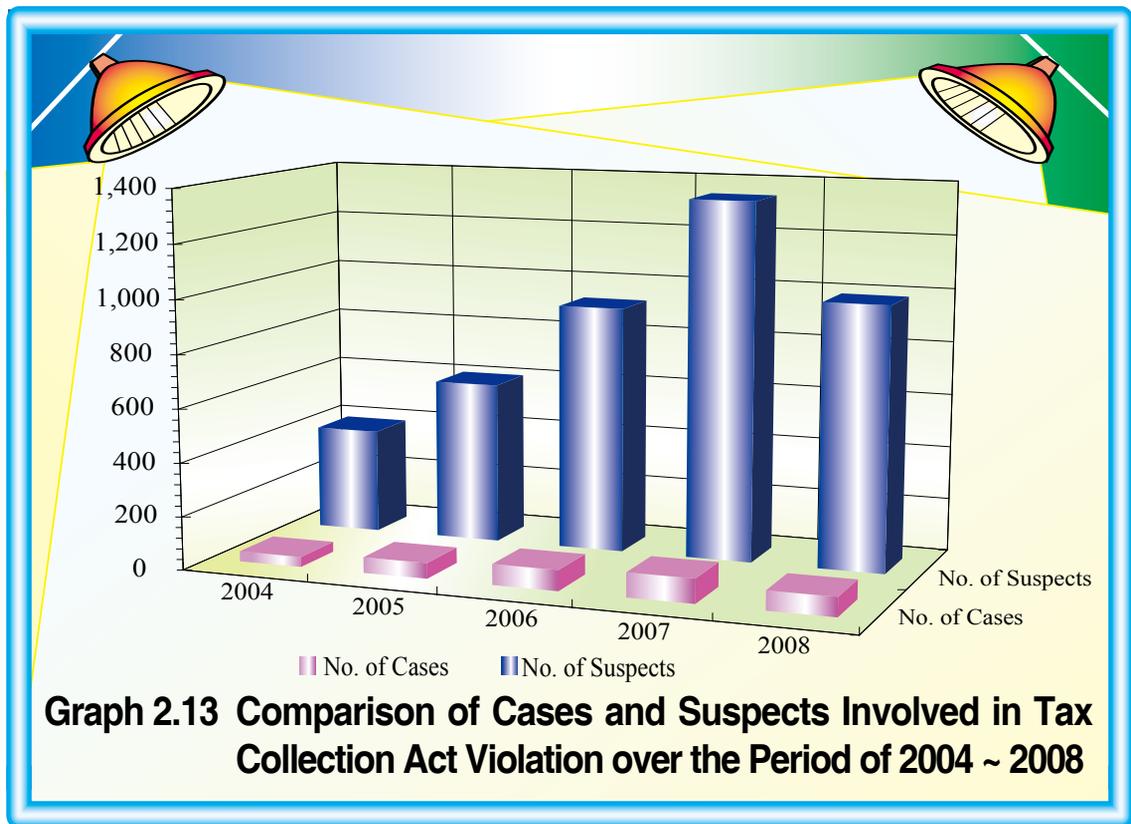
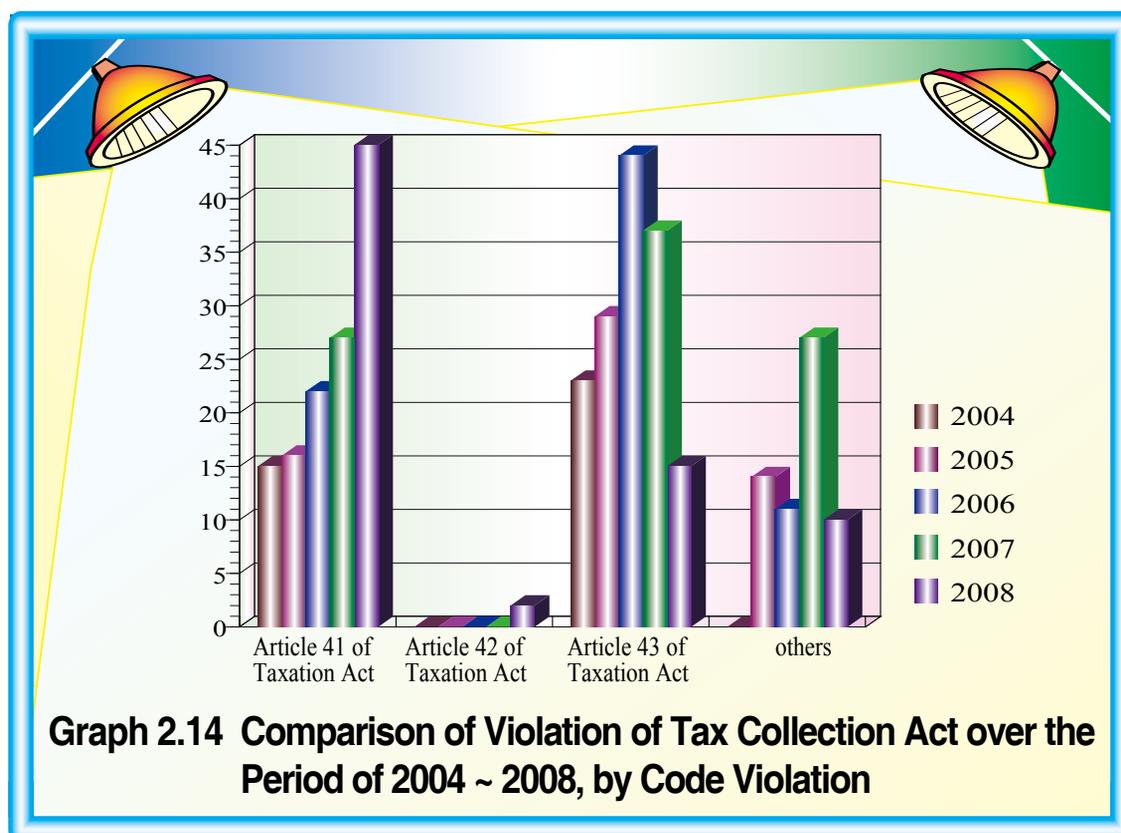


Table 2.18 Statistics of Cases Concerning Violation of Tax Collection Act over the Period of 2004 ~ 2008, by Code Violation

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	Article 41 of Taxation Act	Article 42 of Taxation Act	Article 43 of Taxation Act	others
2004	38	100.00%	-28.30%	15	0	23	0
2005	59	155.26%	55.26%	16	0	29	14
2006	77	202.63%	30.51%	22	0	44	11
2007	91	239.47%	18.18%	27	0	37	27
2008	72	189.47%	-20.88%	45	2	15	10

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



allowed Chian et al. to be the CEO of Min X Co. and other 36 virtual companies. After the companies were established, they issued massive amounts of government uniform invoices, for a total amount of \$4,252,816,257, and then sold the fake invoices to other companies, for a price 1.8% to 2.5% higher than the face value, as deductibles and assisted them in tax evasion. Following these actions, they closed their virtual operations and left without a trace in order to evade tracking by the tax bureau. The amount of taxes evaded was \$1,202,163,827. The case was referred to Kaohsiung District Prosecutors Office on May 27, 2008.

(3) Hsin X Insurance Co. staff Fu X Insurance Co.(Fu X Insurance Co.) staff knew well that, there must be no use of Error trade or rebate during payment collection, or having false receivables and payables using Error trade and rebate. However, in order to compete against other insurance companies, the staff used commissions, agent fees, and processing fees, and hired unprofessional insurance dealers or agents to expand business and find customers. According to Paragraph 3 in Article 92 of Auditing Standards of Taxation, the commissions, and other fees could not be written off. However, in order to write off the account items concerning amounts paid to agents and

dealer without licenses, Fu X Insurance Co paid by cheque, or used 16.5% or 16% monetary item of invoice and asked insurance dealers, agencies, such as Hua X and 70 others, to issue false government uniform invoices using items such as commissions, agency fees, and processing fees to Fu X Insurance Co between 2001 to 2006, which was \$1,750,271,434 in total. The case was referred to Hualien District Prosecutors Office on June 10, 2008.

G. Counterfeit/alteration of currency and negotiable securities

(a) Statistics:

There were 7 counterfeit/alteration cases referred in 2008, which was 133.33% more than 3 cases in 2007, with 12 suspects, which was 50.00% more than 8 suspects in 2007. The underlying amount was \$970,133,661, which was 363.90 times more than \$2,658,630 in 2007 (see Tables 2.04, 2.05, 2.19, and Graph 2.15).

The cases include:

- (1) Counterfeit/alteration of currency: 1 case
- (2) Counterfeit/alteration of negotiable securities: 6 cases
(See Tables 2.04, 2.20, and Graph 2.16)

(b) Significant cases:

- (1) From January 2008, Su, Lin, and Lu began printing counterfeit RMB at Taiyuan Road, Beitun District, Taichung City. On March 19,

Table 2.19 Statistics of Counterfeit/Alteration of National Currency and Securities Cases over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$)	Percent Change ²
93 年	25	100.00%	108.33%	55	100.00%	48.65%	1,041,450,273	693.36%
94 年	13	52.00%	-48.00%	36	65.45%	-34.55%	31,624,360,986	2936.57%
95 年	12	48.00%	-7.69%	24	43.64%	-33.33%	336,910,700	-98.93%
96 年	3	12.00%	-75.00%	8	14.55%	-66.67%	2,658,630	-99.21%
97 年	7	28.00%	133.33%	12	21.82%	50.00%	970,133,661	36389.98%

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%

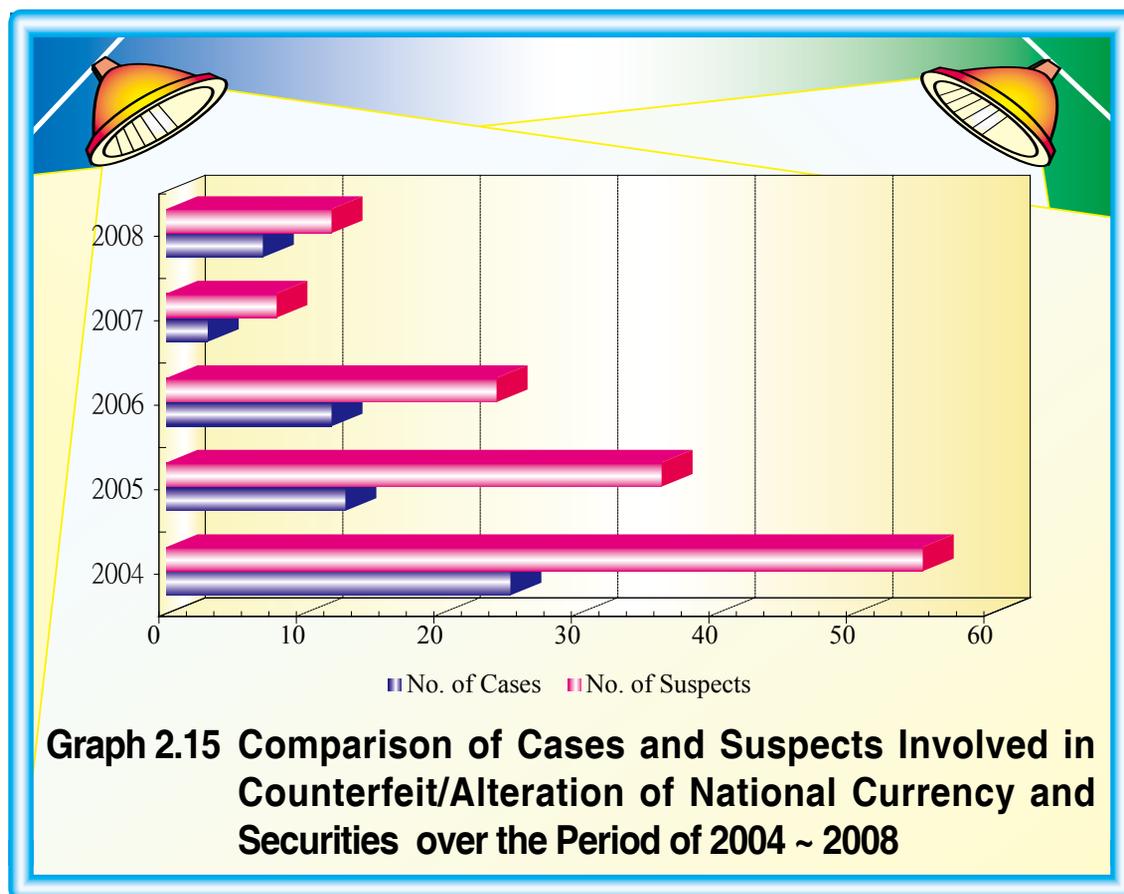
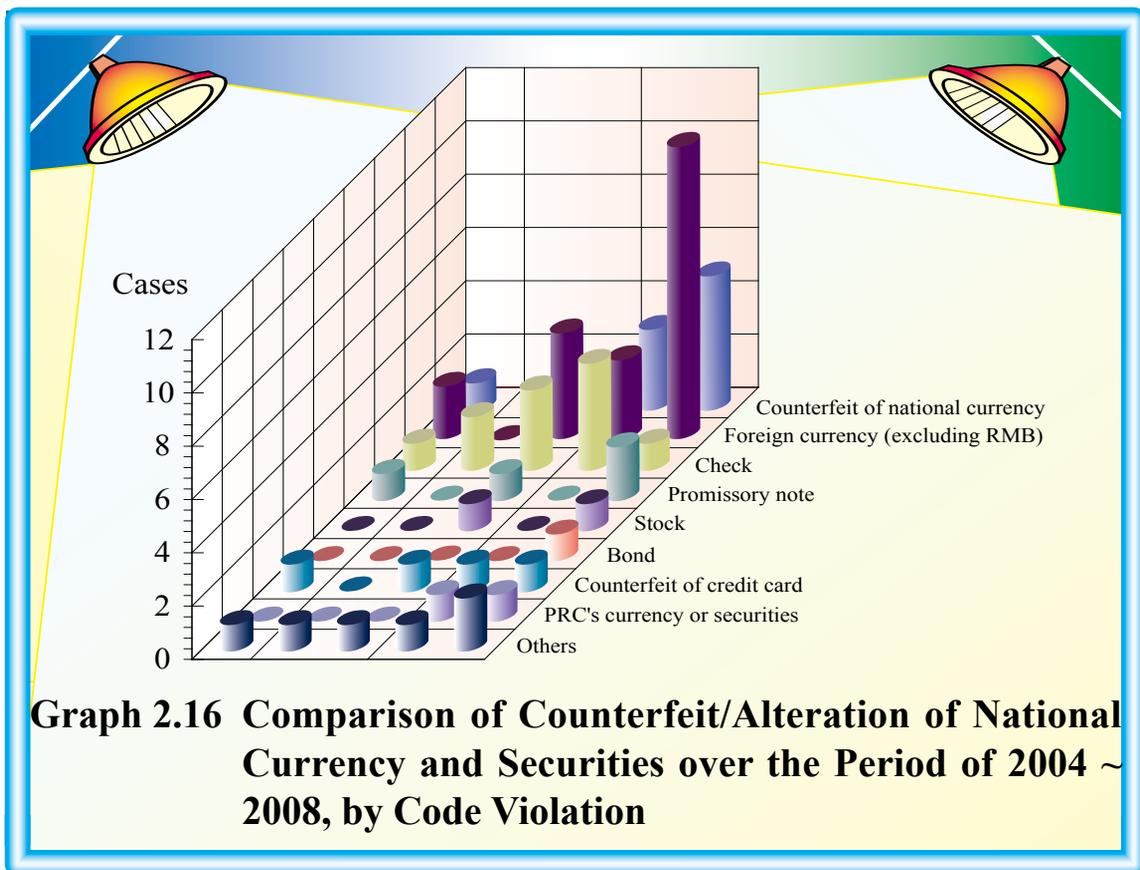


Table 2.20 Statistics of Counterfeit/Alteration of National Currency and Securities Cases over the Period of 2004 ~ 2008, by Code Violation

Item Year	Counterfeit of national currency	Counterfeit/Alteration of Securities								
		Subtotal	Foreign currency (excluding RMB)	Check	Promissory note	Stock	Bond	Counterfeit of credit card	PRC's currency or securities	Others
2004	5	20	11	1	2	1	1	1	1	2
2005	3	10	3	4	0	0	0	1	1	1
2006	1	11	4	3	1	1	0	1	0	1
2007	0	3	0	2	0	0	0	0	0	1
2008	1	6	2	1	1	0	0	1	0	1



Graph 2.16 Comparison of Counterfeit/Alteration of National Currency and Securities over the Period of 2004 ~ 2008, by Code Violation

- 2008 found and detained were: ① 2 Counterfeit printers, with one computer with the pictorial sample of serial number AK999277XJ for \$100.
- ② 22 completed counterfeit \$100 bills, 36 uncut counterfeit \$100, 93 front sides of counterfeit \$100 bills, 21 back sides, and 1 set of trial prints.
- ③ 8 completed counterfeit RMB \$100 bills (serial FG26266801). The case was referred to Taichung District Prosecutors Office on June 11, 2008.
- (2) During October 2007, Chen, the President of Jin X Color Printing Co., forged 300 checks from Da X Inc. Dali X, Da X Department Store Inc., managed and issued by Changhua Bank's Kaohsiung Branch. The recipient was Jin X Co., which scammed Lin for \$21,886,080. At the end of 2007, through Chang, a Kaohsiung City citizen, the company used the forged checks above as collateral to borrowed 10-plus million from Lin; and Chen used 24 forged checks as collateral to borrow 60-plus million from Chang. The case was referred to Kaohsiung District Prosecutors Office on July 10, 2008.
- (3) Luo, Manager of the Department of Finance and Management of Hsin X Technology Co., utilized an opportunity to handle the company stamp, with Huang, her boyfriend, as accomplice, on January 18, 2008,

wrote, without company owner's (Chang's) permission, on normal business draft, which stated a payment to Huang for \$290 million, Luo stamped the check, and Huang then requested a payment order at the Hsinchu District Court. The case was referred to Hsinchu District Prosecutors Office on November 20, 2008.

H. Violation of Tobacco and Alcohol Administration Act

(a) Statistics:

There were 7 tobacco and alcohol law violation cases referred in 2008, which was 600.00% increase over 1 case in 2007, with 8 suspects, which was 700.00% more than 1 suspect in 2007. The underlying amount was \$4,152,003, which was 162.24 times more than \$25,435 in 2007 (see Tables 2.04, 2.05, and 2.21, and Graph 2.17).

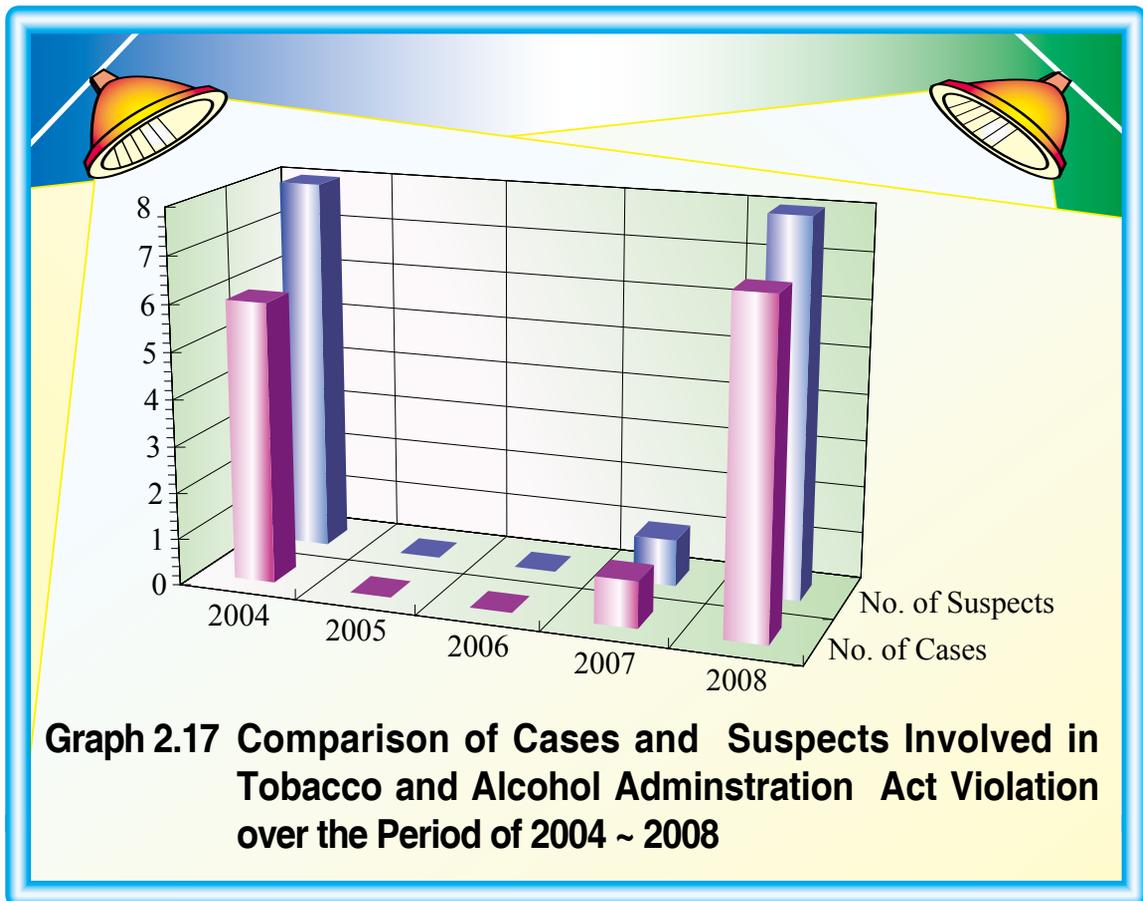
(b) Significant cases:

(1) In September 2004, Cheng, the President of Taiwan X Da Co., requested De Chuang Customs Broker to report to Kaohsiung Customs Office's Chunghsing Branch concerning the importation of 12.8 tons of Chinese-manufactured Isopropyl Alcohol, after examination, it was sent to Taiwan Tobacco and Liquor Corp. to test and was identified as Un-denatured Ethyl Alcohol, and should not be imported

Table 2.21 Statistics of Cases Concerning Violation of Tobacco and Alcohol Administration Act over the Period of 2004 ~ 2008

Year	No. of Cases	Percent Change*	No. of Suspects	Percent Change*	Amount Involved (NT\$)	Percent Change*
2004	6	-87.50%	8	-90.80%	38,156,609	-44.43%
2005	0	-100.00%	0	-100.00%	0	-100.00%
2006	0	NA	0	NA	0	NA
2007	1	NA	1	NA	25,435	NA
2008	7	600.00%	8	700.00%	4,152,003	16223.97%

Notes: Percent Change = [(Current year- previous year)/Previous year]x100%



without permission from responsible governing agencies. The case was referred to Kaohsiung District Prosecutors Office on June 23, 2008.

- (2) Chiang and Chang, from January 2007 to January 2008, through Huang et al., purchased bottle caps, sealing tapes, boxes, and empty bottles with forged logos of Jinmen kaoliang liquor, and mixed real alcohol with cooking alcohol and spices at their underground factory, and then sold the products to restaurants and other consumers, with no knowledge of the scam, at market prices. After searching, one set of machinery, used for mixing counterfeit kaoliang liquor, 6,194 completed products, 480 liters of half-completed products, and 565 counterfeit foreign liquor bottles. The case was referred to Banchiao District Prosecutors Office on July 9, 2008.
- (3) Lyu, the actual owner of Cuan X Co., in January 2008, requested Tung Li Customs Broker to report to Kaohsiung Customs Office concerning the importation of 18.85 tons Pakistan-manufactured denatured Ethyl Alcohol. After sampling, the shipment was sent to SGS Corp.; the result of the examination determined that the alcohol was un-denatured Ethyl Alcohol. The case was referred to Kaohsiung District Prosecutors

Office on November 25, 2008.

I. Violation of Banking Act

(a) Statistics:

There were 58 Banking Act violation cases referred in 2008, which was 20.83% more than 48 cases in 2007, with 201 suspects, which was 33.11% more than 151 suspects in 2007. The underlying amount was \$32,565,493,750, which was 49.69% less than \$64,729,832,331 in 2007 (see Tables 2.04, 2.05, and 2.22, and Graph 2.18).

The cases include:

- (1) Raising illegal capital funds: 6 cases
 - (2) Unauthorized operation of remittance and acceptance: 46 cases
 - (3) Others: 6 cases
- (See Table 2.23, and Graph 2.19)

(b) Significant cases:

- (1) Since 2003, Wang, the President of Cheng X group, ordered group members Huang, Chang, Liao, Lin, and Lian to recruit employees to sale unapproved or unreported "SOLID GOLD" Offshore Funds (later changed to "GOLDMANY GOLDEN MIXED FUND"), which was not validated by government, and raised investment capital from non-specific people. The amount of the capital was \$76,321,917 USD (NT\$2,442,301,344). The case was referred to Taipei District Prosecutors Office on January 7, 2008.

Table 2.22 Statistics of Cases Concerning Violation of Banking Act over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
2004	10	100.00%	-52.38%	50	100.00%	-53.70%	10,744,789	-71.34%
2005	16	160.00%	60.00%	35	70.00%	-30.00%	8,180,380	-23.87%
2006	42	420.00%	162.50%	238	476.00%	580.00%	87,148,666	965.34%
2007	48	480.00%	14.29%	151	302.00%	-36.55%	64,729,832	-25.72%
2008	58	580.00%	20.83%	201	402.00%	33.11%	32,565,493	-49.69%

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%

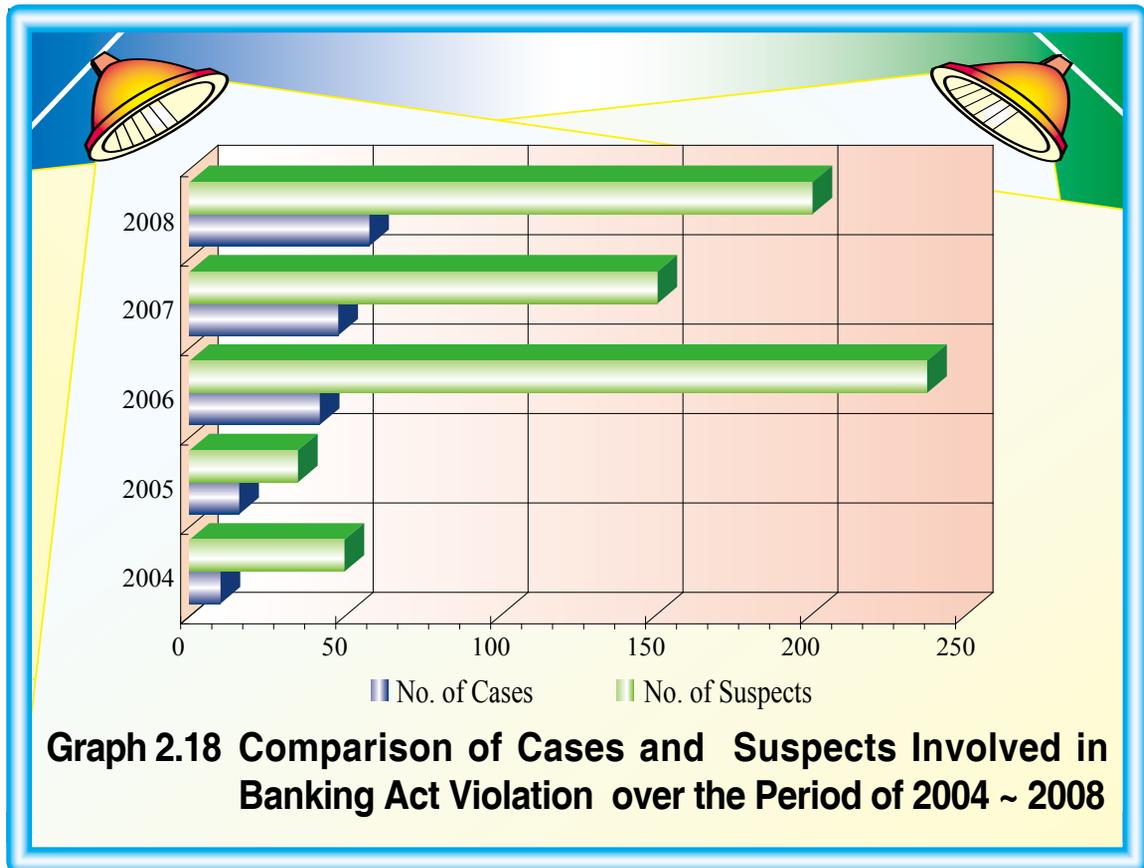


Table 2.23 Statistics of Cases Concerning Violation of Banking Act over the Period of 2004 ~ 2008, by Code Violation

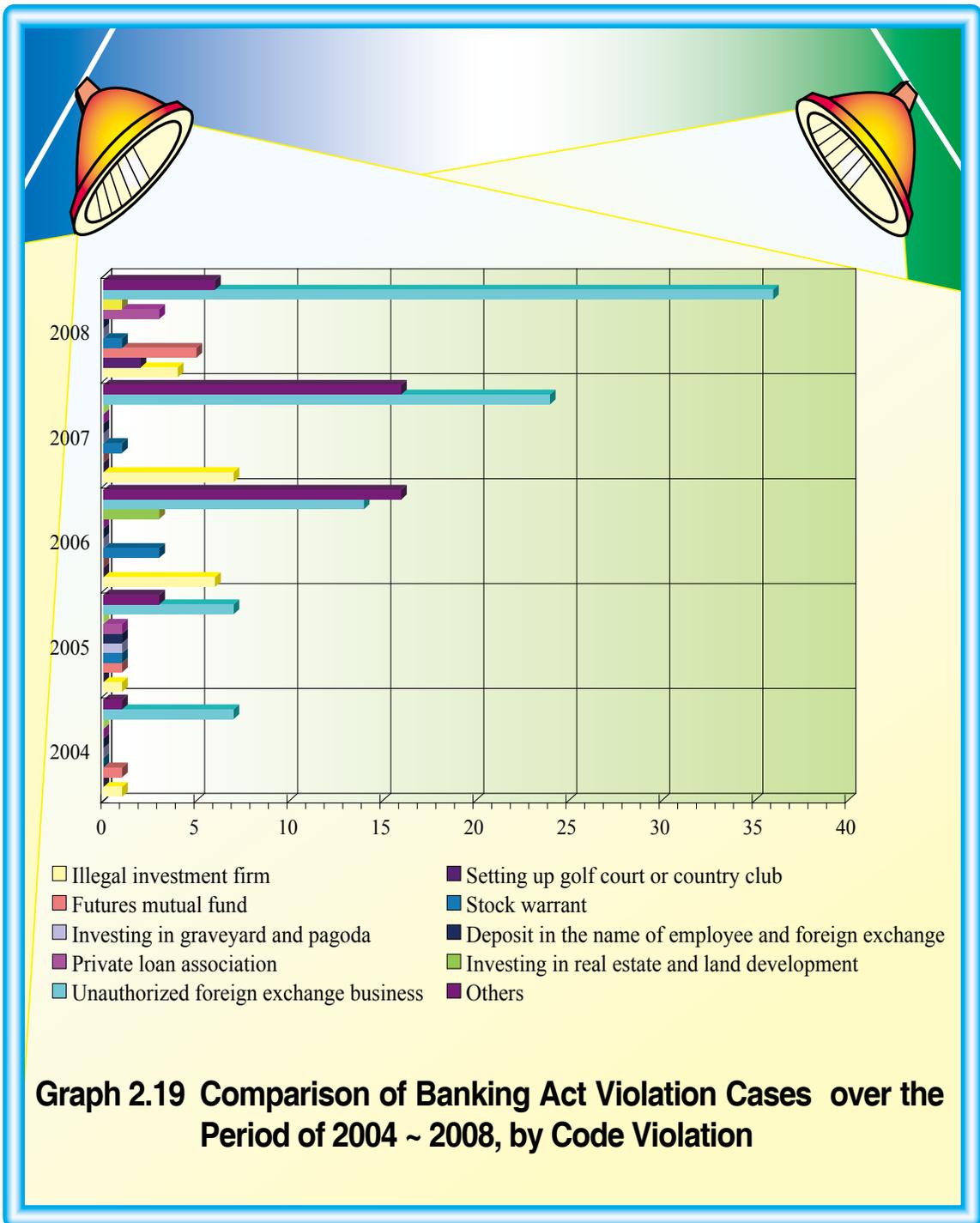
Item Year	No. of Cases	Relative Rate ¹	Per-centage Change ²	Illegal investment firm	Setting up golf court or country club	Futures mutual fund	Stock warrant	Investing in graveyard and pagoda
2004	10	100.00%	40.00%	1	0	1	0	0
2005	16	160.00%	60.00%	1	0	1	1	1
2006	42	420.00%	162.50%	6	0	0	3	0
2007	48	480.00%	14.29%	7	0	0	1	0
2008	58	580.00%	20.83%	4	2	5	1	0

Table 2.23 (cont.)

Item Year	Deposit in the name of employee and foreign exchange	Private loan association	Investing in real estate and land development	Unauthorized foreign exchange business	Others
2004	0	0	0	7	1
2005	1	1	0	7	3
2006	0	0	3	14	16
2007	0	0	0	24	16
2008	0	3	1	36	6

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



- (2) Li, the Chairman of Hui X Industrial Co., Hsieh, the Director, and Hsieh, the accountant, knew well that, non-banks could not accept deposits. However, from January 2007 to September of the same year, using their company to process “special discount cases”, promised to pay \$6,000 monthly for each \$200,000 invested, and then, return the principal after 2 years; raised a monetary amount, from non-specific people, of approximately \$2,190.50 million. The case was referred to Taichung District Prosecutors Office on March 6, 2008.
- (3) Hsu, the former Chairman of Wan X Bank, Hsu, the Vice Chairman, Cheng, the former Chairman of Wan X Securities, and Li, the former General Manager, were suspected of violating regulations against providing bank credit, without collateral, to stakeholders, and the upper limit of loans to the same party. Between October of 1996 and March of 2008, they provided illegal loans to Hsu’s actual companies of Wan X Lease Co. and Di X Investment Co., worth \$5,045 million. The case was referred to Taipei District Prosecutors Office on April 7, 2008.
- (4) Yang, the owner of Hsin X Trading Co., knew well that, non-banks could not operate currency exchange services. However, between

November of 2005 and November of 2006, they ordered Huang to establish Shi X Trading Co. in Taiwan and open bank account for Chung, and then Yang ordered Chung, via telephone, to process wires and currency exchanges of RMB in order to earn processing fees and differences in exchange rates; thus, gaining a total of \$3,720.51 million. The case was referred to Taipei District Prosecutors Office on May 7, 2008.

- (5) Liu A and Liu B, citizens of Kaohsiung city, knew well that, non-banks may not process domestic or international exchanges. However, since 2002, they accepted the requests of non-specific clients in Taiwan and China, and performed – RMB exchanges in their home at Yanhai 1st Road, Hsiaogang District, Kaohsiung City, for a total of \$5,100,196,988. The case was referred to Kaohsiung District Prosecutors Office on November 24, 2008.

J. Infringement of Intellectual Property Rights

(a) Statistics:

There were 79 Intellectual property infringement cases referred in 2008, which was 31.90% less than 116 cases in 2007, with 125 suspects, which was 21.88% less than 160 suspects in 2007. The underlying amount was

\$3,118,669,322, which was 76.60% less than \$13,328,078,029 in 2007 (see Tables 2.04, 2.05, and 2.24, and Graph 2.20).

The cases include:

- (1) Violation of the Trademark Act: 60 cases
 - (2) Violation of Copyright Act: 19 cases
(See Table 2.04, 2.24, and Graph 2.21)
- (b) Significant cases:
- (1) Wang, a software engineer at De X Co., and Lu, the owner of Chian X Technology Co. co-conspired, and on September 18 2007, Wang illegally downloaded De X Co.'s source file software for operating a Screw Optical Sorting Machine and copied it to the suspect's flash drive, and then installed it in 10 Screw Optical Sorting Machine assembled by Chian X Co., which enabled them normal operations, and allowed them to accept contracts for screw sorting OEM. They were suspected of infringement of De X Co.'s intellectual copy rights. The case was referred to Kaohsiung District Prosecutors Office on November 20, 2008.
 - (2) Ma, the owner of Yi X International Co. knew well that, the public transmission of creative music must be authorized by the author. However, for profit, he developed "Hxx2p" software in January of 2005, and placed it on the company's "Hxx2p Crazy for Music" site to attract non-

specific people to become members, without a fee, to download and try "Hxx2p" point-to-point download software, any user satisfied with the trial could pay a monthly fee of \$79, a 6-month fee of \$399, or 1-year fee of \$599 to purchase the software, enabling unlimited downloads of copyright infringed MP3 music and movie/multimedia files, pirating in the name of "sharing" to commit acts of music and movie copyright infringement. The case was referred to Taipei District Prosecutors Office on January 4, 2008.

- (3) In July 2007, Liu established a Karaoke KTV forum site and provide members with ① ATM transfer to Cathay Business Bank's 034-50xxxx488 Liang, Xin-Ju account. ② PayPal payment to admin@ xxxxxx.com, free donation of \$1,200 or \$35 USD for unlimited downloads. Liu did not receive permission from the copyright holder, allowed non-specific members access to open discussion boards, publicly transmitted and distributed Déjà Vu (2006) and 127 other movies, Cartoon Hero (Singer: Sui Ding Dang) and other 4168 song files, for members to download, which made him a suspect in copyright infringement. The case was referred to Taipei District Prosecutors Office on August 28, 2008.
- (4) Hsu, the owner of Sheng X Winery,

Table 2.24 Statistics of Involved in Intellectual Property Rights Infringement Cases and Types over the Period of 2004 ~ 2008

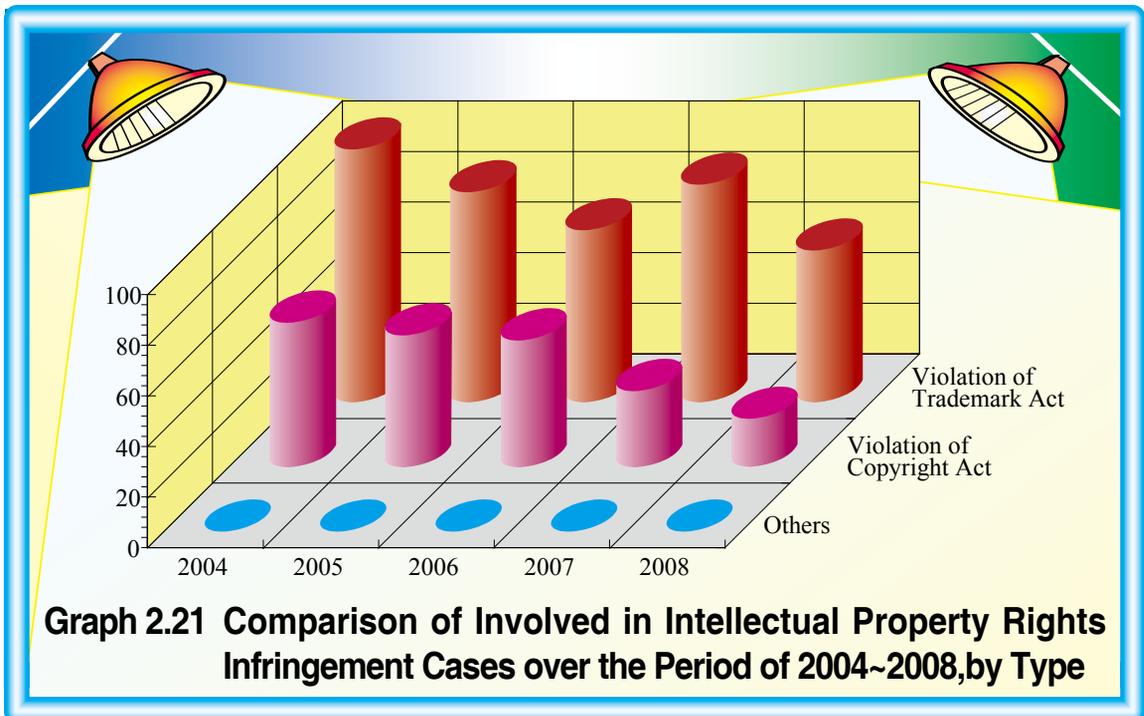
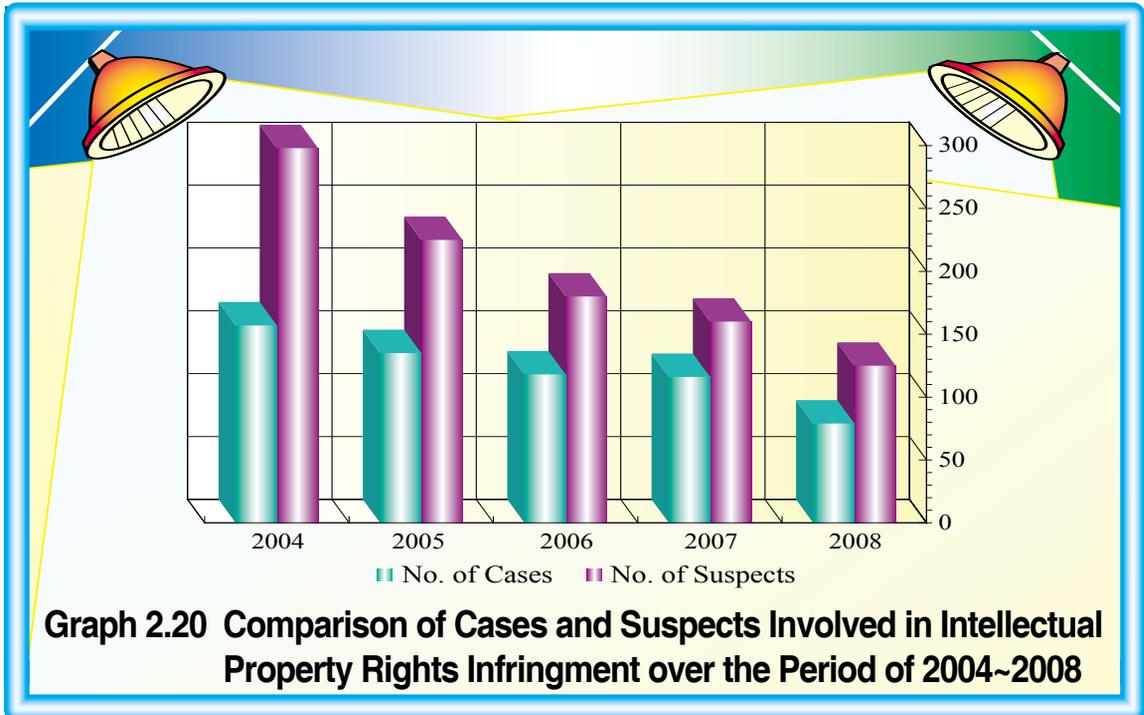
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
2004	157	100.00%	1.53%	298	100.00%	-24.50%	5,483,855	7.56%
2005	135	85.99%	-14.01%	225	75.50%	-24.50%	994,891	-81.86%
2006	118	75.16%	-12.59%	180	60.40%	-20.00%	3,340,230	235.74%
2007	116	73.89%	-1.69%	160	53.69%	-11.11%	13,328,078	299.02%
2008	79	50.32%	-31.90%	125	41.95%	-21.88%	3,118,669	-76.60%

Table 2.24 (cont.)

Item Year	Violation of Trademark Act		Violation of Copyright Act		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2004	100	191	57	107	0	0
2005	83	138	52	87	0	0
2006	68	115	50	65	0	0
2007	86	118	30	42	0	0
2008	60	89	19	36	0	0

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



knew well that, “Rice Wine and Illustration” was the logo of the Taiwan Tobacco and Liquor Corp., legally registered at the Intellectual properties bureau of the MOEA. However, Hsu used a logo similar to the one on the red label rice wine of the Taiwan Tobacco and Liquor Corp., and then stamped his logo, “Sheng X Rice Wine”, onto the 600ml pet bottle and publicly sold them. On June 5, 2008, during a cooperative effort between Tainan City Government, Pingtung County Government, and the Taiwan Tobacco and Liquor Corp., legal searches were conducted at the Sheng X Winery, and 85,176 bottles of 600 ml pet bottle “Sheng X Rice Wine”, 300 empty bottles with the logo, and 2,000 logo stickers for glass bottle were seized. The amount

of infringement was estimated at \$15,377,680. The case was referred to Pingtung District Prosecutors Office on August 27, 2008.

K. Violation of Securities & Exchange Act

(a) Statistics:

There were 69 Securities & Exchange Act violation cases referred in 2008, which was 2.99% more than 67 cases in 2007, with 295 suspects, which was 14.24% less than 344 suspects in 2007. The underlying amount was \$27,063,396,409, which was 64.47% less than \$76,178,028,396 in 2007 (see Table 2.04, 2.05, and 2.25, and Graph 2.22).

The cases include:

- (1) Settlement default: 2 cases.
- (2) Insider trading: 17 cases
- (3) Stock price manipulation: 22 cases

Table 2.25 Statistics of Involved in Securities & Exchange Act Violation Cases and Types over the Period of 2004 ~ 2008

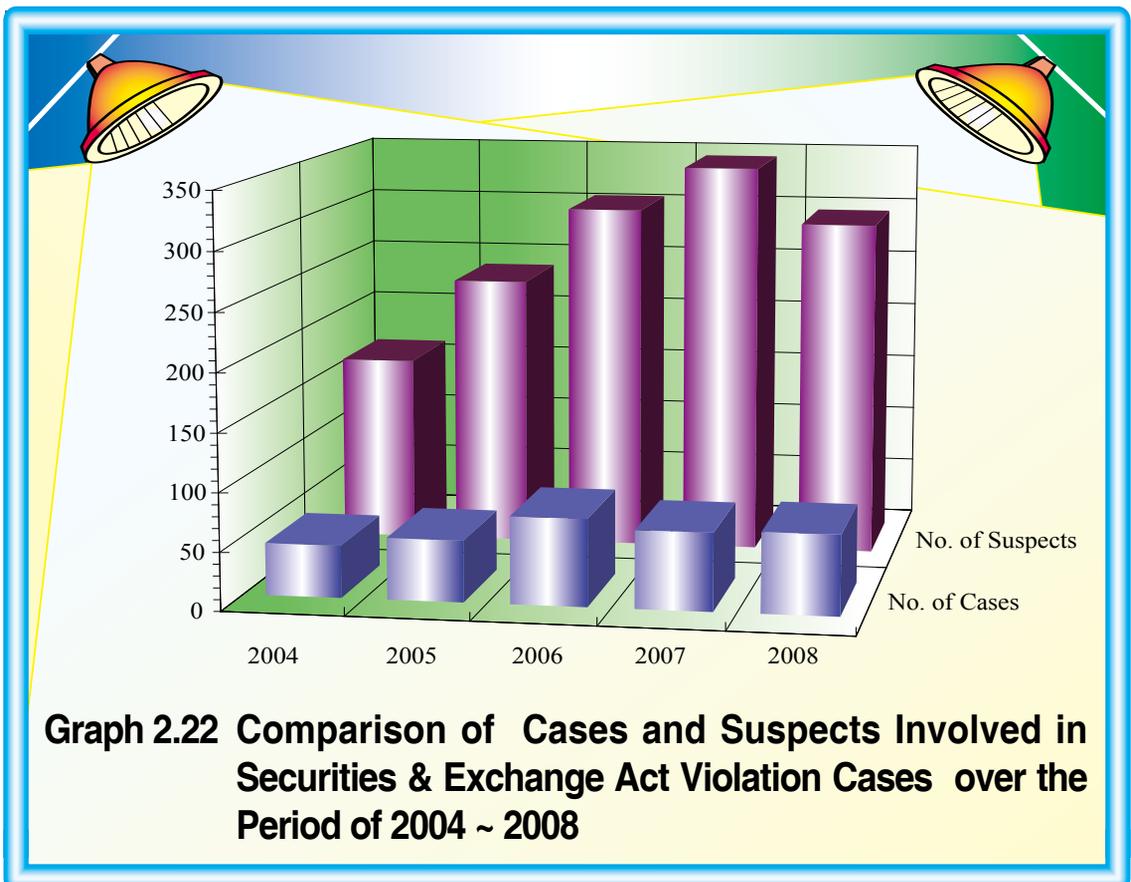
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²	Trade Default		Insider Trading	
									No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2004	45	100.00%	-13.46%	163	100.00%	6.54%	16,138,038	137.16%	6	10	10	21
2005	53	117.78%	17.78%	238	146.01%	46.01%	73,770,393	357.12%	3	3	11	24
2006	75	166.67%	41.51%	305	187.12%	28.15%	27,120,080	-63.24%	0	0	15	57
2007	67	148.89%	-10.67%	344	211.04%	12.79%	76,178,028	180.89%	1	4	14	59
2008	69	153.33%	2.99%	295	180.98%	-14.24%	27,063,396	-64.47%	2	20	17	93

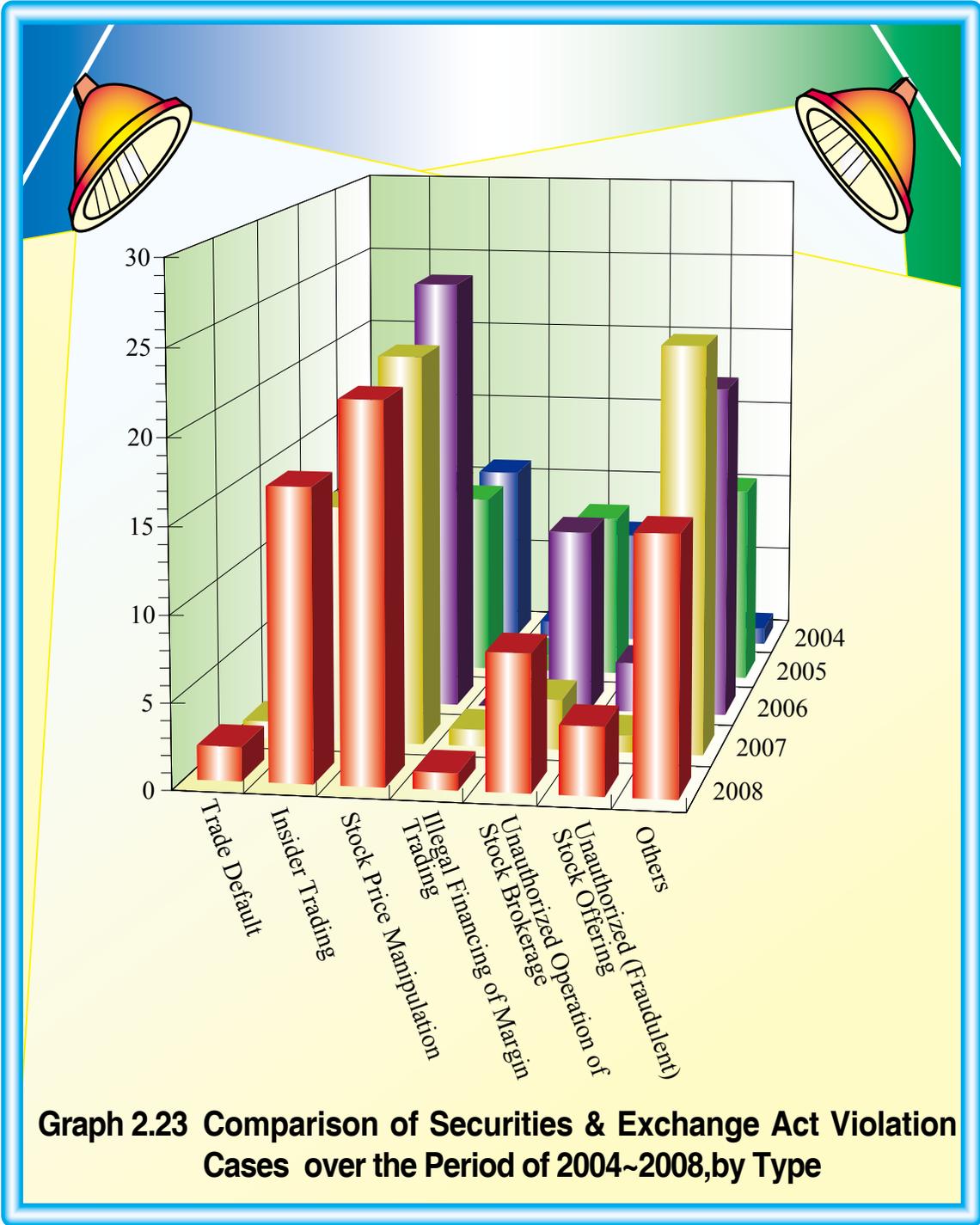
Table 2.25 (cont.)

Item	Stock Price Manipulation		Illegal Financing of Margin Trading		Unauthorized Operation of Stock Brokerage		Unauthorized (Fraudulent) Stock Offering		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2004	11	63	1	4	7	11	9	46	1	8
2005	11	48	1	4	10	34	5	22	12	103
2006	26	114	0	0	11	25	3	9	20	100
2007	23	85	1	1	3	11	1	5	24	179
2008	22	76	1	4	8	17	4	12	15	73

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%





Graph 2.23 Comparison of Securities & Exchange Act Violation Cases over the Period of 2004~2008,by Type

- (4) Illegal financing/security loan: 1 case
- (5) Unauthorized business operations: 8 cases
- (6) Unauthorized issuance of securities: 4 cases
- (7) Others: 15 cases
(See Table 2.25, and Graph 2.23)

(b) Significant cases:

(1) Huang, the Chairman of Ya X Co., and Mr. and Mrs. Chuang, the Chief Auditors, during 2005, ordered Yeh, the Assistant Finance Manager, to use an estimation of orders ahead of earned revenues, and then by performing backwash the next week, or retaining subsidiary account hedging, inflated the yearly revenues in 2005 to \$1,463.07 million, and then applied for loans at Far Eastern Bank, and 27 other banks, by submitting false financial reports, which caused the banks to fall into error and approved loans totaling \$11,265.91 million. On March 27, 2007, the Taiwan Securities Exchange went to Ya X Co. to audit, and discovered the major fraud. From March 28, 2007 to April 3d, 2007, before Chuang and Huang released news concerning errors in accounting, they ordered employee Dai to sell Mr. and Mrs. Huang's Ya X Co. stock and options in the Virgin Islands companies Intertek and Newvalley, which were established using Yang as a head. The total was

25,700 stock certificates (1000 shares per each). The case was referred to Shilin District Prosecutors Office on March 14, 2008.

(2) Tang, the CEO of Kai X Group (foreign venture) and Wang, the President of Tung X Group, and Lin, the President of Tung X Shopping, on March 3, 2006, held a meeting and discussed the Tang Kai X Group intentions to purchase Tung X Media's shares at \$32.5 per share. On April 24 of the same year, Tang, Wang, Tung X Shopping, as represented by Lin, and Tung X Shopping, and Tung X Mall signed a contract to purchase the shares, and the contract stated that Wang guaranteed to sell no less than 67% of the shares of Tung X Media to Kai X Group at the price of \$32.5 per share, and that the previously stated Tung X Media shares, which Wang guaranteed, would include 18.11% of Tung X media shares, which were held by Tung X International. Before releasing the major news on July 7, 2006, Wang ordered Huang, the Finance Manager of Tung X Shopping, to purchase 42,047 (1000 per share) stocks of Tung X International, using security accounts from Tung X Mall and Tung X Shopping (the shares were gradually sold starting from November 15, 2006), between March 13 and July 6 of 2006, and profited

from the closing price 10 business days after the news was released. The pro forma pick up was \$20.2 million. The case was referred to Taipei District Prosecutors Office on April 9, 2008.

- (3) Lin, the Chairman of Ri X Co., and Mr. and Mrs. You, the Directors, learned in December 2003 that the land allotted for construction for their company, “Yung X Project A Zone” could not complete the transfer registration before the end of 2003, and therefore, the company had to lower its financial forecast for 2003. In order avoid a price drop of their stock, and to successfully sell their shares, from December 17 2003, they had Ri X Co. release false information, such as, the bank for the “Yungchun Project A Zone” project had agreed to provide a loan, and other bullish news, and then, utilizing the older brother of Lin and 9 other relatives and employee accounts, they sold 5,374 (1000 per share) of Ri X Co. stock. Afterwards, at 15:00 on December 30, 2003, they released the statement that the “Yung X Project A Zone land transfer registration was not complete, the profit before tax was reduced from a gain of \$54.61 million to a loss of \$3 65.85 million”, which was bearish news that caused a price drop on the first business day after the news. The case was referred

to Taipei District Prosecutors Office on June 20, 2008.

- (4) Tzeng, the Chairman of Shi X Technology Co., Cheng, the Assistant Accounting Manager and Spokesman, and Huang, the Chairman’s Secretary, to respond to the rumor that Ren X Co. was acquiring, which reduced the amount of customers for Shi X Co. and in term, Shi X Co.’s revenue was dropping and its capital was running out, ordered Rao and 8 other employees, who were not aware of the situation, to falsify financial reports that included: ① an addition of a non-existent \$6,287.75 million, and \$3,198,288 USD in deductions; ② added a non-existent \$3.97 million USD in payables, and a non-existent \$1 billion in receivables. With the false financial report, they were granted \$2,494.22 million in loans from Ta Chong Ban, and \$54.48 million USD from ChinaTrust Bank. The case was referred to Banchiao District Prosecutors Office on August 6, 2008.
- (5) Peng, the former President of De X Co., Liao, the former General Manager, Chiou, the current General Manager, Chou, the former Finance Manager, and Lin, the current Finance Manager, for earning illegal profits, using falsified transaction records to boost the financial report, and drain the assets from the company: ①

Using revolving trade, the addition of a false item worth \$303,238,597, and \$443,749,316 in deductible for the statement of De X Co. between 2003 and 2005, totaling \$746,987,913. ② Using falsified financial reports, and an application for trade financing for \$165 million at the Cooperative Bank Neihu Branch, Taiwan Land Bank Nangang Branch. The case was referred to Taipei District Prosecutors Office on October 30, 2008.

- (6) Wang, the President of Hong X International, Chen, the General Manager, and Wu, the Assistant General Manager, knew well that, they had violated “Trust management processing procedures”. However, under an abnormal situation, where the overdue amount from XXXX Direct, Inc., and 4 other overseas companies, reached \$275,398,000 in the 3rd quarter of 2007, and they continued to sell goods to companies, and performed profit-less transactions, which actions do not meet the standards of business operations. By February 29, 2008, the accounts receivable from the previously stated companies had reached \$512,285,000. In which the overdue amount reached \$503,511,000, which caused insolvency for Hong X Co., due to insufficient funds for cheques written after March 7, 2008, and was listed

as a declined account, and the trading for the company’s stock stopped April 18, 2008. In addition, during the second half of 2007, Wang et al. knew well that Hong X Co. had no authorization to sell DRAM, made to test subprime grade wafers, however, under the condition of a large drop in prices for subprime wafers, they used normal DRAM product pricing quotes to deduct their manufacturing costs as the basis for price evaluation of the subprime products, and at the same time, using a stockpiling policy that was less than their peers to list losses, and provided false stock evaluation information to create the financial report of the third quarter of 2007, for the accountant to verify and to audit. The hidden loss for stockpiling was as high as \$731,381,000. The case was referred to Banchoiao District Prosecutors Office on July 9, 2008.

L. Violation of Fair Trade Act

(a) Statistics:

There were 3 Fair Trade Act violation cases referred in 2008, with 9 suspects and an underlying amount of \$43,969,600. In 2007, this type of case was not investigated (see Tables 2.04, 2.05, and 2.26, and Graph 2.24).

(b) Significant cases:

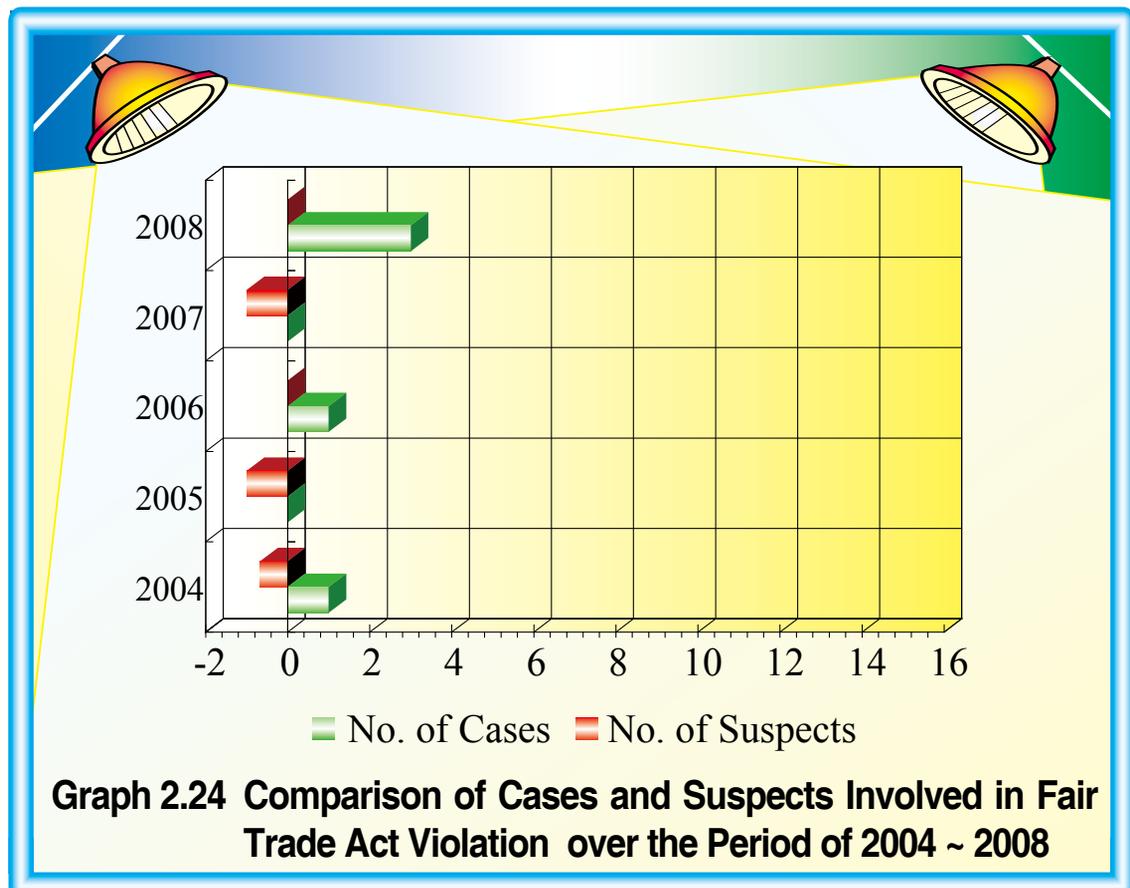
- (1) During January of 2007, Cheng and Wu began selling “Switzerland

Table 2.26 Statistics of Cases Concerning Violation of Fair Trade Act over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$)	Percent Change ²
2004	1	100%	-66.67%	5	100%	-68.75%	0	-100.00%
2005	0	0	-100.00%	0	0	-100.00%	0	NA
2006	1	100%	NA	2	40%	NA	0	NA
2007	0	0	-100.00%	0	0	-100.00%	0	NA
2008	3	300%	NA	9	180%	NA	43,969,600	NA

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



Mutual Funds” in Hualien and Taitung Counties, without permission of responsible governing agencies. They began gathering capital from 100 plus non-specific targets, such as Chiou, and used statements such as 25% profit every 30 days to recruit people. In addition, by using titles, such as “recommendation bonus”, “profit bonus”, and “balance bonus”, they required staff to attract investment target using multilayer (pyramid) marketing, for every person that invested \$1,000, the marketer could receive \$3,100 bonus. Cheng and Wu acquired \$280,300 USD (\$8,969,600) in capital. The case was referred to Hualien District Prosecutors Office on May 2, 2008.

- (2) Chuang, the President of Wei X Technology Co., Lyu, the CEO, and Guo, the Director of Distributions, knew well that, “there was no authorization for multilayer marketing, where a participant would receive a commission, bonus, or other benefit, which would be paid out from introducing others to join and not from reasonable prices for marketing, sales, or labor”. However, starting from July 2007, the suspects held information sessions non-periodically, and stated that by utilizing an online marketing genie program, which was received after paying a low

alliance fee to an @POST online postman, and distributed massive email advertisements to consumers that stated, as long as the consumer purchased products by clicking on the advertisement, the franchiser would receive bonuses, and earn a profit of 60% of advertisement. In this manner, they operated a multilayer marketing scam and recruited non-specific people to participate in the group. A total of 158 franchisers were recruited by the end of May 2008, with a total amount of sales reaching \$15 million. The case was referred to Kaohsiung District Prosecutors Office on July 8, 2008.

M. Violation of Futures Trading Law

(a) Statistics:

There were 15 Futures Trading Law violation cases referred in 2008, which was 16.67% less than 18 cases in 2007, with 57 suspects, and 10.94% less than 64 suspects in 2007. The underlying amount was \$2,868,701,730, which was 10.10 times more than \$258,387,947 in 2007 (see Tables 2.04, 2.05, and 2.27, and Graph 2.25).

(b) Significant cases:

- (1) Without permission, beginning in September of 2003, Liu et al. used the Taiwan Stock Index and security shares as an underlying, and illegally imitated, legal futures market trading model, at the same time slot as the

Table 2.27 Statistics of Cases Concerning Violation of Futures Trading Law Violation Cases over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$)	Percent Change ²
2004	24	100.00%	-17.24%	82	100.00%	-8.89%	244,934,488	36.43%
2005	18	75.00%	-25.00%	77	93.90%	-6.10%	115,285,200	-52.93%
2006	18	75.00%	0.00%	67	81.71%	-12.99%	872,744,247	657.03%
2007	18	75.00%	0.00%	64	78.05%	-4.48%	258,387,947	-70.39%
2008	15	62.50%	-16.67%	57	69.51%	-10.94%	2,868,701,730	1010.23%

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



legitimate market, and targeted non-specific clients for trading; the total amount seized was \$1,060 million. The case was referred to Yunlin District Prosecutors Office on February 18, 2008.

- (2) Chou, a sales representative of Fu X Securities, Yanping Branch, from April of 2003, began accepting futures investments, with full rights entrusted, without permission of the responsible governing agencies. He privately accepted requests from Chen A, the son of Chen B, the owner of Chiang X Co., a listed company, and invested in Wei X Co. and Chuang X Vaccine Co. on Chen A's behalf. He traded index options, and other futures products, using an account opened at Fu X Securities, Yanping Branch, and performed in depth OTM trading between the futures accounts of Wei X Co., Chuang X Vaccine Co., and the futures accounts of his sister Chou, and his friend Chiang, and then transferred the capital in the futures accounts of Wei X Co. and Chuang X Vaccine Co.'s to Chou and Chiang's accounts for Chou's use. In order to cover up this crime, Chou continually provided falsified reports. In addition, investors Lin and 7 others received false investment information, causing them to fall into error in investment capital, amounting to \$189.20 million

in trust futures options. Their loss was approximately \$130 million. The case was referred to Taipei District Prosecutors Office on July 22, 2008.

- (3) Without permission from responsible governing agencies, Lin and Liu illegally began trading business under the name of Da X Securities, beginning in November 2004, using the weighted security index provided by the Taiwan Securities Exchange to entice customers She et al. to order futures, and accepted the processing fees. The total amount had reached more than \$1 billion by September 2008. The case was referred to Taipei District Prosecutors Office on November 21, 2008.

N. Violation of Insurance Law

(a) Statistics:

There were 2 Insurance Law violation cases referred in 2008, which was 33.33% less than 3 cases in 2007, with 5 suspects, which was 37.50% less than 8 suspects in 2007. The underlying amount was \$341.25 million, which was 220.12% more than \$106,602,011 in 2007(see Tables 2.05, 2.28, and Graph 2.26).

(b) Significant cases:

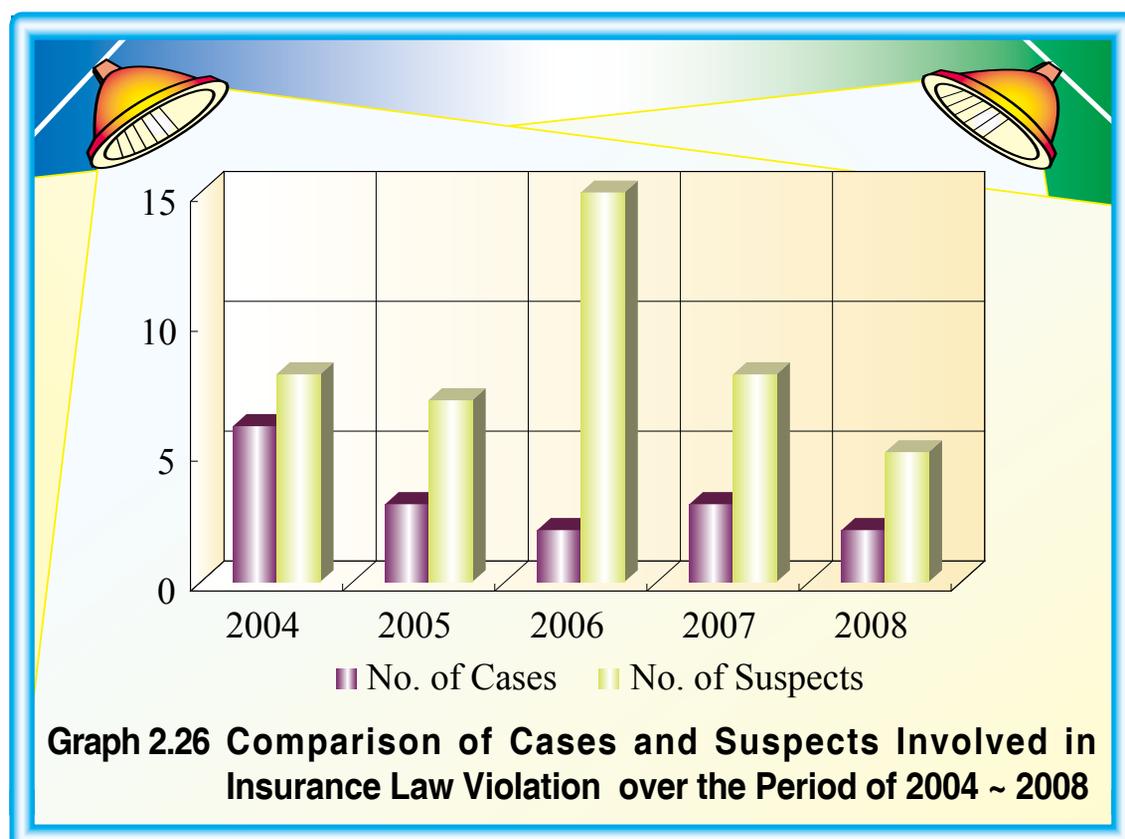
- (1) Li, the President of Sheng X Investment Consulting Co., hired Tsai et al beginning in March 2003 to September of 2005, and sold "Huan X Retirement Plan Funds",

Table 2.28 Statistics of Cases Concerning Violation of Insurance Law Violation Cases over the Period of 2004 ~ 2008

Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$)	Percent Change ²
2004	6	100.00%	500.00%	8	100.00%	60.00%	142,606,684	-85.74%
2005	3	50.00%	-50.00%	7	87.50%	-12.50%	30,480,000	-78.63%
2006	2	33.33%	-33.33%	15	187.50%	114.29%	1,198,324,708	3831.51%
2007	3	50.00%	50.00%	8	100.00%	-46.67%	106,602,011	-91.10%
2008	2	33.33%	-33.33%	5	62.50%	-37.50%	341,250,000	220.12%

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%



which were not approved foreign investments, with the amount sold equal to approximately \$22 million. In addition, during 2006, Tsai established Samoa English Isle of Man Asset Management, and continued to sell “Huan X Retirement Plan Funds”, “Huan X Savings Account”, and “Wan X Chi Fu Investment Plan” for foreign investments, with approximately \$900,000 USD (\$29.25 million) sold. The case was referred to Taipei District Prosecutors Office on June 7, 2008.

- (2) Chen, the President of National X Industrial Association, Yan, the CFO, and Chang, the Director of Mutual Assistance Committee, drafted “Mutual Beneficial Guidelines” for their Mutual Committee, without obtaining approval from responsible governing agencies, and began operations similar to insurance methods. Tour bus companies applied with their vehicles to the Committee, and then fees, similar to “Protection” fees were paid for each vehicle, at which time they became part of the “Mutual Assistance Fund”, thus, when major accidents occurred to any vehicle, any degree of injury to staff, death, or any financial damage, they could request \$2.5 million for each person. Over \$290 million in “Mutual Assistance Funds” were

accumulated. The case was referred to Taipei District Prosecutors Office on August 1, 2008.

O. Other cases that undermined economic order

(a) Statistics:

There were 8 other economic crimes referred in 2008, which was 64.71% more than 17 cases in 2007, with 61 suspects, which was 177.27% more than 22 suspects in 2007. The underlying amount was \$3,955,546,973, which was 26.02 times more than \$146,387,500 in 2007(see Tables 2.04, 2.05, and 2.29, and Graph 2.27).

The cases include:

- (1) Violation of the Wildlife Conservation Act: 1 case
- (2) Violation of Company Law: 8 cases
- (3) Computer crimes: 4 cases
- (4) Others: 15 cases

(b) Significant cases:

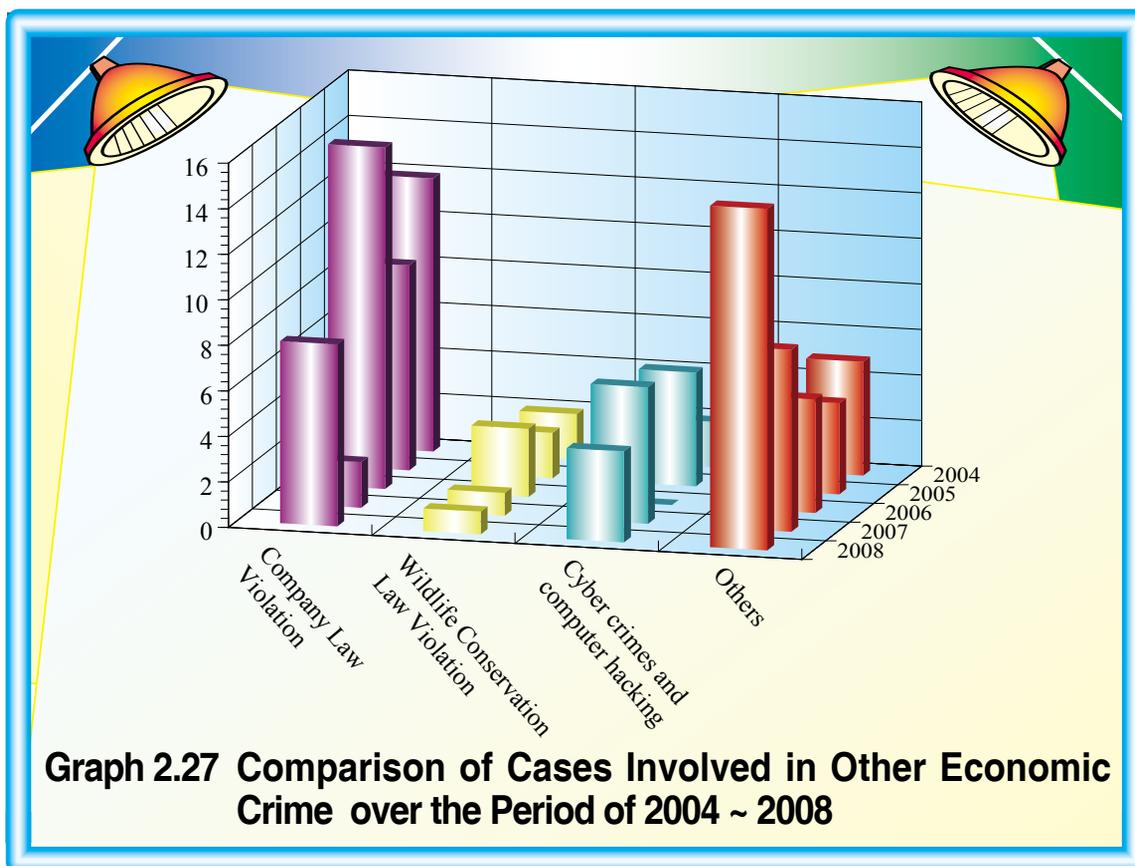
- (1) Gao A and Gao B of Jing X Co. knew well that, without registration, they were not permitted to operate a business, or perform any other legal behaviors, as a company. However, beginning in December 2007, as a company, they began selling foreign funds, based on the AIIT Fund Platform, to non-specific targets. There were 383 clients with monetary amounts totaling \$669,579,782 by June 2008. The suspects were in violation of Company Law. The case

Table 2.29 Statistics of Cases Involved in Other Economic Crime Cases over the Period of 2004 ~ 2008

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²	Company Law Violation	Wildlife Conservation Law Violation	Cyber crimes and computer hacking	Others
2004	21	100.00%	162.50%	194	100.00%	1392.31%	5,061,115	4043.12%%	12	2	2	5
2005	20	95.24%	-4.76%	113	58.25%	-41.75%	214,562	-95.76%	9	2	5	4
2006	23	109.52%	15.00%	43	22.16%	-61.95%	275,817	28.55%	15	3	0	5
2007	17	80.95%	-26.09%	22	11.34%	-48.84%	146,387	-46.93%	2	1	6	8
2008	28	133.33%	64.71%	61	31.44%	177.27%	3,955,546	2602.12%	8	1	4	15

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- Previous year)/Previous year]x100%



was referred to Taichung District Prosecutors Office on July 24, 2008.

- (2) Chou, the former President of Yi X Investment Consulting Co., Wang, the current President, and Chen, an employee, knew well that, without approval from responsible governing agencies, and without reporting to responsible governing agencies, they were not allowed to be dealers, sellers, or investment consultants for Offshore Funds. However, beginning in 2007, they began targeting clients for investments in stable foreign currency notes, CCIB-SPC selected Asia Medium and Small Investment combinations, and few dozen Offshore Funds, with the amount of sales reaching as high as \$1.1 billion. They were suspected of violating security investment trust and consulting laws. The case was referred to Taipei District Prosecutors Office on August 22, 2008.

(II) General Crimes

A. Statistics:

There were 153 cases referred in 2008, which was 1.29% less than 155 cases in 2007, with 313 suspects, which was 7.93% more than 290 suspects in 2007. The underlying amount was \$1,297,646,433, which was 736.93% more than \$155,048,212 in 2007 (see Tables 2.04, 2.05, 2.30, and 2.31).

The cases include:

1. Document forgery: 41 cases
2. Other cases, including violations of the Pharmaceutical Affairs Act, the Waste Disposal Act, the Plant Protection and Quarantine Act, the Veterinary Drugs Control Act, etc.: 112 cases
(See Tables 2.04, 2.05, 2.30, and 2.31)

B. Significant cases:

- (1) Beginning from August 31, 2005, Ma, the President of Ding X International Co., imported placenta and embryoin without the permission of the National Health Bureau, Executive Yuan, which means they violated drug laws, and sold to Hou, the President of Lyu X Biotechnology Co. and others, 35000 shots, and received illegal profits of \$45.36 million,. The case was referred to Taipei District Prosecutors Office on May 2, 2008.
- (2) “Evalene Plant Serum”, authorized to Pei X Co. for sales, was tested by the Health Bureau of Executive Yuan at and Clindamycin Hydrochloride, test results showed the ingredients were not the ingredients authorized by the Health Bureau for medical cosmetics. After the samples were sent to MJIB, on January 24, 2008, an underground factory, set up by Chia X Co., an upper stream company, in Taichung City, on Chiancheng Road was searched, and 44851 “Evalene Plant Serum” bottles were found, with an illegal profit of \$38,706,810, and in violation of

Table 2.30 Statistics of General Crime Cases Referred to Public Prosecutors Office in 2008

Type of offense Month	No. of Cases	No. of Suspects	Amount Involved (NT\$)	Forgery of Document			Others		
				No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	No. of Suspects	Amount Involved (NT\$)
Total	153	313	1,297,646,433	41	110	373,196,242	112	203	924,450,191
Jan.	18	40	140,842,000	5	12	20,000,000	13	28	120,842,000
Feb.	3	5	520,000	2	4	520,000	1	1	0
Mar	17	27	1,126,900	6	11	150,000	11	16	976,900
Apr.	15	25	16,041,305	2	2	16,034,305	13	23	7,000
May	15	53	91,802,687	5	33	46,442,687	10	20	45,360,000
Jun.	22	35	160,254,200	3	4	0	19	31	160,254,200
Jul.	15	37	200,000,000	4	13	200,000,000	11	24	0
Aug.	15	21	12,006,250	3	4	8,249,250	12	17	3,757,000
Sep.	4	4	0	0	0	0	4	4	0
Oct.	15	30	43,126,161	3	4	0	12	26	43,126,161
Nov.	9	26	631,925,620	5	19	81,800,000	4	7	550,125,620
Dec.	5	10	0	3	4	0	2	6	1,310

Other 86 cases, including violation of Pharmaceutical Affairs Act, Waste Disposal Act, Plant Protection and Quarantine Act, and Veterinary Drugs Control Act.....

Table 2.31 Statistic of General Crime Cases over the Period of 2003 ~ 2007

Item Year	Total							
	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
2004	171	100.00%	52.68%	441	100.00%	11.08%	191,199	6.75%
2005	115	67.25%	-32.75%	330	74.83%	-25.17%	655,539	242.86%
2006	136	79.53%	18.26%	387	87.76%	17.27%	530,786	-19.03%
2007	155	90.64%	13.97%	290	65.76%	-25.06%	155,048	-70.79%
2008	153	89.47%	-1.29%	313	70.98%	7.93%	1,297,646	736.93%

Table 2.31(cont.)

Item Year	Forgery of Document		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2004	129	333	42	108
2005	72	213	43	117
2006	61	155	75	232
2007	69	111	86	179
2008	41	110	112	203

Notes: 1. Relative to 2004 (100%)

2. Percent Change = [(Current year- Previous year)/Previous year]x100%

the Pharmaceutical Affairs Act. The case was referred to Taipei District Prosecutors Office on June 23, 2008.

- (3) From January 2001 to April 2008, Lin, the owner of Guan X Co. knew well that, “Collagen Gold”, which the company was authorized to manufacture and sell, was a product made in cooperation of signed sales contracts with Huan X Trading Co., and purchasing raw collagen materials from Switzerland BIOXXX Ag, and then, after requesting that Long X Pharmaceutical Co. infuse shark cartilage powder, false labels of “imported from Switzerland”, “and manufactured in Switzerland” were applied. Using multilayer marketing, the company allowed members to advertise at promotional events and in business manuals that, the product could cure scoliosis, cervical cancer, and other symptoms, using false testimonies to recruit members to sell the product to gain illegal profits. The Bureau seized 8778 completed products, and 10800 kg of half completed products of “Collagen Gold”, which was in violation of the Pharmaceutical Affairs Act. The case was referred to Taichung District Prosecutors Office on June 10, 2008.
- (4) The President of Luo X International Co., and Huang, the President of Chiao X Biotechnology Co. knew well that, over 12 milligrams of Sennae Folium

daily qualifies as drug and must be controlled. However, in order to gain illegal profits, between March 2004 and January 2008, Guo requested Huang to produce “Green Genie”, which supposedly helps to reduce body fat. Then, Luo X Co. performed direct marketing sales. The previously stated “Green Genie” contains Sennae Folium, and by following the prescribed dosage, the amount of Sennae Folium was as high as 15 to 70 milligrams. The Bureau seized 4,203,620 pills worth \$541.50 million, for violation of the Pharmaceutical Affairs Act. The case was referred to Taichung District Prosecutors Office on November 13, 2008.

(III) Tax Evasion

A. Statistics:

There were 211 tax evasion cases referred in 2008, which was 52.80% less than 447 cases in 2007. The penalty amount was \$1,381,847,733, which was 73.01% more than \$798,704,840 in 2007 (see Tables 2.04, 2.05, and 2.32, and Graph 2.28).

B. Significant cases:

- (1) From April 2001 to October 2002, Yi X Co. did not receive any shipments, but Gao X Co. issued government uniform invoices worth \$315,612,698, and reported \$15,780,635 in false withholdings. In addition, between July

Table 2.32 Statistics of Tax Evasion Cases over the Period of 2004 ~ 2008

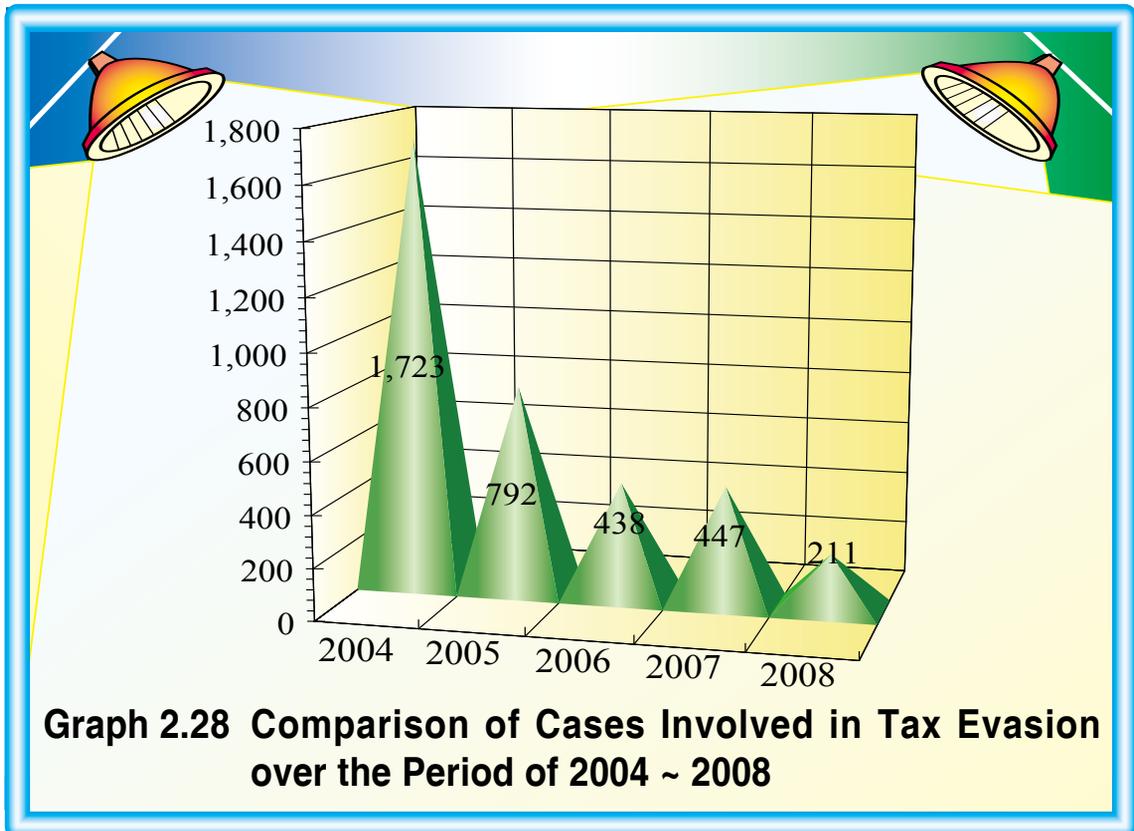
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	Penalty Imposed (NT\$1,000)	Percent Change ²	Type of Tax Evasion	
						Business Tax	Stamp Tax
2004	1,723	100.00%	47.64%	5,720,151	79.24%	1,292	12
2005	792	45.97%	-54.03%	2,318,446	-59.47%	522	0
2006	438	25.42%	-44.70%	1,782,482	-23.12%	332	2
2007	447	25.94%	2.05%	798,704	-55.19%	224	1
2008	211	12.25%	-52.80%	1,381,847	73.01%	81	0

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- previous year)/Previous year]x100%

Table 2.32 (cont.)

Item Year	Type of Tax Evasion					
	Commodity Tax	Deed Tax	Land Increment Tax	Inheritance Tax	Individual Income Tax	Others
2004	6	0	0	0	365	48
2005	0	0	0	4	233	33
2006	0	0	0	0	57	47
2007	4	0	0	0	173	45
2008	3	0	0	0	125	2



2001 and August 2003, there were no actual sales, but government uniform invoices valued at \$211,863,507 were issued in order to evade \$4,659,610 in Business Income Tax. After the case was sent to National Tax Administration of Central Taiwan Province, \$21,207,300 was penalized on December 28, 2007.

- (2) Between January 2003 and December 2004, Kang X Co. sold products without providing government uniform invoices, as regulated by tax laws,

and evaded \$162,233,942 in Business Income Tax. After the case was sent to National Tax Administration of Central Taiwan Province, \$486,701,800 was penalized on March 11, 2008.

- (3) Between December 2004 and April 2005, Hsian X Co. sold products without providing government uniform invoices, as regulated by tax laws, in addition, the company did not report its true earning, thereby, evading Business Income Tax, in the amount of \$40,006,956. After the case was sent

Table 2.33 Statistics of Fugitives Abroad Apprehended Cases in 2008, by Type of Offense

Type of Offense	Method of Pursuit	No. of Suspects	Country of Hiding (Unit: Person)									Remark
			Thailand	Philippines	Vietnam	Canada	New Zealand	Mainland China (Hong Kong, Macau included)	USA	Japan	Malaysia	
Economic Crime	Extradition	4	0	0	1	0	0	3	0	0	0	
	Persuasion	1	0	0	0	0	0	0	1	0	0	
Drug Crime	Extradition	0	0	0	0	0	0	0	0	0	0	
	Persuasion	0	0	0	0	0	0	0	0	0	0	
Corruption	Extradition	0	0	0	0	0	0	0	0	0	0	
	Persuasion	2	0	0	0	0	0	0	2	0	0	
Firearm Offense	Extradition	0	0	0	0	0	0	0	0	0	0	
	Persuasion	0	0	0	0	0	0	0	0	0	0	
Other Offenses	Extradition	0	0	0	0	0	0	0	0	0	0	
	Persuasion	0	0	0	0	0	0	0	0	0	0	
Total	Extradition	4	0	0	1	0	0	3	0	0	0	
	Persuasion	3	0	0	0	0	0	0	3	0	0	

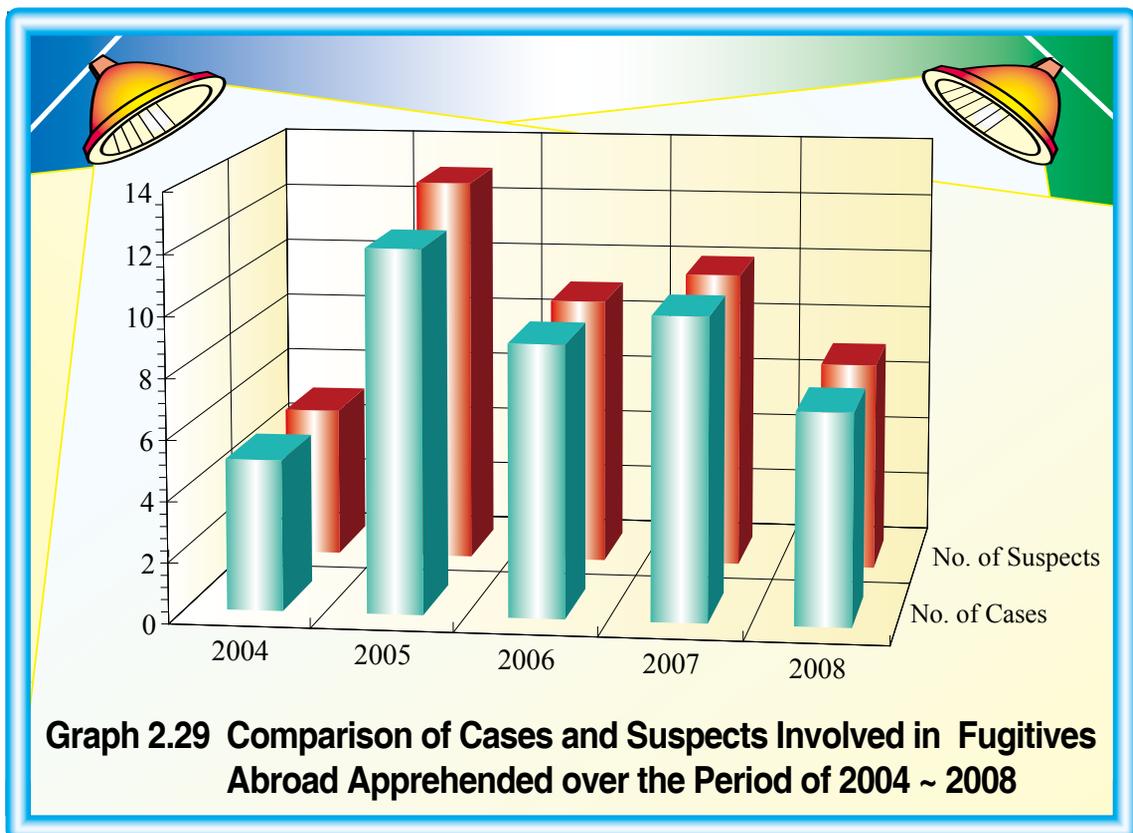
Table 2.34 Statistics of Fugitives Abroad Apprehended Cases over the Period of 2004 ~ 2008

Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²
2004	5	100.00%	-28.57%	5	100.00%	-37.50%
2005	12	240.00%	140.00%	13	260.00%	160.00%
2006	9	180.00%	-25.00%	9	180.00%	-30.77%
2007	10	200.00%	11.11%	10	200.00%	11.11%
2008	7	140.00%	-30.00%	7	140.00%	-30.00%

Notes:1. Relative to 2004 (100%)

2. Percent Change = [(Current year- Previous year)/Previous year]x100%

3. Method of pursuit includes extradition, persuasion and joint efforts



to the National Tax Administration of Central Taiwan Province, \$120,020,800 was penalized on June 24, 2008.

IV. Tracking and Apprehension of Fugitives Abroad

(I) Statistics

There were 7 cases of fugitives abroad, which was 30.00% less than 10 cases in 2007, with 7 suspects, which was 30.00% less than 10 suspects in 2007, in which, 4 people in 4 cases were apprehended, and 3 people in 3 cases voluntarily gave themselves up to the authorities (see Tables 2.04, 2.05, 2.33, and 2.34, and Graph 2.29).

(II) Significant cases

A. Apprehension through Extradition

(1) From 1996 to April 2000, Wang, the former General Manager of Chung X Bank, illegally loaned Ya X Group, the Tai X Group, and others, causing major financial losses to Chung X Bank. The Bureau investigated and referred case by case, and for some of the cases, on April 26, 20007, the Taiwan High Court decided its verdict, and sentenced Wang to 6 years and 8 months in prison, deprived him of his civil rights for 5 years. Wang had fled to China to avoid serving time in jail. Taipei District Prosecutors Office could not execute the sentence and issued a

fugitive alert on October 30, 2007. In November 2007, Wang was arrested by Chinese Public Security, and charged with illegal entry. Wang was extradited from Ma Wei, Fujiang to Mazhu on February 28, 2008, and handed over to the Bureau's special case investigations unit and returned to Taipei. After inquiries, his case was sent to Taipei District Prosecutors Office.

(2) Since March 2007, Hsiao, the owner of Jin X Co. and Yue X Co., using a multilayer marketing scheme with health and beauty products, and exercise equipment, scammed the public; and gained \$20 million. Nearly 100 citizens were conned. He was suspected of violations of the Banking Act. During the investigation of the case, he left the country and did not come to provide states evidence, even after repeated subpoenas by the Taipei District Prosecutors Office. A fugitive alert was issued on May 13, 2008. In June 2008, the Bureau received a report that Hsiao had invested in Tian X Co. in Ho Chi Minh City, Vietnam. The Bureau requested that the equivalent bureau in Vietnam apprehend the suspect. The suspect was arrested on August 15, 2008. After the deportation procedures were complete, the Bureau's special case unit returned the suspect to Taiwan. After inquiries he was sent to Taipei District Prosecutors Office.

B. Surrender under Persuasion

- (1) During 1991, You, the former Administrative Chief of Fuhsing Township, Taoyuan County, when cooperating with builder Hu, violated the Slope land Conservation and Utilization Act and even though there was not an environmental conservation plan, You issued a permit to build a parking lot, placing him under suspicion of corruption. On May 13 2008, Taoyuan District Court issued a fugitive alert. The Bureau persuaded You to agree to turn himself in on May 23, 2008, from China to Taiwan. After the special case unit of the Bureau made inquiries, his case was sent to Taoyuan District Court.
- (2) Lin, the owner of Hong X Co. was under suspicion of smuggling cigarettes into Taiwan since 1990, but he fled the country before the investigation began. Shilin District Court issued a fugitive alert on December 19, 1996. Lin was arrested on other charges in the US and served a full sentence. The Bureau persuaded Lin to turn himself in and a American team returned him to Taiwan on May 1, 2008, where they turned him over to the Bureau's special cases unit, after inquiries he was sent to Shilin District Court.

V. Broadening International Cooperation

(I) The Participation International Conferences

- A. The 26th “Cambridge International Symposium on Economic Crime” was held from August 31 to September 7 2008, held at the Jesus College, University of Cambridge in England. The Bureau sent Director of Foreign Affairs Ming Chuang, and Agent of Economic Crime Prevention Division Guo-yi Huang to attend. The topic at the conference was “the Crisis of the Banking Industry and Solutions”, with the following agenda: ① internal and external risks and issues faced by financial institutions; ② the challenge upon the stability and comprehensiveness of the world's financial structure; ③ potential threats posed by organized crime, fraud, corruption, and money laundering within the financial structure.
- B. The 5th International Conference on Asian Organized Crime and Terrorism was held at the St. Francis Hotel, San Francisco from March 16 to 21, 2008. The Bureau sent Agent Lian-fang Liu to attend. The topics of the conference included: credit card fraud, online crimes, human/snakehead smuggling, gangs and organized crime, money laundering, fugitive pursuit, and computer crimes.

(II) Cooperative in Investigation

- A. On February 22, 2008, the Ministry of Foreign Affairs held a conference titled

“Discussions and Outlooks of Bureaus and Departments of Taiwan Cooperating with Vietnam”, with the primary goal of integrating sources provided to Vietnam, discuss the importance of diplomatic relationships between countries, and assist in creating improvements. The Bureau sent Agent Jia-rui Lan to the conference.

- B. The Bureau negotiated with ICE of the U.S., and it agreed to send officers to assist in returning fugitive Lin to Taiwan, on May 1, 2008.
- C. The Bureau asked the related department in Vietnam to apprehend Hsiao, the former owner of Jin X Co. and Yue X Co., who was suspected of violating the Banking Act. After the deportation procedures were completed, the suspect was returned to Taiwan, on August 15, 2008.

(III) Exchange of Information and Visits

A. Tatum King, the newly appointed director of the ICE (U.S. Immigration and Customs Enforcement) office in Hong Kong, and Gan-liang Huang, a specialist, visited on July 10, 2008, and were received by Deputy Director General Wu. The two parties discussed cooperation in apprehending fugitives in the U.S., Hong Kong, and Macau, as well as tracking missing capital funds and information exchange; the meeting helped to improve international cooperative relationship between the parties.

B. In 2008, Eric Garduno, the Legal Consultant of the Court, Internet, and Intellectual Property Group of the House Judiciary Committee, led the 7th Delegation of Congressional Legislative Assistants to visit the Bureau. They were received by Deputy Director General Tsai, and exchanged opinions on prosecutions of intellectual property rights infringement, Internet crimes, and strengthening mutual-cooperation.

C. Deputy Director general Chang led a delegation to visit the Anti-Drug Abuse Commissions and Immigration Bureaus of Vietnam, and the Supreme People’s Court of Laos from December 8 to the 13, 2008, and discussed increasing cooperative efforts for the investigation of crimes across nations, apprehending suspects, and information exchange. They also discussed the continuation of “International Crime Investigation Class” of 2009.

(IV) International Training

Chung-long Pan, Section Chief of Economic Crime Prevention of the Bureau presentation to the middle and senior level cadre members and legal secretaries from Vietnam on the responsibilities of the Bureau during the “2008 Training Class of Transnational Crime Investigations”.

VI. Combating crimes across the Strait

The Bureau and the Chinese local public security agencies exchanged 12 visits this year to exchange information, cooperative efforts when investigating cases, and tracking fugitives in the process of gradually establishing crime prevention measures and punishment models, which were feasible for both sides, and could actively prevent crimes across the strait.

Part Three

Crime Situation and Character Analysis



I. Economic Crimes Cases

There were 715 economic crime cases referred to the public prosecutors offices in 2008, decreased by 10.18%, as compared to 796 cases in 2007; these cases involved 3,189 suspects, decreased by 16.63%, as compared to 3,825 suspects in 2007 (see Table 3.01).

A statistical analysis on the offenses of the crimes, genders, ages, and educational levels of the suspects, as well as sources of the cases, reasons for the crimes, and areas of crimes are discussed, as follows:

(I) Crime Situations

The various types of economic crime cases referred in 2008 are compared with those from 2007, as follows: (see Table 3.01):

1. Fraud: 262 cases, decreased by 4.03%, as compared to 273 cases in 2007; 1,159 suspects involved, decreased by 3.09%, as compared to 1,206 suspects in 2007.
2. Misappropriation (embezzlement): 51 cases, decreased by 32.89%, as compared to 76 cases in 2007; 101 suspects involved, decreased by 33.99%, as compared to 153 suspects in 2007.
3. Breach of trust: 28 cases, decreased by 34.88%, as compared to 43 cases in 2007; 124 suspects involved, decreased by 53.88%, as compared to 266 suspects in 2007.
4. Usury: 7 cases, decreased by 61.11%, as compared to 18 cases in 2007; 13 suspects involved, decreased by 80.30%, as compared to 66 suspects in 2007.
5. Smuggling: 27 cases, increased by 22.73%, as compared to 22 cases in 2007; 31 suspects involved, decreased by 6.06%, as compared to 33 suspects in 2007.
6. Violation of Tax Collection Act: 72 cases, decreased by 20.88%, as compared to 91 cases in 2007; 988 suspects involved, decreased by 26.43%, as compared to 1,343 suspects in 2007.
7. Counterfeiting or alteration of currency or negotiable securities: 7 cases, increased by 133.33%, as compared to 3 cases in 2007; 12 suspects involved, increased by 50.00%, as compared to 8 suspects in 2007.
8. Violation of Tobacco and Alcohol Administration Act: 7 cases, increased by 600.00%, as compared to 1 case in 2007; 8 suspects involved, increased by 700.00%, as compared to 1 suspect in 2007.
9. Violation of Banking Act: 58 cases, increased by 20.83%, as compared to 48 cases in 2007; 201 suspects involved, increased by 33.11%, as compared to 151 suspects in 2007.
10. Infringement of intellectual property rights: 79 cases, decreased by 31.90%, as compared to 116 cases in 2007; 125 suspects involved, decreased by 21.88%, as compared to 160 suspects in 2007.
11. Violation of Securities & Exchange Act: 69 cases, increased by 2.99%, as compared to 67 cases in 2007; 295 suspects involved, decreased by 14.24%, as compared to 344

Table 3.01 Statistics of Economic Crime Cases Referred to Public Prosecutors Office in 2007 and 2008

Type of Offenses		Year		No. of Cases			No. of Suspects		
		2008	2007	Percent Change	2008	2007	Percent Change		
I. Economic Crimes	Total	715	796	-10.18%	3189	3,825	-16.63%		
	Fraud	Subtotal	262	273	-4.03%	1159	1,206	-3.90%	
		Fraudulent loan	21	22	-4.55%	225	104	116.35%	
		Fraud in international trade	1	3	-66.67%	2	5	-60.00%	
		Fraudulent insolvency	5	7	-28.57%	10	12	-16.67%	
		Fraudulent closure of private loan association	9	6	50.00%	11	6	83.33%	
		Fraudulent real estate transaction	6	8	-25.00%	18	33	-45.45%	
		Fraudulent negotiable instrument	10	9	11.11%	115	213	-46.01%	
		Fraudulent investment	19	17	11.76%	65	36	80.56%	
		Credit card fraud	1	0	NA	1	0	NA	
		Advertisement fraud	0	2	NA	0	5	NA	
		Fraudulent tax refund	2	0	NA	4	0	NA	
		Insurance fraud	4	24	-83.33%	51	90	-43.33%	
		Cyber fraud	3	5	-40.00%	7	6	16.67%	
		Hospitalization fraud	17	22	-22.73%	138	77	79.22%	
		New type of group fraud	89	55	61.82%	262	274	-4.38%	
		Others	75	93	-19.35%	250	345	-27.54%	
		Embezzlement	Subtotal	51	76	-32.89%	101	153	-33.99%
			General embezzlement	10	11	-9.09%	17	31	-45.16%
			Embezzlement by public employees	5	4	25.00%	10	7	42.86%
			Embezzlement by employees of private enterprise	36	61	-40.98%	74	115	-35.65%
		Breach of trust	28	43	-34.88%	124	266	-53.38%	
		Usury	7	18	-61.11%	13	66	-80.30%	
		Smuggling	27	22	22.73%	31	33	-6.06%	
		Violation of Tax Collection Act	72	91	-20.88%	988	1,343	-26.43%	
		Counterfeit	Subtotal	7	3	133.33%	12	8	50.00%
		Counterfeit of national currency	1	0	NA	5	0	NA	
		Alternation of securities	6	3	100.00%	7	8	-12.50%	
	Violation of Tobacco and Alcohol Administration Act	7	1	600.00%	8	1	NA		

Table 3.01 (cont.)

Type of Offenses		Year	No. of Cases			No. of Suspects		
			2008	2007	Percent Change	2008	2007	Percent Change
I.	Subtotal		58	48	20.83%	201	151	33.11%
	Violation of Banking Act		6	11	-45.45%	41	29	41.38%
	Unauthorized operation of remittance and acceptance		52	37	40.54%	160	122	31.15%
	Subtotal		79	116	-31.90%	125	160	-21.88%
	Infringement of Intellectual Property Rights		60	86	-30.23%	89	118	-24.58%
	Violation of Copyright Act		19	30	-36.67%	36	42	-14.29%
	Others		0	0	NA	0	0	NA
	Violation of Securities & Exchange Act		69	67	2.99%	295	344	-14.24%
	Violation of Fair Trade Act		3	0	NA	9	0	NA
	Violation of Futures Trading Law		15	18	-16.67%	57	64	-10.94%
	Violation of Insurance Act		2	3	-33.33%	5	8	-37.50%
	Subtotal		28	17	64.71%	61	22	177.27%
	Other offenses undermining economic order		1	1	0.00%	1	1	0.00%
	Violation of Wildlife Conservation Act		8	2	300.00%	16	3	433.33%
Cyber crimes and computer hacking		4	6	-33.33%	5	7	-28.57%	
Others		15	8	87.50%	39	11	254.55%	
II. General Crimes			153	155	-1.29%	313	290	7.93%
	Forgery of document		41	69	-40.58%	110	111	-0.90%
	Other general crimes		112	86	30.23%	203	179	13.41%
III. Tax Evasion			211	447	-52.80%	0	0	NA
IV. Tracking and apprehension of fugitives abroad			7	10	-30.00%	7	10	-30.00%
	Tracking and apprehension		4	7	-42.86%	4	7	-42.86%
	Fugitives surrendered through persuasion		3	3	0.00%	3	3	0.00%
	Apprehension through joint efforts		0	0	NA	0	0	NA
V. International cooperation			0	0	NA	0	0	NA
	Investigation of transnational crimes		0	0	NA	0	0	NA
	Execution of the Agreement on Criminal Justice Cooperation		0	0	NA	0	0	NA
Total			1,086	1,408	-22.87%	3,509	4,125	-14.93%

suspects in 2007.

12. Violation of Futures Trading Law: 15 cases, decreased by 16.67%, as compared to 18 cases in 2007; 57 suspects involved, decreased by 10.94%, as compared to 64 suspects in 2007.
13. Violation of Insurance Act: 2 cases, decreased by 33.33%, as compared to 3 cases in 2007; 5 suspects involved, decreased by 37.50%, as compared to 8 suspects in 2007.
14. Other cases of economic crimes that undermined or disrupted economic order: 28 cases, increased by 64.71%, as compared to 17 cases in 2007; 61 suspects involved, increased by 177.27%, as compared to 22 suspects in 2007.

(II) Character Analysis

A. Gender

In 2008, there were 3,189 suspects involved in economic crimes investigated by the Bureau, which represented a decrease of 16.63%, as compared to 3,825 suspects in 2007; among which, 36.34% or 1,159 suspects were involved in fraudulent cases, accounting for the highest ratio of all offenses, followed by 30.98% or 988 suspects associated with cases of Tax Collection Act violations, 9.25% or 295 suspects involved in Securities & Exchange Act violation cases, and 6.30% or 201 suspects involved in Banking Act violation cases (see Table 3.02).

Of these 3,189 suspects, 2,222 were male,

accounting for 69.68% of the total, representing a decrease of 19.61%, as compared to 2,764 persons in 2007; 967 were female, accounting for 30.32%, representing a decrease of 8.86%, as compared to 1,061 persons in 2007. The five-year average of suspects by gender was 73.95% male and 26.05% female (see Tables 3.02 and 3.03, and Graphs 3.01, 3.02, and 3.03).

B. Age

By age, there were 1,035 suspects in the age group of 40~50, accounting for 30.26% of all suspects, followed by 870 suspects or 27.28% in the 30~40 age group, 663 suspects or 20.79% in the 50~60 age group, 385 suspects or 12.07% in the 20~30 age group, 172 suspects or 5.39% in the 60~70 age group, 40 suspects or 1.25% in the 70~80 age group, and 30 suspects or 0.94% were below 18 years of age.

According to the five-year average of suspects by age, the highest percentage of suspects was in the 40~50 age group. The percentage of suspects in the 40~50 age group in 2008 was 30.26%, representing a decrease of 1.84%, as compared to 32.10% in 2007, the percentage of suspects in the 50~60 age group was 20.79%, representing an increase of 4.27%, as compared to 16.52% in 2007; the percentage of suspects in the 30~40 age group was 27.28%, representing an increase of 0.82%, as compared to 26.46% in 2007. These statistics indicate that suspects are concentrated in the 30~60 age group (see Tables 3.04 and 3.05, and Graphs 3.04 and 3.05).

Table 3.02 Statistics of Suspects Committing Economic Crimes in 2007 and 2008, by Gender

Gender Type of Offenses	2008					2007				Percent Change= [(2008 total-2007 total)/2007 total]	Percent Change of Male Suspects = [(2008 Male - 2007 Male)/ 2007 Male]	Percent Change of Female Suspects = [(2008 Female - 2007 Female)/ 2007 Female]
	Total	Male	Female	%	Female participated %	Total	Male	Female	%			
Total	3,189	2,222	967	100.00%	30.32%	3,825	2,764	1,061	100.00%	-16.63%	-19.61%	-8.86%
Fraud	1,159	812	347	36.34%	29.94%	1,206	871	335	31.53%	-3.90%	-6.77%	3.58%
Embezzlement	101	62	39	3.17%	38.61%	153	101	52	4.00%	-33.99%	-38.61%	-25.00%
Breach of trust	124	98	26	3.89%	20.97%	266	208	58	6.95%	-53.38%	-52.88%	-55.17%
Usury	13	12	1	0.41%	7.69%	66	60	6	1.73%	-80.30%	-80.00%	-83.33%
Smuggling	31	28	3	0.97%	9.68%	33	28	5	0.86%	-6.06%	0.00%	-40.00%
Violation of Tax Collection Act	988	647	341	30.98%	34.51%	1,343	944	399	35.11%	-26.43%	-31.46%	-14.54%
Counterfeit or Alteration of Currency and Negotiable Securities	12	7	5	0.38%	41.67%	8	7	1	0.21%	50.00%	0.00%	400.00%
Violation of Tobacco and Alcohol Administration Act	8	7	1	0.25%	12.50%	1	1	0	0.03%	700.00%	600.00%	NA
Violation of Banking Act	201	148	53	6.30%	26.37%	151	100	51	3.95%	33.11%	48.00%	3.92%
Infringement of Intellectual Property Rights	125	101	24	3.92%	19.20%	160	129	31	4.18%	-21.88%	-21.71%	-22.58%
Violation of Securities & Exchange Act	295	208	87	9.25%	29.49%	344	252	92	8.99%	-14.24%	-17.46%	-5.43%
Violation of Fair Trade Act	9	8	1	0.28%	11.11%	0	0	0	0.00%	NA	NA	NA
Violation of Futures Trading Law	57	36	21	1.79%	36.84%	64	42	22	1.67%	-10.94%	-14.29%	-4.55%
Violation of Insurance Act	5	5	0	0.16%	0.00%	8	7	1	0.21%	-37.50%	-28.57%	-100.00%
Other Offenses Undermining Economic Order	61	43	18	1.91%	29.51%	22	14	8	0.58%	177.27%	207.14%	125.00%

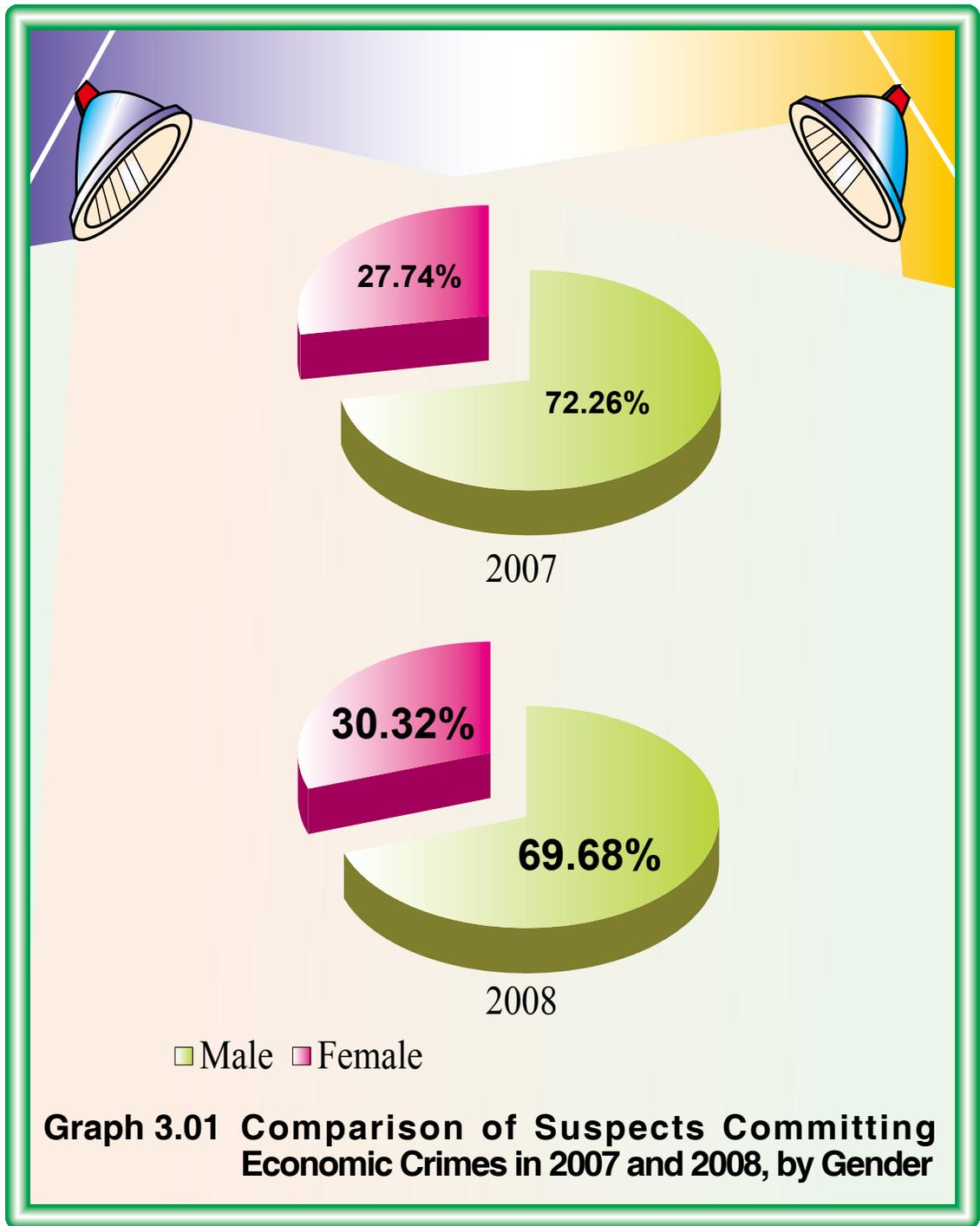
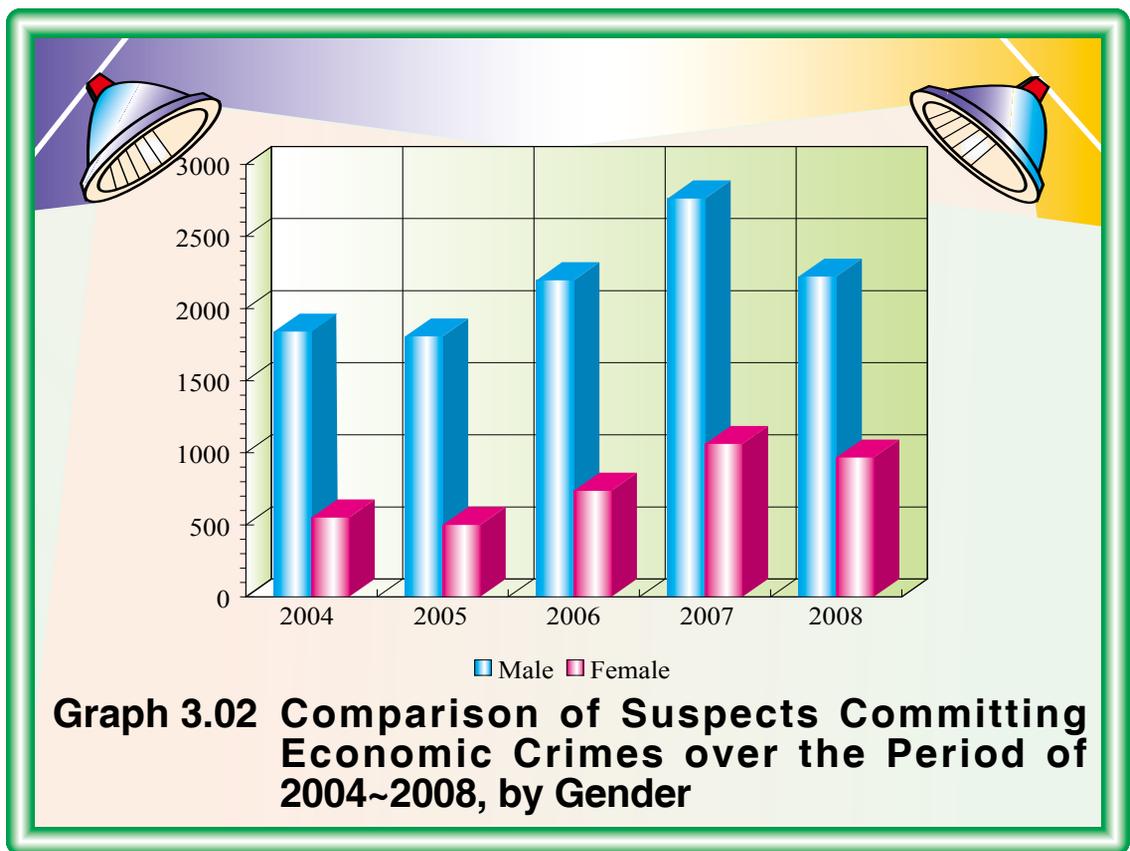
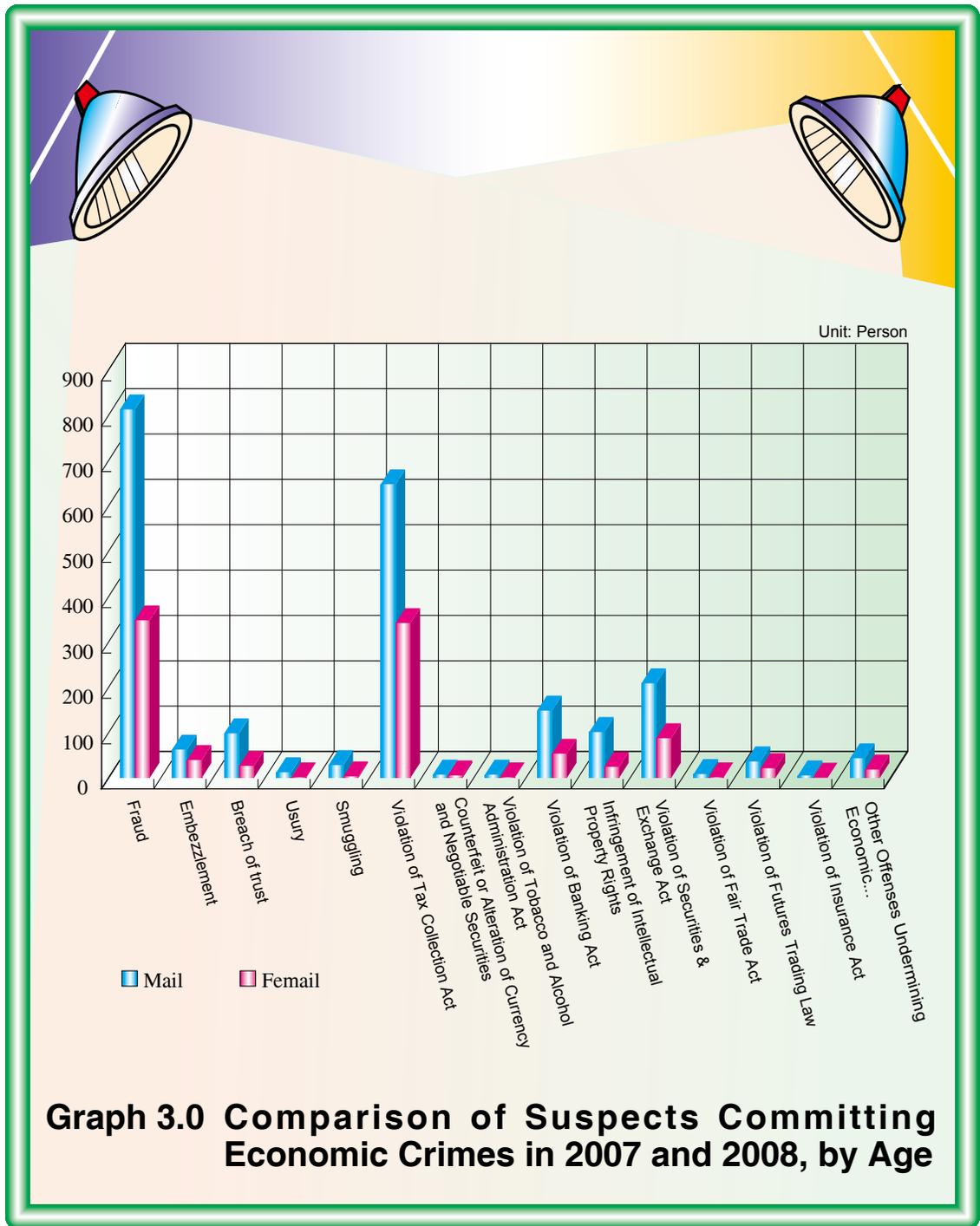


Table 3.03 Statistics of Suspects Committing Economic Crimes over the Period of 2004~2008, by Gender

Year \ Gender	Total	Male		Female	
	No. of Suspects	No. of Suspects	%	No. of Suspects	%
Total	14,646	10,831	73.95%	3,815	26.05%
2004	2,392	1,841	76.96%	551	23.04%
2005	2,306	1,807	78.36%	499	21.64%
2006	2,934	2,197	74.88%	737	25.12%
2007	3,825	2,764	72.26%	1,061	27.74%
2008	3,189	2,222	69.68%	967	30.32%





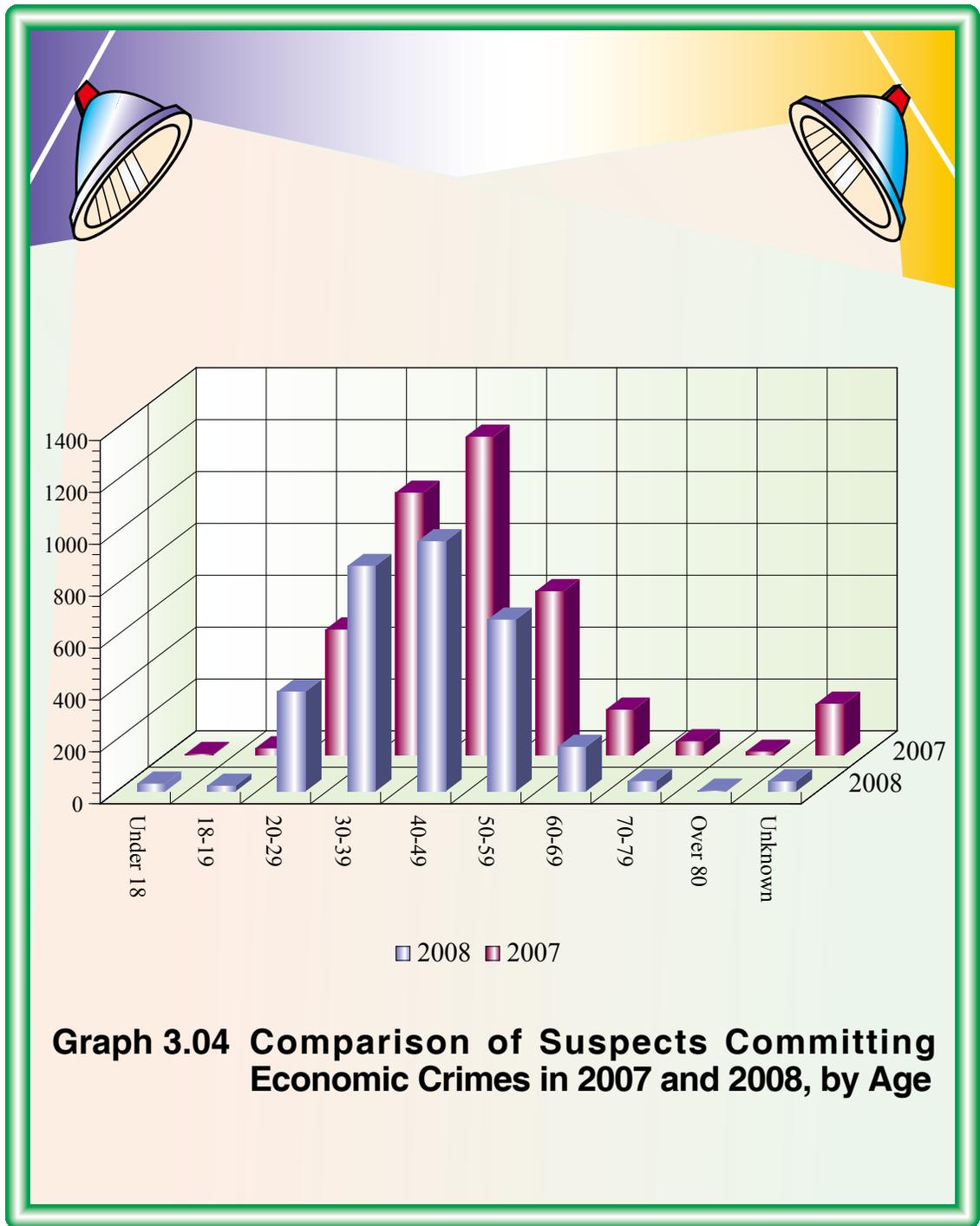
Graph 3.0 Comparison of Suspects Committing Economic Crimes in 2007 and 2008, by Age

Table 3.04 Statistics of Suspects Committing Economic Crimes in 2007 and 2008, by Age

Type of Offenses \ Age	Total		Under 18		18-19		20-29		30-39		40-49	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	3,189	3,825	30	4	22	26	385	484	870	1,012	965	1,228
Fraud	1,159	1,206	27	3	17	23	220	234	299	318	288	370
Embezzlement	101	153	0	0	0	0	6	6	28	37	27	57
Breach of trust	124	266	0	0	0	0	4	7	32	41	33	69
Usury	13	66	0	0	0	0	3	29	8	24	2	9
Smuggling	31	33	0	0	0	0	1	0	7	10	13	10
Violation of Tax Collection Act	988	1,343	1	0	1	0	59	123	248	366	341	456
Counterfeit or Alteration of Currency and Negotiable Securities	12	8	0	0	0	0	0	1	4	4	4	1
Violation of Tobacco and Alcohol Administration Act	8	1	0	0	0	0	0	0	4	0	2	1
Violation of Banking Act	201	151	0	0	0	0	23	15	60	44	64	60
Infringement of Intellectual Property Rights	125	160	2	1	4	2	25	28	33	45	43	54
Violation of Securities & Exchange Act	295	344	0	0	0	1	21	26	97	84	108	113
Violation of Fair Trade Act	9	0	0	0	0	0	2	0	1	0	2	0
Violation of Futures Trading Law	57	64	0	0	0	0	14	11	24	26	10	19
Violation of Insurance Act	5	8	0	0	0	0	0	2	0	4	2	1
Other Offenses Undermining Economic Order	61	22	0	0	0	0	7	2	25	9	26	8

Table 3.04 (cont'd)

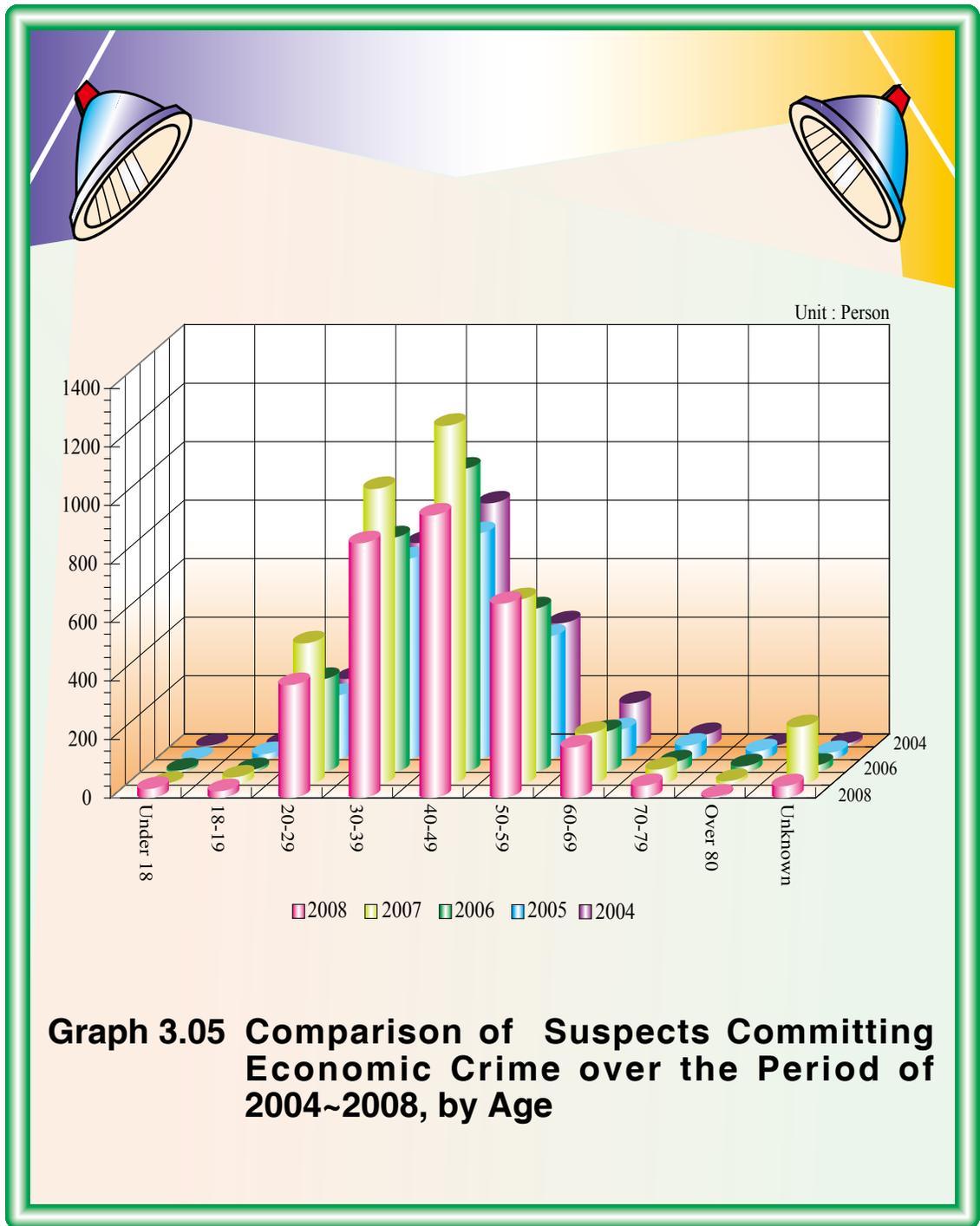
Age Type of Offenses	50-59		60-69		70-79		Over 80		Unknown	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	663	632	172	175	40	53	3	13	39	198
Fraud	203	186	55	45	14	17	2	4	34	6
Embezzlement	25	32	13	11	2	8	0	2	0	0
Breach of trust	38	67	12	42	3	14	1	4	1	22
Usury	0	3	0	1	0	0	0	0	0	0
Smuggling	8	10	2	2	0	1	0	0	0	0
Violation of Tax Collection Act	259	190	63	45	15	5	0	1	1	157
Counterfeit or Altera- tion of Currency and Negotiable Securities	4	2	0	0	0	0	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	2	0	0	0	0	0	0	0	0	0
Violation of Banking Act	41	20	9	10	4	1	0	1	0	0
Infringement of Intellectual Property Rights	18	24	0	5	0	1	0	0	0	0
Violation of Securities & Exchange Act	55	89	10	12	1	6	0	1	3	12
Violation of Fair Trade Act	1	0	2	0	1	0	0	0	0	0
Violation of Futures Trading Law	6	8	3	0	0	0	0	0	0	0
Violation of Insurance Act	2	0	1	1	0	0	0	0	0	0
Other Offenses Under- mining Economic Order	1	1	2	1	0	0	0	0	0	1



Graph 3.04 Comparison of Suspects Committing Economic Crimes in 2007 and 2008, by Age

Table 3.05 Statistics of Suspects Committing Economic Crimes over the Period of 2004~2008, by Age

Year Age	2004		2005		2006		2007		2008	
	No. of Suspects	%								
Total	2,392	100%	2,306	100%	2,934	100%	3,825	100%	3,189	100%
Under 18	3	0.13%	0	0.00%	6	0.20%	4	0.10%	30	0.94%
18-19	7	0.29%	18	0.78%	7	0.24%	26	0.68%	22	0.69%
20-29	232	9.70%	217	9.41%	316	10.77%	484	12.65%	385	12.07%
30-39	697	29.14%	684	29.66%	800	27.27%	1,012	26.46%	870	27.28%
40-49	832	34.78%	771	33.43%	1,035	35.28%	1,228	32.10%	965	30.26%
50-59	422	17.64%	419	18.17%	557	18.98%	632	16.52%	663	20.79%
60-69	148	6.19%	100	4.34%	137	4.67%	175	4.58%	172	5.39%
70-79	40	1.67%	47	2.04%	34	1.16%	53	1.39%	40	1.25%
Over 80	2	0.08%	28	1.21%	20	0.68%	13	0.34%	3	0.09%
Unknown	9	0.38%	22	0.95%	22	0.75%	198	5.18%	39	1.22%



Graph 3.05 Comparison of Suspects Committing Economic Crime over the Period of 2004~2008, by Age

C. Educational Background

By educational background, there were 1,850 or 58.01% suspects with college education or higher, which is the highest percentage among all suspects; followed by 601 suspects or 18.85% with high school (vocational) education; 290 suspects or 9.09% with middle school education; 358 suspects or 11.23% with elementary school education or lower; and educational backgrounds of 90 suspects or 2.82% are unknown (see Table 3.06 and Graph 3.06).

In terms of average in the past five years, suspects with a college education or higher accounted for the highest percentage, which were 6,268 suspects or 42.80%, followed by 4,359 or 29.76% with high school (vocational) education, 1,724 or 11.77% with middle school education, and 2,045 or 13.96% with elementary school education, or lower. These statistics indicate that most suspects involved in economic crimes were white-collar with higher education levels (see Table 3.07 and Graph 3.07).

D. Sources of Cases

In 2008, 294 cases or 41.12%, from the total of 715 cases, were initiated by the Bureau. A breakdown of these cases is presented, as follows: 5 usury cases, accounting for 71.43% of 7 cases in this category; 2 Fair Trade Act violation cases, accounting for 66.67% of 3 cases in this category; 141 fraud cases, accounting for 53.82% of 262 cases in this category; 31

Banking Act violation cases, accounting for 53.45% of 58 cases in this category; 40 intellectual property rights infringement cases, accounting for 50.63% of 79 cases in this category; 23 Securities & Exchange Act violation cases, accounting for 33.33% of 69 cases in this category; 17 Tax Collection Act violation cases, accounting for 23.61% of 72 cases in this category; 11 embezzlement cases, accounting for 21.57% of 51 cases in this category; 12 breach of trust cases, accounting for 18.60% of 283 cases in this category; 2 Futures Trading Law violation cases, accounting for 13.33% of the 15 cases in this category; and 4 other cases that undermined economic order, accounting for 14.29% of 28 cases in this category (see Table 3.08 and Graph 3.08).

Other sources of cases included 167 cases or 23.36% referred by other government agencies, 148 cases or 20.70% reported by informants, 106 cases or 14.83% directed by prosecutors.

In 2008, only cases referred by other government agencies showed an increased trend, while cases reported by informants, directed by prosecutors, and commanded by authorities decreased. This trend is due to prosecutors' agents assisting prosecutors in collecting evidences.

Statistics of the past five years indicate that 1,506 cases were initiated by the Bureau, accounting for 41.93% of the five-year total (3,592 cases), followed by 745 cases or 20.74% reported by informant, 730 cases or 20.32% referred by other government

Table 3.06 Statistics of Suspects Committing Economic Crimes in 2007 and 2008, by Educational Level

Level of Education Offenses	Total		Elementary and Below		Junior High School		Senior High School		College and Above		Unknown	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	3,189	3,825	358	300	290	459	601	1,271	1,850	1,753	90	42
Fraud	1,159	1,206	130	101	155	197	307	422	519	478	48	8
Embezzlement	101	153	3	8	3	12	27	48	65	84	3	1
Breach of trust	123	266	1	23	5	9	15	58	96	173	6	3
Usury	13	66	1	1	1	10	4	33	5	22	2	0
Smuggling	31	33	4	7	3	5	15	19	8	2	1	0
Violation of Tax Collection Act	988	1,343	178	134	71	174	86	464	638	544	15	27
Counterfeit or Alteration of Currency and Negotiable Securities	12	8	0	0	4	2	1	4	6	2	1	0
Violation of Tobacco and Alcohol Administration Act	8	1	0	0	2	0	4	0	2	1	0	0
Violation of Banking Act	201	151	12	7	18	10	45	61	124	73	2	0
Infringement of Intellectual Property Rights	126	160	10	12	14	21	44	66	56	59	2	2
Violation of Securities & Exchange Act	295	344	11	4	6	11	21	61	248	267	9	1
Violation of Fair Trade Act	9	0	1	0	0	0	3	0	5	0	0	0
Violation of Futures Trading Law	57	64	6	2	5	8	16	21	30	33	0	0
Violation of Insurance Act	5	8	0	1	0	0	2	6	3	1	0	0
Other Offenses Undermining Economic Order	61	22	1	0	3	0	11	8	45	14	1	0

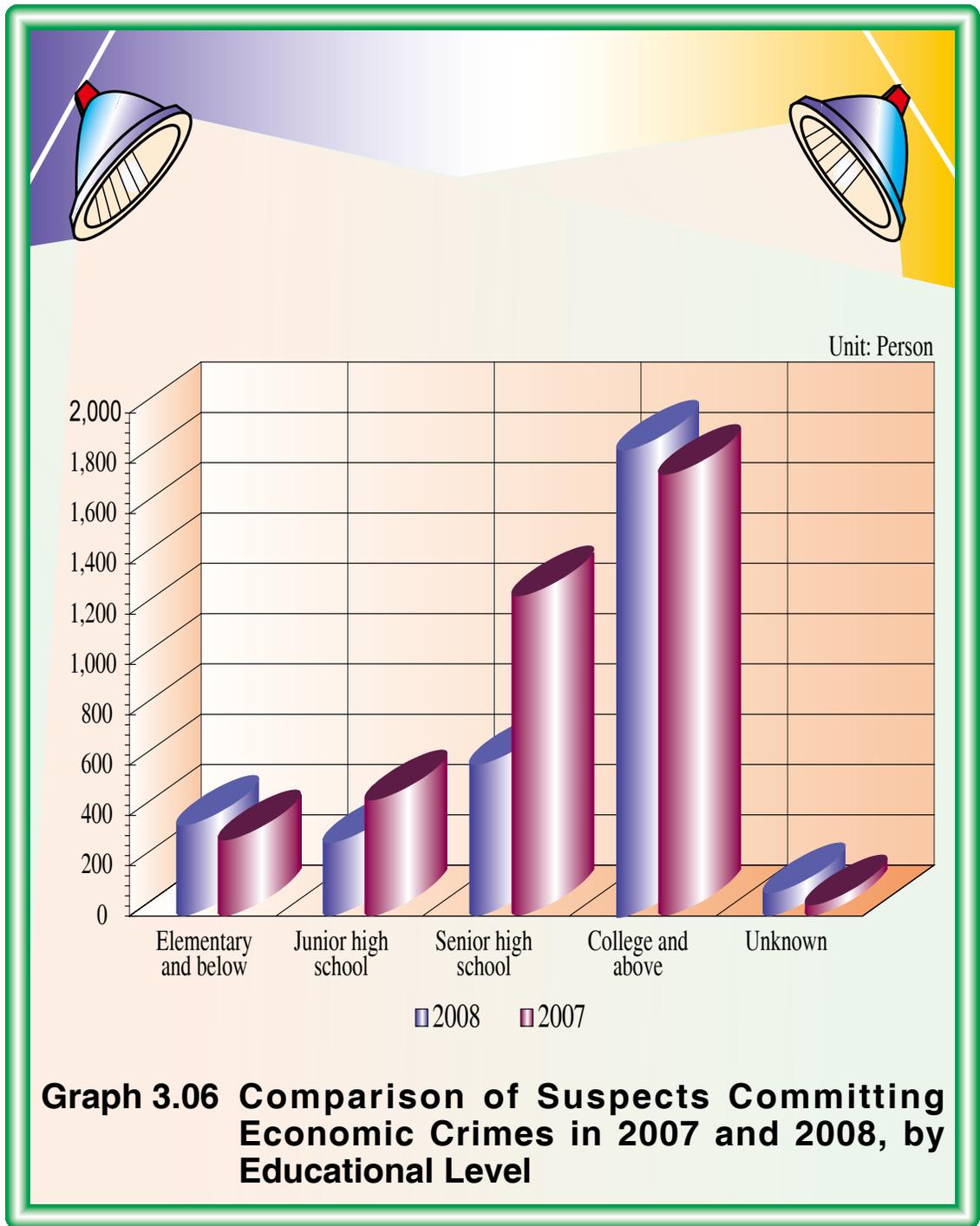


Table 3.07 Statistics of Suspects Committing Economic Crimes over the Period of 2004~2008, by Educational Level

Year	Total		Elementary and Below		Junior High School		Senior High School		College and Above		Unknown	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	14,646	100%	2,045	13.96%	1,724	11.77%	4,359	29.76%	6,268	42.80%	250	1.71%
2004	2,392	100%	731	30.56%	206	8.61%	709	29.64%	706	29.52%	40	1.67%
2005	2,306	100%	406	17.61%	394	17.09%	711	30.83%	762	33.04%	33	1.43%
2006	2,934	100%	250	8.52%	375	12.78%	1,067	36.37%	1,197	40.80%	45	1.53%
2007	3,825	100%	300	7.84%	459	12.00%	1,271	33.23%	1,753	45.83%	42	1.10%
2008	3,189	100%	358	11.23%	290	9.09%	601	18.85%	1,850	58.01%	90	2.82%

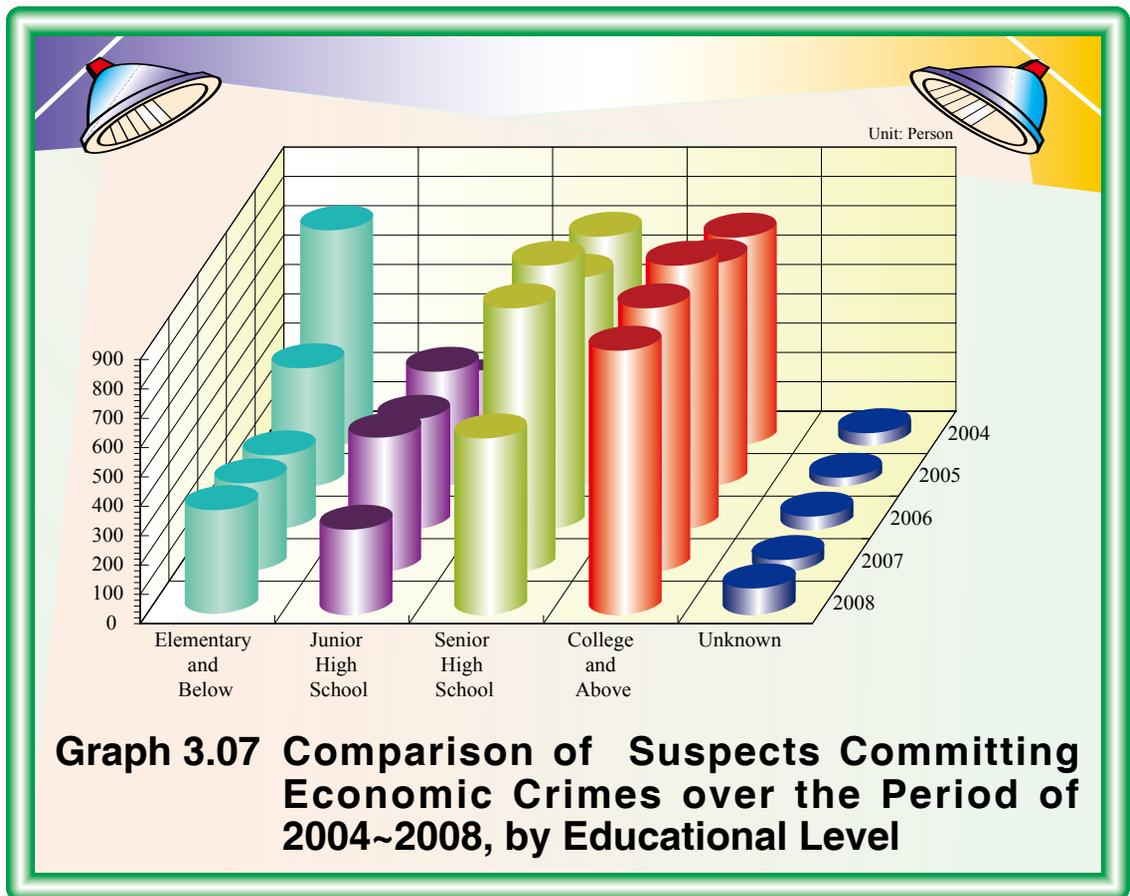
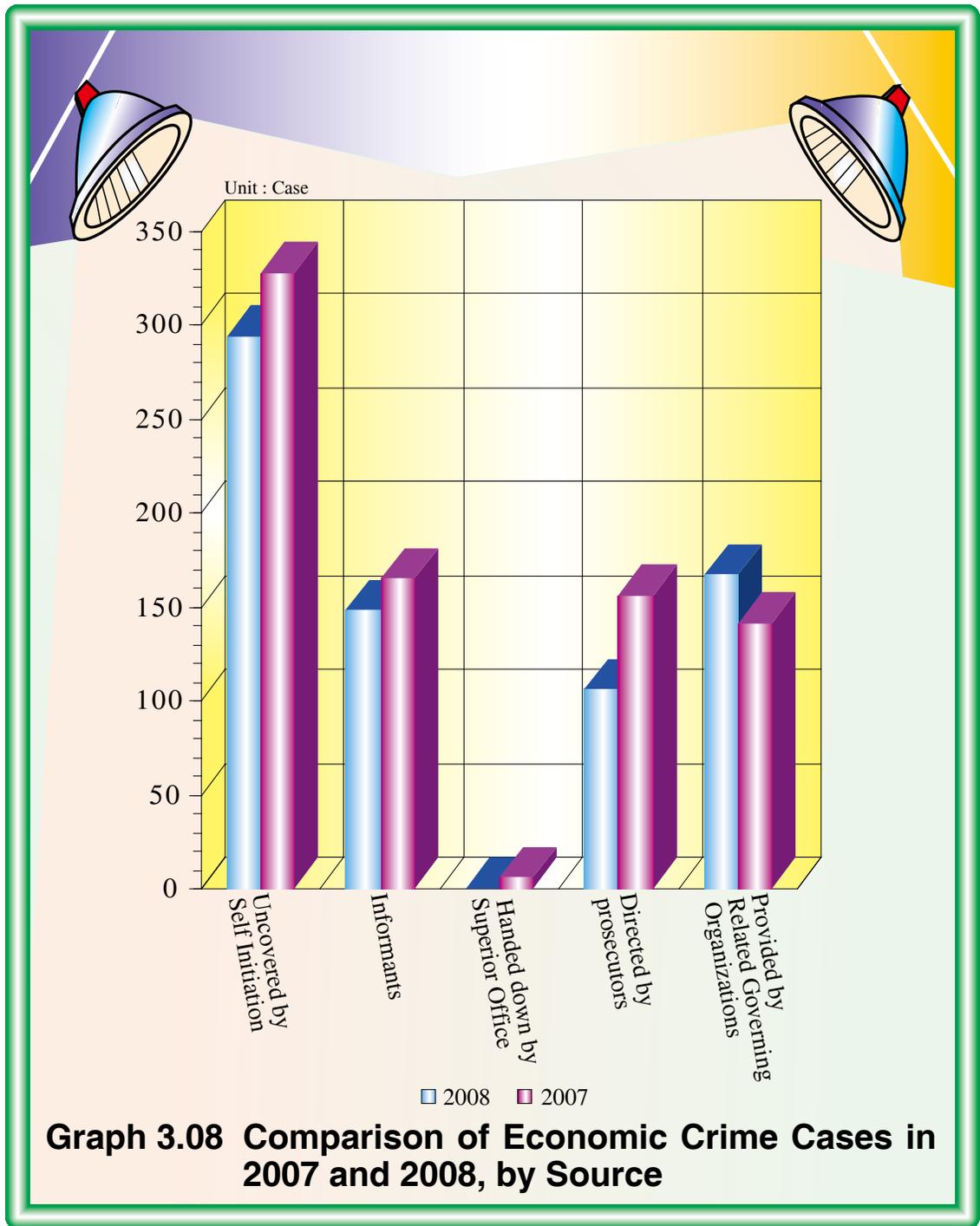


Table 3.08 Statistics of Sources of Economic Crimes in 2007 and 2008

Unit: Case

Origination Offenses	Total		Uncovered by Self Initiation				Informants		Handed down by Superior Office		Directed by Prosecutors		Provided by Related Governing Organizations	
	2008	2007	2008	%	2008	%	2008	2007	2008	2007	2008	2007	2008	2007
Total	715	796	294	41.12%	328	41.21%	148	165	0	6	106	156	167	141
Fraud	262	273	141	53.82%	126	46.15%	62	64	0	1	29	54	30	28
Embezzlement	51	76	11	21.57%	30	39.47%	14	19	0	0	5	13	21	14
Breach of trust	28	43	12	42.86%	8	18.60%	6	17	0	0	7	13	3	5
Usury	7	18	5	71.43%	11	61.11%	1	5	0	0	1	2	0	0
Smuggling	27	22	0	0.00%	4	18.18%	1	1	0	0	0	0	26	17
Violation of Tax Collection Act	72	91	17	23.61%	16	17.58%	4	5	0	0	30	45	21	25
Counterfeit or Alteration of Currency and Negotiable Securities	7	3	5	71.43%	0	0.00%	0	1	0	1	1	0	1	1
Violation of Tobacco and Alcohol Administration Act	7	1	1	14.29%	0	NA	0	0	0	0	0	0	6	1
Violation of Banking Act	58	48	31	53.45%	21	43.75%	18	12	0	2	5	8	4	5
Infringement of Intellectual Property Rights	79	116	40	50.63%	67	57.76%	13	21	0	0	0	2	26	26
Violation of Securities & Exchange Act	69	67	23	33.33%	34	50.75%	13	7	0	0	21	14	12	12
Violation of Fair Trade Act	3	0	2	66.67%	0	NA	0	0	0	0	1	0	0	0
Violation of Futures Trading Law	15	18	2	13.33%	2	11.11%	5	9	0	1	2	4	6	2
Violation of Insurance Act	2	3	0	0.00%	1	33.33%	2	0	0	0	0	1	0	1
Other Offenses Undermining Economic Order	28	17	4	14.29%	8	47.06%	9	4	0	1	4	0	11	4



agencies, and 593 cases or 16.51% directed by prosecutors. As seen, the cases initiated by the Bureau were the major source of cases, which is attributed to the close connection of field agents with the tasks undertaken in their respective jurisdictions (see Table 3.09 and Graph 3.09).

E. Causes of Crimes

The statistics of economic crimes in 2008 showed that, 1,783 suspects were tempted by opportunistic profit, accounting for 55.91% of all suspects; 640 persons or 20.07% were

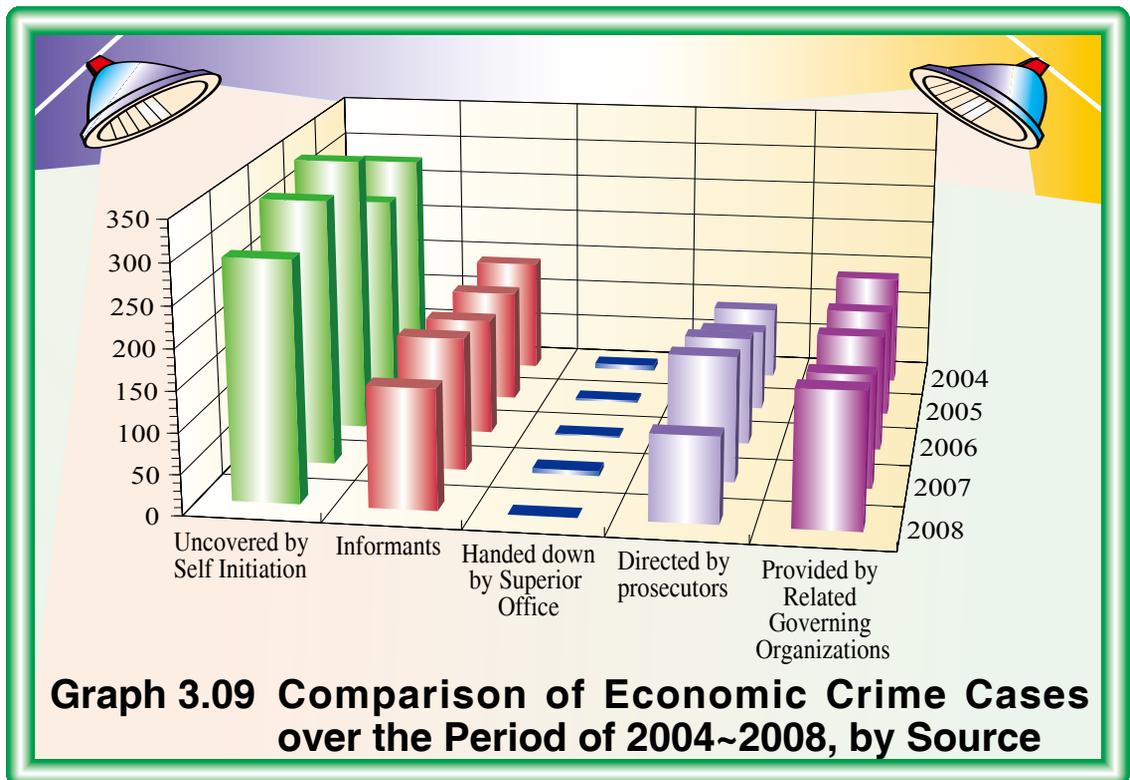
prompted by distorted concepts; 159 persons or 4.99% were habitual offenders; 139 persons or 4.36% were due to other causes; 107 persons or 3.36% were implicated by others; 105 persons or 3.29% exploited oversights of laws or regulations; 63 persons or 1.98% committed temporary acts of misconduct; 51 persons or 1.60% were due to poor business operations; 50 persons or 1.57% were due to external enticement; 34 persons or 1.07% were prompted by difficulties in livelihood; 26 persons or 0.82% were prompted by economic cycles; 12 persons or 0.38% were due to

Table 3.09 Statistics of Sources of Economic Crimes over the Period of 2004~2008

Year	Total		Uncovered by Self Initiation		Informants	
	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	3,592	100.00%	1,506	41.93%	745	20.74%
2004	665	100.00%	281	42.26%	144	21.65%
2005	643	100.00%	259	40.28%	142	22.08%
2006	773	100.00%	344	44.50%	146	18.89%
2007	796	100.00%	328	41.21%	165	20.73%
2008	715	100.00%	294	41.12%	148	20.70%

Table 3.09 (cont.)

Year	Handed down by Superior Office		Directed by Prosecutors		Provided by Related Governing Organizations	
	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	18	0.50%	593	16.51%	730	20.32%
2004	7	1.05%	92	13.83%	141	21.20%
2005	3	0.47%	103	16.02%	136	21.15%
2006	2	0.26%	136	17.59%	145	18.76%
2007	6	0.75%	156	19.60%	141	17.71%
2008	0	0.00%	106	14.83%	167	23.36%



natures of illness; 11 persons or 0.34% were due to family factors; 5 persons or 0.16% were due to a lack of education; 4 persons or 0.13% were due to bad habits (Tables 3.10 and 3.11, and Graph 3.10).

The 5-year statistics indicate that, among the 14,646 suspects, 8,253 suspects or 56.35% were tempted by opportunistic profit, accounting for the highest percentage, 2,460 suspects or 16.80% were due to distorted concepts, 792 or 5.41% involved habitual offenders, indicating that the common causes of crimes are associated with opportunistic behaviors of perceived “high profit and low risk” situations (see Table 3.11 and Graph 3.11).

F. Areas of Crimes

In 2008, the highest percentage of economic crimes were cross-county/city crimes of 198 cases, accounting for 27.7% of the total cases, followed by 138 cases or 19.3% in Taipei City, 64 cases or 9.0% in Kaohsiung City; 49 cases or 6.9% in Taipei County; 45 cases or 6.3% in Taoyuan County; 29 cases or 4.1% in Taichung County; 28 cases or 3.9% in Keelung City; 22 cases or 3.1% in Taichung City; 20 cases or 2.8% in Kaohsiung County and Changhua County, respectively; 17 cases or 2.4% in Tainan County; 12 cases or 1.7% in Hsinchu City; 10 cases or 1.4% in Hualien County; 8 cases or 1.1% in Yilan County and Pingtung County, respectively; 7 cases or 1.0% in Hsinchu County and Chiayi City, respectively; 6 cases or 0.8% in Kinmen County; 5 cases

or 0.7% in Miaoli County and Chiayi County, respectively; 4 cases or 0.6% in Nantou County and Taipei City, respectively; 3 cases or 0.4% in Yunlin County and Taitung County, respectively; 2 cases or 0.3% in Penghu County; 1 case or 0.1% in Matsu area (see Tables 3.12 and 3.13).

The statistical data indicates that there were 198 cross-county/city crimes, representing an increase of 91 cases, as compared to 107 cases in 2007. These economic crimes reveal a trend of “cross-region for allocating risks”. The occurrence of economic crimes are higher in urban areas where frequent economic activities occur, such as Taipei City, Kaohsiung City, Taipei County, and Taoyuan County. The common patterns include fraud, Tax Collection Act violation, infringement of intellectual property rights; Securities & Exchange Act violations, Banking Act violations, embezzlement, breach of trust, and Futures Trading Law violations (see Table 3.13 and Graph 3.12).

Table 3.10 Statistics of Causes of Economic Crimes in 2007 and 2008

Cause Offenses	Total		Oversight of Act		Poor Business Operation		Economically Affected	
	2008	2007	2008	2007	2008	2007	2008	2007
Total	3,189	3,825	105	162	51	84	26	84
Fraud	1,159	1,206	61	131	20	28	6	9
Embezzlement	101	153	0	10	5	15	0	2
Breach of trust	124	266	5	2	8	2	0	10
Usury	13	66	0	0	0	0	0	0
Smuggling	31	33	1	2	1	0	0	1
Violation of Tax Collection Act	988	1,343	14	2	9	14	3	51
Counterfeit or Alteration of Currency and Negotiable Securities	12	8	0	2	0	0	0	0
Violation of Wine and Tobacco Management Act	8	1	2	0	0	0	0	0
Violation of Banking Act	201	151	12	5	1	2	5	0
Infringement of Intellectual Property Rights	125	160	4	8	0	4	11	1
Violation of Securities & Exchange Act	295	344	5	0	7	19	1	10
Violation of Fair Trade Act	9	0	0	0	0	0	0	0
Violation of Futures Trading Law	57	64	0	0	0	0	0	0
Violation of Insurance Act	5	8	0	0	0	0	0	0
Other Offenses Undermining Economic Order	61	22	1	0	0	0	0	0

Table 3.10 (cont.)

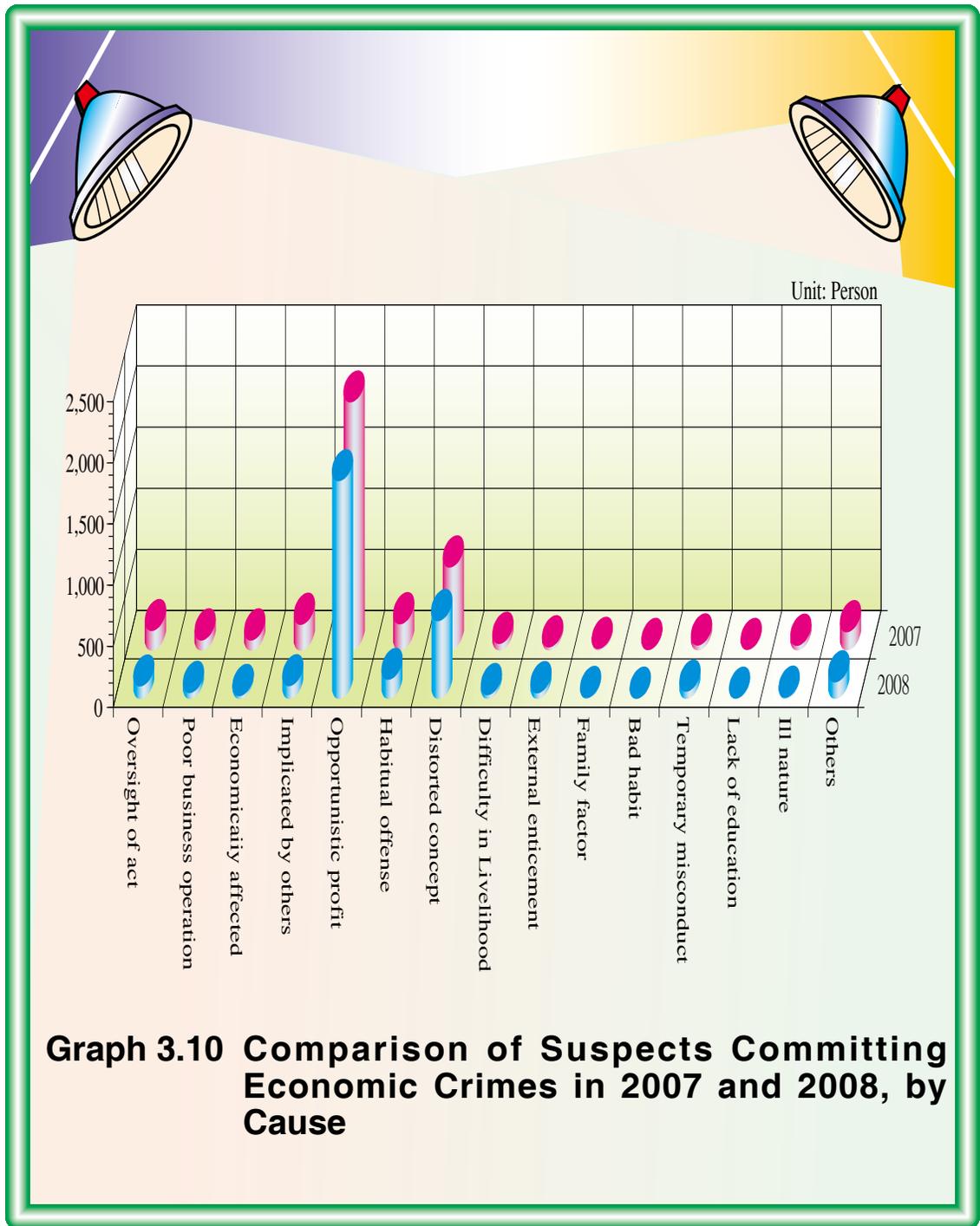
Cause Offenses	Implicated by Others		Opportunistic Profit		Habitual Offense		Distorted Concept	
	2008	2007	2008	2007	2008	2007	2008	2007
Total	107	212	1,783	2,031	159	217	640	681
Fraud	56	82	539	537	82	83	285	159
Embezzlement	4	5	63	55	1	1	12	41
Breach of trust	7	24	78	117	1	4	14	74
Usury	0	0	8	38	1	12	0	11
Smuggling	0	1	13	18	2	1	3	7
Violation of Tax Collection Act	16	66	646	828	23	79	204	245
Counterfeit or Alteration of Currency and Negotiable Securities	2	1	5	2	0	0	2	1
Violation of Wine and Tobacco Management Act	1	0	4	1	0	0	0	0
Violation of Banking Act	2	6	89	90	31	19	31	22
Infringement of Intellectual Property Rights	4	2	49	89	9	10	23	25
Violation of Securities & Exchange Act	13	23	196	192	5	1	49	84
Violation of Fair Trade Act	0	0	8	0	0	0	0	0
Violation of Futures Trading Law	1	0	43	46	4	6	6	6
Violation of Insurance Act	0	0	2	5	0	0	3	3
Other Offenses Undermining Economic Order	1	2	40	13	0	1	8	3

Table 3.10 (cont.)

Cause Offenses	Difficulty in Livelihood		External Enticement		Family Factor		Bad Habit	
	2008	2007	2008	2007	2008	2007	2008	2007
Total	34	57	50	29	11	16	4	7
Fraud	19	41	19	17	0	3	3	3
Embezzlement	3	5	0	3	1	2	0	0
Breach of trust	0	1	2	2	2	7	0	0
Usury	0	2	0	1	0	0	0	0
Smuggling	0	0	0	0	0	0	0	0
Violation of Tax Collection Act	0	2	24	3	6	0	1	1
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	1	0	1	0	0	0
Violation of Wine and Tobacco Management Act	0	0	0	0	0	0	0	0
Violation of Banking Act	2	0	0	0	0	0	0	1
Infringement of Intellectual Property Rights	6	2	0	0	1	1	0	1
Violation of Securities & Exchange Act	2	3	2	0	0	3	0	0
Violation of Fair Trade Act	0	0	1	0	0	0	0	0
Violation of Futures Trading Law	2	0	0	3	0	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	0	1	1	0	0	0	0	1

Table 3.10 (cont.)

Cause Offenses	Temporary Misconduct		Lack of Education		Ill nature		Others	
	2008	2007	2008	2007	2008	2007	2008	2007
Total	63	43	5	8	12	42	139	152
Fraud	10	10	0	2	2	13	57	88
Embezzlement	11	6	0	0	0	2	1	6
Breach of trust	4	0	0	0	0	16	3	7
Usury	0	0	0	0	4	0	0	2
Smuggling	5	2	0	0	0	1	6	0
Violation of Tax Collection Act	4	9	0	3	0	7	38	33
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	1	0	0	2
Violation of Wine and Tobacco Management Act	1	0	0	0	0	0	0	0
Violation of Banking Act	5	1	2	2	0	3	21	0
Infringement of Intellectual Property Rights	12	6	2	1	4	0	0	10
Violation of Securities & Exchange Act	3	5	1	0	0	0	11	4
Violation of Fair Trade Act	0	0	0	0	0	0	0	0
Violation of Futures Trading Law	0	3	0	0	1	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	8	1	0	0	0	0	2	0



Graph 3.10 Comparison of Suspects Committing Economic Crimes in 2007 and 2008, by Cause

Table 3.11 Statistics of Causes of Economic Crimes over the Period of 2003~2007

Year \ Cause	Total		Oversight of Act		Poor Business Operation		Economically Affected	
	No. of Suspects	%	No. of Suspect	%	No. of Suspect	%	No. of Suspect	%
Total	14,646	100%	437	2.98%	359	2.45%	209	1.43%
2004	2,392	100%	38	1.59%	84	3.51%	33	1.38%
2005	2,306	100%	87	3.77%	81	3.51%	26	1.13%
2006	2,934	100%	45	1.53%	59	2.01%	40	1.36%
2007	3,825	100%	162	4.24%	84	2.20%	84	2.20%
2008	3,189	100%	105	3.29%	51	1.60%	26	0.82%

Table 3.11 (cont.)

Year \ Cause	Implicated by Others		Opportunistic Profit		Habitual Offense		Distorted Concept	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	623	4.25%	8,253	56.35%	792	5.41%	2,460	16.80%
2004	58	2.42%	1,477	61.75%	94	3.93%	254	10.62%
2005	75	3.25%	1,251	54.25%	117	5.07%	441	19.12%
2006	171	5.83%	1,711	58.32%	205	6.99%	444	15.13%
2007	212	5.54%	2,031	53.10%	217	5.67%	681	17.80%
2008	107	3.36%	1,783	55.91%	159	4.99%	640	20.07%

Table 3.11 (cont.)

Year \ Cause	Difficulty in Livelihood		External Enticement		Family Factor		Bad Habit	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	171	1.17%	234	1.60%	59	0.40%	40	0.27%
2004	22	0.92%	44	1.84%	8	0.33%	7	0.29%
2005	15	0.65%	65	2.82%	10	0.43%	5	0.22%
2006	43	1.47%	46	1.57%	14	0.48%	17	0.58%
2007	57	1.49%	29	0.76%	16	0.42%	7	0.18%
2008	34	1.07%	50	1.57%	11	0.34%	4	0.13%

Table 3.11 (cont.)

Year \ Cause	Temporary Misconduct		Lack of Education		Ill nature		Others	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	333	2.27%	63	0.43%	115	0.79%	498	3.40%
2004	67	2.80%	10	0.42%	21	0.88%	175	7.32%
2005	102	4.42%	1	0.04%	11	0.48%	19	0.82%
2006	58	1.98%	39	1.33%	29	0.99%	13	0.44%
2007	43	1.12%	8	0.21%	42	1.10%	152	3.97%
2008	63	1.98%	5	0.16%	12	0.38%	139	4.36%

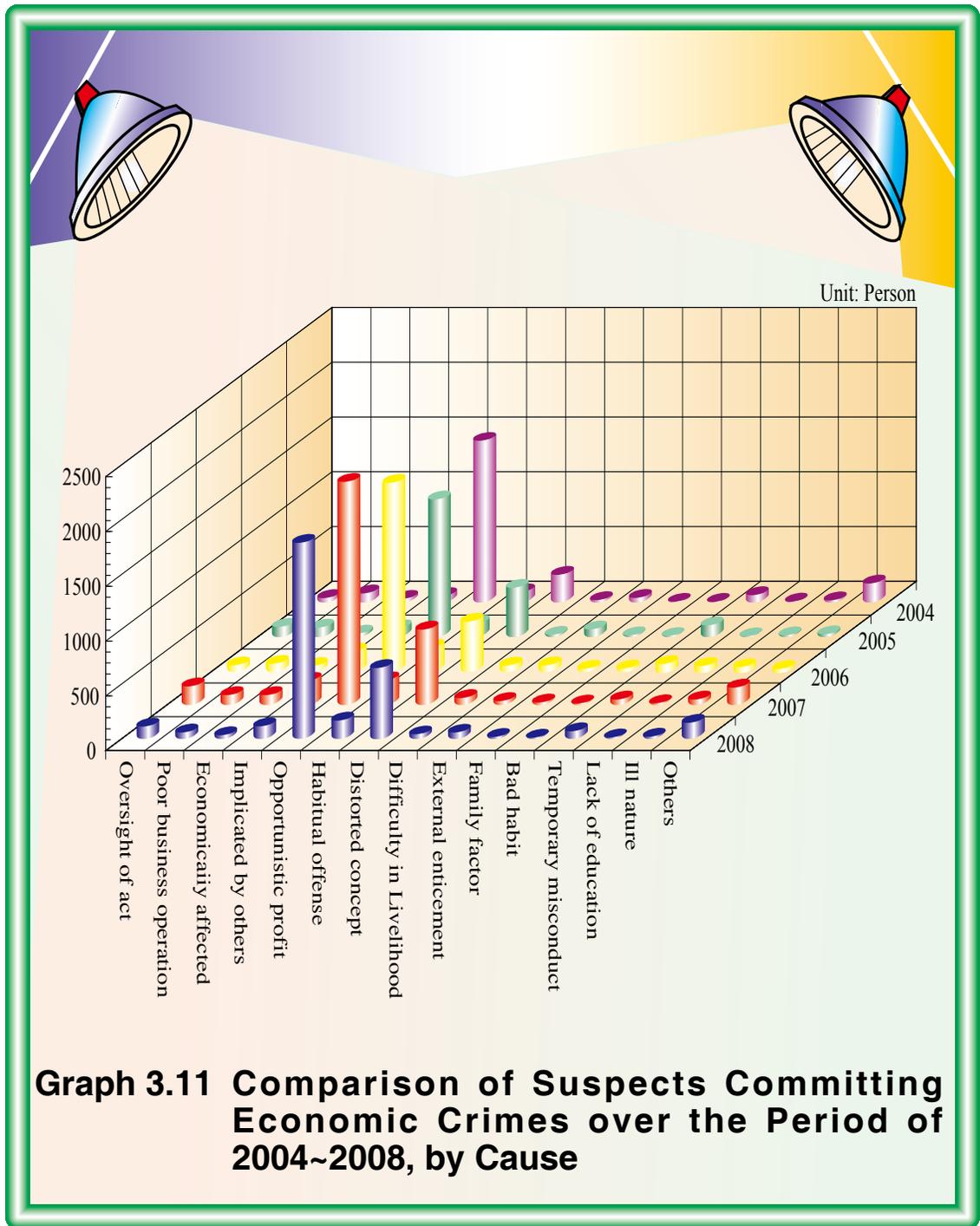


Table 3.12 Statistics of Areas of Economic Crimes in 2007 and 2008

Unit: Case

Area \ Offense	Total		Taipei City		Kaohsiung City		Taipei County		Keelung City		Ilan County		Taoyuan County	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	715	796	138	154	64	81	49	75	28	24	8	13	45	55
Fraud	262	273	23	34	24	31	18	23	3	2	3	4	16	12
Embezzlement	51	76	10	19	3	3	2	2	1	2	0	5	3	5
Breach of trust	28	43	13	19	0	4	1	2	0	0	0	0	0	3
Usury	7	18	1	1	1	4	0	1	0	0	0	0	2	3
Smuggling	27	22	0	0	10	10	1	0	7	7	0	0	0	1
Violation of Tax Collection Act	72	91	13	18	4	12	8	5	0	2	3	2	14	22
Counterfeit or Alteration of Currency and Negotiable Securities	7	3	0	0	0	0	0	0	0	0	0	0	1	0
Violation of Tobacco and Alcohol Administration Act	7	1	0	0	3	0	0	0	3	1	0	0	0	0
Violation of Banking Act	58	48	18	11	9	3	2	8	1	2	1	0	0	0
Infringement of Intellectual Property Rights	79	116	7	12	5	9	7	20	13	8	1	1	6	9
Violation of Securities & Exchange Act	69	67	29	31	4	2	7	7	0	0	0	1	1	0
Violation of Fair Trade Act	3	0	0	0	1	0	0	0	0	0	0	0	0	0
Violation of Futures Trading Act	15	18	9	8	0	0	1	2	0	0	0	0	0	0
Violation of Insurance Law	2	3	2	0	0	0	0	1	0	0	0	0	0	0
Other Offenses Undermining Economic Order	28	17	13	1	0	3	2	4	0	0	0	0	2	0

Table 3.12 (cont.)

Area \ Offense	Hsinchu City		Hsinchu County		Miaoli County		Taichung City		Taichung County		Changhwa County		Nantou County	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	12	12	7	13	5	6	22	69	29	31	20	32	4	6
Fraud	1	3	3	4	1	1	6	37	9	12	9	19	3	3
Embezzlement	2	3	0	4	0	1	2	2	3	4	5	2	1	1
Breach of trust	1	0	0	3	1	0	1	0	0	1	0	2	0	0
Usury	0	0	0	0	0	1	0	1	1	0	0	0	0	0
Smuggling	0	0	0	0	0	0	0	0	2	3	0	1	0	0
Violation of Tax Collection Act	1	1	0	0	2	1	3	3	0	1	1	3	0	0
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	1	0	0	0	0	1	0	0	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Banking Act	0	1	0	1	0	1	4	5	1	1	0	1	0	0
Infringement of Intellectual Property Rights	1	2	2	0	0	0	3	9	9	8	4	4	0	1
Violation of Securities & Exchange Act	5	1	0	1	0	0	2	9	0	0	1	0	0	0
Violation of Fair Trade Act	0	0	0	0	0	0	0	0	1	0	0	0	0	0
Violation of Futures Trading Act	0	0	0	0	0	1	0	2	1	0	0	0	0	0
Violation of Insurance Law	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	1	1	1	0	1	0	1	0	2	1	0	0	0	1

Table 3.12 (cont.)

Area \ Offense	Yunglin County		Chiayi City		Chiayi County		Tainan City		Tainan County		Kaohsiung County		Pingtung County	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	3	4	7	8	5	11	4	10	17	17	20	35	8	11
Fraud	2	3	2	4	3	5	2	6	12	6	5	10	5	4
Embezzlement	0	1	0	1	2	0	0	0	0	1	3	5	1	2
Breach of trust	0	0	0	0	0	1	0	1	1	1	1	1	0	1
Usury	0	0	0	1	0	3	0	0	0	1	0	0	0	1
Smuggling	0	0	0	0	0	0	0	0	0	0	4	0	0	0
Violation of Tax Collection Act	0	0	1	0	0	1	1	0	0	3	3	3	0	0
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	1	0	0	0	0	0	0	1	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Banking Act	0	0	0	1	0	0	1	0	1	2	3	3	0	1
Infringement of Intellectual Property Rights	0	0	2	1	0	0	0	1	2	1	1	12	1	2
Violation of Securities & Exchange Act	0	0	1	0	0	0	0	2	0	1	0	0	0	0
Violation of Fair Trade Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Futures Trading Act	1	0	0	0	0	0	0	0	0	1	0	1	0	0
Violation of Insurance Law	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	0	0	1	0	0	0	0	0	1	0	0	0	0	0

Table 3.12 (cont.)

Area \ Offense	Taitung County		Hualien County		Penghu County		Kinmen		Matsu		Cross-county	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Total	3	1	10	14	2	3	6	4	1	0	198	107
Fraud	2	1	5	5	1	1	5	4	1	0	98	39
Embezzlement	1	0	3	1	1	0	0	0	0	0	8	12
Breach of trust	0	0	0	1	0	1	0	0	0	0	9	2
Usury	0	0	0	0	0	0	0	0	0	0	2	1
Smuggling	0	0	0	0	0	0	1	0	0	0	2	0
Violation of Tax Collection Act	0	0	2	4	0	0	0	0	0	0	16	10
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	0	0	0	0	0	4	1
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	1	0
Violation of Banking Act	0	0	0	0	0	1	0	0	0	0	17	6
Infringement of Intellectual Property Rights	0	0	0	1	0	0	0	0	0	0	15	15
Violation of Securities & Exchange Act	0	0	0	2	0	0	0	0	0	0	19	10
Violation of Fair Trade Act	0	0	0	0	0	0	0	0	0	0	1	0
Violation of Futures Trading Act	0	0	0	0	0	0	0	0	0	0	3	3
Violation of Insurance Law	0	0	0	0	0	0	0	0	0	0	0	2
Other Offenses Undermining Economic Order	0	0	0	0	0	0	0	0	0	0	3	6

Table 3.13 Statistics of Areas of Economic Crimes over the Period of 2004~2008

Year \ Area	Total		Taipei City		Kaohsiung City		Taipei County		Keelung City		Ilan County	
	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	3,592	100%	709	19.7%	443	12.3%	336	9.4%	122	3.4%	50	1.4%
2004	665	100%	137	20.6%	110	16.5%	57	8.6%	17	2.6%	13	2.0%
2005	643	100%	132	20.5%	75	11.7%	74	11.5%	22	3.4%	7	1.1%
2006	773	100%	148	19.1%	113	14.6%	81	10.5%	31	4.0%	9	1.2%
2007	796	100%	154	19.3%	81	10.2%	75	9.4%	24	3.0%	13	1.6%
2008	715	100%	138	19.3%	64	9.0%	49	6.9%	28	3.9%	8	1.1%

Table 3.13 (cont.)

Year \ Area	Taoyuan County		Hsinchu City		Hsinchu County		Miaoli County		Taichung City		Taichung County	
	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	234	6.5%	69	1.9%	53	1.5%	32	0.9%	214	6.0%	157	4.4%
2004	49	7.4%	21	3.2%	8	1.2%	6	0.9%	41	6.2%	37	5.6%
2005	36	5.6%	10	1.6%	10	1.6%	7	1.1%	31	4.8%	30	4.7%
2006	49	6.3%	14	1.8%	15	1.9%	8	1.0%	51	6.6%	30	3.9%
2007	55	6.9%	12	1.5%	13	1.6%	6	0.8%	69	8.7%	31	3.9%
2008	45	6.3%	12	1.7%	7	1.0%	5	0.7%	22	3.1%	29	4.1%

Table 3.13 (cont.)

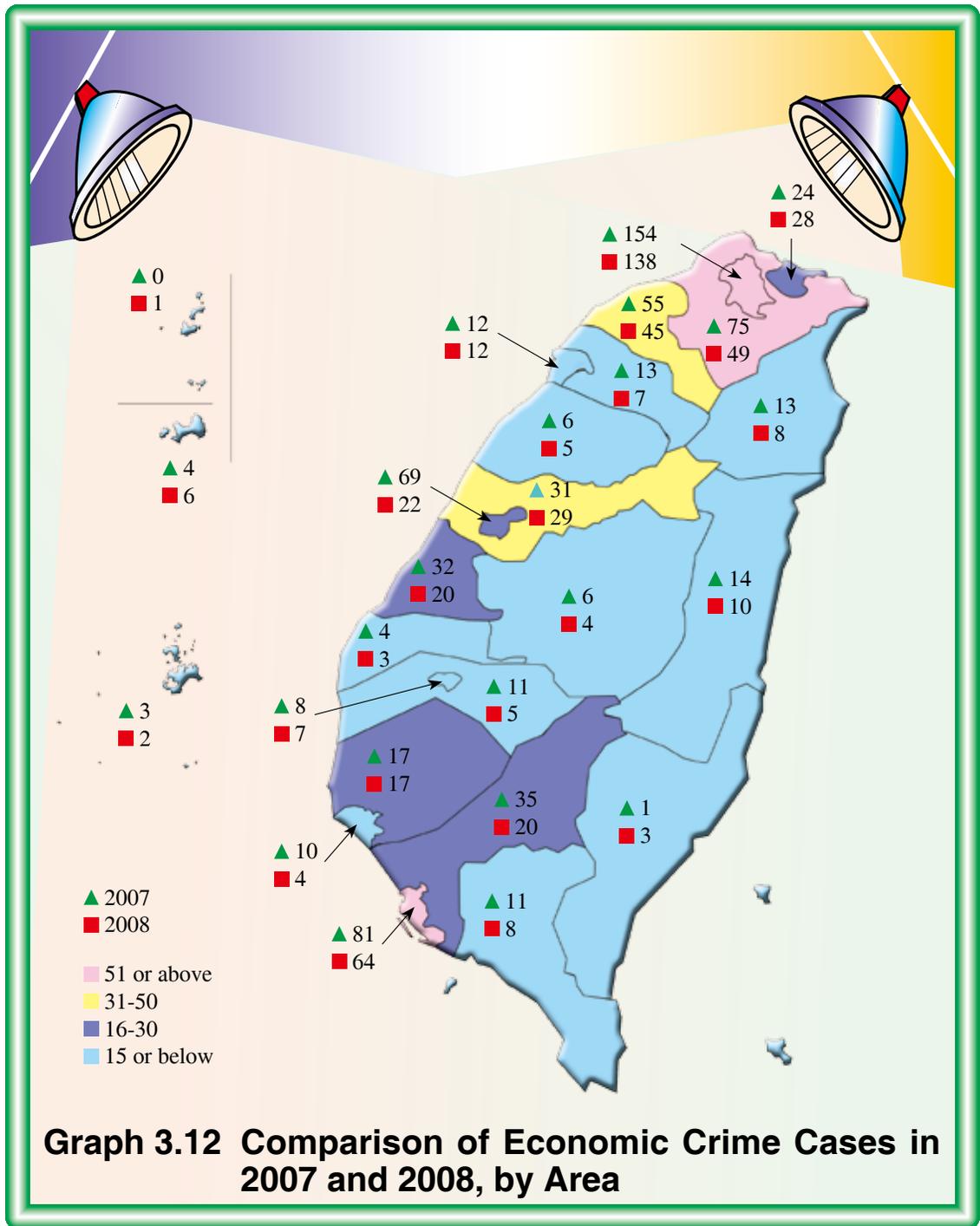
Year \ Area	Changhwa County		Nantou County		Yunglin County		Chiayi City		Chiayi County		Tainan City	
	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	134	3.7%	37	1.0%	44	1.2%	64	1.8%	35	1.0%	74	2.1%
2004	19	2.9%	4	0.6%	5	0.8%	25	3.8%	6	0.9%	21	3.2%
2005	33	5.1%	6	0.9%	17	2.6%	10	1.6%	6	0.9%	21	3.3%
2006	30	3.9%	17	2.2%	15	1.9%	14	1.8%	7	0.9%	18	2.3%
2007	32	4.0%	6	0.8%	4	0.5%	8	1.0%	11	1.4%	10	1.3%
2008	20	2.8%	4	0.6%	3	0.4%	7	1.0%	5	0.7%	4	0.6%

Table 3.13 (cont.)

Area \ Year	Tainan County		Kaohsiung County		Pingtung County		Taitung County		Hualien County		Penghu County	
	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	80	2.2%	97	2.7%	43	1.2%	15	0.4%	49	1.4%	15	0.4%
2004	11	1.7%	22	3.3%	9	1.4%	5	0.8%	5	0.8%	6	0.9%
2005	17	2.6%	18	2.8%	7	1.1%	4	0.6%	7	1.1%	1	0.2%
2006	18	2.3%	2	0.3%	8	1.0%	2	0.3%	13	1.7%	3	0.4%
2007	17	2.1%	35	4.4%	11	1.4%	1	0.1%	14	1.8%	3	0.4%
2008	17	2.4%	20	2.8%	8	1.1%	3	0.4%	10	1.4%	2	0.3%

Table 3.13 (cont.)

Area \ Year	Kinmen		Matsu		Cross-county	
	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	19	0.5%	2	0.1%	465	12.9%
2004	2	0.3%	0	0.0%	29	4.4%
2005	3	0.5%	1	0.2%	58	9.0%
2006	4	0.5%	0	0.0%	73	9.4%
2007	4	0.5%	0	0.0%	107	13.4%
2008	6	0.8%	1	0.1%	198	27.7%



II. General Crime Cases

The Bureau focuses its efforts on major economic criminals in order to protect the interests of the public; in addition, the Bureau actively investigates general crime cases. In 2008, the MJIB investigated 153 general crime cases, which were decreased by 1.29%, as compared to 155 cases in 2007. These cases involved 313 suspects, which were increased by 7.93%, as compared to 290 suspects in 2007. Due to the decrease in criminal cases and distinctiveness of the criminal patterns, a related statistical analysis is not available for comparison.

Part Four

Outlook



Outlook

In the year ahead, the Bureau will continue to perform the tasks of economic crime prevention in line with the economic situation and criminal trends. Our concrete plans for 2009 are as follows:

I. Economic crime prevention:

- (I) In response to the global financial crisis and deterioration of the domestic economy, the Bureau will closely monitor the financial and operating status of high-tech companies (semiconductor, LCD panel), automobile companies, airlines, tourism companies, listed companies, major syndicates, and insurance companies, and take a proactive approach to collecting intelligence on any irregular business activities or potential financial crisis, and execute appropriate preventive actions.
- (II) Strengthen the gathering of early warning information on crimes affecting the livelihood of the public, including altered foods, pharmaceutical products, daily necessities, as well as illegal stockpiling, driving up prices of daily necessities, or public building materials, and take appropriate preventive actions.
- (III) Actively gather intelligence on public companies attempting to transfer illegal benefits or deplete corporate assets by means of irregular financial reports, abnormal transactions, alleged technology transfer, purchase of intangible assets, or corporate merger, and take preventive measures.
- (IV) Conduct in-depth examination on industrial and commercial enterprises in financial difficulty, declining business, or bounced cheques of large amounts, and pass intelligence to field divisions for investigation.
- (V) Target serious economic crime problems, invite experts, academics, legal professionals, and competent authorities to host the “Conference on Prevention of Economic Crimes”, and confer on prevention policies to provide to related agencies for reference.
- (VI) Continue to update data files on related economic crimes to provide to law enforcement agencies in prevention and investigation, in order to enhance their work efficiency.

II. Investigation of economic crimes:

(I) Construct plans and actively investigate:

- A. Strengthen the investigation of crimes relating to counterfeit of national currency, credit cards, and cash cards to safeguard financial order.
- B. Strengthen investigative works in infringement of intellectual property rights,

to protect the interests of the intellectual property rights owner, and resolve the threats of international trade sanctions.

- C. Strengthen investigative works in illegal absorption of funds, underground remittances, and underground futures trading, to safeguard the interests of the public and maintain order of the environment for economic activities.

(II) Follow government policy, and improve public security:

- A. Support government policy on striking down fraud and intimidation crimes, and enhance the investigation of telephone scam and intimidation cases.
- B. Support government policy on striking down livelihood crimes; strengthen investigation on altered foods, pharmaceutical products, daily necessities, usury, and violent debt collection.
- C. Support government's anti-corruption policies; strengthen investigations on corporate corruptions, such as stock market crimes, financial crimes, embezzlement of corporate assets, illegal mergers and acquisitions, and illegal private fund-raising.
- D. Support government policy on curbing smuggling crimes to strengthen investigation in smuggling of farm and aquatic products, tobacco, alcohol, and live animals.
- E. Support government policy on protecting

the public's privacy in the community, and strengthen the investigation of illegal wiretapping cases.

- F. Support government policy on strengthen the seizure of illegal incomes during investigative processes, and enforce governmental authority.

(III) Comprehensive investigations, timely curbing:

Conduct comprehensive investigations of all new patterns of economic crime activities; when illegal conduct is discovered, gather evidence, and investigate immediately to prevent the occurrence of crimes.

(IV) Synchronized investigation, effective deterrence:

Target specific types of major economic crime, mobilize field units to gather evidence, synchronize investigative actions, and make news announcement to achieve the effects of education and deterrence.

(I) Deepen investigation to eradicate illegal funds:

During investigation of major economic crime cases, pay special attention to the involvement of illegal funds, and upon the "Regulation Against Organized Crimes" and "Money Laundering Control Act", further investigate the main suspects and accomplice

structure behind the scene in order to investigate the cases thoroughly, break the criminal chains, and destroy the sources of illegal incomes.

(VI) Enrich professional knowledge and enhance skills:

- A. Actively participate in lectures or conferences, held by related authorities on finance, securities, insurance, taxation, and intellectual property rights in order to absorb professional knowledge and enhance work skills.
- B. Continue to host the “MJIB Project of Three-grade Licensure System of Financial Professional Courses”, and enhance the quality and professionalism of investigations.
- C. Fully utilize technical equipment, and strengthen the cooperation with other government agencies to strike down crimes with concerted force.

III. Tracking down fugitives:

- (I) Track the whereabouts of suspects, and if the suspects are found to abscond abroad, list them as fugitives immediately, and proceed with tracking.
- (II) Actively uncover the whereabouts of fugitives that abscond abroad, coordinate with law enforcement agencies and prosecutorial units in investigation, and collect necessary information to

provide to the related agencies abroad for apprehending fugitives.

- (III) Strengthen cooperation with the “Apprehending Fugitive Economic Criminals Coordinating Task Force”; and coordinate the tasks according to respective responsibilities, in order to enhance the efficiency of tracking fugitives.
- (IV) Establish communication channels with law enforcement agencies in Mainland China, and other countries, as well as a consensus on striking down crimes, and assist in the apprehension of fugitives.

IV. Broadening international cooperation:

- (I) Actively participate in international conferences, strengthen contact and intelligence exchanges with international organizations of similar capacities to jointly combat cross-border crime.
- (II) Based on the “Taiwan-U.S Judiciary Collaboration Agreement”, strengthen the establishment of bilateral judicial assistance with other countries, to strike down economic crimes.
- (III) Continue to host and participate in international training, and establish cooperative relationships with foreign organizations of similar capacities to facilitate exchanges of intelligence and investigation of crimes.
- (IV) Strengthen international exchange,

including the provision of information regarding criminals, report pre-warning intelligence, investigating cross-border criminal cases, apprehending criminals, exchanging investigation skills, and mutual visitation of related personnel.

V. Jointly combating crimes across the strait

- (I) Strengthen existing communication channels, as well as the exchange of intelligence, case investigations, tracking of fugitives in major crime cases, and mutual visitations in a case-by-case manner, in order to gradually establish a model of jointly combating crimes across the strait.
- (II) Actively participate in academic symposiums on jointly combating crimes across the strait, and arrange mutual visitations, in order to establish a consensus and cooperative relationship.
- (III) Through channels, such as international conferences on economic crime prevention and indirect multi-lateral cooperation to gradually establish cooperative mechanisms for jointly combating crimes.
- (IV) Following the progress of the agreement on “jointly combating crimes across the strait” to plan cooperative mechanisms for the law enforcement agencies of both sides, and strengthen the works on striking down crimes.

Part Five

Chronicle



Chronology of major events of 2008

Date	Brief description
2008.01.22	Taichung County Field Office investigated the case of Hsieh X of Shen X Co. suspected of violating the Pharmaceutical Affairs Act by selling drug capsules named “Instant Pain-relieve” and “Inflammation Free”, without approval from competent authorities.
2008.01.23	The agents of the Bureau visited Mr. Ron Macintosh, representative of the Canadian Trade Office in Taipei to exchange opinions on mutual-cooperation, such as apprehending fugitives in economic crimes and signing the agreement on mutual juridical assistance.
2008.01.23 2008.01.25	Sent 10 agents to attend the 6th “Prevention Symposium on Insurance Crime” held by the Insurance Bureau of Financial Supervisory Commission.
2008.01.28	Chiayi City Field Office investigated Guo X of Luo X International Co. suspected of violating the Pharmaceutical Affairs Act; 4.2 million tablets of the false anti-obesity drug “Green Elf” were seized.
2008.01.28	Taipei City Field Office investigated Yang X et al. suspected of violating the Banking Act by engaging in cross-strait underground remittance activities, in the dollar amount of \$ 3,702,051.
2008.01.29	Taipei County Field Office investigated Peng X, of listed company De X Co., suspected of violating the Securities & Exchange Act by falsifying financial reports to show an increased volume of business, loss of \$ 746.98 million and banks fraud on a loan of \$165 million.
2008.01.29	Taipei City Field Office investigated the case of Li X, suspected of violating the Banking Act by engaging in underground remittance and currency trading, between Taiwan and Japan, in the dollar amount of \$1,619.57 million.

Date	Brief description
2008.01.29	Taipei City Field Office investigated the case of Laio X and his son of Hsian X Co., suspected of violating the Banking Act by engaging in cross-strait underground remittance, in the dollar amount of \$113.44 million.
2008.01.29	Taipei City Field Office investigated Huang X et al. of Ya X Co., suspected of violating the Securities & Exchange Act by engaging in insider trading.
2008.02.18	Taipei City Field Office investigated Chang X et al. of Tai X Chung X Co. suspected of committing a breach of trust.
2008.02.19	Investigated economic fugitive, Lin X, fled from Taiwan to the U.S., to return and surrender himself to justice.
2008.02.20	Eastern Mobile Unit investigated the cases of Ting X, Jan X, and Chang X of Chao X Insurance Co., Hsin X Insurance Co., and Ming X Insurance Co., respectively, suspected of violating the Tax Collection Act.
2008.02.21	Sent 5 agents to attend the “2008 Tobacco Identification Training for Central and Local Investigators”, for the northern region, held by the National Treasury Agency of Ministry of Finance.
2008.02.22	Sent an agent attended the “Review and Prospect Meeting on Cooperation and Communication among Relevant Governmental Ministries and Vietnam” held by the Ministry of Foreign Affairs.
2008.02.23	Arrested and extradited economic criminal, Ou X, who had fled from Taiwan to Macau.
2008.02.25	Northern Mobile Unit investigated the case of former managing directors of the Chunghwa X Bank, Wu X et al., suspected of committing a breach of trust.

Date	Brief description
2008.02.26	Taoyuan County Field Office investigated the case of Shen X and Chou X et al. of Mai X International Co., suspected of violating the Banking Act by selling “Swiss Mutual Funds”, without approval of competent authorities, acquiring illegal profits amounting to over \$100 million.
2008.02.26	Taipei City Field Office investigated Chang X and brothers, suspected of violating the Banking Act by selling “Swiss Mutual Funds” without the approval of competent authorities, and acquiring illegal profits amounting to \$734.89 million.
2008.02.26	Taipei City Field Office investigated Hsiao X et al. of Hua X Insurance Co., suspected of violating the Tax Collection Act.
2008.02.26	Taichung City Field Office investigated Huang X of Li X Semiconductor Co., and his accomplices, suspected of engaging in insider trading, which violates the Securities & Exchange Act.
2008.02.28	Arrested and extradited economic criminal, Wang X, who had fled from Taiwan to Mainland China.
2008.03.06	Southern Mobile Unit investigated suspects Huang X et al., suspected of violating the Tax Collection Act by establishing a fictional company to evade paying taxes, amounting to \$1,202.16 million.
2008.03.10	Mr. Kevin Fisfer, Director of Global Institution Safety Agency of Barclays Capital, visited the Bureau on March 10 2008, to exchange opinions on issues of financial crimes, such as cooperation of investigating online banking crimes and frauds.
2008.03.12	Northern Mobile Unit investigated Wen X of Chi X Computer Co., and his accomplices, suspected of violating the Securities & Exchange Act by engaging in insider trading.
2008.03.12	Eastern Mobile Unit et al. investigated Fu X Insurance Co., its chairperson, Shih X, and his accomplices were suspected of violating the Tax Collection Act.

Date	Brief description
2008.03.16 2008.03.21	Sent Agent Lien-Fang Liu, representative of MJIB, to attend the 5th “International Meeting on Asian Organized Crime and Terrorism”, held at the Westin-St Francis Hotel in San Francisco, CA.
2008.03.19	Kaohsiung County Station investigated Su X et al., suspected of counterfeiting NTD and RMB currencies, which violated the Destruction of Currency and Counterfeiting Valuable Securities Acts of Criminal Law. The Bureau detained counterfeiting machines, computers, counterfeit currency, and semi-finished counterfeit currency.
2008.03.25	Northern Mobile Unit investigated Hsiao X of Hsu X Technology Co., and his accomplices, suspected of violating the Securities & Exchange Act by engaging in insider trading.
2008.03.27	Taipei City Field Office investigated Cheng X of Chung X Co., a listed company, suspected of committing a breach of trust.
2008.03.27	Sent 6 agents to attend the seminar on the “Introduction of Regulations Governing Corporation Merger”, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.03.29	Tainan County Field Office investigated Hou X of Hou X Hospital, suspected of fraud of health insurance fees, and assisting patients in insurance fraud.
2008.04.07 2008.04.09	Sent 2 agents to attend the first session of “2008 Training Class for Detaining Criminal Incomes”, held by the Ministry of Justice.
2008.04.08	Northern Mobile Unit investigated Guo X, Chung X Technology Co., of a listed company, suspected of violating the Securities & Exchange Act by falsifying financial reports to exaggerate its business volume to \$14.57 million USD.
2008.04.08	Taipei City Field Office investigated Chao X et al. of Chin X Consulting Co., suspected of involvement in fraud cases.

Date	Brief description
2008.04.10	Mr. Larry Linamen, Dean of the Graduate School of Business at Taylor University, led a delegation of 16 faculty and students to visit the Bureau. They attended a briefing, visited the Anti- Drug Abuse Exhibition Hall, the Technology Center, and the Cadre Training Center, and exchanged opinions on criminal issues and current working conditions in their Bureaus.
2008.04.14 2008.04.16	Sent 8 agents attended the second “2008 Training Class for Detaining Criminal Incomes”, held by the Ministry of Justice.
2008.04.15	Taipei City Field Office investigated Liu X of Taiwan X Network Co., and Yan X of Song X Technology Co., suspected of misappropriating company capital, amounting to \$ 384.56 million.
2008.04.17	Hsinchu City Field Office investigated Chen X of He X Co., suspected of violating the Securities & Exchange Act by misappropriating company capital funds, amounting to \$480 million, and falsifying financial reports to exaggerate an increase of business volume to \$1.15 billion.
2008.04.18	Tainan City Field Office investigated Liu A and Liu B, brother and sister, suspected of violating the Banking Act by engaging in underground remittance in a dollar amount of \$100 million.
2008.04.18	Sent 6 agents to attend the seminar on “Discussions on the Legal System Governing Network Crimes”, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.04.18	Convened the 111th “Inter-agency Meeting on Prevention of Economic Crimes”.
2008.04.19	Taipei City Field Office investigated Wang X et al., suspected of involvement in misappropriation of funds, and frauds, in a dollar amount of \$103.07 million.

Date	Brief description
2008.04.22 2008.04.25	Sent 2 agents to attend the 39th “Seminar on Legal Affairs and cases of Securities and Futures Markets”, held by the Securities and Futures Institute.
2008.04.24	Central Mobile Unit investigated stock market speculators, Chang X and Tsai X, suspected of violating the Securities & Exchange Act by manipulating the stock price of De X Co.
2008.04.29	Taipei City Field Office investigated Gui X, the former Chairman of Yuan X Airline, suspected of committing a breach of trust by depleting corporate capital funds, amounting to \$660 million.
2008.05.01	Northern Mobile Unit investigated Chang X of Hai X Electronics Co., a listed company, and stock market speculator Su X, suspected of violating the Securities & Exchange Act by manipulating the company’s stock price.
2008.05.01	Instigated economic criminal, Lin X, who fled from Taiwan to the U.S., to surrender himself to justice.
2008.05.01	The U.S. Customs and Border Protection assigned officers to assist in extraditing Taiwanese economic criminal, Lin X, to Taiwan. The also visited the Bureau, attended briefings, and visited the Anti-Drug Abuse Exhibition Hall and Technology Center.
2008.05.02	Taipei City Field Office investigated Wang X et al. of Hong X International Co., suspected of violating the Securities & Exchange Act by compiling false financial reports.
2008.05.06	Southern Mobile Unit investigated Chen X et al. of Chi X Technology Co., a listed company, suspected of violating the Securities & Exchange Act by manipulating the company’s stock price.
2008.05.08	Pintung County Field Office investigated Hou X et al., suspected of violating the Food Sanitation Management Act, and committing fraud by slaughtering and selling diseased hogs. 14,080 kg of pork were detained in this case.

Date	Brief description
2008.05.09	Taipei City Field Office investigated Chang X of Wu X Jiu Co., suspected of committing a breach of trust.
2008.05.13 2008.05.16	Sent 2 agents to attend the 40th “Seminar on Legal Affairs and cases of Securities and Futures Markets”, held by the Securities and Futures Institute.
2008.05.15	Sent 7 agents to attend the 2008 “Tobacco Identification Training for Central and Local Investigators” for the northern region, held by the National Treasury Agency, Ministry of Finance.
2008.05.20	The Bureau continually enforced special works in stabilizing the prices of commodities, and commanded field units to actively assist governmental authorities to investigate price-altering cases, such as stocking piling manure and petroleum, in order to drive up the price.
2008.05.20	Compiled and published “The Prevention and Investigation of Economic Crime Yearbook, 2007”.
2008.05.21	Held the 72nd meeting on “Apprehending Fugitive Economic Criminals Coordination Task Force”.
2008.05.23	Sent 9 agents to attend the seminar on the “Theories and Practices of Appeal”, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.05.23	Instigated corruption criminal, You X, fled from Taiwan to Mainland China, to surrender himself to justice.
2008.06.04	Taipei City Field Office investigated Huang X of An X Fu International Assets Management Co., suspected of violating the Securities Investment Trust and Consulting Act.

Date	Brief description
2008.06.04	Taipei City Field Office investigated Liu X of Ju X Asset Management Co., suspected of violating the Securities Investment Trust and Consulting Act by selling funds without the approval of competent authorities.
2008.06.05	Held a symposium on “Investigation and Prevention of Economic Crimes Derived from Corporate Mergers”.
2008.06.05	Taipei County Field Office investigated Yeh X of Fu X Securities Co., suspected of violating the Securities & Exchange Act by establishing branches to run securities affairs, without approval of competent authorities, and reporting false financial data.
2008.06.06	Chiayi County Field Office investigated the Chiou X of Taiwan X Co. Central Office, suspected of forging documents, with the names of clients, to order 347 tons of manure for stock piling.
2008.06.11	Chuanghwa County Field Office investigated Wang X of X Credit Co-operative, suspected of committing a breach of trust by illegally approving loans, leading to a loss of \$121 million.
2008.06.12	Keelung City Field Office investigated Liu X of Keelung Regional Fisherman Association, suspected of fraud of labor pension funds, in a dollar amount of \$15.19 million.
2008.06.18	Tainan County Field Office investigated Li X et al., suspected of committing a fraud by establishing a bogus company, which issued over 87,000 falsified cheques.
2008.06.19	Mr. Jay L. Vankirk, Representative of the U.S. Internal Revenue Service Crime Investigation Hong Kong Office, led a delegation of six to visit the Bureau, and exchanged opinions on economic crimes, such as striking down tax frauds.

Date	Brief description
2008.06.22 2008.06.27	The Director General of the Bureau led a delegation to visit law enforcement agencies in Hong Kong and Macau, including the FBI (Federal Bureau of Investigation), ICE (Immigration and Customs Enforcement), CBP (Customs and Border Protection), DEA (Drug Enforcement Administration), IRS (Internal Revenue Service), USSS (United States Secret Service), RCMP (Royal Canadian Mounted Police), AFP (Australian Federal Police), ICAC (Independent Commission Against Corruption), Hong Kong Police Force of Security Bureau, and Administrative Especial de Macau.
2008.06.23	Chung-Lung Pan, Section Chief of Prevention of Economic Crimes, made a presentation to middle and senior level cadre members and legal secretaries from Vietnam, Thailand, and the Philippines on responsibilities of the Bureau, during the “2008 Training Class of Transnational Crime Investigations”.
2008.06.30 2008.07.04	Sent 5 agents to attend the “2008 Mid-year Financial Examiner Professional Training”, held by the Financial Examination Bureau, Financial Supervisory Commission.
2008.07.01	Taipei County Field Office investigated Tzeng X of Shi X Technology Co., a listed company, suspected of violating the Securities & Exchange Act by fraud and misappropriation of funds.
2008.07.03 2008.07.04	Sent 2 agents to attend the 2nd “Seminar on Tobacco Smuggling Problems and Current Market Situation”, held by the ROC Tobacco Industry Association.
2008.07.10	Taipei City Field Office investigated Wei X, online game gold coins trader, suspected of computer misuse offenses.
2008.07.10	Mr. Tatum King, newly appointed Section Chief of the U.S. Immigration and Customs Enforcement (ICE) Hong Kong Office, and officer Kan-Liang Hwang, visited the Bureau.

Date	Brief description
2008.07.15	Maritime Field Office investigated Chen X et al. of Lan X Technology Co. suspected, of violating the Banking Act by receiving deposits amounting to \$386.35 million, without approval of competent authorities, and raising funds for IPO stocks.
2008.07.21	Northern Mobile Unit investigated Chen X of Ming X Technology, a listed company, suspected of violating the Securities & Exchange Act by manipulating financial information to alter business volume, and engaging in insider trading.
2008.07.25	Sent 5 agents to attend the seminar of “Observation of Credit-derived Financial Product Markets with the Viewpoint from the Secondary Mortgage Storm” in 2007, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.07.30	Changhua County Field Office investigated Yun X et al. of Chang X Steel Co., a listed company, suspected of violating the Securities & Exchange Act.
2008.7.31	In the “Special project on investigating price-altering, stock piling of manure, and petroleum to drive prices up”, 30 cases of petroleum stock piling, and 28 cases of manure stock piling were investigated, with the cooperation of relevant local governments, from May 20 to July 31, 2008.
2008.08.01	Southern Mobile Unit investigated Liu X et al., suspected of violating the Banking Act by engaging in underground remittance, in a dollar amount of \$5,100.19 million.
2008.08.04	Northern Mobile Unit investigated Huang X of Chung X Co., a listed company, suspected of violating the Securities & Exchange Act by manipulating the company’s stock price.

Date	Brief description
2008.08.06	Southern Mobile Unit investigated Cheng X of Sen X Materials Co., a listed company, and stock market speculator, Tan X, suspected of violating the Securities & Exchange Act by manipulating the stock price of Sen X Materials Co.
2008.08.05 2008.08.08	Sent 85 agents to attend the first session of the “Elementary-grade MJIB Financial Professional Courses”, held by the Securities and Futures Institute, upon the commission of the Bureau.
2008.08.08	Taipei City Field Office investigated Wang X of Chung X Fiber Co., suspected of violating the Securities & Exchange Act by manipulating the stock price of Pan X Co.
2008.08.13	Taipei City Field Office investigated Ke X of Ju X Food Co., suspected of violating the Banking Act.
2008.08.14	Kaohsiung City Field Office investigated Ou X of Chuan X Technology Co., suspected of forging documents and misappropriating corporate capital of \$30 million.
2008.08.14	Kaohsiung City Field Office investigated Chang X, the founder of an underground bank, suspected of usury.
2008.08.15	Arrested and extradited economic criminals, Hsiao X, who fled from Taiwan to Vietnam.
2008.08.21	Sent 7 agents to attend the “2008 Tobacco Identification Training for Central and Local Investigators” for the northern region, held by the National Treasury Agency of Ministry of Finance.
2008.08.22	Mr. Eric Garduno, the head of the 7th Delegation of Congressional Legislative Assistant, led a delegation of eight to visit the Bureau. They listened to briefings, visited the Anti-Drug Abuse Exhibition Hall and Technology Center, and exchanged opinions on issues, such as combating economic crimes and protecting intellectual property rights.

Date	Brief description
2008.08.19 2008.08.22	Sent 85 agents to attend the second session of the “Elementary-grade MJIB Financial Professional Courses”, held by the Securities and Futures Institute, upon the commission of the Bureau.
2008.08.28	Southern Mobile Unit investigated Li X, suspected of violating the Trademark Act and Pharmaceutical Affairs Act by selling counterfeit drugs Viagra and Reductil on the website “HAPPY xx”.
2008.08.28	Convened the 112th “Inter-agency Meeting on Prevention of Economic Crimes”.
2008.08.28	Mr. Tatum King, Section Chief of the U.S. Immigration and Customs Enforcement (ICE) Hong Kong Office, led a delegation of five to visit the Bureau, and exchanged opinions on affairs, such as arresting overseas fugitives and protecting intellectual rights.
2008.08.29	Sent 5 agents to attend the seminar on “Accounting Management Principles Based on Stock Share Basis”, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.08.31 2008.09.07	Sent Director of Foreign Affairs Ming Chuang, and Agent of Economic Crime Prevention Division Guo-yi Huang, attended the 26th “Cambridge International Symposium on Economic Crime”, held at the Jesus College, University of Cambridge in England.
2008.09.07	Taipei City Field Office investigated Liao X of Taiwan Hsin X Books Co., suspected of frauds and violating the Business Account Law.
2008.09.10	Taipei City Field Office investigated Bo X of Kai X Co., suspected of misappropriating corporate capital funds, amounting to \$650 million.
2008.09.16	Taipei City Field Office investigated Chen X of Chan X Investment Co., suspected of violating the Banking Act by engaging in cross-strait underground remittance, in a dollar amount of \$700 million.

Date	Brief description
2008.09.22 2008.09.26	Sent 85 agents to attend the first session of the “2008 Professional training on Prevention of Economic Crimes (first stage of intermediate-grade licensure class)”, held by the Bureau.
2008.09.30	The Bureau issued an alert letter to all field offices/stations regarding the flow of tainted milk imported from Sanlu Group, Shijiazhuang in Mainland China. Until the end of September 2008, 7 cases of tainted milk were investigated by local governmental health bureaus, seizing 2,950 kg of cream power from Mainland China, and 132 kg of lactoferrin from New Zealand.
2008.10.07	Mr. Severino H. Gana, Deputy Prosecutor General of the Philippines, visited the Bureau and exchanged opinions on combating economic crimes.
2008.10.13	Taipei City Field Office investigated Liu X of Da X Securities Hsindien Branch, suspected of fraud on this client, amounting to \$510.19 million.
2008.10.15	Southern Mobile Unit investigated Taiwanese businessman Liu X, suspected of violating the Banking Act by engaging in cross-strait underground remittance, in a dollar amount of \$728.62 million.
2008.10.15	Southern Mobile Unit investigated Wang X of Cheng X group, suspected of violating the Banking Act by selling illegal offshore funds, and violating the Criminal Code by misappropriation of funds.
2008.10.16	Northern Mobile Unit investigated Hong, executive vice president. of Yi X Investment Co., suspected of violating the Securities & Exchange Act by manipulating the stock prices of San Gu Co. and Maitakang Co.
2008.10.22 2008.10.24	Sent 82 agents to attend the second session of the “2008 Professional training on Prevention of Economic Crimes (first stage of intermediate-grade licensure class)”, held by the Bureau.

Date	Brief description
2008.10.25	Arrested and extradited economic criminal, Chen X, who fled from Taiwan to Macau.
2008.10.30	Taipei City Field Office investigated stock speculator Lai X, suspected of violating the Securities & Exchange Act by manipulating the stock price of Rong X Co.
2008.11.04	Nantou County Field Office investigated Lin X of Li X International Co., suspected of violating the Securities & Exchange Act by manipulating the stock price of Jin X Co.
2008.11.11	Southern Mobile Unit investigated Hong X of Yung X Biotechnology Co., suspected of violating Tax Collection Act and Business Account Law.
2008.11.07 2008.11.13	Mr. Chuang, the Deputy Director General of the Bureau, led a delegation of agents to attend the 115th International Association of Chiefs of Police Conference (IACP), held in San Diego, CA. They also traveled to Los Angeles to visit representative agencies of the Bureau, and inspected overseas affairs.
2008.11.10	Taipei City Field Office investigated Liu X of Taiwan Ri X Co., suspected of committing fraud.
2008.11.11 2008.11.14	Sent 10 agents to attend the “41st Seminar on Legal Affairs and Cases of Securities and Futures Market”, held by the Securities and Futures Institute.
2008.11.13	Taipei City Field Office investigated Wen X of Bao X International Investment Co., suspected of violating the Securities Investment Trust and Consulting Act.
2008.11.18 2008.11.21	Sent 10 agents to attend the 42nd “Seminar on Legal Affairs and Cases of Securities and Futures Market”, held by the Securities and Futures Institute.

Date	Brief description
2008.11.19 2008.11.21	Sent 7 agents to attend the 7th “Seminar on Prevention of Insurance Crimes”, held by the Insurance Bureau, Financial Supervisory Commission.
2008.11.20	Sent 3 agents to attend the seminar of academic and technical seminar on “Overseas-Accredited Law Enforcement and Transnational Cooperation”, held by the Central Police University.
2008.11.24	Hsinchu City Field Office investigated Yang of Huan X Technology Co., suspected of violating the Commercial Account Law by fraud.
2008.11.25	Sent 5 agents to attend the seminar on “Theories and Practices of Administrative Punishment”, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.11.27	Held a symposium on “Strengthening Investigations on Illegal Criminal Incomes”
2008.11.27	Taichung City Field Office investigated Gan X of Hsin X Co., a listed company, and stock speculator, Chen X, suspected of violating the Securities & Exchange Act by manipulating the company’s stock price.
2008.11.27	Mr. Ahmad Rashin, the Legal Representative of Malaysian Friendship and Trade Center, visited the Bureau and exchanged opinions on combating economic crimes.
2008.12.04	Held the 73rd meeting on “Apprehending Fugitive Economic Criminals Coordination Task Force”.
2008.12.08 2008.12.13	Mr. Chang, the Deputy Director General, led a delegation of agents to visit the Anti-Drug Abuse Commissions and Immigration Bureaus of Vietnam, and the Supreme People’s Court of Laos.
2008.12.09 2008.12.12	Sent 85 agents to attend the third session of the “Elementary-grade MJIB Financial Professional Courses”, held by the Securities and Futures Institute, upon the commission of the Bureau.

Date	Brief description
2008.12.09	Sent 2 agents to attend the “2008 International Symposium on Network Crimes”, held by the Ministry of Justice.
2008.12.11 2008.12.12	Sent an agent to attend the “2008 Meeting on Investigations on Unauthorized and Inferior Tobacco and Liquor”, held by the National Treasury Agency of Ministry of Finance.
2008.12.18	Eastern Mobile Unit investigated Lai X of Di X Insurance Co. suspected of violating Tax Collection Act.
2008.12.22 2008.12.26	Sent 2 agents to attend the “2008 Year-end Financial Examiner Professional Training”, held by the Financial Examination Bureau, Financial Supervisory Commission.
2008.12.25	Sent 5 agents to attend the seminar on “Consumption Dispute Case Study”, held by the Securities and Futures Bureau, Financial Supervisory Commission.
2008.12.25	Convened the 113th “Inter-agency Meeting on Prevention of Economic Crimes”.